

Housing Need and Demand Assessment

Mheasadh air Feumalachd is Iarrtas Taigheadais

As Appraised by The Centre for Housing
Market Analysis November 2015

HIGHLAND COUNCIL
HOUSING NEED AND DEMAND ASSESSMENT

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This Housing Need and Demand Assessment has been developed in consultation with the Highland Housing Strategy Group.

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Preface - Key Findings

The Housing Need and Demand Assessment (HNDA) is a technical document that aims to give long run estimates of housing need, and provides an evidence base for both the Local Housing Strategy and Local Development Plans. It is largely analytical and uses quantitative information wherever it is available, supplemented by qualitative information when it is not available, or to give context. The result is that the HNDA is detailed and complex and many readers may not be interested in the level of detail that it contains. This preface therefore presents the key findings in advance of the main text, arranged by Chapter in the main report. These key findings are the headlines that will be particularly important when we draft our Housing Strategy and Local Development Plans.

Housing Market Drivers (Covered in Chapter 2)

LHS and Development Plan	Key Issues Identified in the HNDA
Demographic issues for the local housing market(s)	<ol style="list-style-type: none"> 1. The population of the Highlands has seen continued steady growth. 2. The percentage of households age 65+ tends to be above the national average 3. The percentage of households in the 16-44 age group tends to be below the national average. 4. There are different population profiles across the 10 Highland Housing Market Areas. 5. Highland is dependent on inward migration for population growth. 6. Population and household projections based on all 3 migration scenarios are below the long term trend. 7. Projections based on the last 5 years underestimate the likely level of growth in the next 5 years, as they are based on short term trends during an economic downturn. 8. The Highland Housing Market Partnership has decided to adopt the high migration scenario as the baseline in this HNDA.
Affordability issues for the local housing market(s)	<ol style="list-style-type: none"> 1. The credit crunch had a significant impact on the housing market in Highland, dampening house price inflation and reducing the volume of open market sales. 2. The Help to Buy Scheme helped increase the supply of new homes but it will end in 2016 and developer confidence is falling as a result. 3. There are significant differences in house

	prices / affordability between Housing Market Areas.
Economic issues for the local housing market (s)	<ol style="list-style-type: none"> 1. Highland in general has stronger economic growth than Scotland as a whole although economic output remains below the national average. 2. The employment sector in Highland shows a greater dependency on public sector jobs, with a high dependency on tourist related employment, and a higher proportion of self employed people. 3. Highland has high levels of economic activity but lower incomes than the national average.

Stock Profile, pressures (Covered in Chapter 3)

LHS and Development Plan	Key Issues Identified in the HNDA
Housing quality	<ol style="list-style-type: none"> 1. Overall the condition of the Housing Stock in Highland tends to be better than the national average on key indicators of building conditions and lower than the national average in relation to energy efficiency measures. 2. Highland has a higher proportion of adapted properties in the public sector and a lower proportion of adapted properties in the private sector than Scotland as a whole. 3. There is a concentration of poor housing conditions in the Private Rented Sector. 4. There are challenges for social landlords in meeting the Scottish Housing Quality Standard in relation to energy efficiency due to cost and technical difficulty in off-gas areas.
Housing stock pressures	<ol style="list-style-type: none"> 1. Demand for housing is high and there is a fairly consistent demand by property size across Housing Market Areas with on average 63% of applicant requiring a 1 bedroom property; 23% a 2 bedroom property and 10% a 4 bedroom property. 2. There are variations in social rented stock by house size across Housing Market Areas, with particularly low proportions of 1 bedroom properties in Lochaber and East Ross and a low proportion of 2 bedroom properties in East Ross and Sutherland. 3. Overall housing pressure varies significantly across Housing Market Area, with Nairn and Inverness, and Skye and Lochalsh having the greatest pressure, and Caithness low pressure. 4. There is a mismatch between supply and demand for different property sizes, which varies across Housing Market Area. 5. There is a considerable pressure for 1 bedroom properties, and this is likely to continue given demographic trends. The balance between 1 and 2 bed properties for new builds will be reviewed as part of the LHS.
Size, type, tenure and location of	<ol style="list-style-type: none"> 1. There is a lower proportion of social rented

<p>future social housing supply</p>	<p>housing in Highland than in Scotland as a whole. This contributes to housing pressure across most Housing Market Areas.</p> <ol style="list-style-type: none"> 2. The percentage of private renting has increased slightly over the last 10 years (from 8.4% to 9.9%). 3. There has been a reduction in Right to Buy Sales over the last 10 years, and when Right to Buy is ended in 2016 we will begin to see a real increase in social rented stock 4. There is a higher proportion of pre1919 housing stock across all tenure, and less interwar and post-war properties, reflecting historic population / migration / economic patterns over the 20th Century. 5. There are some significant variations in house size across Housing Market Area, where some, mainly rural, areas have a lower proportion of smaller houses. This is a particular issue in relation to demographic trends towards smaller, single person households and the impact of the under-occupation rules on private and social renters on low incomes who rely on housing benefit / Local Housing Allowance. 6. In the social rented sector there is a predominance of houses rather than flatted property.
<p>Sustaining communities tenure diversification / regeneration</p>	<ol style="list-style-type: none"> 1. There are no major demolitions planned and only limited infill opportunities, but we will continue to work with communities to identify opportunities, particularly in Wick and Muirtown & South Kessock (Inverness). 2. Affordable housing can help make “fragile” communities more sustainable.

Estimated Need and Demand (Covered in Chapter 4)

LHS and Development Plan	Key Issues Identified in the HNDA
Ineffective Stock	<ol style="list-style-type: none"> 1. 8.4% of Highland stock is ineffective (vacant plus second / holiday homes), varying between 3.7% and 19.1% by HMA. This will be taken into account when we calculate housing and land supply targets in our Local Housing Strategy and Local Development Plans.
Existing need	<ol style="list-style-type: none"> 1. We estimate that existing need (backlog) in Highland will require 2,144 stock additions to eradicate.
Future Demographic Scenario	<ol style="list-style-type: none"> 1. Three in house population and household projections, based on the standard NRS projections applied to Highland areas, have been assessed by the CHMA as robust and credible: these are the principal, high migration and low migration scenarios. 2. Our HMP believes that, of the three, the high migration scenario is the closest to the likely future growth of Highland but it suggests a lower rate of household growth than we have seen historically. 3. We will therefore consult in our LHS and LDP on both the high migration scenario (“low”) and an in-house continued growth scenario (“high”). The latter is policy based and not assessed against the HNDA criteria as it is outwith the scope of the Guidance.
Household growth headlines (all high migration scenario and assessed as robust and credible)	<ol style="list-style-type: none"> 1. Over the lifetime of the Local Housing Strategy, 5,062 households will require additional housing. 2. Over the lifetime of the Local Development Plan, 16,171 households will require additional housing. 3. As rules of thumb to help understanding: <ul style="list-style-type: none"> - around half of the new housing requires some degree of subsidy (although this proportion varies between housing market areas) - future private sector housing is projected to be split evenly between ownership and renting.
Owner occupation	<ol style="list-style-type: none"> 1. Over the lifetime of the Local Housing Strategy, 1,124 additional households will become owner occupiers. 2. Over the lifetime of the Local Development Plan, 3,785 additional households will become owner occupiers.
Private rent	<ol style="list-style-type: none"> 1. Over the lifetime of the Local Housing Strategy, 1,129 additional households will become private renters.

	<ol style="list-style-type: none"> 2. Over the lifetime of the Local Development Plan, 3,918 additional households will become private renters.
Below Market Rent	<ol style="list-style-type: none"> 1. Over the lifetime of the Local Housing Strategy, there is potential for 678 households to take up below market rent properties. 2. Over the lifetime of the Local Development Plan, there is potential for 2,357 households to take up below market rent properties.
Social rent	<ol style="list-style-type: none"> 1. Over the lifetime of the Local Housing Strategy, 2,130 additional households will need social rented housing. 2. Over the lifetime of the Local Development Plan, 6,111 additional households will need social rented housing.

HOUSING NEED AND DEMAND ASSESSMENT				
Key Findings Template: Estimate of Additional Future Housing Units mid 2015 to mid 2020 for Local Housing Strategy				
Number of years to clear existing need				
Total households with existing need (net)	2,144	10		
	Principal Projection	High Migration Scenario	Low Migration Scenario	Continued Growth Scenario (not appraised for robust and credible status)
Total future households	3,419	3,989	2,879	5,276
Projection Period				
mid 2015 to mid 2020				
Households (including existing need), at the end of the projection period who can afford:	Principal Projection	High Migration Scenario	Low Migration Scenario	Continued Growth Scenario (not appraised for robust and credible status)
OWNER OCCUPATION	960	1,124	804	1,491
PRIVATE RENT	975	1,129	829	1,494
BELOW MARKET RENT	580	678	486	895
SOCIAL RENT	1,977	2,130	1,832	2,469
Total Additional Future Housing Units	4,492	5,062	3,951	6,349

HOUSING NEED AND DEMAND ASSESSMENT				
Key Findings Template: Estimate of Additional Future Housing Units mid 2015 to mid 2035 for Local Development Plan				
Number of years to clear existing need				
Total households with existing need (net)	2,144	10		
	Principal Projection	High Migration Scenario	Low Migration Scenario	Continued Growth Scenario (not appraised for robust and credible status)
Total future households	10,500	13,918	7,452	19,922
Projection Period				
mid 2015 to mid 2035, final two years extrapolated				
Households (including existing need), at the end of the projection period who can afford:	Principal Projection	High Migration Scenario	Low Migration Scenario	Continued Growth Scenario (not appraised for robust and credible status)
OWNER OCCUPATION	2,924	3,785	2,202	5,390
PRIVATE RENT	3,070	3,918	2,343	5,541
BELOW MARKET RENT	1,810	2,357	1,351	3,350
SOCIAL RENT	5,184	6,111	4,396	7,810
Total Additional Future Housing Units	12,988	16,171	10,292	22,091

Specialist Provision (Covered in Chapter 5)

LHS	Specialist Provision - Key Issues Identified in the HNDA
Accessible and adapted housing	<ol style="list-style-type: none"> 1. There is a relatively high proportion of adapted stock in Highland, particularly in the social rented sector. 2. The lowest proportion of adapted stock is in the private rented sector. 3. There is evidence of the need for accessible / adapted property, with a particular need for ground floor / level access housing. 4. The profile of the housing stock in Highland, where there is a greater proportion of houses / bungalows, provides the opportunity for in-situ solutions. 5. There is relatively good turnover of adapted property in the social rented sector with 46% of needs met through annual turnover. 6. Current needs are being met within current turnover and capacity to carry out adaptations. 7. Given population and demographic projections future needs are likely to require additional provision of new build, adaptations and related care at home / Telecare services.
Wheelchair housing	<ol style="list-style-type: none"> 1. There are significant numbers of people who require wheelchair accessible housing. 2. Need and current provision are currently concentrated in the social rented sector. 3. Demand can currently be met through adaptations and new build, with 64% of needs met through annual turnover of social rented property. 4. Future new build will increasingly include design features that make property easier to adapt to future needs. 5. Most people requiring wheelchair accessible housing are under 60. 6. Long term demographic and health changes are likely to require additional provision of wheelchair accessible housing.
Non-permanent housing e.g. for students, migrant workers, homeless people, refugees, asylum seekers	<ol style="list-style-type: none"> 1. The University of the Highlands and Islands (UHI) is the largest higher education provider within Highland. UHI had 2,963 students in 2013-14 (1,973 FTEs) on flexible study programmes, often distance learning from home. 2. UHI expects student numbers to grow, but the scale

	<p>and pace of change is dependent on Government funding. The focus will continue to be on flexible and distance learning and UHI are building dedicated student accommodation to cope with increased numbers of residential students.</p> <ol style="list-style-type: none"> 3. The nature of the student population is different from the national profile, reflecting the unique nature of UHI with more distance learning and a more mature students resulting in lower numbers of students living in HMO / communal student accommodation. 4. UHI are planning to manage the accommodation needs of increasing student numbers through a programme of new student accommodation. 5. An increase in student numbers could impact on the capacity of the Private Rented Sector. 6. There is an ongoing need to provide temporary accommodation for single homeless people. The number of applications from homeless people is relatively stable, with the greatest concentrations in Inverness, Lochaber and mid- Ross. 7. The Council currently provides accommodation through a framework agreement with accommodation providers, but is moving away from this model and plans to provide 200 additional single person units for use as temporary accommodation through its new build programme. 8. The Council's current policy of limiting the concentration of HMOs may affect supply of suitable shared accommodation to meet the needs of single person households, including students.
<p>Supported Provision e.g. care homes, sheltered housing, hostels and refuges</p>	<ol style="list-style-type: none"> 1. The profile of care home residents is similar to Scotland as a whole but the average age of admission is lower than the national average. 2. Of those in long term care 47% are assessed as requiring long term nursing care, however there are lower proportions of current long term residents with conditions such as mental health, learning difficulties and acquired brain injury where different models of accommodation may be required. 3. Additional specialist housing provision and related care at home services are required in order to prevent unnecessary care home admissions.. 4. There is a relative underprovision of extra care housing. 5. There is a demand for sheltered housing, but it is not always the client's preferred option. 6. There is a need to review whether current models of sheltered housing provision in Highland meets long term needs.

	<ol style="list-style-type: none"> 7. As the older person population increases and there are much higher numbers of people aged 75+ demand for sheltered housing and specialist accommodation models is likely to increase. 8. The number of people requiring residential care is projected to increase 20% by 2020 (64 people per year) and by 109% by 2035 (88 people per year). 9. There is an opportunity to consider the development of specialist accommodation models that would suit some client groups currently in long term care. Developing such models will prevent or delay future admission to care home settings that would otherwise be an inevitable consequence of an aging population. 10. Increasing numbers of people with challenging behaviour at any age, and dementia among the elderly, will require more cluster or multiple occupancy arrangements. 11. There will be an ongoing need to provide both temporary and permanent accommodation for women suffering from domestic abuse. 12. Inevitably there will be insufficient client numbers to sustain area based services for all client groups in all areas, but this does have implications for clients and their families who will often have to move out of their local area to access services.
<p>Residential Care</p>	<ol style="list-style-type: none"> 1. 2015 to 2020: The number of people in residential care is projected to increase from 1,616 to 1,937: an increase of 20%, or 64 people per year. 2. 2015 to 2035: The number of people in residential care is projected to increase from 1,616 to 3,376: an increase of 109%, or 88 people per year. 3. These figures assume current prevalence rates and are likely to be an over estimate if care at home / in the community policies continue to be successful.
<p>Care/ support services for independent living at home</p> <p>e.g. home help, Handyperson, Telecare</p>	<ol style="list-style-type: none"> 1. Telecare provision per 1,000 of population is below the Scottish average, although NHS Highland intends to double provision in the next 3 years (to 2018). 2. Increasing Telecare provision could impact on care home admission and the proportion of people with long term conditions living at home. 3. Increasing Telecare provision depends on suitable housing supply / design. 4. The number of people receiving care at home is projected to increase by 20% by 2020 (70 people per

	<p>year) and by 104% to 2035 (92 people per year).</p> <p>5. The combined effect of an aging population, increased care at home / Telecare provision and a desire to shift the balance of care from care homes to care at home is likely to have significant implications for housing and home based care and support services.</p>
<p>Site provision</p> <p>e.g. sites/ pitches for Gypsy/ Travellers and sites for Travelling Showpeople</p>	<ol style="list-style-type: none"> 1. We estimate the Gypsy/Traveller population in Highland to be around 415 individuals across 130 households. While this is a small proportion of the resident population (0.2%) the 2011 Census indicates that Highland has the third largest Gypsy/Traveller population in Scotland in terms of share of the total population. 2. Gypsy/Traveller accommodation options in Highland include four Council sites providing a total capacity of 47 pitches. Other accommodation options for Gypsy/Travellers in Highland include bricks and mortar housing and roadside encampments. 3. Available data shows an average of 52 unauthorised encampments per annum, with activity peaking during the June to August period. The size of encampments varies widely, but most consist of 3-6 caravans. 4. Gypsy/Traveller encampments take place across most parts of the Highland area, but the largest volume of activity is focused in the Inverness & Inner Moray Firth and Skye areas.
<p>Development Plan</p>	<p>Specialist Provision: Key Issues Identified in the HNDA</p>
<p>Strategic planning for housing for Specialist Provision housing</p> <p>e.g. any additional locational/ spatial considerations.</p>	<ol style="list-style-type: none"> 1. Given the potential for growth at the new Inverness campus, and delays providing dedicated accommodation in the City, there is a possibility of increased pressure on the private rented sector and HMOs. Our HMO policy is to be reviewed as part of our next local Development Plan. 2. There is a large projected increase in the number of older single person households – and therefore in the need for specialist and adapted housing – during the lifespan of our plans. We anticipate a 28.6% increase in single households over 85s (166 households per year to 2020) and 11.5% 65-84 year olds (137 households per year to 2020).

