

MORE HOMES DIVISION GUIDANCE NOTE			
To:	All Local Authorities All Registered Social Landlords	 Scottish Government Riaghaltas na h-Alba gov.scot	
Subject:	Guidance for All Local Authorities on Preparing Strategic Housing Investment Plans	Ref	MHDGN 2022/01
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This guidance note contains revised procedures for preparing a Strategic Housing Investment Plan (SHIP).

This guidance 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, energy efficient home that is affordable and meets their needs in the place they want to be.
2. [Housing to 2040](#) sets out the Scottish Government's approach about 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 right places** to create and sustain thriving communities. [Local Housing Strategy guidance](#) underpins the importance of strong alignment between housing and planning authorities and encourages local authorities to demonstrate how they are supporting new and existing neighbourhoods based on Place-Making principles and to promote housing's role in the building of successful and sustainable places.
 - the [Affordable Housing Supply Programme \(AHSP\)](#) and, as part of that, the [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 are being supported by the Gypsy/Traveller Accommodation Fund](#)

3. Housing to 2040 sets out the Scottish Government's ambitions for how it wants the housing and communities of the future to be, with actions on how to achieve that. The strategy shows how integral housing is to the Scottish Government's objectives of tackling poverty and inequality, creating and supporting jobs, meeting energy efficiency and decarbonisation aims as well as delivery of fuel poverty and child poverty targets, and creating connected, cohesive communities. That is why A Fairer, Greener Scotland: Programme for Government 2021-22 commits that 110,000 affordable homes will be delivered across Scotland by 2032, with at least 70% of these in the social rented sector and 10% in remote, rural and island communities.

The Role of a Strategic Housing Investment Plan

4. A Strategic Housing Investment Plan (SHIP) is an important document which sets out local authority strategic investment priorities for housing over a 5 year period, specifically affordable housing and Gypsy/Traveller accommodation, with these strategic investment priorities being aligned with the priorities and outcomes set out in local housing strategies. Specifically, the SHIP is the key document for identifying:

- Proposed strategic affordable housing projects which require Scottish Government Affordable Housing Supply Programme funding support. Local authorities are encouraged to read the upcoming Affordable Housing Supply Programme: Process and procedures guidance note which will include information on the

types of project that can be delivered with Scottish Government AHSP support.

- Proposed affordable housing projects which are to be provided without Scottish Government Affordable Housing Supply Programme funding support (e.g. funded directly by the local authority)
5. The SHIP is therefore an operational rather than policy document and:
- reflects and aligns with 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 and, where required, informs the preparation of Programme Agreements to individual providers setting out their planned programme.

Content of the SHIP

6. The SHIP should contain the following two elements:

A. A succinct narrative in PDF form, submitted as a supporting document to the SHIP table generated 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
- a summary of housing investment priorities in terms of house size, including any identified need for larger family housing (see below) and how the local authority is addressing this including through the targeted purchase of appropriate ‘off the shelf’ properties’.
- a summary of the local authority’s investment priorities for housing in town centres
- A summary of the use of different methods of construction in the delivery of affordable housing priorities locally (see below) and any plans within the local authority area to facilitate and support efficient delivery of projects through collaboration on (a) design/mass customisation and (b) procurement for all construction methods.
- details of specialist provision housing that will be delivered over the period of the SHIP including any particular priorities by size, tenure and type including information on which groups (as set out in Section 10 of Local Housing Strategy guidance) this aims to support. This section should also include a focus on what accessible and adapted housing the Council aims to deliver

- across its area over the period of the SHIP, together with information on the all-tenure wheelchair accessible housing target and what progress the local authority has achieved for the delivery of this
- details of development constraints on projects and details of how the local authority has responded to and resolved these constraints 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
 - statement that strategic housing priorities are aligned and are consistent with [Rapid Rehousing Transition Plan](#) priorities
 - details of affordable housing projects that are aligned with the Local [Child Poverty](#) Action Report for the local authority area, including any need for larger family housing
 - details that duties under the [Islands \(Scotland\) Act](#) have been followed by the local authority where appropriate
 - 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 including support to registered social landlords and communities to bring forward affordable housing.
 - details of how [Developer Contributions](#) have been used to assist affordable housing
 - 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
- an outline of capital works planned on [Gypsy/Traveller](#) sites and whether funding has been sought through the Gypsy/Traveller Accommodation Fund, and
 - an outline of any housing projects where funding has been or will be sought from the [Vacant and Derelict Land Investment Programme](#)
 - details of Housing Infrastructure Fund projects where these are linked to affordable housing delivery

B. All affordable housing projects recorded 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 and be submitted on HARP with appropriate tables in the standard format and for the narrative and tables to be published on the Council website.

