


<b>MORE HOMES DIVISION GUIDANCE NOTE</b>		 <b>Scottish Government</b> Riaghaltas na h-Alba gov.scot
<b>To:</b>	<b>All Local Authorities</b>	
<b>Subject:</b>	<b>Guidance on preparing Strategic Housing Investment Plans</b>	<b>Ref No:</b> MHDGN 2021/01
<b>Issued by:</b>	<b>More Homes Division</b>	<b>Pages:</b> 11
		<b>Issued:</b> 30 June 2021

This guidance note contains revised procedures for preparing a Strategic Housing Investment Plan (SHIP).

In 2020, in recognition of the Covid-19 situation and the potential difficulties with preparing a SHIP, local authorities were required to prepare a light SHIP in line with guidance issued by Scottish Government More Homes Division Area Offices. This guidance supersedes that approach and should be read in conjunction with Affordable Housing Supply Programme: Process and procedures MHDGN 2020/02, alongside any subsequent updates to that guidance.

You will find a copy of this guidance note on the **Scottish Government website**.

If you have any queries on the content of this guidance note, please contact your local Scottish Government More Homes Division Area Office.

# STRATEGIC HOUSING INVESTMENT PLANS

## INTRODUCTION

1. The Scottish Government wants everyone to have a safe, high quality home that is affordable and meets their needs in the place they want to be.
2. In March 2021, the Scottish Government published its first long-term housing strategy 'Housing to 2040' which outlines what it wants housing and communities to look and feel like for the people of Scotland, with actions on how to get there.
3. Delivering more homes in great places across Scotland will contribute to the Housing to 2040 Vision and Principles.
4. Under the 'More Homes Scotland' approach, the Scottish Government is increasing the supply of homes across all tenures through a range of measures including:
  - the **Housing and Planning Delivery Framework**, which reinforces the links between planning and housing requirements to support the provision of the right homes in the in the right places to create and sustain thriving communities.
  - the **Affordable Housing Supply Programme (AHSP)**
  - **Rural and Islands Housing Fund**
  - the use of **innovative financing models**
  - making best use of existing homes including bringing **empty homes** back into use
  - Gypsy/Traveller sites and accommodation is also being supported by a new capital funding programme for Gypsy/Traveller sites

Please note that some of the web pages in the links above will be updated.

5. Housing to 2040 reinforces the Scottish Government's commitment to continue to invest in the supply of affordable housing. It sets an ambition to deliver a further 100,000 affordable homes by 2032, with at least 70% of these for social rent, helping to tackle child poverty and homelessness, once the current 50,000 affordable homes target has been delivered. Housing to

2040 puts ambitions for Place at its core, creating not only quality homes but quality places too. It highlights that the Scottish Government will embed the Place Principle in the terms of reference and conditions of sponsored and supporting public bodies, agencies and organisation to ensure a truly collaborative approach to delivering great places.

## **THE ROLE OF A STRATEGIC HOUSING INVESTMENT PLAN**

6. A Strategic Housing Investment Plan (SHIP) is an important document which sets out a local authority's strategic investment priorities for housing over a 5 year period, specifically affordable housing and Gypsy/Traveller accommodation to achieve the priorities and outcomes set out in its local housing strategy. Specifically, it is the key document for identifying:

- Proposed strategic housing projects which require Scottish Government AHSP funding support. It is expected that the majority of homes delivered through the AHSP will be new build units (which could include 'off the shelf' purchases from developers). However, where it can be demonstrated that acquisition of 'second hand' stock for sale on the open market<sup>1</sup> is the most appropriate method of meeting housing need in a particular area, the programme will continue to support this<sup>2</sup>. Funding may also be made available to remodel/ rehabilitate/ convert existing properties where this is considered a strategic priority;
- Proposed affordable housing projects which are to be provided without Scottish Government funding support (i.e. funded by the local authority)

7. The SHIP is therefore an operational rather than policy document and:

- reflects the housing policies and outcomes set out in each local authority's Local Housing Strategy (LHS) and LHS Outcome Action Plan;
- reinforces the role of the local authority as the strategic housing authority;
- informs Scottish Government investment decisions; and
- informs the preparation of a Strategic Local Programme Agreement that sets out the planned programme across the local authority for the year and, where required, Programme Agreements to individual providers setting out their planned programme for the year.

---

<sup>1</sup> This could include the purchase of former local authority housing.

<sup>2</sup> The Scottish Government and the relevant local authority will require to agree the number of such purchases that can be approved each year.