<p>Site provision</p> <p>e.g. sites/ pitches for Gypsy/ Travellers and sites for Travelling Showpeople</p>	<ol style="list-style-type: none"> 1. 50-65 Gypsy/Traveller households are expected to have a need for permanent site accommodation over the 5 year period 2014 - 2019. This is expected to be focused on Inverness and Spean Bridge, but also includes accommodation needs at Newtonmore and Skye. 2. Projected supply at existing Council sites over this period is 65 – 70 pitches which equates to capacity to meet additional demand of around 0 to 20 pitches (0-4 per annum) over this period. This suggests that across the Highland area as a whole current levels of site provision are likely to be sufficient to meet needs. 3. However the balance of need is likely to be quite different at a local level, such that some areas may see more substantial surplus or shortfall in Gypsy/Traveller provision. In particular there is a larger projected surplus in Inverness, and an estimated shortfall of 5-6 places in Skye – where there is currently no Gypsy/Traveller accommodation provision.
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CHAPTER 1: Introduction

1.1 Purpose of Document

1.1.1 This document provides estimates of future housing need and demand in Highland over the 5 years to 2020, based on looking at a range of evidence to inform projections on new household formation and the existing needs experienced by current households.

1.1.2 Specifically this document estimates the additional housing units required through new build and changes to the existing housing stock and provides the evidence base to inform:

- The Council's Local Housing Strategy (LHS), and specifically targets for affordable housing supply to be met through annually updated Strategic Housing Investment Plans.
- The Highland Local Development Plan (LDP), and specifically the Housing Supply Target for overall new build provision.
- The Highland Strategic Commissioning Plan, which involves considering the need for specialist housing provision and related care and support services.
- The Cairngorm National Park Development Plan (CNP), which requires to set out an approach to meeting housing need within the park.

1.1.3 This Assessment has been prepared in accordance with Scottish Government Guidance. A range of information is available on line¹ and includes a Managers Guide (which gives a simple summary of the process), and a Practitioners Guide which gives more detail. For part of the analysis, allocating household growth to housing units by tenure, we have used the Housing Need and Demand Assessment (HNDA) Tool which is also described at this location.

1.2 Evolution of this HNDA

1.2.1 On 24th June we submitted our draft HNDA to the Scottish Government's Centre for Housing Market Analysis (CHMA) for consideration. In summary, their response stated "*.....your HNDA has the potential to be "robust and credible", based on actioning 6 recommendations*". A revised document was submitted which included revisions to meet all six recommendations. The most significant of these was recommendation 2:

"The in-house household projections are based on a number of stock factors. In terms of the HNDA guidance stock should not be factored into housing need estimates. Given this the CHMA recommend one of three options as follows:

Option 1 - The HNDA remains as it is, however, the preferred housing need estimates are not appraised as robust and credible.

Option 2 - The stock elements are removed from the HNDA and, instead, used in the LHS to help derive the Housing Supply Target(s) for Highland.

¹ <http://www.gov.scot/Topics/Built-Environment/Housing/supply-demand/chma/hnda>

This would require an alternative stock neutral housing estimate to be adopted which would require a partial re-write of the report.

Option 3 - The Highland Council are invited to consider this appraisal with their HMP and suggest a mutually agreeable alternative approach”.

1.2.2 Highland’s Housing Market Partnership (HMP) adopted option 2 above and the revised HNDA proposed that the National Records of Scotland (NRS) high migration scenario should be used as the baseline for assessing this HNDA and for preparing our LHS and LDP. The scenario presented in our earlier HNDA remains a useful guide to the level of household growth that might accompany economic growth continuing at the rates we have seen in Highland over the last 20 years, and will be used to help set the housing and land supply targets in our LHS and LDP as described in Section 4.6 below.

1.2.3 The CHMA requested further minor changes to improve the clarity of the document and these were subsequently incorporated.

1.3 Governance

1.3.1 This HNDA has been developed in consultation with the Highland Housing Strategy Group. This is the main partnership / stakeholder group for housing strategy and includes:

- Council Planning, Development and Housing Services
- Registered Social Landlords
- Developers
- Cairngorm National Park
- NHS Highland.

There is no active co-ordinating body for private sector developers in Highland.

1.3.2 A subgroup of the Housing Strategy Group was formed to consider detailed reports on the assessment tool, consider local context and make recommendations on the different scenarios and assumptions.

1.3.3 The Council’s Head of Housing, Head of Planning and Building Control, and Head of Property Partnerships fulfilled the role of Housing Market Partnership providing oversight for the whole process.

1.3.4 A draft of this HNDA was approved by the Council’s Community Services Committee on 4th June 2015 and supported by the Housing Strategy Group at a meeting on 15th June 2015. Minor changes were made to incorporate some suggestions made by the Group.

1.4 Consultation

1.4.1 The Housing Strategy Group was consulted during the production of the Housing Need and Demand Assessment. Following approval of the Draft Submission the document was made available on the Council Website. Feedback from consultation is set out in Table 1-1 below.

Table 1-1 Consultation Feedback and Action

Comment	Received from	Action taken
<p>City Deal and other initiatives are likely to drive economic growth and town centre regeneration and result in an increased demand for housing from younger single people, including students.</p>	<p>Housing Strategy Group</p>	<p>This comment is accepted and the HNDA comments on the likely increase in student numbers.</p> <p>This will be followed up in more detail through the Local Housing Strategy consultation process.</p>
<p>Many older people are likely to require 2 bedroom properties due to health needs.</p>	<p>Housing Strategy Group</p>	<p>The need for additional housing to meet the needs of an aging population is identified in the HNDA.</p> <p>The HNDA reflects the fact that changes to the welfare benefit system are likely to affect the housing mix and proportion of new supply 1 bedroom properties in the social rented sector in future. In Highland 2 bedroom property has traditionally been used to meet excess 1 bedroom need, and this should allow in-situ solutions for many people. The LHS and SHIP process will allow more refined analysis of housing type / mix required at Housing Market Area Level.</p>
<p>Need to consider whether we should develop specific planning policies to require a percentage of new build houses to be wheelchair accessible.</p>	<p>Housing Strategy Group</p>	<p>The HNDA highlights the need for additional wheelchair accessible and other adapted property. Existing Building Standards should ensure better design / adaptability of</p>

		new housing and we will continue to priorities spend of equipment and adaptations where in-situ solutions are feasible.
There may be hidden demand in rural areas.	Housing Strategy Group	We intend to examine evidence from Community Housing Needs Assessments and other local professional opinion, as well as consulting with stakeholders at local level though the LHS consultation period. This will allow us to consider local housing pressures in developing the LHS.
There is a need to emphasise the importance of health and social care policy of shifting the balance of care and the impact this will have on specialist provision.	HNS Highland	A number of amendments were made to the HNDA to reflect comments received from HNS Highland. We are working jointly with NHS Highland on their Adult Services Commissioning Strategy and will use this to inform the Specialist Accommodation section of the LHS.
The outputs present an artificially high housing supply target and have been influenced by desired economic growth rather than population and market trends.	Individual respondent	We have revised the figures in the HNDA based on advice from the CHMA on our use of housing stock issues. We still believe that looking at historic housing completions and the links between economic growth and housing supply are critical to setting realistic housing supply targets in our Local Development

		Plan and Local Housing Strategy. We will fully explain the rationale for any variation between HNDA outputs and housing supply targets adopted following consultation.
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1.5 Quality Control

- 1.5.1 The Council's main mechanisms for quality control are monitoring and triangulation; this means comparing derived information and data with past and current measured data and trends.
- 1.5.2 Chapters 2, 3 and 5 present factual background information drawn from either recognised national sources or collected by the Council or CPP partners as part of national data collection exercises, or locally to national standards wherever they exist. The source of the information used is given below each table, figure and map presented in this document.
- 1.5.3 The Council monitors a number of socio-economic indicators in real time and many are published on our web site². In addition, information such as the SG CHMA data pack giving information on incomes and house prices is processed annually and used in-house to monitor affordability and migration movements (this data provides useful detail at a local level).
- 1.5.4 Chapter 4 gives information on future housing need and demand. The analysis is a step by step process starting with population projections, household projections based on these and finally tenure split using the HNDA Tool provided by the CHMA. Full details of the way in which the Tool has been used are given in Section 4.4.
- 1.5.5 There is no national guidance on population and household projections but the techniques used by NRS are well documented and provide a best practice approach that we follow as far as the available data permits. Fertility and mortality rates for Highland overall are calculated by NRS and then calculated for areas within Highland by NHS Highland on exactly the same basis. Migration figures for areas within Highland are provided by NRS using the same data set that they use for their single Highland projection, and we use their technique when building scenarios of equal adjustments to in and out migration totals. For each scenario, in and out migration figures for each area within Highland are based on constant shares of the Highland total, again a standard technique.

²

http://www.highland.gov.uk/info/695/council_information_performance_and_statistics/575/highland_facts_and_figures

- 1.5.6 The population projection software is the Excel based POPGROUP package that has become the standard used by Councils across the UK, and household projections use Excel workbooks built originally by Norfolk County Council and still used widely (they have the benefit of simplicity compared with the POPGROUP equivalent).
- 1.5.7 In one departure from the NRS approach, migration totals to and from each Highland area are based on the share approach but the age profile within the total is rate based, and varies as the age profile of the native population varies. A rate based approach has been recommended to NRS as best practice and they anticipate using it for their next set of projections.
- 1.5.8 We have identified two potential weaknesses in our approach which arise because the areas for which data is available are not consistent with the HMA geography:
- Data on migration rates is not available for the three HMAs that make up the Ross & Cromarty projection area (East Ross, Mid Ross and West Ross) and the overall population projection is divided using a lookup between data zones and areas, and the proportion by single year of the Ross & Cromarty area population in each data zone (sometimes called a “look down look up” approach). The net result may be a slight over estimate of the future West Ross population, and a slight over bias towards the older age groups, but it is not possible to verify this.
 - The Highland wide future headship rates are used for all eight household projection areas rather than local rates specific to each area. It is technically possible to derive local rates but complex and time consuming. However, applying the Highland rates locally gives a Highland household total that matches the NRS household estimates well: for 2012, headship rates gave 103,706 households and NRS gave 103,256. We consider that the approach we have taken provides data appropriate to the HMA process.
- 1.5.9 Population and household projections are compared with the NRS equivalent, and during the analytical process check sums are used to ensure consistency and random “events” routed through the calculation process to ensure that it is working correctly.

1.6 Defining Highland’s Housing Market Areas

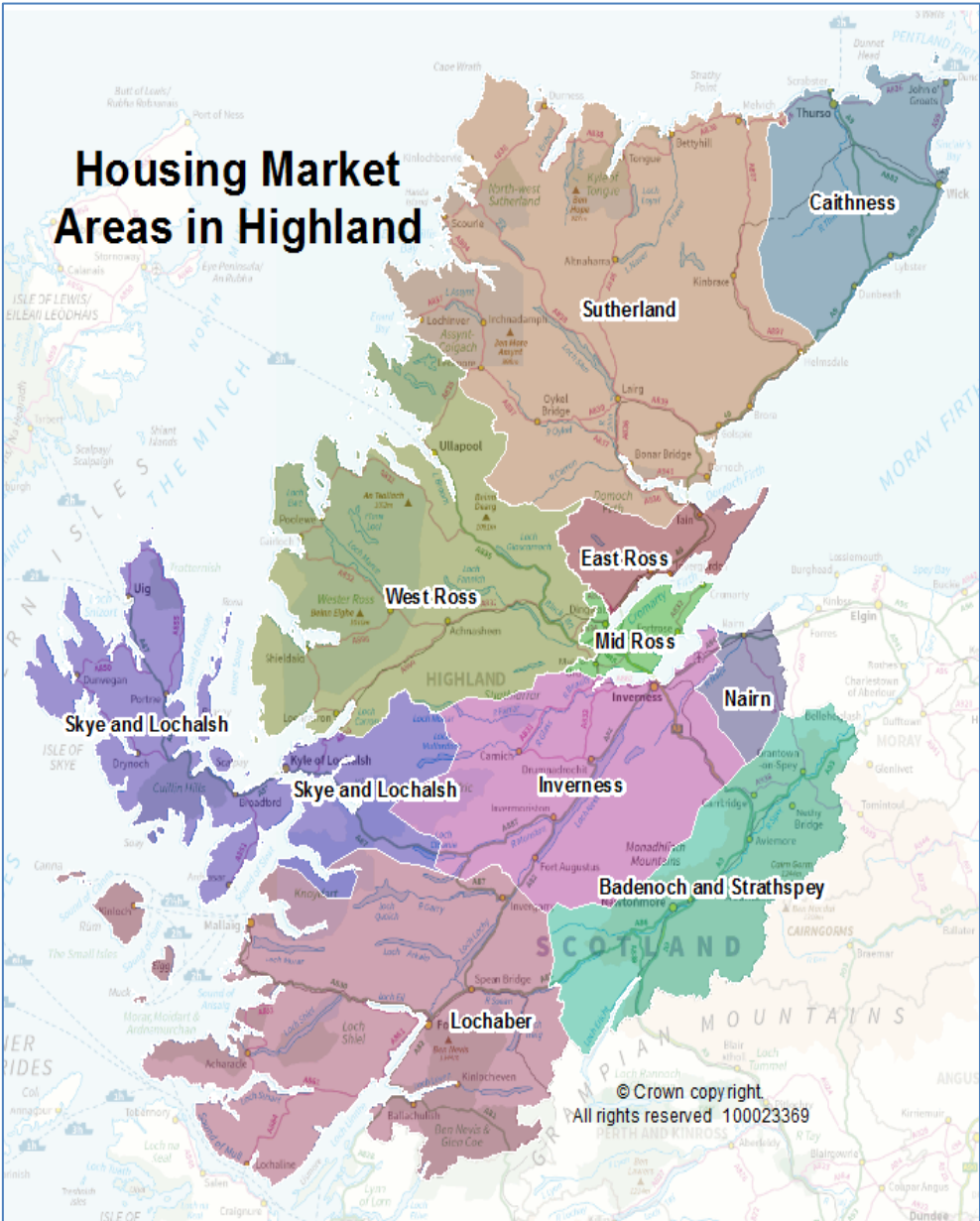
- 1.6.1 Scottish Planning Policy June 2014 sets out the Scottish Government’s policy on the identification of housing requirements, the provision of land for housing and the delivery of homes through the planning system. Within this, the first steps are the identification of functional Housing Market Areas (HMAs).
- 1.6.2 A housing market area (HMA) is a geographical area where the demand for housing is relatively self-contained, i.e. where a large percentage of the people moving house or settling within the area have sought a dwelling only within that area. The Note 1 *HMA Defining Highlands Housing Market Areas* in the accompanying information describes the work done in 2009 to identify our HMAs, with the principles described below.

- 1.6.3 For the purposes of strategic planning for housing it is necessary to undertake an assessment of housing need and demand at housing market area (HMA) level. This will provide, for each HMA an estimate of:
- Households living in housing need
 - Households requiring affordable housing now and in the future
 - Households requiring open market housing now and in the future
 - The shortfall of affordable housing now and in the future.
- 1.6.4 There is no single method for establishing Housing Market Areas and it is recognised that different approaches are required in different areas. Potential approaches include:
- Analysis of the origin and destination of house buyers.
 - Travel to Work Areas, mainly defined using census data.
 - Community boundaries such as Community Council areas.
 - Pre-defined boundaries such as Structure Plan boundaries.
 - Local knowledge, other recognised boundaries such as school catchment areas.
- 1.6.5 The Housing Strategy sub-group and Highland Housing Market Partnership have considered the following factors in relation to setting Housing Market Areas for Highland:
- They should involve a compromise between theoretical appropriateness and practicality in terms of data availability and robustness.
 - They should be at a scale which allows quantitative estimates to be made of current and future economic growth, demographic change and migration, and income estimates, and for housing requirement to be demand, rather than supply, led.
 - The relative difficulty of analysis in rural areas as a result of low market activity; sales to long distance retirees and second home owners; and highly localised demand, particularly for affordable housing.
- 1.6.6 Local Housing Systems Analysis good practice guidance states that rural Housing Market Areas “....may be more easily identified using qualitative or predominately consultative approaches, or primary school catchment areas”.
- 1.6.7 Analysis has been carried out in line with recommended methods to identify Highland’s Housing Market Areas. Analysis of travel to work information from the 2011 Census has shown that:
- 221 people travelled to work from Highland to Argyll & Bute in 2011, with 179 people travelling in the opposite direction; and
 - 1,010 people travelled to work from Highland to Moray, with 1,367 people travelling in the opposite direction.
- 1.6.8 The relatively low numbers and balance between inward and outward flows confirms Highland overall as a self-contained area for analysis.