Equalities

7. 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.
8. 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

9. 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.

Offsite Construction and Procurement

10. Housing to 2040 set out an ambition to make greater use of offsite construction in the affordable housing supply programme and to develop a more visible pipeline of future offsite development. The SHIP should include details of the use of different methods of construction (e.g. open panel timber frame, closed panel timber frame, modular, not yet determined) in the delivery of affordable housing priorities locally.
11. The SHIP should also include details of any plans within the local authority area to facilitate and support efficient delivery of projects through collaboration on (a) design/mass customisation and (b) procurement for all construction methods.

Resource Planning Assumptions

12. The Scottish Government has allocated [Resource Planning Assumptions](#) (RPAs) for the period 2021/22 to 2025/26 to local authorities and these are published on the [Scottish Government website](#).
13. **A minimum slippage factor (i.e. over-programme to accommodate unforeseen slippage) of 25% should be applied on an annual basis.**

Housing Infrastructure Fund

14. The second round of the [Housing Infrastructure Fund](#) (HIF) was launched in October 2021. Where HIF projects are delivering affordable housing priorities set out in SHIPs, local authorities should provide short summary information on these.

Wheelchair Accessible Housing

15. The published guidance for setting of LHS targets to support the delivery of more wheelchair accessible housing. We are aware from information provided by local authorities that work to develop all-tenure targets is underway in areas to help inform new Local Housing Strategies that are being prepared. A session has been held with Scotland's Housing Network to help support local authorities with the development of their targets. Where a local authority is currently or has yet to develop all-tenure targets, we encourage engagement with local authorities who have set all-tenure targets to discuss the approach that they have taken. The SHIP should include information on:

- what the wheelchair accessible housing target is across all tenures;
- a summary of what has been delivered to date against the target; and
- the planned investment for wheelchair accessible housing over the period of the SHIP.

16. Local authorities will be aware that draft National Planning Framework 4 includes proposals that new homes that improve affordability and choice should be supported including self-provided homes; accessible, adaptable and wheelchair accessible homes amongst others. Where proposals are included in Local Development Plans to include provision of wheelchair accessible housing, local authorities should be aware that these should be backed by evidence of need.

Rapid Rehousing Transition Plans

17. 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.
18. 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 2023/24. An additional £5 million was provided to local authorities for 2020/21 to accelerate actions in their RRTP.
19. 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.
20. Addressing inequalities should be a major aspect of the RRTP, reflecting on the work being done on prevention pathways especially for women and children fleeing domestic abuse. [The](#)

[Scottish Government working group's report](#) includes recommendations.

21. 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, for example it aligns with housing supply priorities set out in the SHIP.

Gypsy/Travellers

22. 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 agreed to extend the life of the plan to October 2022.
23. LHS guidance re-affirms the requirement for local authorities to engage with Gypsy/Travellers to better understand their accommodation needs.
24. To support the provision of more and better accommodation for Gypsy/ Traveller communities, Housing to 2040 includes a commitment for the Scottish Government to make up to £20 million available, over five years, starting in 2021-22 through the [Gypsy/Traveller Accommodation Fund](#). The fund builds on the £2 million of short term funding provided in 2020-21 for immediate improvements to sites, and represents a sustained investment to

support local authorities to improve and provide more Gypsy/Traveller accommodation.

25. The fund is intended for both significant renovation and improvements of standards on existing sites and the building of new sites. To build understanding, experience and skills in Gypsy/Traveller site development the funding will initially be focussed on a number of demonstration projects that can establish examples of model sites. The first demonstration projects were identified through an initial funding round and the fund opened again in April 2022 for proposals for funding for further demonstration projects in 2023-25.