## CONTENT OF THE SHIP

8. The SHIP should contain the following two elements:

**A. A succinct narrative in PDF form, submitted as a supporting document to the SHIP tables in the HARP system, which explains the context to the SHIP including:**

- a statement on alignment with the LHS demonstrating that investment priorities identified in the SHIP are consistent with what the local authority outlined in its LHS (and any subsequent updates) and how the SHIP priorities will contribute to delivery of LHS Outcomes
- a summary of the methodology used to prioritise projects
- details of how the local authority has responded to and resolved development constraints on projects prior to the site start date
- details on how the local authority's own resources and other funding are supporting the delivery of affordable housing in its area
- details of progress towards the delivery of its AHSP across all tenures by completions
- details of targets and delivery of these targets for wheelchair accessible housing within its area (see paragraphs 14 and 15 below)
- statement that strategic housing priorities are aligned and are consistent with Rapid Rehousing Transition Plan priorities (paragraphs 16-19 below refers)
- details of affordable housing projects that are aligned with the Local Child Poverty Action Report for the local authority area (paragraphs 25-27 below refers)
- Details that duties under the Islands (Scotland) Act have been followed by the local authority where appropriate (paragraph 28 below refers)
- details of any empty homes services and actions to bring homes back into use
- details of how Council Tax on Second and Empty Homes has been used to assist affordable housing (paragraphs 29-31 below refers)
- details of how Developer Contributions have been used to assist affordable housing (paragraphs 32-33 below refers)
- the type and level of consultation undertaken with RSLs, communities, developers and other stakeholders in developing the SHIP and how this has helped with the development of strategic investment priorities (paragraph 34 below refers)
- outline of capital works planned on Gypsy/Traveller sites and whether funding has been sought through the new Scottish Government capital funding programme for Gypsy/Traveller accommodation (paragraphs 20-24 below refers)

- an outline of any housing projects where funding has been or will be sought from the [Vacant and Derelict Land Investment Programme](#)

**B. All affordable housing projects submitted electronically on HARP across all tenures identified as priorities and expected to require Scottish Government funding and/or complete over the five year period. This should:**

- include rolling forward existing projects from the previous SHIP where appropriate;
- set out the funding and delivery mechanism including where funds are being sought or provided through other SG programmes; and
- demonstrate that the projects and resources will be realistically delivered over the plan period, highlighting any potential risks.

Local authorities may expand the level of information within their SHIP to meet their individual requirements, or for reporting on wider issues to Committee etc. However, each SHIP – as a minimum – should contain the core information detailed in this guidance.

## **EQUALITIES**

9. Local authorities should ensure that equality is central to all housing and housing services delivery. The SHIP should draw on the findings from the local authority's Equalities Impact Assessment (EQIA) when considering the implications flowing from the translation of strategic aims into housing priorities.

10. Local authorities may also have undertaken an Equalities and Human Rights Impact Assessment, Fairer Scotland Duty Impact Assessment, a Health Inequalities Impact Assessment, and a Child Rights and Wellbeing Impact Assessment – where there are any updates, these should be reflected in the SHIP.

## **STRATEGIC ENVIRONMENTAL ASSESSMENTS**

11. Local authorities will be familiar with the requirements of the Environmental Assessment (Scotland) Act 2005 and, as a 'responsible authority' under that Act, should determine if a Strategic Environmental Assessment is required for the SHIP.

## RESOURCE PLANNING ASSUMPTIONS

12. The Scottish Government will shortly issue future year Resource Planning Assumptions (RPAs) to local authorities and these will also be published on the Scottish Government website.

13. **The Scottish Government would suggest that a minimum slippage factor (i.e. over-programme to accommodate unforeseen slippage) of 25% is built in to any programme planning.**

## WHEELCHAIR ACCESSIBLE HOUSING

14. The Scottish Government published [\*guidance for setting of LHS targets to support the delivery of more wheelchair accessible housing\*](#). The SHIP should include information on:

- what the wheelchair accessible housing target is across all tenures;
- the plans and timescales to achieve the target, including delivery to date;
- the planned investment for wheelchair accessible housing over the period of the SHIP; and
- confirmation that it meets the definition of homes suitable for wheelchair users to live in as set out in Section 3 of the wheelchair accessible housing guidance.

15. Where the local authority does not currently have targets in place to support the delivery of more wheelchair accessible housing the SHIP must include a clear statement of the date that targets will be put in place, including details on the process that will support it. Where targets are not in place, More Homes Division officials will follow up separately with local authorities to ensure that targets are put in place as soon as practicably possible.