- 1.6.9 Using the containment approach Housing Market Areas are defined through analysis of house sales 'containment' and flows. Main settlements are examined to identify the wider housing market area they command. This identifies where 10% of sales, in this wider area, are from buyers from the main settlement. Where this analysis is inconclusive, we then explore moves in the opposite direction to determine the extent to which buyers from the surrounding settlements buy housing in the main settlement.
- 1.6.10 Analysis was carried out for all Highland's larger settlements recognised as providing basic services to the surrounding area. This examined house move records for both new build and second hand sales (excluding Right to Buy and company sales) for the 5 years from 2003 to 2007.
- 1.6.11 This analysis identified 12 'containment areas' (i.e. areas covering more than one settlement) over which more than 10% of sales in the area were to people originating from the main settlement. Interestingly, it found that there were few flows between some main settlements which are relatively close in distance e.g. Golspie and Dornoch; Invergordon and Alness and some communities appear to have very low self-containment.
- 1.6.12 The analysis shows that Inverness city has a market area which spreads widely across the larger Inverness area and into Mid-Ross; the Black Isle and Nairn-shire. Flows out to, and back into, the other main settlements in the neighbouring areas e.g. Nairn, Dingwall, Alness and Invergordon are less strong.
- 1.6.13 Moves to Inverness from buyers originating in these settlements are between 11% and 19% indicating that there are some links. Given the importance of the job market in Inverness city, it is likely that moves are indicative of changing work patterns rather than aspirational buyer search patterns.
- 1.6.14 Analysis of sales records, by progressively lowering the upper limit of sales prices considered, shows that as the price falls buyers move from progressively more localised locations.
- 1.6.15 This analysis indicates that the Inverness city region should not automatically encompass its neighbouring settlements into one large housing market area. Rather it indicates that there is value in considering them as separate market areas. Nonetheless the links do indicate that there is, to a limited extent, a housing market area encompassing Mid Ross, Black Isle and Nairn-shire. For Housing Need and Demand Assessment purposes, this will be referred to as the Inner Moray Firth area.
- 1.6.16 This confirms earlier research which considered there to be an Inverness Housing Market Area which centred on Inverness and extended to Fort Augustus to the south; Nairn to the east; Achnasheen to the west; Cromarty and Dingwall to the north but didn't extend to Alness, Invergordon and Tain.

- 1.6.17 The results confirm that there are problems in defining Housing Market Areas in rural areas which have a number of small but locally important population centres separated by relatively large distances and difficult travel conditions. It is not possible to identify housing market areas covering the whole of Highland. As some areas have very low numbers of sales it is not possible to identify whether they have links with any of the neighbouring communities.
- 1.6.18 Using settlement zones (natural communities in Highland made up of population centres and their immediate hinterland – shown on affordability Map 2-2 later in this document) or their aggregations to make up Housing Market Areas across Highland is also problematic as they are too small for population projections. As however there are clearly indications of house search / purchase areas extending outwith main settlements in some parts of Highland, this approach provides useful detail of component markets within areas.
- 1.6.19 The information used to define our HMAs as described above has been kept under review since the original 2009 work.
- Detailed travel to work information from the 2011 Census was published in early 2015, although at the time of preparing this Assessment formal travel to work areas have not been updated by the Office of National Statistics. Rounding of the 2001 results at a basic level to protect confidentiality makes direct comparison with the 2011 results difficult, but the analysis of travel patterns to major settlements in Highland suggests that there have been no significant changes to commuting patterns.
 - Annual review of the origin and destination of house buyers in the Scottish Government Data Pack shows that there have been no discernible changes in the patterns.
- 1.6.20 Taking all of these factors into account, and following consultation with the Housing Strategy Group, the Highland Housing Market Partnership considers the Housing Market Areas as shown in Map 1-1 below as the best fit for planning and strategic purposes. These are consistent with previous planning documents.

Map 1-1 Housing Market Areas in Highland



Source: Highland Council in-house analysis

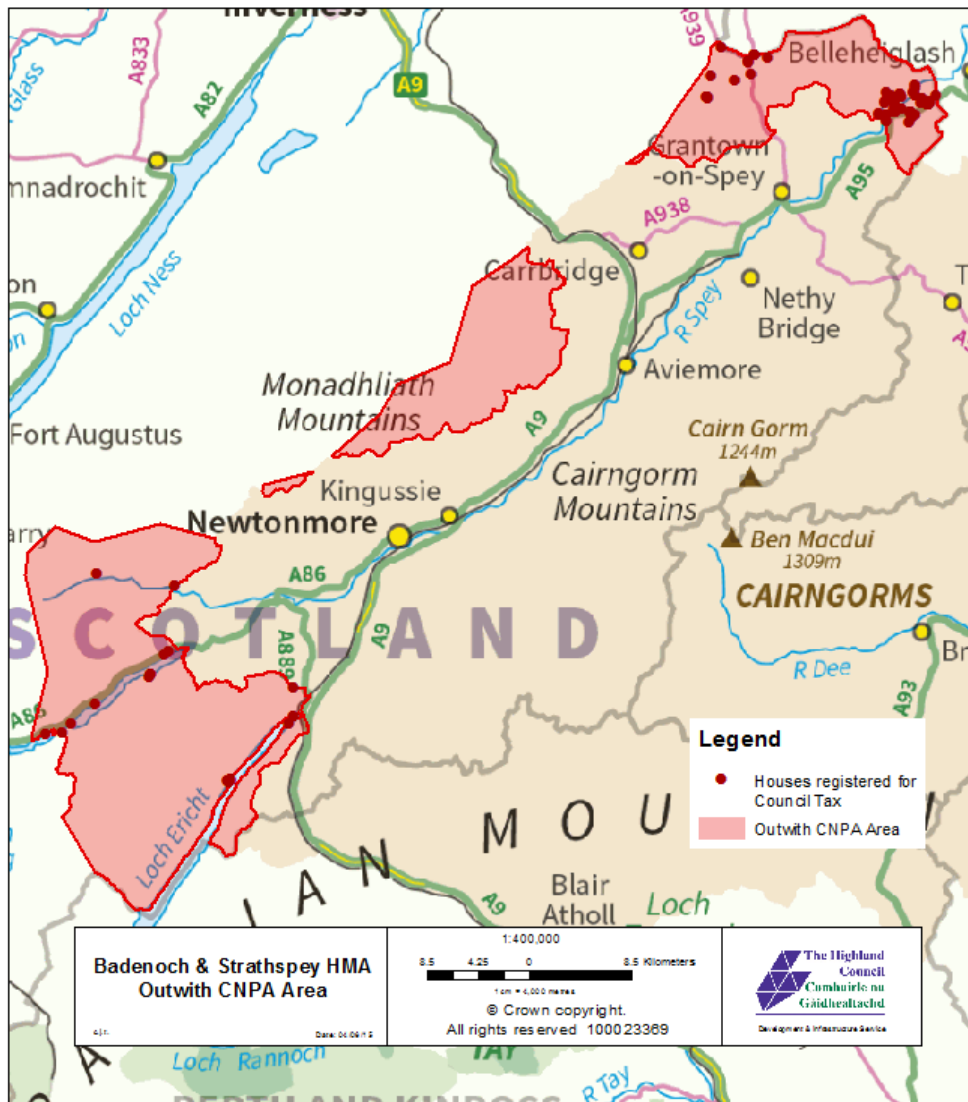
1.7 Relationship between the Cairngorm National Park and the Badenoch & Strathspey Housing Market Area

1.7.1 Map 1-2 below shows (pink) the small parts of the Badenoch & Strathspey HMA that lie out with the National Park area. They comprise:

- The area around Advie in the North, area 153 sq kms, containing 153 houses registered on our Council Tax database.
- Two areas in the Monadhliath Mountains, combined area 132 sq kms, with no houses; and
- The area around Laggan in the south, area 417 sq kms, containing 20 houses.

97.6% of the housing stock in the HMA lies within the Park area and for most long term planning purposes the two can be considered to be equivalent.

Map 1-2 Parts of the Badenoch & Strathspey HMA that lie outwith the Cairngorm National Park



CHAPTER 2: Key Housing Market Drivers

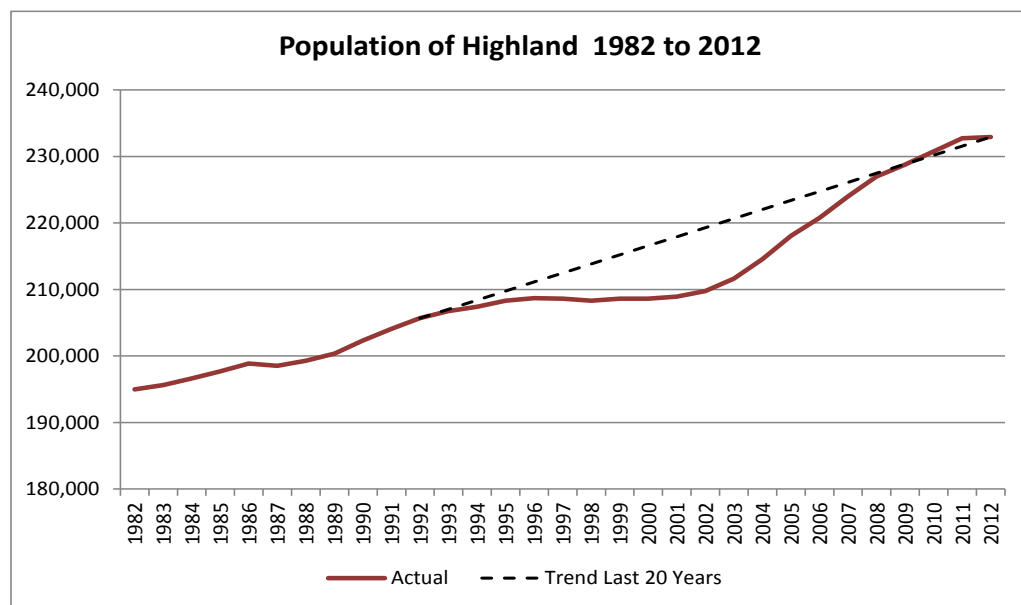
2.1 Summary

2.1.1 This chapter provides information on the key demographic and economic trends affecting local housing markets in Highland. These issues have been identified through analysis of the data input to the Housing Need and Demand Assessment Tool. More detailed supporting information is available and is referenced in the Appendix. The outputs from this chapter help us understand the types of housing need and demand we are likely to face in future across housing market areas. This will inform the setting of Housing Supply Targets within the Local Housing Strategy and Highland Development Plan, and future prioritisation of investment and service development.

2.2 Recent Demographic trends

2.2.1 The population of Highland has risen steadily since the mid-twentieth Century, growing from 192,000 in 1981 to 232,910 in 2012. In line with the rest of Scotland this period has seen an ageing population with the percentage aged 16 to 44 falling from 40% in 1981 to 33% in 2011, and the percentage aged 65 and over rising from 14% in 1981 to 19% in 2011. Figure 2-1 below shows the actual population growth since 1982, showing also the general trend in population growth.

Figure 2-1 Population of Highland 1982 to 2012



Source: National Records of Scotland Mid Year Estimates

2.2.2 There are variations in population trends between Housing Market Areas in Highland, illustrated in Table 2-1 below. This shows that the population of Highland increased by 13.9% between 1991 and 2011 (census figures) but with a wide range of local variation; with Inverness, Badenoch and Strathspey and Nairn growing by around a quarter but marginal decline in Caithness.

Table 2-1 Population Change by Housing Market Area

	1991	2011	% Change
Badenoch & Strathspey	11,028	13,588	23.2
Caithness	26,735	26,486	-0.9
East Ross	20,797	21,810	4.9
Inverness	62,257	78,419	26.0
Lochaber	19,203	19,987	4.1
Mid Ross	19,520	22,939	17.5
Nairn	10,594	13,017	22.9
Skye & Lochalsh	11,779	12,886	9.4
Sutherland	13,548	13,844	2.2
West Ross	8,403	9,156	9.0
Highland	203,864	232,132	13.9

Source:1991 and 2011 Censuses

2.2.3 The changes in the age profile between 1991 and 2011 are summarised in Table 2-2 and Table 2-3 below.

Table 2-2 Population by Age 1991

1991	0 to 14	15 to 44	45 to 64	65 to 74	75 plus	All Ages (100%)
Badenoch & Strathspey	17.7	41.8	23.5	9.9	7.1	11,028
Caithness	20.7	42.0	23.4	8.3	5.6	26,735
East Ross	23.2	44.3	20.5	7.0	5.0	20,797
Inverness	19.4	45.1	21.6	7.9	6.1	62,257
Lochaber	20.2	43.4	22.9	7.5	6.0	19,203
Mid Ross	21.2	41.6	22.7	8.4	6.0	19,520
Nairn	19.8	40.9	22.4	9.3	7.7	10,594
Skye & Lochalsh	20.0	40.3	21.7	9.1	8.8	11,779
Sutherland	18.4	37.0	25.3	10.9	8.4	13,548
West Ross	19.8	38.8	24.2	9.9	7.3	8,403
Highland	20.1	42.6	22.4	8.4	6.4	203,864

Table 2-3 Population by Age 2011

2011	0 to 14	15 to 44	45 to 64	65 to 74	75 plus	All ages (100%)
Badenoch & Strathspey	16.0	34.4	30.3	10.7	8.6	13,588
Caithness	15.9	34.5	30.1	11.0	8.5	26,486
East Ross	18.3	34.9	29.0	10.5	7.2	21,810
Inverness	17.1	39.1	27.8	8.5	7.4	78,419
Lochaber	17.5	34.1	30.3	10.3	7.8	19,987
Mid Ross	16.3	32.8	31.5	10.7	8.7	22,939
Nairn	16.8	32.4	29.7	11.2	9.9	13,017
Skye & Lochalsh	15.7	29.9	34.9	11.1	8.4	12,886
Sutherland	14.0	27.6	33.3	13.8	11.3	13,844
West Ross	15.1	28.6	33.5	12.8	10.0	9,156
Highland	16.6	34.9	30.0	10.3	8.3	232,132

Source: 2011 Census

- 2.2.4 This shows, for example, that in 2011 Sutherland had the lowest proportion in the under-45 age group (41.7%) and Inverness the highest (56.2%), with the most noticeable falls over the period in the proportion of under-45s in Skye & Lochalsh and West Ross.
- 2.2.5 Although the population is ageing, the main feature over the last 20 years has been movement from the 15 to 44 age group to the 45 to 64 age group, with relatively little impact on the need for specialist housing as health deteriorates. However, the “baby boom” generation born in the late 1940s and 1950s is moving into retirement age and we expect to see the beginning of a step change in the mid-2020s as this generation moves through their 70s, and the need for care and perhaps specialist housing increases.
- 2.2.6 The 16 to 44 age group is considered to be particularly important for our future population as this is the child bearing age group, and also where most of the family formation and initial demand for housing takes place. There is a significant variation between our “youngest” Housing Market Area of Inverness where 38% of population are aged between 16 and 45 and the “oldest” Housing Market Areas of Skye and Lochalsh, Sutherland and West Ross where between 26% and 28% are in this age group. One notable feature of Highland life is the drift of young people away from rural areas to find improved job prospects, often in Inverness or the wider Inner Moray Firth area, or to further and higher education. This means that the percentage of the population in the 16 to 20 age group tends to be below the Scotland average.
- 2.2.7 The gender balance in Highland tends to mirror national trends of slightly more women than men (51.0% women in Highland, Scotland 51.5%) with some local variation. The age and gender profiles of migrants to and from Highland areas show that young women aged 15 to 19 are more likely to leave Highland, probably linked to the gender balance in higher education, and to move into Highland in their 20s.

2.2.8 The net result is that the population base in Inverness is more sustainable with a relatively consistent demand for housing through time whereas in the older areas population growth will slow and even decline locally, with a fall in the demand for housing and a marked increase in housing for the elderly.

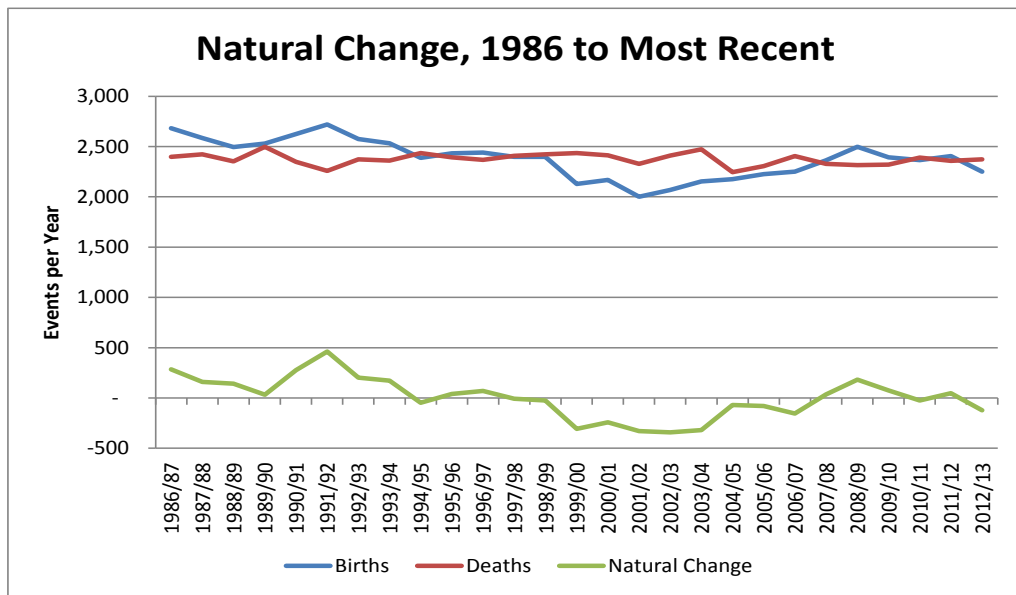
2.3 Minority Ethnic Population

2.3.1 There are a lower proportion of people from minority ethnic backgrounds in Highland (1.4%) compared to Scotland as a whole (4%), with the proportions of people for Asian, Chinese and African ethnic origin particularly underrepresented. Proportions of people from different ethnic origins are similar across all Highland Housing Market Areas with the exception of people identifying as Polish where the proportions of households are significantly higher in Badenoch and Strathspey and Inverness (2.4%) compared to 1.5% in Highland as a whole and 1.2% in Scotland (all figures 2011 census).

