

Local Government and Communities Committee

Strategic Housing Investment Plans

Response from Orkney Islands Council

Dear Mr Doris,

How you decide on the number of specific house type, house sizes and tenures that will be delivered in your area (which may either be detailed in your SHIP or decided at a later date).

The Council utilises local knowledge of the housing market as well as information from the Housing Needs and Demand Assessment (HNDA) and social housing waiting list to determine what to build and where.

The same officer within the Council's Housing Service is responsible for developing the SHIP and co-ordinating Orkney's house build programme with Scottish Government officials and Orkney's sole housing association partner, as well as developing Orkney's HNDA, which includes tracking new build development, demographic and affordability changes and general housing need across Orkney's islands. This proves very useful when developing the SHIP as the background information required from the HNDA and the existing development programme is easily fed into the SHIP.

As Orkney only has one housing association the joint working between the Council and housing association is very good and it is straight forward to co-ordinate developments around both organisations land banks and existing stock locations.

In terms of tenure Orkney doesn't have a significant mid-market rent tenure, as new build social housing and the cheaper elements of the private rented sector are quite similar in terms of cost. The households who would look at mid-market rent as a housing option are the same young households who are interested in low cost home ownership and with a good supply of low cost home ownership options available mid-market rent is not seen as a tenure worth pursuing at this time. However, should interest rates start to rise and mortgage finance once again become harder to find limiting the ability of young households to pursue low cost home ownership, then mid-market rent may be a good option.

Low cost home ownership is proving hugely popular, particularly in the main town Kirkwall, with new build New Supply Shared Equity (NSSE) being delivered by Orkney Housing Association. The housing association also have a large shared ownership stock which is also popular with households that cannot afford a 60% stake in a property. Help to Buy is being delivered by private developers as well and is also proving popular. Open Market Shared Equity (OMSE) is also being looked at by new build developers as a very good option for developing low cost home ownership, particularly after the Scottish Government raised the maximum price benchmarks.

Nearly all low cost home ownership properties in Orkney are developed in Kirkwall, with all of the private sector developed properties developed in the town. With this in mind the SHIP proposed that Orkney Housing Association look to develop NSSE in some of Orkney's other settlements to offer households wanting to live in those areas some low cost home ownership options. The amount of low cost home ownership being developed by Orkney Housing Association in Kirkwall has been restricted in the SHIP because of the interest from the private sector in developing different low cost home ownership options within Kirkwall specifically. This has allowed the housing association to target its available resources towards more social rented housing in Kirkwall.

Low cost home ownership is not currently developed in Orkney's outer islands as there is not thought to be sufficient demand in these areas. The Rural and Islands Housing Funds are giving a much wider tenure option to island areas and the Council is working with nine of Orkney's islands to develop bids to access this funding. Some of the projects being developed may have an element of low cost home ownership in them and all the projects known about are included in the SHIP. House size is determined by information from the social housing waiting list which is shared by the Council and Orkney Housing Association, as well as the current stock profile of the area in question.

The number of properties in total on each site, as well as type and tenure, is discussed by officials from the Council and housing association. The number of properties the site in question can accommodate is key, as is the level of demand in the area. Smaller villages and islands will often only need between 2 and 6 properties to help meet the housing need.

How you monitor and evaluate whether the SHIP, and the projects finally delivered, meets the requirements and needs of the local area and also contribute to the Scottish Government's target of 50,000 affordable homes by 2021.

The SHIP is monitored by Council staff and projects are assessed against expected delivery timeframes. The Council track movement on the social housing waiting list, particularly the number of households with high level priority passes, to ascertain the effectiveness of the social housing build programme delivered through the SHIP. The time spent in temporary accommodation by homeless households has dropped from when the Council started to build again in 2010/11 to 2016/17. The table below outlines the changes in the number of months on average that households spend in temporary accommodation by property size.

Time to permanently rehouse a homeless household (in months)			
Financial year	One bedroom	Two bedroom	Three bedroom
2016 to 2017	4.8	3.0	4.9
2015 to 2016	4.8	2.8	7.8
2014 to 2015	6.8	3.2	2.9
2013 to 2014	8.5	2.5	4.0
2012 to 2013	8.1	3.5	3.6
2011 to 2012	6.7	7.0	5.6

As shown in the table there have been big changes over the period in question and these are mainly linked to the fact that the largest housing developments are undertaken in Kirkwall which is also the location that the vast majority of homeless households want to live in. When a large development is completed a lot of households can be housed quite quickly, which brings the average time down, however, if there is a spike in homeless presentations from households of a certain size which is coupled with a gap between large development completions there can be a spike in the time spent in temporary accommodation figures.

As the development programmes of both the Council and housing association are expected to be significantly smaller over the coming years due to pressures around financial capacity the Council expect the time in temporary accommodation to once again start to rise as the number of social rented property completions falls.

The Council and housing association both have a very strong and positive relationship with the Scottish Government's Better Homes Inverness area office and discussions with Scottish Government officials on the housing development programme take place on a regular basis and this helps with monitoring and ensuring that the programme meets the aims of the Council, housing association and Scottish Government.

With kind regards.

Yours sincerely

Alistair Buchan
Chief Executive