## RAPID REHOUSING TRANSITION PLANS

16. With strong rights to housing already in place for people who become homeless in Scotland, it is important that there continues to be a focus on prevention. Ending rough sleeping and homelessness are national priorities for the Scottish Government as part of its drive to create a fairer Scotland.

17. All 32 local authorities submitted their Rapid Rehousing Transition Plan (RRTP) by 31 December 2018. The Scottish Government provided feedback and plans are being implemented across Scotland from April 2019. The RRTPs maximise prevention and set out the approach that each local authority will employ to minimise the time a household remains homeless and ensure that the household can access appropriate suitable accommodation

as soon as possible. Funding totalling £8 million will be allocated to local authorities annually from 2019/20 over three years to 2021/22. An additional £5 million was provided to local authorities for 2020/21 to accelerate actions in their RRTP.

18. RRTPs should be reflected in Local Housing Strategies, and be fully integrated into Health & Social Care Partnership strategic plans. They should also be included in the Housing Contribution Statement to ensure they are part of the planning framework.

19. The SHIP should include a statement that strategic housing priorities are aligned and are consistent with RRTP priorities/outcomes and any subsequent updates to it.

## **GYPSY/TRAVELLERS**

20. The Scottish Government is committed to improving the lives of our Gypsy/Traveller communities. A joint action plan '[Improving the Lives of Gypsy/Travellers 2019-2021](#)' was published by the Scottish Government and COSLA in October 2019. However as a consequence of the COVID-19 pandemic, the Scottish Government and COSLA have agreed to extend the life of the plan to October 2022.

21. Refreshed LHS guidance published in September 2019 re-affirms the requirement for local authorities to engage with Gypsy/Travellers to better understand their accommodation needs.

22. To support the provision of more and better accommodation for the gypsy traveller community, Housing to 2040 includes a commitment for the Scottish Government to make up to £20 million available, over five years, starting in 2021-22. [Information on the fund has been published](#) and it is intended for both site improvements and additional accommodation. It builds on the £2 million of short term funding in 2020-21, and represents a sustained investment to support local authorities to improve and provide more Gypsy/Traveller accommodation.

23. To build understanding, experience and skills in Gypsy/Traveller site development this funding will initially be focussed on a number of demonstration projects that can establish examples of model sites.

24. The SHIP should include an outline of any capital works planned on Gypsy/Traveller sites and whether funding has been sought from the Scottish Government through the process for identifying demonstration projects for the capital funding programme.

## **CHILD POVERTY (SCOTLAND) ACT 2017**

25. The Child Poverty (Scotland) Act 2017 places a duty on local authorities, together with relevant Health Boards, to prepare and publish annual Local Child Poverty Action Reports (LCPAR) setting out what action they have taken to contribute toward reducing child poverty in the reporting year, and what action is planned in future.

26. As set out in 'Every Child, Every Chance', the Scottish Government's Tackling Child Poverty Delivery Plan, access to warm and affordable housing is a key factor in tackling child poverty. The SHIP is expected to draw on wider knowledge and evidence developed locally as part of the LCPAR, helping to enable access to warm and affordable housing for families living on low incomes.

27. The SHIP should consider what progress has been achieved, identify where gaps exist, and align with strategic housing priorities. Where there are any updates, the SHIP should include these. Key progress delivered as a result of the SHIP for low income families should be captured within the relevant LCPAR.

## **ISLANDS (SCOTLAND) ACT 2018**

28. The Islands (Scotland) Act 2018 introduces measures to support and help meet the unique needs of Scotland's islands now and in the future. It also seeks to help create the right environment for sustainable growth and empowered communities. Refreshed LHS guidance sets out that an LHS for a local authority area that includes island communities should ensure that the duties are supported and where there are any updates, these should be reflected in the SHIP.

## **SECOND AND EMPTY HOMES**

29. The Empty Homes Partnership continues to work with local authorities and other organisations to help them develop policies and processes for engaging with private sector empty home owners. The majority of empty homes brought back into use are attributable to dedicated empty homes officers underlining the importance of this resource. The SHIP should provide a summary of any empty homes services that are in place, an overview of the number of homes already returned to productive use and details of any planned actions to help more owners to bring their homes back into use.