2.4 Components of Population Change

2.4.1 The number of deaths per year has been broadly stable at around 2,400 per year since 1986. The birth rate fell until the mid-2000s before increasing and then stabilising between 2006 and 2012. There were some 200 to 300 more births than deaths each year at the start of the period but the balance narrowed, leading to more deaths than births per year for much of the late 90s and early 2000s. There are currently slightly more deaths than births per year but the gap is expected to widen with around 700 more deaths than births projected for 2036/37 as the Highland “baby boom” generation enter their 70s and 80s. Trends are show in Figure 2-2 (below).

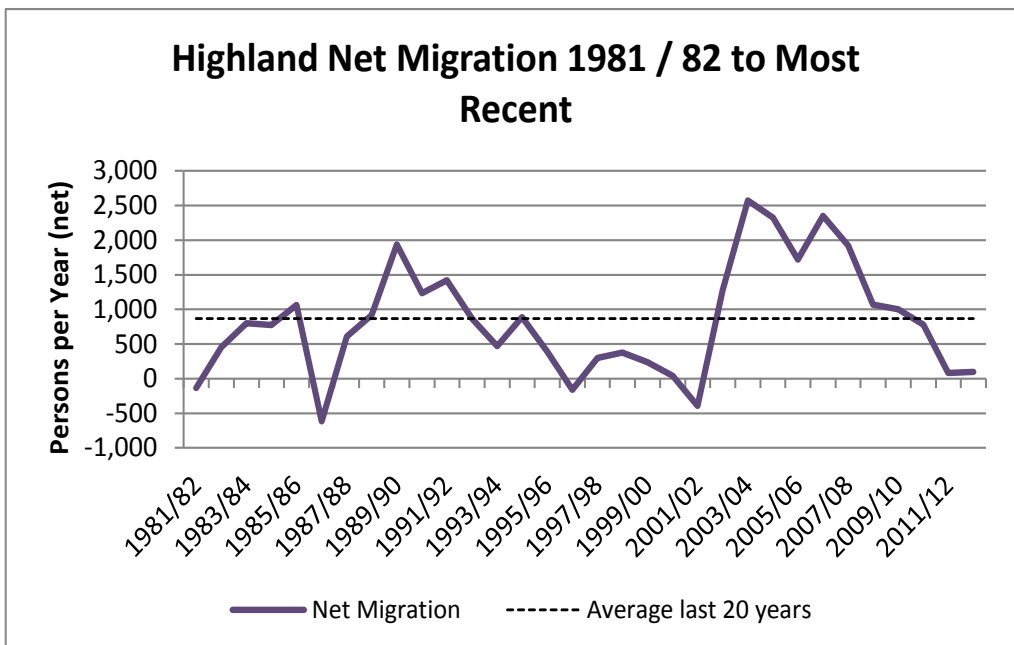
Figure 2-2 Births, Deaths and Net Natural Change 1986 to Most Recent



Source: National Records of Scotland Vital Events Tables

2.4.2 Highland is therefore dependent on inward migration for population growth, and without positive inward migration we will see the population begin to decline at an increasing rate. Figure 2-3 (below) shows that net migration tends to be cyclical, loosely tied to wider economic profiles, averaging 870 per year over the last 20 years.

Figure 2-3 Net Migration, 1981 to Most Recent



Source: National Records of Scotland Components of Population Change

2.5 Future Demographic Scenarios

2.5.1 A key feature of the population and household projections produced by National Records of Scotland is that they are based on the continuation of recent trends and, for the key parameter of migration, they are based on the average of the five years prior to the projection base year. For the 2012 projections this is the period mid-2007 to mid-2012 which spans the credit crunch and recession. These economic factors had a significant impact on migration to and from Highland during the period. The net result is that the three migration scenarios used by National Records of Scotland are lower than their equivalents in previous projections. Table 2-4 below shows how the assumptions used by NRS have changed through time and shows considerable volatility. Most notably the 2002 projection, based on net inward migration of 100 people per year, projected slight population decline during the next decade, a period that saw the population in Highland grow by around 20,000 people. Our 2010 HNDA was based on the 2006 high scenario of +1,650.

Table 2-4 Migration Assumptions Used in Previous Population Projections

Base Year of Projections	Low	Principal	High
2012	350	700	1,100
2010	1,000	1,400	1,800
2008	1,350	1,650	2,200
2006	700	1,200	1,650
2004	-	700	-
2002	-	100	-
2000	-	100	-

Source: National Records of Scotland Population Projections

2.5.2 Table 2-5 gives the historic rates of net inward migration for comparison with Table 2-4 above. The 2012 based principal figure of +700 per year is lower than all three averages and likely to underestimate the growth of Highland given our generally positive economic outlook (described in 2.9 below). The Council therefore believes that, of the three NRS scenarios, the high migration scenario is the most appropriate for use as a baseline for long term planning.

Table 2-5 Historic Net Migration to Highland

Historic Averages to 2012	Net Inward Migration (People per Year)
last 5 years	971
last 10 years	1,392
last 20 years	867

2.5.3 The high migration scenario net inward migration figures are given in Table 2-6 (below) for each area in Highland. These figures are based on recent migration patterns, modified slightly taking into account economic growth at Nigg and Invergordon (East Ross) and Nairn. The figures also assume that Inverness will continue to be the main growth area in Highland, and that growth in the renewables sector in Caithness will balance the loss of jobs as Dounreay is decommissioned.

2.5.4 A full suite of population and household projections has been prepared using these migration rates, and the resulting number of households by HMA and year has been used as input to the HNDA Tool to give the need and requirement, summarised in the key finding tables at the head of this note and in Section 4.4 on.

Table 2-6 Net Migration Figures for Highland Areas, High Migration Scenario

Housing Market Area	Net Inward Migration People per Year
Badenoch and Strathspey	100
Caithness	5
Inverness	460
Lochaber	70
Nairn	90
Ross & Cromarty	240
Skye & Lochalsh	65
Sutherland	70
Highland	1,100

Source: Highland Council Analysis based on national Records of Scotland Average Annual Migration to Highland Areas 2007 to 2012

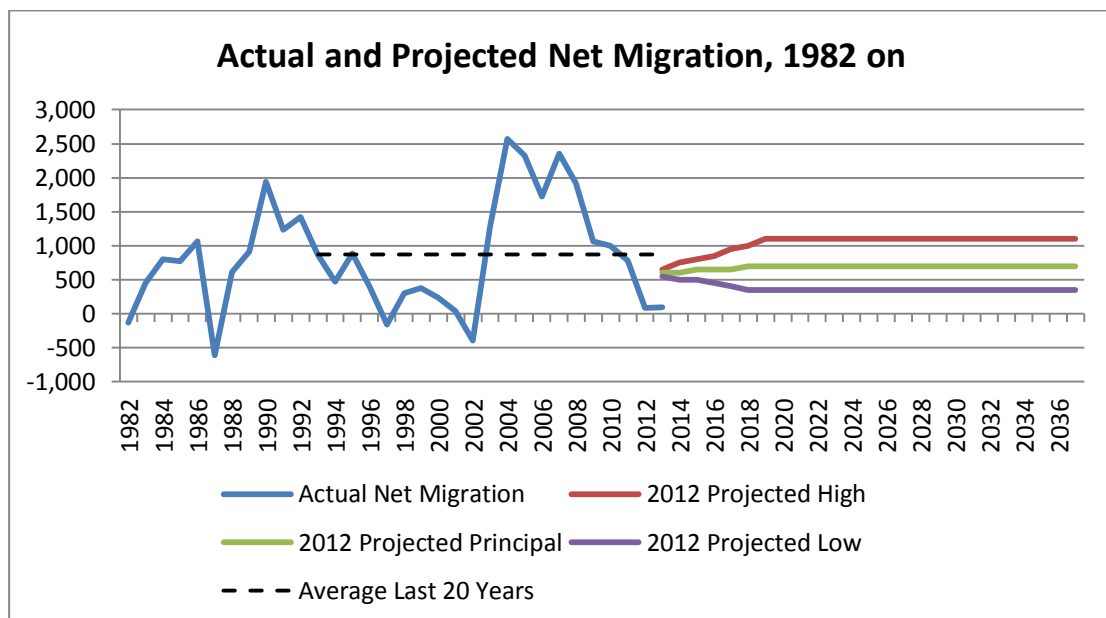
2.5.5 Section 1.2 above describes the evolution of this HNDA and reflects discussions within our HMP about the level of housebuilding that is necessary to maintain economic growth in Highland. The high migration scenario results in a rate of household growth that is below the long term historic average (see Figure 2-5 below) and the HMP has prepared a set of population and household projections together with need and requirement figures that we believe are necessary to maintain growth, and the resulting housing figures are presented in Section 4.6 below. They will be used to inform our LHS and LDP - as outlined in the Preface and Section 1.53 of the HNDA Guidance - and are outside the remit of the HNDA process.

2.6 Population Projections

2.6.1 Population projections are the starting point for estimating future changes in the number of households, and therefore the number of housing units that will be required. This is then allocated to tenure using the HNDA Tool provided by the Centre for Housing Market Analysis and described in outline below. As a minimum, three projection scenarios are required (principal, high migration and low migration) based on the three scenarios developed by National Records of Scotland in their 2012 based projections.

2.6.2 We have built these three scenarios for each of our 10 Housing Market Areas using local fertility and mortality rates supplied by NHS Highland and local migration data supplied by National Records of Scotland. In each case the local data is consistent with the Highland aggregated totals used by National Records of Scotland for their Highland projection. Figure 2-4 (below) shows that the Highland total migration assumption used in the principal projection of +700 long term is below the 20 year average of 870 (and well below the 10 year average of 1,390) and the high migration assumption is +1,100.

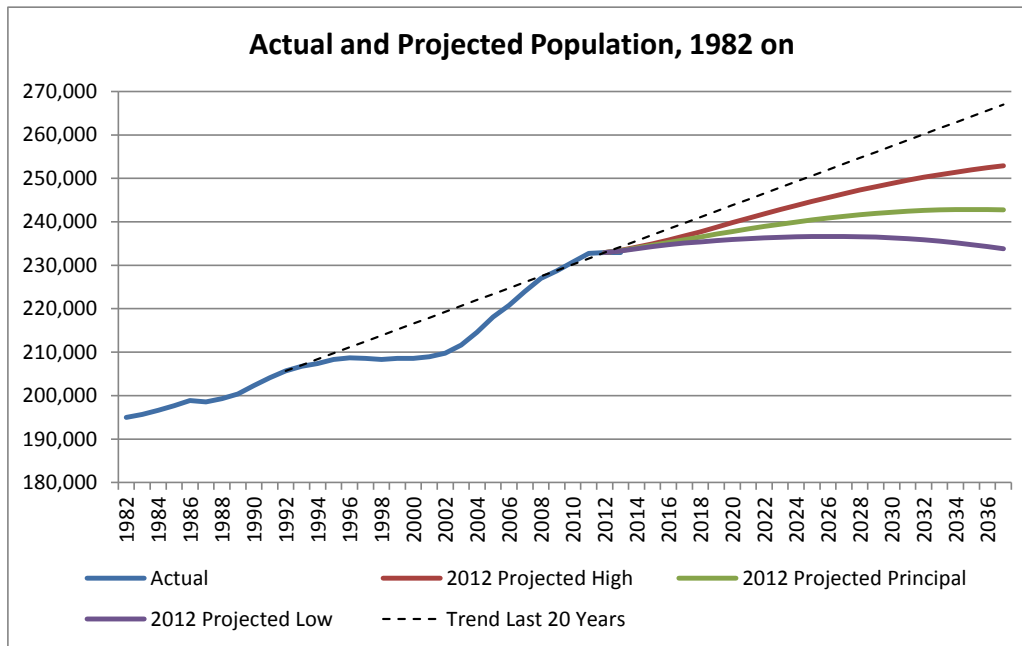
Figure 2-4 Actual and Projected Net Migration, 1982 on



Source: National Records of Scotland Components of Population Change and 2012 Population Projections for Areas

2.6.3 The projections resulting from the three migration scenarios are given in Figure 2-5 (below), which shows that all 2012 projections are significantly lower than the long term trend: the 2012 high migration scenario suggests a population increase of 17,000 between 2015 and 2035 which compares with an increase of 27,240 if long term trends continue.

Figure 2-5 Actual and Projected Population, 1982 on

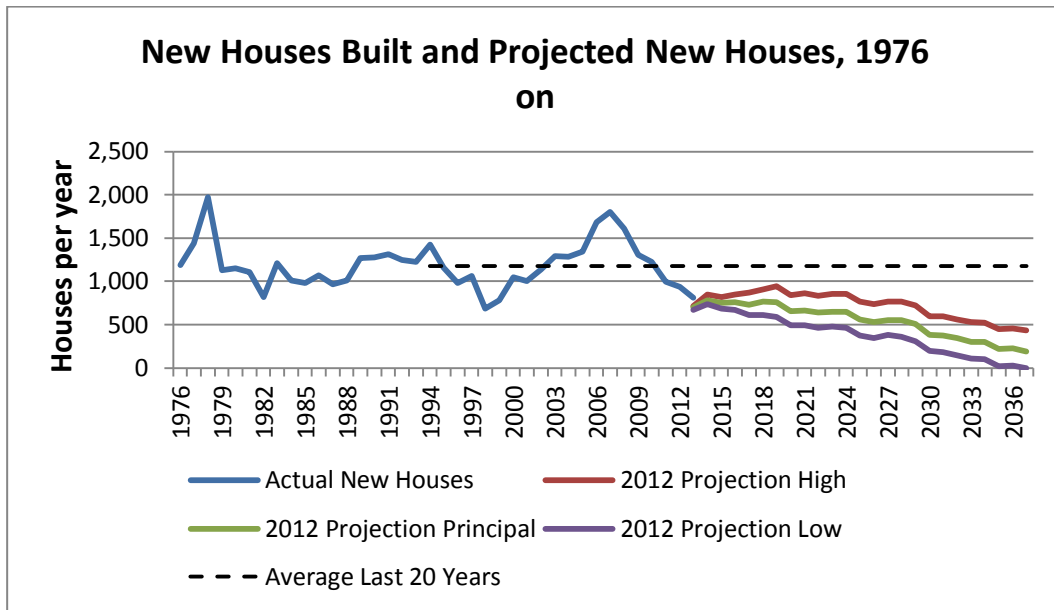


Source: National Records of Scotland Mid Year Estimates and Highland Council 2012 Based Population Projections

2.7 Household Projections

2.7.1 Household projections are built on population projections and use the concept of *headship rates* which use Census information to establish the household “head”, and the proportion of people who head particular household groups within Council areas is projected through time based on historic trends. We have built three household projections based on the population projections, using the 2012 National Records of Scotland headship rates, with the results summarised in Figure 2-6 below (note that the number of new houses includes an allowance for ineffective stock to make the figures comparable). The new headship rates, in combination with lower population projections, mean that based on the Housing Need and Demand methodology the 2012 projected annual increase in the number of households is lower than the historic rate of house building.

Figure 2-6 Historic and Projected House Building, 1976 on



Source: Highland Council Records and 2012 Based Household Projections

2.8 Household composition and tenure

2.8.1 The current (2011 Census) household composition in Highland shows that, although there is a general level of consistency across Housing Market Areas in terms of overall numbers, the different age structures have resulted in some significant differences, in particular the percentage of one person age 65+ households in Sutherland is much higher than in Inverness (18.7% and 11.8% respectively).

2.8.2 Table 2-7 (below) shows how the household composition is expected to change between 2012 and 2037, using the headship categories used in the household projections. The trend is for a continued reduction in household sizes.