26. 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 Gypsy/Traveller Accommodation Fund.

Child Poverty (Scotland) Act 2017

27. 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.

28. '[Best Start, Bright Futures](#)', the Scottish Government's second Tackling Child Poverty Delivery Plan for the period 2022-2026,

makes clear the vital role that affordable housing plays in tackling child poverty. Housing forms not only the foundation for family life – as a safe place for children to grow and learn, and for families to come together – but it also one of the most of the most significant costs which families must continue to meet on an ongoing basis. If families lose their home the effects can be devastating – and cause lasting damage to children's lives.

29. The Plan retains a strong focus on the [six priority family types](#) at greatest risk of poverty. This includes Black and Minority Ethnic (BME) families who are overrepresented in the private renting sector, households with a disabled family member who may require more accessible homes, and families with three or more children who will require larger homes.

30. *'Best Start, Bright Futures'* notes that *'we will place the prioritisation of tackling child poverty at the heart of the Affordable Housing Supply Programme through further strengthening our housing planning processes to strengthen the focus on housing needs by size and location to ensure that larger family homes are delivered where they are required, including through the targeted purchase of appropriate 'off the shelf' properties'*. On this basis local authorities should ensure that the SHIP reflects any need identified in Local Housing Strategies and any subsequent refresh of these. The SHIP is also 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.

31. 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

32. 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. The 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.

Council Tax Income for Affordable Housing

33. On their annual council tax local financial returns (LFR 12), local authorities should provide separate entries for the income generated from:

- varying or removing the council tax discount on second homes
- varying or removing the council tax discount or increasing the tax due on long-term empty homes

34. This is shown separately for the amount earmarked for affordable housing and the amount that is additional income for councils.

35. The SHIP should set out local authorities' plans for using the revenue earmarked for affordable housing. This should include:

- how many units will be (or have been) provided, by financial year for the last 3 years (including the year for the SHIP)
- how many units will contribute towards AHSP projects (if so, the amount contributed from the tax income, broken down by second homes and long-term empty homes)
- if you have carry forward/ reserves from council tax income for affordable housing, what you propose to do this and when.

Second Homes

36. Linking to your Local Housing Strategy, the SHIP should explain the local authority's investment plans to manage the number of second homes, if this is a cause for concern locally.

Empty Homes

37. At a time of great housing pressure, every home matters. Homes remaining empty are a wasted resource that could be brought back into use as warm safe housing that meets peoples' needs. Local authorities should use the SHIP to set out their investment plans for empty homes services, for example funding empty homes officer posts.

38. The SHIP should provide a summary of existing empty homes services and any local grant/loan funds. Details of any future planned actions to help more owners to bring their homes back

into use should also be set out. Please provide a breakdown of how current services and any future planned actions will be funded, for example, revenue raised from the application of the council tax long-term empty homes surcharge.

39. The SHIP should also set out an overview of the numbers of empty homes brought back into use over the last three financial years detailing for each year:

- the amount and source of funding and routes used (e.g. buy backs)
- the length of time the homes have been empty
- <6 months empty
- 6-12 months empty
- >1-2 years empty
- >2-5 years empty
- >5-10 years empty
- >10 years empty

Developer Contributions

40. 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.

41. 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

42. Local authorities should engage with stakeholders including housing, planning, economic development, 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 and Review Process

43. The SHIP should be submitted through the HARP system no later than **Friday 28 October 2022** ('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 and to be made available in the right format.

44. 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 priorities and outcomes
- the extent to which the SHIP is feasible to deliver
- the SHIP includes all relevant information set out in this guidance
- 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 and Publication

45. 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.

46. 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 45 below) and confirmation provided when this has been done.

Further Advice

47. For further advice, support or guidance on the development of the SHIP please contact your local Area Team Manager. Details are provided below

For Glasgow and Clyde please contact Anne-Marie Thomson at Anne-Marie.Thomson@gov.scot

For Highlands, Islands and Moray please contact Mairi Ross Grey at Mairi.RossGrey@gov.scot

For North and East please contact Maureen Esplin at Maureen.Esplin@gov.scot

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