30. Where local authorities have used discretionary powers and reduced the empty and second homes tax discounts, the additional revenue raised



must be used to support affordable housing provision in their areas. Since 2013, local authorities have had flexibility to remove the discount entirely and to apply a levy of up to 100% on long-term empty properties. Revenues raised by removing the discount are not ring-fenced although their use to bring long-term empty properties back into use, or to support affordable housing provision, is encouraged.

31. The SHIP should provide an update which details how much second homes council tax the authority has in hand from previous years, how much has been used, and what is left to carry forward into future years. Where the tax has been used to directly provide affordable housing, local authorities should provide details in the text of how many units have been provided (differentiating between those that have and have not contributed towards AHSP projects) and how much tax has been used for this – broken down by financial year. Similarly, where the tax has not been used to directly provide affordable housing, details of what it has been used for should be contained in the text e.g. funding of empty homes officers posts, empty homes loan funding or *larger projects such as the Dumfries and Galloway Town Centre Living Fund*.

## **DEVELOPER CONTRIBUTIONS**

32. A SHIP should capture details on any updates to contributions from developers through Affordable Housing Policies, including planning obligations or conditions which have contributed to affordable housing delivery. They should include details of the scale of land and funding contributions the authority has in hand from previous years, how much has been used, and what is left to carry forward into future years.

33. Where contributions (land or commuted sums) have been used to directly provide affordable housing, local authorities should provide details in the text of how many units have been provided (differentiating between those that have and have not contributed towards AHSP projects), the type of contribution and, where appropriate, the level of commuted sums used by financial year.

## **CONSULTATION AND COLLABORATION**

34. Local authorities should engage with stakeholders including housing, planning, health, social work and other departments, RSLs, communities, developers to help inform the development of the SHIP, engagement with the third sector and people with lived experience should also be encouraged. The SHIP narrative should include information on the level and type of consultation undertaken with all stakeholders and explain how this has helped inform any revision/changes to SHIP priorities.

## **SUBMISSION TO THE SCOTTISH GOVERNMENT**

35. The SHIP should be submitted through the HARP system no later than **Friday 29 October 2021** ('the Submission Date'). Instructions for inputting a SHIP is available within the Help documents on HARP. More Homes Division expects that some SHIPs will be prepared earlier than this date and therefore encourages local authorities to submit these to the Scottish Government earlier than the Submission Date if they are in a position to do so. The Scottish Government expects the SHIP to have secured approval, at the appropriate level within the local authority, prior to the Submission Date.

## **SHIP REVIEW PROCESS**

36. A SHIP will be considered by the Scottish Government in line with the process agreed with COSLA. In reviewing a SHIP, the Scottish Government will take account of the following areas:

- the extent to which the SHIP delivers LHS outcomes
- the extent to which the SHIP is feasible to deliver
- the local authority's contribution to the delivery of the programme, both in terms of its facilitation role and in terms of maximisation of resources
- evidence that the local authority is supporting the efficient delivery of the SHIP
- evidence that stakeholders have been involved in developing the SHIP and in the implementation of proposals, and
- the extent to which the SHIP takes account of equality issues.

## **MONITORING**

37. The Scottish Government expects local authorities to monitor delivery of affordable housing referenced in a SHIP against their LHS outcomes and Local Outcome Improvement Plans to identify how LHS policies are being translated into operational delivery.

## **PUBLICATION**

38. The SHIP should be published on the local authority's web page. A web link to the published SHIP should be provided to the relevant Scottish Government More Homes Division local contact (see paragraph 40 below) and confirmation provided when this has been done.

## FURTHER ADVICE

39. For further advice, support or guidance on the development of the SHIP please contact your local Area Team Manager:

<b>Glasgow &amp; Clyde</b>	Anne-Marie Thomson	<b><u><a href="mailto:Anne-Marie.Thomson@gov.scot">Anne-Marie.Thomson@gov.scot</a></u></b>
<b>Highlands, Islands &amp; Moray</b>	Mairi Ross Grey	<b><u><a href="mailto:Mairi.RossGrey@gov.scot">Mairi.RossGrey@gov.scot</a></u></b>
<b>North &amp; East</b>	Maureen Esplin	<b><u><a href="mailto:Maureen.Esplin@gov.scot">Maureen.Esplin@gov.scot</a></u></b>
<b>South East</b>	Alastair Dee	<b><u><a href="mailto:Alastair.Dee@gov.scot">Alastair.Dee@gov.scot</a></u></b>
<b>South &amp; West</b>	Pauline Gilroy	<b><u><a href="mailto:Pauline.Gilroy@gov.scot">Pauline.Gilroy@gov.scot</a></u></b>