Table 2-7 Projected Changes in Household Composition 2012 to 2037

	1 person male	1 person female	2 person adult	2 person single parent	3+ person all adult	3+ person single parent	3+ person2 adult + children	Total Number of Households (100%)
2012 Highland	15.0	17.9	34.0	3.1	7.9	2.5	19.5	103,706
2037 Highland	18.3	19.3	35.2	3.7	5.7	2.9	14.8	120,149

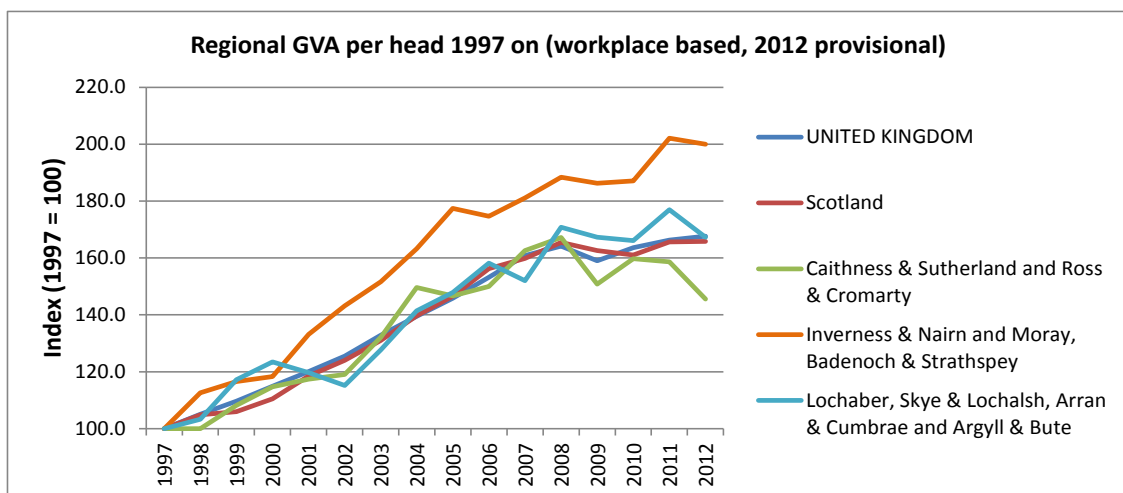
Source: Highland Council in house Household Projections, high migration scenario

2.9 Economic Opportunities

2.9.1 The Council, together with our Community Planning partners, is committed to ensuring economic growth and our 2013 Single Outcome Agreement states our commitment to ensuring that 5,000 new jobs are created in the next five years (to 2018/19). We envisage growth in the key sectors of Energy, Life Sciences, Financial and Business Services, Tourism; Food and Drink, and Creative Industries taking advantage of the opportunity afforded by large scale employment growth sites such as Scrabster, Nigg, Inverness Campus, Ardersier and Kishorn.

2.9.2 This will build on recent economic growth in much of Highland. Gross Value Added measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom and is used in the estimation of gross domestic product (GDP). Gross Value is measured at a regional level which is not consistent with Local Authority areas or Highland Housing Market Areas, but nevertheless provides a good indication of relative economic performance. Since consistent records began in 1997, Inverness & Nairn and Moray, Badenoch & Strathspey has experienced growth more strongly than Scotland, with the other two housing market areas in Highland growing at around the Scottish average (Figure 2-7 below).

Figure 2-7 Economic Performance (Gross Value Added) 1997 on



Source: Office of National Statistics Regional GVA

2.9.3 Despite recent growth, economic output in Highland remains below the national average (see Table 2-8 below). However, across the Council area output per head varies from 66% to 91% of the Scottish average with the strongest performance in Inverness & Nairn and Moray, Badenoch & Strathspey. Output per head in Caithness & Sutherland and Ross & Cromarty is one of the lowest in the UK.

Table 2-8 Regional Gross Value Added per Head

Regional GVA per Head (workplace based) 2011		
Area	GVA per head	% of Scotland
UNITED KINGDOM	£21,505	108
Scotland	£19,989	100
Caithness & Sutherland and Ross & Cromarty	£13,120	66
Inverness & Nairn and Moray, Badenoch & Strathspey	£18,126	91
Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute	£15,694	79

Source: ONS Regional Gross Value Added (Income Approach) NUTS3 Tables

Source: Office of National Statistics Regional GVA

2.10 Employment

2.10.1 There are a number of areas where the economy of Highland differs from the rest of Scotland:

- We have a greater dependency on the public sector: 29% of jobs in Highland are in the public sector, compared with 26% for Scotland (NOMIS / BRES public / private sector data 2013).
- Other than common sectors such as retail and the motor trade, a significant number of jobs are in tourism related activities such as accommodation and transport.
- Fewer people in Highland have full time jobs: 63% in Highland compared with 67% in Scotland (NOMIS / BRES 2013).
- More people in Highland are self-employed: 11% in Highland compared with 7.5% in Scotland (2011 Census). There is more self-employment in rural areas (Eilean a' Cheò 19%, Wester Ross Strathpeffer and Lochalsh 18%, North West and Central Sutherland 16%) and 6% to 9% in urban areas such as Inverness, Cromarty Firth, Thurso and Wick.
- Around a third of the jobs in Highland are in Inverness City Centre, Millburn and the Retail Park and Inshes / Raigmore (NOMIS / BRES 2013).

2.10.2 Highland has high levels of economic activity with only 29% of the working age population (16 to 74) inactive compared with 31% for Scotland, varying between 26% in Badenoch & Strathspey and 34% in Sutherland. Amongst the inactive group, unemployment varies between 2.8% in West Ross and 5% in East Ross (Highland and Scotland 4.0% and 4.8% respectively), and retirement varies between 22% in Sutherland and 13.2% in Inverness (Highland and Scotland 16% and 15% respectively).

2.10.3 The Inverness Job Centre serves around half of the Highland population and between November 2013 and March 2015 was the only Centre in Scotland taking part in the National Universal Credit trial. Universal Credit replaced Job Seekers Allowance, and as the claimant count is the only real way we can monitor the local pattern in "real time" the trial makes monitoring difficult. The figures below are therefore taken from the 2011 Census.

2.10.4 The Client Group figures on the uptake of DWP benefits, in which each client is assigned to a single category to avoid double counting of people who receive more than one benefit, is a good measure of people who have low incomes and are likely to need subsidised housing. Table 2-9 (below) shows that this group makes up between 9.8% and 15.9% by HMA of the working age population. At a local level the figures is more variable with half of the working age population in our most deprived data zone dependent on benefits. Further information on deprived areas is provided below.

Table 2-9 Categories of Working Age Benefit Claimants

HMA	Age 16to64 population	Percentage of Working Age Population in Client Group								
		total DWP client group claimants	statistical group - job seekers	statistical group - ESA and incapacity benefits	statistical group - lone parents	statistical group - carers	statistical group - others on income related benefits	statistical group - disabled	statistical group - bereaved	statistical group - unknown
BS	8,488	7.6	1.2	3.6	0.5	0.9	0.3	0.9	0.1	0.0
CA	16,172	15.4	3.3	6.9	1.1	1.8	0.6	1.5	0.2	0.0
E Ross	13,293	15.9	2.5	8.3	1.4	1.5	0.5	1.5	0.2	0.0
IN	51,587	11.5	1.7	6.2	0.8	1.0	0.3	1.3	0.3	0.0
LO	12,440	11.5	2.3	5.5	1.0	1.0	0.3	1.1	0.3	0.0
M Ross	14,358	9.8	1.3	5.0	0.7	0.9	0.2	1.3	0.3	0.0
NA	7,807	10.9	1.5	5.3	0.7	1.3	0.4	1.3	0.3	0.0
SL	8,134	12.0	3.0	5.5	0.4	1.0	0.5	1.4	0.3	0.0
SU	8,127	13.1	2.8	6.0	0.7	1.4	0.4	1.5	0.3	0.0
W Ross	5,471	11.0	1.6	5.7	0.5	1.2	0.4	1.4	0.3	0.0
Highland	145,877	12.1	2.0	6.0	0.8	1.2	0.4	1.3	0.3	0.0
Scotland	3,469,159	15.0	3.1	7.7	1.1	1.4	0.3	1.2	0.2	0.0

Source: NOMIS / DWP Working Age Clients September 2013

2.11 Incomes

2.11.1 As a result of relatively low economic output, Highland incomes tend to be below the Scottish average. In 2013 the median weekly wage for a full time worker in Highland of £466.5 compared with £508.7 for Scotland and £517.4 for the UK (92%, 100% and 102% respectively). In 2013 the median family income in Highland was £26,440 per compared with £27,550 for Scotland with significant local variation, between £21,250 in Wick and £36,150 in Inverness South which is dominated by housing built during the last 15 years with two working parents in many families.

2.11.2 Income inequality is not evenly distributed within Highland, which has 17 data zones ranked as deprived in the national context (in the 15% most deprived data zones in Scotland) spread across four Housing Market Areas.

- 8 data zones in Inverness (Inverness Housing Market Area)
- 4 data zones in Wick (Caithness)
- 2 data zones in Alness and 1 each in Invergordon and Balintore (East Ross)
- 1 data zone in Dingwall (Mid Ross)

2.11.3 Taking these 17 data zones together the tenure mix (2011 Census) is:

- Owned 36%
- Rented from the Council 41.6%
- Rented from a Housing Association 9.9%
- Private Rented 9.9%
- Other 2.7%

2.11.4 Across these data zones there are 16 housing sites allocated for housing in Local Development Plans with potential for 678 new homes so there is some limited scope to regenerate the areas through tenure diversification. There are no plans for significant demolition and rebuilding in these areas.

2.11.5 Parts of Merkinch, which contains five of the most deprived zones in Highland, will be covered by the emerging Muirtown and South Kessock Development Brief which aims to focus on economic investment in combination with potential new housing. The development of social rented housing, often part funded by the Scottish Vacant and Derelict Land Fund, has been successful in helping regenerate parts of Wick and we will continue to work with the community to identify further opportunities.

2.11.6 Highland Council has consistently argued that to focus on the 15% most deprived areas in Scotland is too narrow and excludes many deprived areas in Highland that need support; particularly in rural areas where deprivation is dispersed and is not measured well by SIMD. The Highland Single Outcome Agreement highlights 44 data zones that are in the 15% most deprived within Highland, summarised by Housing Market Area in Table 2-10 (below).

Table 2-10 Most Deprived Data Zones

Housing Market Area	Number of Data Zones in the Most Deprived 15% in Highland
Badenoch & Strathspey	0
Caithness	10
East Ross	10
Inverness	16
Lochaber	3
Mid Ross	2
Nairn	2
Skye & Lochalsh	1
Sutherland	0
West Ross	0
Highland	44

Source: Scottish Index of Multiple Deprivation 2012

2.12 Fragility

2.12.1 Many remote rural areas in Scotland are recognised as being “fragile” and at risk of long term decline due to their remoteness, an ageing population, lack of economic opportunity and access to essential services. Since 1999 the Council has used an index of fragility as an aide to policy making and this was updated in 2014 using information available for data zones. The approach is analogous to that used in the Scottish Index of Multiple Deprivation, and remote rural data zones in Highland have been ranked relative to each other using the following seven indicators:

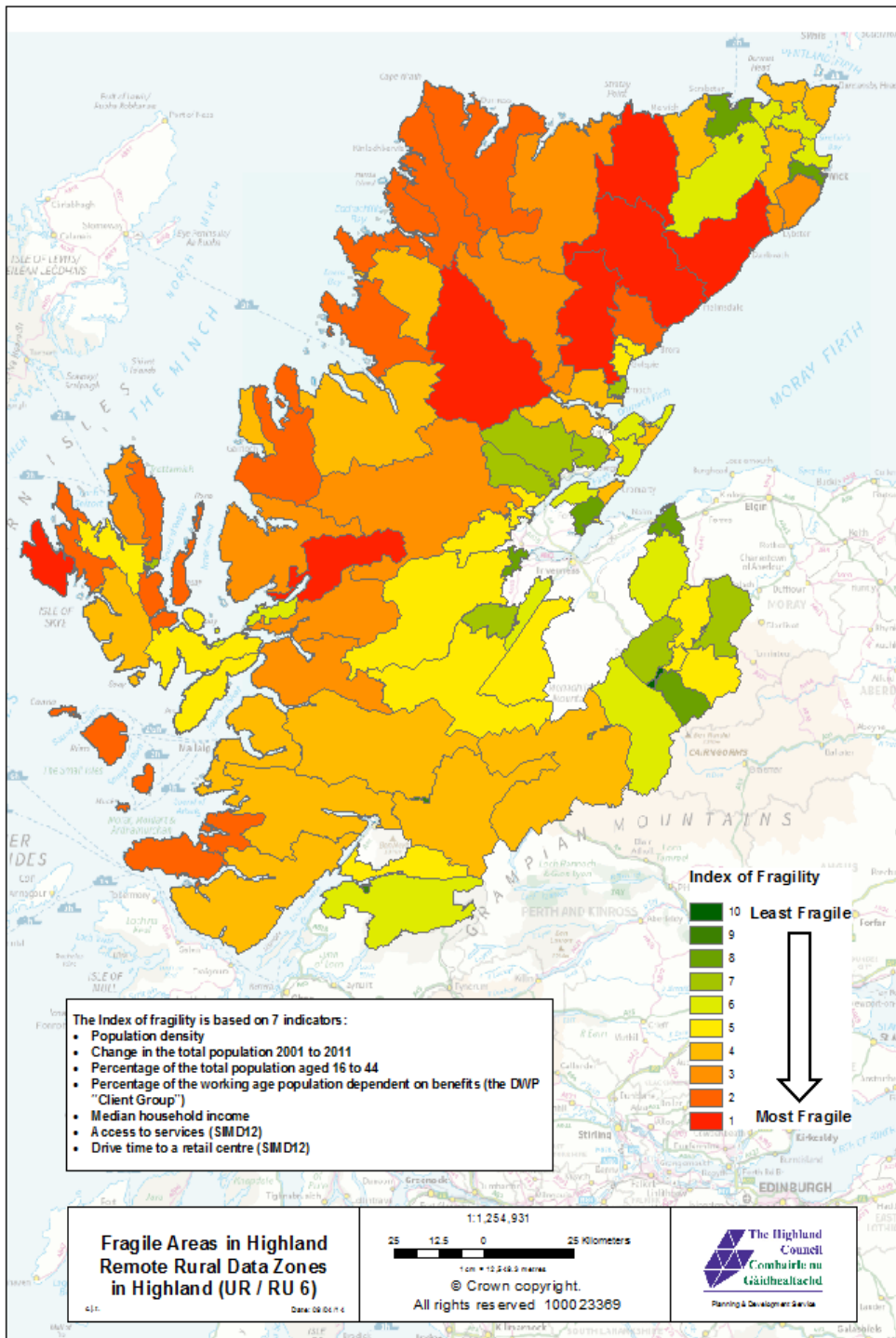
- Change in the total population 2001 to 2011 (Census figures)
- Percentage of the total population aged 16 to 44 (2011 Census).
- Population density, 2011 (2011 Census).
- Percentage of the working age population dependent on benefits (the DWP “Client Group”) (NOMIS / DWP).
- Estimated median gross total household income £ per week 2008/09 (Local Incomes and Poverty in Scotland, Heriot Watt University for the Improvement Service, 2011 – indicator *prginc3b*).
- The Access Domain from SIMD12 which includes drive times to 6 services and public transport times to 3 services.
- Drive time to a major retail centre (Scottish Index of Multiple Deprivation 2012, Access Domain).

2.12.2 The result is a relative ranking rather than absolute figures with the results in the map below. Fragility is particularly relevant for housing as many of the fragile areas have a high proportion of second and holiday homes, a high proportion of house sales to families from outwith the area, and a combination of relatively low incomes and high prices which makes it difficult for young people to stay in the area. Relatively low numbers of low cost and affordable housing can make a real difference to the sustainability of the community. Fragile areas are also recognised as needing specific targeted support in the Highlands and Islands Enterprise Operating Plan 2012 – 2015.

2.12.3 The fragility discussed here is compounded by the high cost of living in rural areas, and this also exacerbates the affordability issues, discussed below, in rural areas. The Minimum Income Standard for Remote Rural Scotland (Highland and Islands Enterprise) study³ showed that the budgets households need to achieve a minimum acceptable living standard in remote rural Scotland are typically 10-40 per cent higher than elsewhere in the UK. The three principal sources of this premium are: the higher prices that households must pay for food, clothes and household goods; much higher household fuel bills, influenced by climate and fuel sources; and the longer distances that people have to routinely travel, particularly to work. Because the study focuses on a minimum standard it is particularly relevant to families with low household incomes who might be on the threshold between open market and subsidised sectors, and will tend to push them towards the social rented sector. The Map 2-1 below illustrates fragile areas in Highland, by data zone.

³ <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

Map 2-1 Fragile Areas in Highland



Source: Highland Council Analysis

2.13 Affordability: House Sales – Prices and the Origin of Buyers

2.13.1 We have a long term record of house sales in Highland dating back to the early 1990s originally using data purchased from Paisley University, more recently data supplied by the Centre for Housing Market Analysis and processed by the Land Value Information Unit. We used this information for both affordability and origin / destination analysis at a local level. The trends and patterns have been consistent over the period with some year to year variation, and the impact of the credit crunch resulting in lower numbers of sales and falling prices.

2.13.2 **House Prices:** Table 2-11 (below) shows that the median price of an open market sale in Highland rose from £90,400 to a peak of £154,000 at the onset of the credit crunch in 2008, remaining broadly stable in the £145,000 to £150,000 range thereafter. The table also indicates that the number of sales peaked in 2007, and reduced significantly due to the impact of the credit crunch, with a recovery in the volume of sales only evident in 2013.

Table 2-11 House Prices in Highland

Year	Median Sale Price	Number of Open Market Sales
2003	£90,400	3,115
2004	£106,000	3,131
2005	£120,000	4,096
2006	£138,000	4,491
2007	£152,500	4,829
2008	£154,000	3,188
2009	£145,000	2,362
2010	£150,000	2,626
2011	£148,750	2,380
2012	£145,000	2,367
2013	£147,000	2,982

Source: Highland Council analysis of house sales data from Paisley University and LVIU / Scottish Government

2.13.3 Figure 2-6 earlier shows how the number of new homes built in Highland fell following the credit crunch in 2008 but there were signs of an upturn in the second half of 2014 combined with increased optimism among developers. However, the planned ending of the Government's Help to Buy Scheme (Scotland) in 2016, combined with continued constraints on mortgage availability, has dampened confidence and the upturn may not be sustainable.

2.13.4 Taking sales for 2012 and 2013 together (prices were broadly stable during the two year period) Table 2-12 (below) shows that there was considerable variation in the median price across Housing Market Areas, ranging from £99,000 in Caithness to £165,000 in Badenoch and Strathspey and £168,250 in West Ross.

**Table 2-12 Median House Sale Prices by Housing Market Area
2012 and 2013 Combined**

Housing Market Area	Median Sale Price 2012 and 2013
Badenoch and Strathspey	£165,000
Caithness	£99,000
East Ross	£125,000
Inverness	£152,950
Lochaber	£130,000
Mid Ross	£161,500
Nairn	£166,000
Skye & Lochalsh	£148,000
Sutherland	£125,000
West Ross	£168,250
Highland	£145,000

Source: Highland Council analysis of house sales data from Paisley University and LVIU / Scottish Government

2.13.5 **Origin of Buyers:** Table 2-13 (below) gives the origins of buyers over the decade to 2012. The period from 2003 to 2007 saw both economic and population growth in Highland (almost all resulting from inward migration) whereas 2008 saw the credit crunch followed by recession, economic stagnation, and declining population growth. The earlier period of growth is considered to be more representative of the likely long term trends. Over the period, 71% of sales were to buyers already living in Highland but with considerable variation from 78% in Caithness and 77% in East Ross to 40% in Skye and Lochalsh.

Table 2-13 Origins of House Buyers 2003 to 2012 – All Origins

HMA of House	Within HMA	Highland	Rest of Scotland	Rest of UK	Overseas	Unknown	All Sales (100%)
Badenoch and Strathspey	45	50	31	13	1	4	2,309
Caithness	72	78	9	11	0	3	2,865
East Ross	54	77	11	9	1	3	2,224
Inverness	65	79	13	6	1	2	13,912
Lochaber	60	63	16	16	1	3	2,134
Mid Ross	46	77	12	8	1	2	2,680
Nairn	48	66	20	10	1	3	2,212
Skye and Lochalsh	35	40	20	32	2	6	1,655
Sutherland	34	51	16	25	2	5	1,507
West Ross	31	49	21	24	2	5	1,085
Highland	71	71	15	11	1	3	32,583

Source: Highland Council analysis of house sales data from Paisley University and LVIU / Scottish Government

2.13.6 Table 2-14 (below) focuses on sales to buyers already living in Highland and breaks down the Highland column in Table 2-13. It shows that in all Housing Market Areas the majority of Highland buyers already live in the Housing Market Area with the highest percentages in Lochaber (95%) and Caithness (92%) and the lowest in Mid Ross (59%).

Table 2-14 Origins of House Buyers 2003 to 2012 – HMA of origin for moves within Highland (percent)

HMA of House	Badenoch and Strathspey	Caithness	East Ross	Inverness	Lochaber	Mid Ross	Nairn	Skye and Lochalsh	Sutherland	West Ross	All Sales to Highland Residents (100%)
Badenoch and Strathspey	90	1	0	5	1	1	1	1	0	1	1,165
Caithness	0	92	1	2	0	1	0	0	3	0	2,230
East Ross	1	1	70	11	1	9	1	1	5	1	1,708
Inverness	1	1	2	82	1	7	2	1	1	1	11,018
Lochaber	0	0	0	3	95	0	0	1	0	0	1,353
Mid Ross	1	1	4	25	1	59	1	1	1	5	2,070
Nairn	2	0	1	19	1	3	72	0	1	0	1,469
Skye and Lochalsh	1	0	1	4	2	2	1	87	0	1	657
Sutherland	1	5	11	7	1	4	2	1	66	2	769
West Ross	2	1	2	13	1	14	1	1	2	62	537
Highland	6	10	7	45	7	10	6	3	4	3	22,976

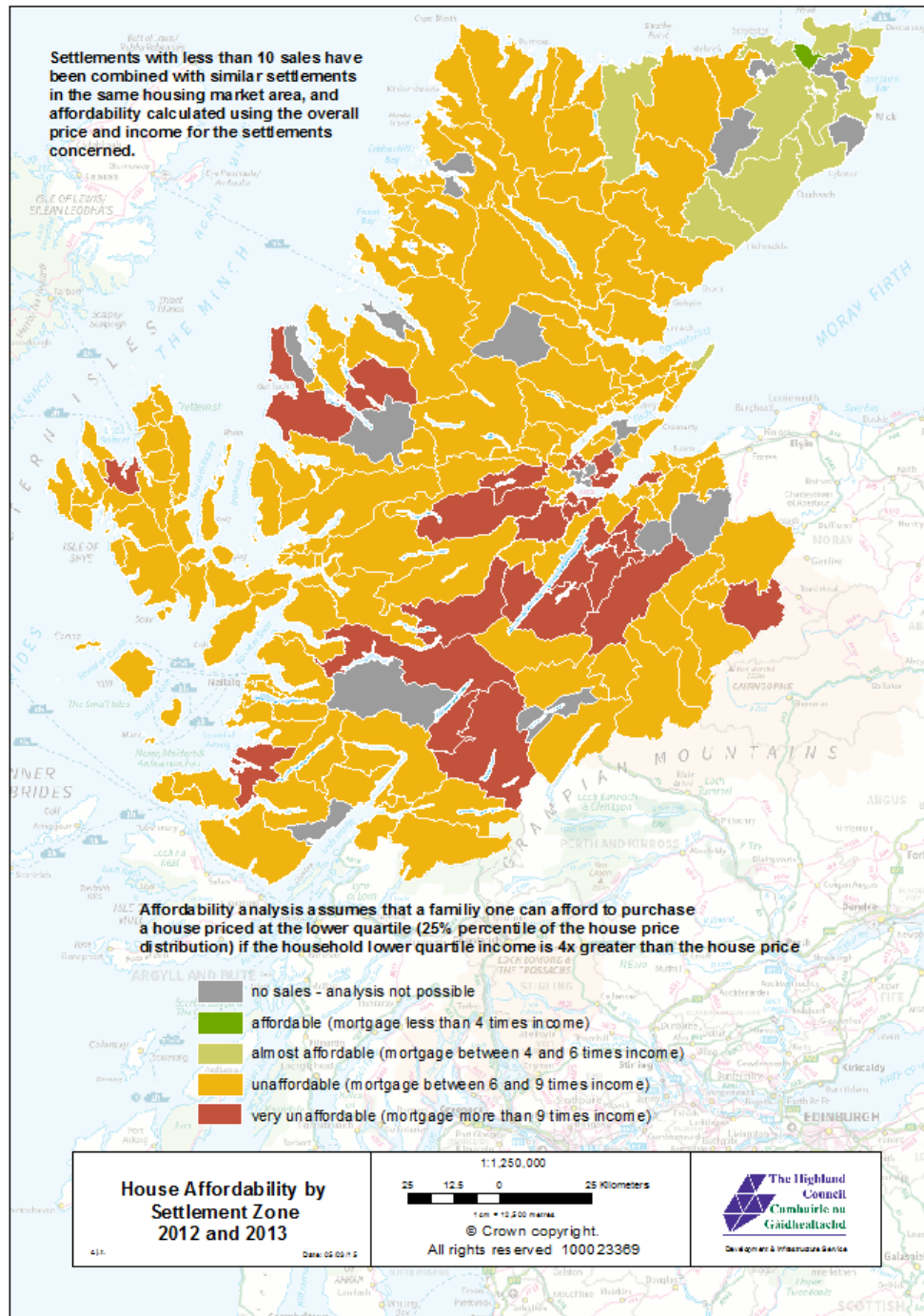
Source: Highland Council analysis of house sales data from Paisley University and LVIU / Scottish Government

2.13.7 In terms of containment, Caithness is the most contained market with 72% of sales to buyers from within the Housing Market Area. Inverness is relatively contained at 65%, while Skye & Lochalsh, Sutherland and West Ross have only a third of buyers from within the HMA.

2.13.8 Affordability issues across tenure are discussed below.

2.13.9 **Open Market Sales:** We monitor affordability using a combination of the income and house sales data described above, using the benchmark of a mortgage for a lower quartile price house that is 4 times the lower quartile joint household income (these are the default values used in the HNDA tool). Map 2-2 below shows that in 2012 and 2013 the only settlement in Highland that would be classed as affordable is Castletown. Parts of Caithness and Bettyhill / Farr in North Sutherland are almost affordable, but modest housing is beyond the reach of households with low incomes across the rest of Highland.

Map 2-2 Affordability of House Purchase, 2012 and 2013 Combined, by Settlement Zone



Source: Highland Council analysis of house sales data from LVIU / Scottish Government and CACI Paycheck Household Income data

2.13.10 **Private Sector Rents:** Table 2-15 (below) gives rents for two bedroom properties advertised in Highland during the spring and early summer of 2014: the data was taken from 21 internet sources including agents' web sites and Gumtree. The result of the exercise was that it was not possible to build a robust database of rental prices in Highland as property in rural areas (in particular) tends to be advertised in news sheets published locally, and by word of mouth. The figure for Caithness was higher than expected and is thought to be due to short term demand from contract workers in the renewables industry. However, taking into account a degree of rent inflation between 2011 and 2014, the figures confirm that the default values in the HNDA Tool are reasonable and can be applied with confidence.

Table 2-15 Private Sector Rents (2 bedrooms)

Housing Market Area	Number of 2 bed lets	Median Weekly Rent 2014
Badenoch & Strathspey	3	£127
Caithness	7	£137
East Ross	12	£116
Inverness	86	£134
Lochaber (rural, excl Fort William)	2	£136
Mid Ross	26	£127
Nairn	7	£127
Skye and Lochalsh (6 month short term chalets only)	5	£127
Sutherland	3	£110
West Ross	0	n/a
Grand Total	151	-
Local Housing Allowance Rates (2014)		£110
Highland Median (2014)		£129
Highland Median from HNDA Tool (2011)		£118

Source: 21 internet sources: letting agents and Gumtree, summer 2014

2.13.11 Records help by the Council show that, within the Private Rented Sector, 2,142 tenants (around 20%) currently receive Housing Benefit.

2.14 Chapter 2: Key Findings

LHS and Development Plan	Key Issues Identified in the HNDA
Demographic issues for the local housing market(s)	<ol style="list-style-type: none"> 1. The population of the Highlands has seen continued steady growth. 2. The percentage of households age 65+ tends to be above the national average 3. The percentage of households in the 16-44 age group tends to be below the national average. 4. There are different population profiles across the 10 Highland Housing Market Areas. 5. Highland is dependent on inward migration for population growth. 6. Population and household projections

	<p>based on all 3 migration scenarios are below the long term trend.</p> <ol style="list-style-type: none"> 7. Projections based on the last 5 years underestimate the likely level of growth in the next 5 years, as they are based on short term trends during an economic downturn. 8. The Highland Housing Market Partnership has decided to adopt the high migration scenario as the baseline for our LHS and LDP, and a continued growth scenario as an upper limit.
<p>Affordability issues for the local housing market(s)</p>	<ol style="list-style-type: none"> 1. The credit crunch had a significant impact on the housing market in Highland, dampening house price inflation and reducing the volume of open market sales. 2. The Help to Buy Scheme helped increase the supply of new homes but it will end in 2016 and developer confidence is falling as a result. 3. There are significant differences in house prices / affordability between Housing Market Areas.
<p>Economic issues for the local housing market (s)</p>	<ol style="list-style-type: none"> 1. Highland in general has stronger economic growth than Scotland as a whole although economic output remains below the national average. 2. The employment sector in Highland shows a greater dependency on public sector jobs, with a high dependency on tourist related employment, and a higher proportion of self employed people. 3. Highland has high levels of economic activity but lower incomes than the national average.

CHAPTER 3: Housing Stock Profile, Pressures and Management Issues

3.1 Summary

3.1.1 This chapter examines the profile of housing in The Highland Council area, and each of its ten housing market areas. The aim of this section is to provide a better understanding of the size, location and condition of the existing housing stock across tenure and how this meets current and projected housing need. This helps to establish where mismatches apply and to inform the actions required through the Development Plan, the Local Housing Strategy. This information will also inform priorities for future stock management. Further more detailed information in the form of background papers is referenced in the appendix.

3.2 Stock numbers and changes over time

3.2.1 According to Census figures the number of dwellings in Scotland increased by 15% between 1991 and 2011, against an increase in households of 17.5%. During the same period Highlands housing stock increased by 30% against an increase in 29% in the number of households. There are variations across Housing Market Areas as detailed in Table 3-1 (below). The table also shows that the rate of increase in both households and housing stock has been more than double the rate of population growth, showing the impact of falling household sizes which is projected to continue into the future.

**Table 3-1 Percentage Population & Household Change
1991 to 2011**

	Population	Households	Dwellings
Badenoch & Strathspey	14.4	41.5	28.3
Caithness	7.7	13.7	19.1
East Ross	9.1	21.2	23.9
Inverness	17.3	40.9	43.0
Lochaber	7.8	17.4	18.2
Mid Ross	14.2	34.6	36.8
Nairn	15.8	38.8	39.4
Skye & Lochalsh	13.8	26.5	29.8
Sutherland	8.1	12.4	16.3
West Ross	9.7	25.2	19.5
Highland	12.6	29.0	30.1
Scotland	8.9	17.5	15.0

Source: 1991 and 2011 Censuses: note for information – there are definitional differences between 1991 and 2011 which means that there are slight inconsistencies in the figures

3.3 Ineffective Stock and Tenure

3.3.1 Highland has a higher proportion of ineffective stock than the rest of Scotland (8.4% and 4.1% respectively) due mainly to the number of holiday and second homes in rural area, although the percentage of vacant stock is close to the Scotland average. Table 3-2 shows that the highest percentages of second/holiday homes are in Skye & Lochalsh (17.2%), West Ross (15.5%) and Badenoch & Strathspey (14.7%) and at a local level they can account for as much as 40% of the total stock⁴ (Stoer, Glenborrodale, Raasay, Kingairloch) (all 2011 Census). Ineffective stock is not considered in the remainder of this Assessment but will be taken into account as we develop out Local Housing Strategy and Local Development Plans.

Table 3-2 Ineffective Stock

Housing market Area	All Dwellings	Occupied dwellings	% second homes	% Vacant	% Ineffective
Badenoch & Strathspey	7,143	5,951	14.7	1.9	16.7
Caithness	12,808	12,025	2.8	3.4	6.1
East Ross	9,890	9,413	1.9	2.9	4.8
Inverness	35,866	34,353	1.7	2.5	4.2
Lochaber	9,814	8,620	10.3	1.9	12.2
Mid Ross	10,163	9,723	1.3	3.1	4.3
Nairn	5,913	5,695	1.2	2.5	3.7
Skye & Lochalsh	7,103	5,746	17.2	1.9	19.1
Sutherland	7,789	6,518	12.0	4.3	16.3
West Ross	4,951	4,047	15.5	2.7	18.3
Highland	111,440	102,091	5.7	2.7	8.4
Scotland	2,473,881	2,372,777	1.5	2.6	4.1

Source: 2011 Census

3.3.2 The tenure breakdown across Housing Market Areas is summarised in Table 3-3 below (Census 2011).

⁴ See 2011 Census profiles for settlement zones at http://www.highland.gov.uk/downloads/download/733/census_results_2011

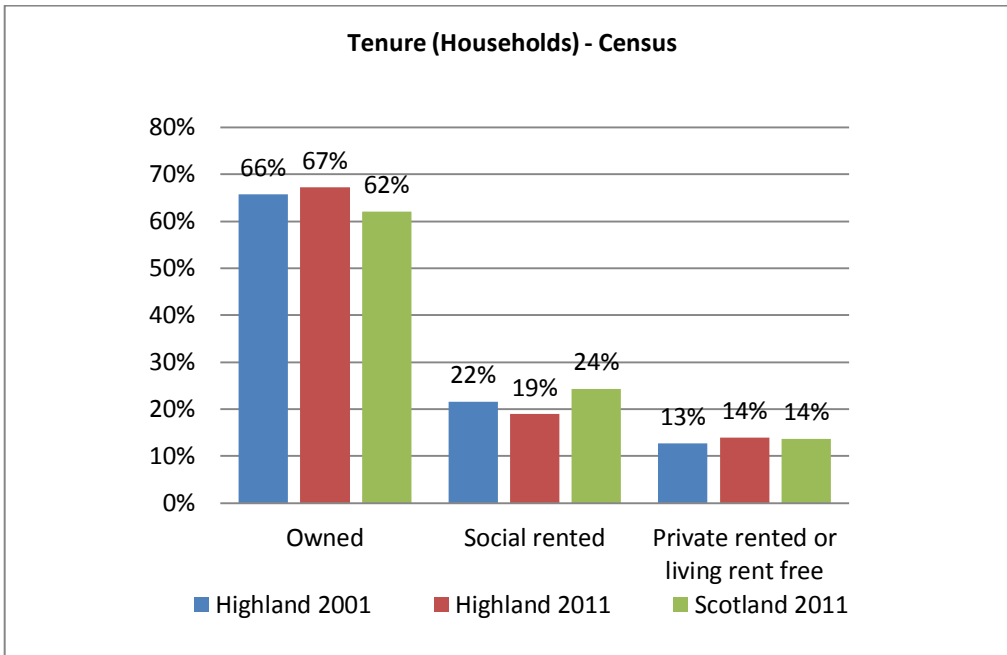
Table 3-3 Housing Tenure as a percentage of all occupied stock

Housing Market Area	Owner Occupation	Social Rented	Private Rented	Other	Total
Badenoch & Strathspey	64.4	16.6	13	6	100
Caithness	67.5	22.5	6.7	3.3	100
East Ross	60.8	28.1	7.5	3.6	100
Inverness	67.4	16.6	12.6	3.4	100
Lochaber	62.7	23.9	8	5.4	100
Mid Ross	72.7	15.6	8.5	3.2	100
Nairn	68.8	16.7	11.6	3	100
Skye & Lochalsh	70.4	18.4	6.9	4.4	100
Sutherland	67.8	18.1	7.9	6.3	100
West Ross	71.7	13.1	9.1	6	100
Highland	67.2	18.9	9.9	4	100
Scotland	61.9	24.3	11.1	2.6	100

Source: 2011 Census

- 3.3.3 This shows variation in tenure between Housing Market Areas, with levels of owner occupation above the national average in all but one Housing Market Area (East Ross) and around 10% above the national average in Mid-Ross, Skye and Lochalsh and West Ross. East Ross is also the only area with levels of social renting above the national average.
- 3.3.4 There has been a change in the proportions of owner occupiers owning outright compared to those with shared equity or mortgage finance. Outright ownership has increased from 47% to 54% between 2001 and 2011 and those with a mortgage, loan or shared equity reduced from 53% to 46%. This is consistent with national trends with outright ownership in Scotland increasing from 38% to 45% over the same period, and is strongly influenced by the increasing number of people of pensionable age who have paid off their mortgages.
- 3.3.5 Changes in housing tenure between the 2001 and 2011 are summarised in Figure 3-1 (below). In 2011, the census showed 67% of properties in Highland are owner occupied, compared to 62% for the rest of Scotland. There has been little change in the proportion of owner occupation since 2001. There is a lower proportion of social rented housing in Highland than Scotland as a whole and this has reduced since 2001. Private renting has remained relatively stable and is the same as Scotland as a whole.

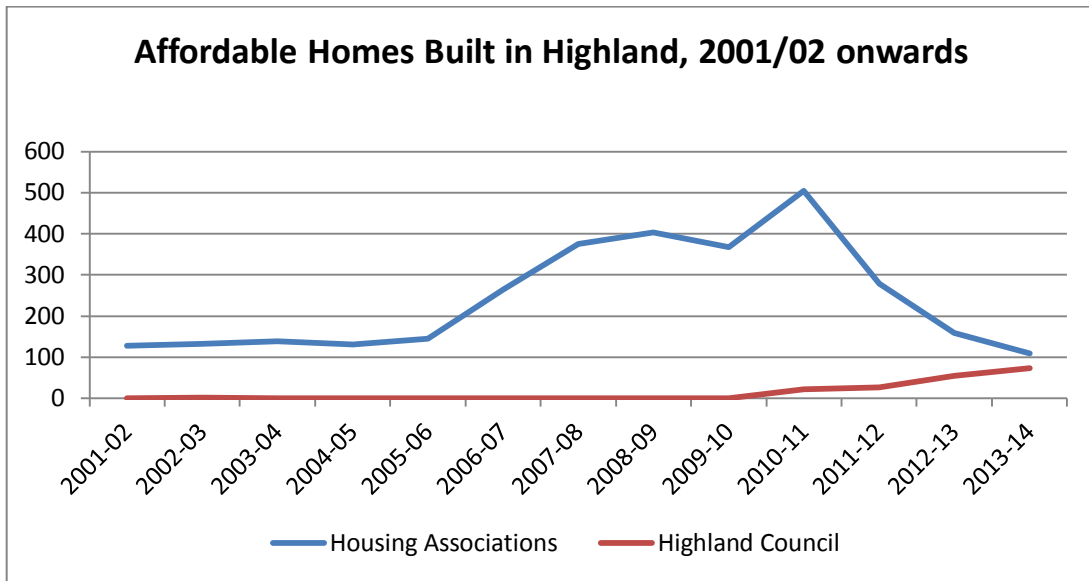
Figure 3-1 Tenure Change 2001 to 2011



Source: 2001 and 2011 Censuses

- 3.3.6 Between 2001 and 2011, there was a 23% decrease in the number of Council houses for rent as a result of the Right to Buy. This trend is offset by the recent introduction of a Council house building programme. With the abolition of the Right to Buy from 2016 and the continuing Council house building programme we expect to see an increase in Council housing over the next 5 years.
- 3.3.7 The social rented sector comprises the Council and 11 registered social landlords. Between 2005-06 and 2012-13 the registered social landlord stock in Highland increased from 4,869 to 6,679 (38%), however there were significant changes in funding arrangement for housing association development introduced in 2012 which resulted in a scaling back of new housing association development over this period. The trend in new build social rented housing are summarised in Figure 3-2 (below).

Figure 3-2 New Build Homes (Affordable Homes) 2001/02 on



Source: Scottish Government Housing Statistics for Scotland

3.3.8 The Highland landlord registration service undertook a snapshot of Houses in Multiple Occupancy, by Housing Market Area on the Census day in 2011. These records show (Table 3-4) that there are 9,014 private landlords properties in Highland, making up 8.21% of the total housing stock. There are higher levels of private renting in Badenoch and Strathspey, Inverness and Nairn (all 10% or more), and lower levels in Caithness, East Ross and Skye and Lochalsh (all under 6%). Within the private rented sector most landlords have a small number of properties; the average is 1.2 properties per registered landlord. The percentage of private renting has risen from 8.4% to 9.9% over the last 10 years. Detailed analysis of Census information for data zones shows that there has been a higher level of growth in some areas of Inverness, and evidence on the ground suggests that buy to let has helped this growth. (note that figures from the 2011 Census and the Council's operational databases are not always consistent and there may be slight apparent inconsistencies).

Table 3-4 Private Rented Properties by Housing Market Area

	Private Rented Properties	Total Number of Properties	% Private Landlord Properties
Badenoch and Strathspey	722	7,067	10.2
Caithness	739	13,137	5.6
East Ross	583	9,877	5.9
Inverness	3,743	35,822	10.4
Lochaber	706	9,861	7.2
Mid Ross	800	10,172	7.9
Nairn	591	5,894	10.0
Skye and Lochalsh	280	7,019	4.0
Sutherland	495	7,767	6.4
West Ross	355	5,007	7.1
Highland	9,014	111,623	8.1

Source: Highland Council Licensing records, Census day 2011 snapshot (accepted plus applications pending)

- 3.3.9 Within the Private Rented Sector there are 248 Licensed Houses in Multiple Occupation in Highland, the majority of which are in the Inverness Housing Market Area (Table 3-5).

Table 3-5 Houses in Multiple Occupation

	Number of HMOs	Total Number of Properties	% Private HMOs	Licensed spaces in HMOs
Badenoch and Strathspey	16	7,067	0.23	406
Caithness	1	13,137	0.01	35
East Ross	7	9,877	0.07	38
Inverness	152	35,822	0.42	912
Lochaber	33	9,861	0.33	221
Mid Ross	9	10,172	0.09	103
Nairn	7	5,894	0.12	74
Skye and Lochalsh	8	7,019	0.11	86
Sutherland	6	7,767	0.08	55
West Ross	9	5,007	0.18	115
Highland	248	111,623	0.22	2,045

Source: Highland Council Licensing records, Census day 2011 snapshot (accepted plus applications pending)

3.4 Characteristics of the Housing Stock

- 3.4.1 As summarised in Table 3-6 (below) It is estimated that around 24% of properties (all tenure) are pre-1919, slightly higher than the 20% average for Scotland. A further 24% of Highlands stock was built between 1982 and 2012.

Table 3-6 Age of Dwelling

	pre-1919		1919-1944		1945-1964		1965-1982		post 1982	
	000's	%	000's	%	000's	%	000's	%	000's	%
Highland	24	24%	5	5%	17	16%	31	31%	25	24%
Scotland	473	20%	295	12%	535	23%	544	23%	524	22%

Source: Scottish House Condition Survey

3.4.2 Table 3-7 and Table 3-8 (below) show the numbers and proportions of different house sizes for all tenures across Housing Market Areas from the 2011 census.

Table 3-7 Number of Properties by Size

Area	All	One room	Two rooms	Three rooms	Four rooms	Five rooms	Six rooms	Seven rooms	Eight rooms	Nine or more rooms
Badenoch & Strathspey	5,951	30	101	606	1,367	1,363	929	585	420	550
Caithness	12,025	38	200	964	2,624	3,309	2,126	1,278	781	705
East Ross	9,413	34	162	672	2,044	2,983	1,567	879	534	538
Inverness	34,353	293	847	3,703	8,358	8,895	4,651	3,077	2,191	2,338
Lochaber	8,620	35	172	642	2,017	2,682	1,329	732	477	534
Mid Ross	9,723	20	166	620	1,880	2,295	1,628	1,250	888	976
Nairn	5,695	17	111	487	1,258	1,366	936	548	499	473
Skye & Lochalsh	5,746	17	150	413	983	1,530	985	761	454	453
Sutherland	6,518	19	88	540	1,148	1,753	1,230	734	534	472
West Ross	4,047	25	46	232	666	1,013	777	504	355	429
Highland	102,091	528	2,043	8,879	22,345	27,189	16,158	10,348	7,133	7,468
Scotland	2,372,777	15,061	83,254	319,103	693,865	576,410	288,196	169,278	113,845	113,765

Source: 2011 Census

Table 3-8 Percentage of Properties by Size

Area	All	One room	Two rooms	Three rooms	Four rooms	Five rooms	Six rooms	Seven rooms	Eight rooms	Nine or more rooms
Badenoch & Strathspey	100.0	0.5	1.7	10.2	23.0	22.9	15.6	9.8	7.1	9.2
Caithness	100.0	0.3	1.7	8.0	21.8	27.5	17.7	10.6	6.5	5.9
East Ross	100.0	0.4	1.7	7.1	21.7	31.7	16.6	9.3	5.7	5.7
Inverness	100.0	0.9	2.5	10.8	24.3	25.9	13.5	9.0	6.4	6.8
Lochaber	100.0	0.4	2.0	7.4	23.4	31.1	15.4	8.5	5.5	6.2
Mid Ross	100.0	0.2	1.7	6.4	19.3	23.6	16.7	12.9	9.1	10.0
Nairn	100.0	0.3	1.9	8.6	22.1	24.0	16.4	9.6	8.8	8.3
Skye & Lochalsh	100.0	0.3	2.6	7.2	17.1	26.6	17.1	13.2	7.9	7.9
Sutherland	100.0	0.3	1.4	8.3	17.6	26.9	18.9	11.3	8.2	7.2
West Ross	100.0	0.6	1.1	5.7	16.5	25.0	19.2	12.5	8.8	10.6
Highland	100.0	0.5	2.0	8.7	21.9	26.6	15.8	10.1	7.0	7.3
Scotland	100.0	0.6	3.5	13.4	29.2	24.3	12.1	7.1	4.8	4.8

Source: 2011 Census

3.4.3 These tables show that although the Highland-wide proportions of property by size are similar to the Scottish average there are some significant variations across Housing Market Areas. Some areas, notably Badenoch and Strathspey; Caithness; East Ross; Mid Ross; Nairn; Skye and Lochalsh; and Sutherland have a lower proportion of smaller houses. This is a particular issue in relation to demographic trends towards smaller, single person households and the impact of the under-occupation rules of private and social renters on low incomes who rely on housing benefit / Local Housing Allowance.

3.4.4 There are also significant differences in the type of housing stock in Highland compared to the Scottish average. Table 3-9 and Table 3-10 (below) provide a summary from the 2011 census. These tables indicate the predominance of houses rather than flatted property across Highland, with this particularly noticeable in East-Ross, Mid-Ross, Skye and Lochalsh, Sutherland and West-Ross, all of which have over 90% of housing stock categorised as a whole house or bungalow.

Table 3-9 Housing Stock by House Type (Number)

Area	All	Category 1: Flat, maisonette or apartment, or mobile/temporary accommodation	Category 2: Whole house or bungalow: Detached	Category 3: Whole house or bungalow: Semi-detached	Category 4: Whole house or bungalow: Terraced (including end- terrace)	Category 5: Whole house or bungalow: Total
Badenoch & Strathspey	5,951	731	2,847	1,631	742	5,220
Caithness	12,025	1,276	4,490	3,971	2,288	10,749
East Ross	9,413	722	3,486	2,874	2,331	8,691
Inverness	34,353	7,435	11,919	9,501	5,498	26,918
Lochaber	8,620	1,250	3,180	2,384	1,806	7,370
Mid Ross	9,723	834	4,991	2,540	1,358	8,889
Nairn	5,695	719	2,532	1,805	639	4,976
Skye & Lochalsh	5,746	425	3,668	1,238	415	5,321
Sutherland	6,518	271	3,495	2,175	577	6,247
West Ross	4,047	252	2,520	1,023	252	3,795
Highland	102,091	13,915	43,128	29,142	15,906	88,176
Scotland	2,372,777	869,328	520,088	541,374	441,987	1,503,449

Source: 2011 Census Table QS407SC Occupied household spaces

Table 3-10 Housing Stock by House Type (Percent)

Area	All	Category 1: Flat, maisonette or apartment, or mobile/temporary accommodation	Category 2: Whole house or bungalow: Detached	Category 3: Whole house or bungalow: Semi-detached	Category 4: Whole house or bungalow: Terraced (including end- terrace)	Category 5: Whole house or bungalow: Total
Badenoch & Strathspey	100.0	12.3	47.8	27.4	12.5	87.7
Caithness	100.0	10.6	37.3	33.0	19.0	89.4
East Ross	100.0	7.7	37.0	30.5	24.8	92.3
Inverness	100.0	21.6	34.7	27.7	16.0	78.4
Lochaber	100.0	14.5	36.9	27.7	21.0	85.5
Mid Ross	100.0	8.6	51.3	26.1	14.0	91.4
Nairn	100.0	12.6	44.5	31.7	11.2	87.4
Skye & Lochalsh	100.0	7.4	63.8	21.5	7.2	92.6
Sutherland	100.0	4.2	53.6	33.4	8.9	95.8
West Ross	100.0	6.2	62.3	25.3	6.2	93.8
Highland	100.0	13.6	42.2	28.5	15.6	86.4
Scotland	100.0	36.6	21.9	22.8	18.6	63.4

Source: 2011 Census Table QS407SC Occupied household spaces

3.4.5 Table 3-11 (below) summarises information from the Scottish House Condition Survey. This shows that 26% of houses in Highland have some form of adaptation (17% Private and 9% Public) higher than the Scottish average of 20% (12% Private and 8% Public) In Highland, 17% of the private stock is adapted compared to 22% nationally and 41% of the public stock is adapted compared to 32% nationally. Highland therefore has a higher proportion of adapted properties in the public sector and a lower proportion of adapted properties in the private sector than Scotland as a whole.

Table 3-11 Adapted Housing

	Private			Public		
	000's	% All Private	% All Stock	000's	% All Public	% All Stock
Highland	18	22%	17%	9	41%	9%
Scotland	294	17%	12%	188	32%	8%

Source: Scottish House Condition Survey

3.5 Social rented stock – detailed profile

3.5.1 We have more detailed information on social rented housing than for other tenures. This is important as the sector remains the main means of meeting affordable housing need.

3.5.2 For the purposes of the Housing Need and Demand assessment we have reported all social housing (combined Council and RSL stock). This seems a reasonable approach as the Council and Registered Social Landlords operate a Common Housing Register and single housing allocation policy. There will be variations in house type and size across landlords, but the aggregated social rented stock provided a full picture for assessing housing pressure.

3.5.3 Table 3-12 and Table 3-13 (below) summarise the number and proportion of social rented stock across housing market area. This shows that the main stock type for social renting is houses (50.2% overall and over 60% in Lochaber, East Ross and Skye and Lochalsh) followed by bungalows at 20% overall, with over 25% in Nairn and Sutherland.

Table 3-12 Social Rented Stock by Property Type (Number)

	Bedsit	Bungalow	Ground floor flat	House	Maisonette	Sheltered	Upper flat	Total
Badenoch and Strathspey	6	212	147	379	0	16	118	878
Caithness	23	611	426	1,300	11	56	440	2,867
East Ross	15	456	180	1,886	15	37	202	2,791
Inverness	102	1,129	872	2,242	192	189	1,100	5,826
Lochaber	12	249	214	1,153	0	0	288	1916
Mid Ross	14	397	160	967	0	88	176	1,802
Nairn	0	243	85	431	0	39	110	908
Skye & Lochalsh	11	144	94	694	3	8	135	1,089
Sutherland	0	368	50	599	0	41	55	1,113
West Ross	11	106	39	197	0	38	43	434
Total	194	3,915	2,267	9,848	221	512	2,667	19,624

Source: Highland Council and Housing Association records

Table 3-13 Social Rented Stock by Property Type (Percent)

	Bedsit	Bungalow	Ground floor flat	House	Maisonette	Sheltered	Upper flat	Total
Badenoch and Strathspey	0.7	24.1	16.7	43.2	0.0	1.8	13.4	100
Caithness	0.8	21.3	14.9	45.3	0.4	2.0	15.3	100
East Ross	0.5	16.3	6.4	67.6	0.5	1.3	7.2	100
Inverness	1.8	19.4	15.0	38.5	3.3	3.2	18.9	100
Lochaber	0.6	13.0	11.2	60.2	0.0	0.0	15.0	100
Mid Ross	0.8	22.0	8.9	53.7	0.0	4.9	9.8	100
Nairn	0.0	26.8	9.4	47.5	0.0	4.3	12.1	100
Skye & Lochalsh	1.0	13.2	8.6	63.7	0.3	0.7	12.4	100
Sutherland	0.0	33.1	4.5	53.8	0.0	3.7	4.9	100
West Ross	2.5	24.4	9.0	45.4	0.0	8.8	9.9	100
Total	1.0	20.0	11.6	50.2	1.1	2.6	13.6	100

Source: Highland Council and Housing Association records

3.5.4 Table 3-14 and Table 3-15 (below) give a picture of house sizes across the social rented sector. This shows that there are quite different profiles across housing market areas, with a notable feature the relatively low percentage of smaller, 1 bedroom properties in Lochaber, East Ross and Mid Ross, with East-Ross particularly affected as it also has a low proportion of 2 bedroom properties. There is a notably low proportion of 3 bedroom properties in Badenoch and Strathspey.

Table 3-14 Social Rented Stock by Size (Number)

	1 bed	2 bed	3 bed	4+ bed	Total
Badenoch & Strathspey	263	430	161	24	878
Caithness	786	1,168	791	122	2,867
East Ross	500	911	1,216	164	2,791
Inverness	1,674	2,578	1,451	123	5,826
Lochaber	194	1,002	662	58	1,916
Mid Ross	389	818	521	74	1,802
Nairn	302	365	216	25	908
Skye & Lochalsh	281	436	337	35	1,089
Sutherland	353	415	337	8	1,113
West Ross	117	184	122	11	434
Highland	4,859	8,307	5,814	644	19,624

Source: Highland Council and Housing Association records

Table 3-15 Social Rented Stock by Size (Percent)

	1 bed	2 bed	3 bed	4+ bed	Total
Badenoch & Strathspey	30	49	18	3	100
Caithness	27	41	28	4	100
East Ross	18	33	44	6	100
Inverness	29	44	25	2	100
Lochaber	10	52	35	3	100
Mid Ross	22	45	29	4	100
Nairn	33	40	24	3	100
Skye & Lochalsh	26	40	31	3	100
Sutherland	32	37	30	1	100
West Ross	27	42	28	3	100
Highland	25	42	30	3	100

Source: Highland Council and Housing Association records

3.5.5 Stock size is important in the context of a growing number of single person households and an aging population. Recent practice by providers has often been to favour building two bedroom properties for single people rather than one bed – particularly for clients with significant care needs – as this allows a carer to stay and also gives space for specialist equipment. This strategy will be reviewed as part of the LHS.

3.5.6 As stated above the Council's housing stock has continued to decrease as a result of right to buy sales, with 2,638 council houses having been sold over the last 10 years. This is shown in Table 3-16 (below). However, as illustrated below there has been a steady decline in sales over this period due to the impact of Pressured Area Status and the increasing proportion of tenants now having the “modernised Right to Buy”.

Table 3-16 Right to Buy Sales, 2008/09 on

	08/09	09/10	10/11	11/12	12/13	13/14
Badenoch and Strathspey	11	4	1	1	1	0
Caithness	30	23	18	11	24	10
Inverness	37	27	11	19	8	9
Lochaber	8	14	11	8	6	7
Nairn	7	4	2	1	2	1
Ross & Cromarty	30	13	21	26	14	11
Skye & Lochalsh	8	1	2	5	1	0
Sutherland	5	14	10	8	4	4
Total	136	100	76	79	60	42

Source: Highland Council records

3.5.7 Following recent further legislative changes, from 1 August 2016 the Right to Buy will be abolished for all tenants.

3.6 Stock Condition

3.6.1 The Scottish House Conditions survey provides the best source of information on stock conditions across tenure. Based on the 2011-13 local authority analysis this shows that:

- 9% of Highland stock has a low energy efficiency rating compared to 4% nationally. There is a particular concentration within the Private Rented Sector (17%)
- 4% of Highland Stock is Below the Tolerable Standard (BTS) compared to 3% nationally. There is a concentration of BTS housing in the Private Rented Sector (17%)
- 26% of Highland stock is in urgent disrepair compared to 38% nationally. This is highest in the Private Rented Sector (37% compared to 49% nationally)
- Dampness occurs in 2% of properties compared to 4% nationally and condensation in 3% of houses compared to 11% nationally. Again this is most prevalent in the Private Rented Sector. (7% and 37% respectively)

- Fuel Poverty remains a significant issue in the Highland with 50% of Highland dwellings fuel poor, the third highest in Scotland and well above the Scottish average of 36%. As set out in guidance, Fuel Poverty and energy efficiency will be evidenced in the Local Housing Strategy itself rather than the Housing Need and Demand Assessment.

3.6.2 Overall the condition of the Housing Stock in Highland tends to be better than the national average on key indicators of building conditions and lower than the national average in relation to energy efficiency measures. The stock conditions survey confirms a concentration of poor housing conditions in the Private Rented Sector.

3.6.3 A summary of Scottish Housing Quality Standard (SHQS) compliance is given in Table 3-17 (below). More detailed information on stock condition within the social rented sector is available in relation to the Scottish Housing Quality Standard where each landlord has developed a standard delivery plan containing information about the numbers of social rented homes that currently meet the as well as future investment plans required to bring all property up to standard.

Table 3-17 Scottish Housing Quality Standard

RSL Name / Council name	2013			2014		
	Total stock for SHQS	Stock failing SHQS	% of stock failing SHQS	Total stock for SHQS	Stock failing SHQS	% of stock failing SHQS
Abbeyfield Scotland Ltd	3	2	66.7	3	0	0.0
Albyn HS Ltd	2,703	256	9.5	2,761	59	2.1
LSHA	597	0	0.0	597	0	0.0
Cairn HA Ltd	1,514	761	50.3	1,524	492	32.3
Caledonia HA Ltd	24	0	0.0	46	0	0.0
Hanover (Scotland) HA Ltd	333	11	3.3	338	0	0.0
Highland Council	13,542	4,057	30.0	13,575	2,798	20.6
Key HA Ltd	113	2	1.8	113	0	0.0
Link Group Ltd	39	0	0.0	39	0	0.0
Lochaber HA Ltd	645	36	5.6	643	51	7.9
Margaret Blackwood HA Ltd	55	7	12.7	55	7	12.7
Pentland HA Ltd	492	0	0.0	492	0	0.0
Trust HA Ltd	165	63	38.2	165	95	57.6
Highland	20,225	5,195	25.7	20,351	3,502	17.2

Source: Highland Council and Housing Association records

3.6.4 The Highland Council and Cairn Housing Association have the greatest proportion of properties still failing the Scottish Housing Quality Standard. The majority of outstanding failures relate to heating / energy efficiency work that is technically difficult to deliver in rural / off gas area.

3.7 Stock Pressures

- 3.7.1 This section summarises stock pressures in relation to the social rented sector, based on analysis of Highland Housing Register supply and demand data. A more detailed paper is provided in the supporting documents.
- 3.7.2 At 1 April 2014 there were 7,851 applicants on the Highland Housing Register, of which 75% were new applicants and 25% existing tenants wanting to transfer. There has been a reduction in housing applications over the last 2 years mainly due to reviews of the register.
- 3.7.3 Table 3-18 (below) summarises housing demand by property size for each housing market area:

Table 3-18 Housing Register by Area and Size Required

	1 bed	2 bed	3 bed	4 & more beds	Total applicants
Badenoch & Strathspey	252	90	70	14	426
Caithness	218	119	26	15	378
East Ross	403	165	71	52	691
Inverness	1,851	704	387	150	3,092
Lochaber	412	220	86	34	752
Mid Ross	465	198	92	42	797
Nairn	252	100	42	21	415
Skye & Lochalsh	293	93	31	21	438
Sutherland	137	50	22	9	218
West Ross	124	38	22	7	191
Highland	4,407	1,777	849	365	7,398

Source: Highland Housing Register

- 3.7.4 This shows that the bulk of demand in numerical terms is for Inverness, where 40% of applicants want to live. There is a similarity in the profile of housing size required across area with on average 63% of applicant requiring a 1 bedroom property; 23% a 2 bedroom property and 10% a 4 bedroom property.
- 3.7.5 A more detailed analysis of housing pressure at a community level is contained in the background documents referenced in the Appendix.
- 3.7.6 Comparing the size requirements of existing applicants with current stock and turnover illustrates the mismatch between supply and demand for different property sizes. Table 3-19 (below) summarises the position across Housing Market Areas. It shows the turnover of houses in the last year as a percentage of the available stock in each Housing Market Area. A high percentage means areas have a more adequate supply of housing, and as percentages fall they indicate an increasing level of housing pressure.

Table 3-19 Turnover per Property Size as a Percentage of the Available Stock of That Size

	1 bed	2 bed	3 bed	4 + bed	Total
Badenoch & Strathspey	13	48	19	0	31
Caithness	66	128	304	40	141
East Ross	12	52	141	25	48
Inverness	10	40	21	5	27
Lochaber	7	43	43	18	34
Mid Ross	11	40	37	10	31
Nairn	12	19	19	5	18
Skye & Lochalsh	9	39	68	5	28
Sutherland	28	90	132	11	73
West Ross	12	66	36	14	39
Highland	14	48	48	11	38

Source: Analysis of Highland Housing Register

- 3.7.7 This table shows that the overall housing pressure varies significantly across Housing Market Area, with Nairn and Inverness, and Skye and Lochalsh having the greatest pressure. In contrast the figure for Caithness shows that turnover exceeds demand.
- 3.7.8 The table also illustrates the mismatched / different pressures on particular house sized within each Housing Market Area. For example in Sutherland there is high pressure on 1 bed and 4+ bedroom stock (28.47% and 11.11% respectively) but an adequate supply of 2 bedroom and 3 bedroom properties (90% and 131.82% respectively). Even in Caithness, despite generally having an adequate supply of housing there is relative pressure on 4+ bedroom houses (40%). In fact, although the relative number of applicants requiring 4+ bedroom property is low (4.9%) there are also low numbers / turnover of larger property (1.4%).
- 3.7.9 Similarly there is considerable pressure on 1 bedroom properties. Historically social landlords have attempted to address this particular mismatch by allocating 2 bedroom houses to households with a 1 bedroom need. Since the introduction of the Under-Occupancy rules in relation to Welfare Reform it has been more difficult to do this without affecting entitlement to housing benefit.
- 3.7.10 The impact of both welfare reform and demographic changes resulting in an increasing proportion of smaller household are likely to place additional pressure on 1 bedroom properties in future.
- 3.7.11 As at March 2014, of the 7,851 applications on the Highland Housing Register 1,618 were awarded points for overcrowding (22%). Within this total 189 applicants were defined as being in extreme overcrowding, ie 3 or more people sharing a bedroom. A breakdown by area is provided in Table 3-20 (below).

Table 3-20 Overcrowding

	Over-crowding	% of area applicants	Extreme overcrowding	% of area applicants
Badenoch & Strathspey	91	21%	14	3%
Caithness	74	20%	2	1%
Inverness	789	25%	95	3%
East Ross	117	17%	13	2%
Lochaber	187	25%	25	3%
Mid Ross	130	16%	19	2%
Nairn	64	16%	5	1%
Skye & Lochalsh	75	17%	8	2%
Sutherland	38	17%	4	2%
West Ross	53	27%	4	2%
Highland	1,618	22%	189	3%

Source: Analysis of Highland Housing Register

3.7.12 A household of unrelated adults sharing a kitchen, bathroom or WC with another household but not sharing meals is considered to be a “concealed household”. Again, looking at the Highland Housing Register applications there were 1,801 (24%) with sharing facilities points. High concentrations of concealed households occur in Inverness, East-Ross, West Ross and Sutherland (Table 3-21 below).

Table 3-21 Concealed Households

	Number of applicants	% of area applicants
Badenoch & Strathspey	91	21
Caithness	48	13
East Ross	177	26
Inverness	805	26
Lochaber	181	24
Mid Ross	189	24
Nairn	98	24
Skye & Lochalsh	104	24
Sutherland	55	25
West Ross	53	28
Highland	1,801	24

Source: Analysis of Highland Housing Register

3.8 Turnover rates

3.8.1 Table 3-22 (below) shows the number of applicants on the housing and transfer lists at March 2014, together with the properties let in each category.

Table 3-22 Stock Turnover

	Housing Applicants	Transfer applicants	Total applicants (1)	Lets transfer	Lets housing list	Total lets (2)	% lets to applicants (2) / (1)
Badenoch and Strathspey	318	108	426	22	67	89	21%
Caithness	180	190	370	112	263	375	101%
East Ross	443	246	689	64	184	248	36%
Inverness	2,323	792	3,115	174	384	558	18%
Lochaber	573	171	744	41	123	164	22%
Mid Ross	576	221	797	44	124	168	21%
Nairn	323	84	407	18	39	57	14%
Skye and Lochalsh	350	84	434	20	64	84	19%
Sutherland	161	60	221	23	89	112	51%
West Ross	169	25	194	9	40	49	25%
Highland	5,416	1,981	7,397	527	1,377	1,904	26%

Source: Analysis of Highland Housing Register

3.8.2 This shows that overall just over a quarter (26%) of HHR applicants' needs could be met based on the stock turnover last year, although there are variations between area with Inverness, Nairn and Skye and Lochalsh all showing turnover at less than 20% of demand. The table also illustrates the high turnover to demand in Caithness and to a lesser extent Sutherland. This reflects relatively low housing pressure in these areas.

3.9 In-situ / Management Solutions

3.9.1 The Highland Housing Register Allocations policy aims to make the best use of the housing stock by awarding points to applicants who are overcrowded, under-occupying and sharing facilities with another household.

3.9.2 Social Landlords also offer a “downsizing” incentive aimed at encouraging older person, under-occupying households to move to smaller housing within the social rented sector. Table 3-23 below indicates the number of households on the housing register and those who were housed as a result of under-occupation in the last year:

Table 3-23 Downsizing

	Housing list	Transfer list	Total Apps (1)	Lets Housing list	Lets Transfer list	Total Lets (2)	% lets to applicants (2) / (1)
Badenoch and Strathspey	98	43	141	6	6	12	9%
Caithness	77	72	149	38	53	91	61%
East Ross	106	120	226	14	33	47	21%
Inverness	455	295	750	14	60	74	10%
Lochaber	144	88	232	9	21	30	13%
Mid Ross	150	92	242	8	12	20	8%
Nairn	84	17	101	3	11	14	14%
Skye and Lochalsh	102	50	152	3	7	10	7%
Sutherland	65	35	100	29	11	40	40%
West Ross	57	10	67	11	4	15	22%
Highland	1338	822	2160	135	218	353	16%

Source: Highland Council and Housing Association records

3.9.3 This table shows that 16% of applicants who were under-occupying could be accommodated within stock turnover. The proportions vary significantly across area with very low proportions in Badenoch and Strathspey, Mid-Ross and Skye and Lochalsh. This is a due to differentials in housing pressure, turnover and stock profile across areas.

3.9.4 Enabling people to address housing needs by accessing existing private sector housing is also a way of meeting need without new supply. Since its introduction in 2008/09 there have been over 400 Open Market Shared Equity sales in Highland. These are detailed in Table 3-24 (below).

Table 3-24 Open Market Shared Equity Sales - Highland

2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
35	92	10	38	44	91	96

Source: Scottish Government

3.9.5 Demolitions are not a significant factor in Highland and the majority of demolitions are accompanied by rebuild on the same site. For the purposes of house completion records the demolition is taken into account the number of new houses is the “net gain”.

3.9.6 A conversion is a way to usefully remodel non-domestic properties to provide housing or allow the subdivision of larger domestic properties into smaller properties. Occasionally dwellings are ‘merged’ to form a larger dwelling, for example, where two cottages are knocked through to create a larger house. The number of conversions is low and does not make a significant contribution to the overall housing stock.

3.9.7 Adapting existing stock is also a way to meet housing need in-situ. This is described in more detail in the Specialist Provision chapter of this document.

3.10 Conclusions

3.10.1 Highland’s projected housing shortfall and the financial cost of meeting it have two broad implications for future policy:

3.10.2 Firstly, it will be important to ensure that planning and resources from all key stakeholders work together to maximise their impact.

3.10.3 Secondly, new types of investment and development solutions will need to be developed and delivered if we are to meet rising housing demand.

3.11 Chapter 3: Key Findings

LHS and Development Plan	Key Issues Identified in the HNDA
Housing quality	<ol style="list-style-type: none"> 1. Overall the condition of the Housing Stock in Highland tends to be better than the national average on key indicators of building conditions and lower than the national average in relation to energy efficiency measures. 2. Highland has a higher proportion of adapted properties in the public sector and a lower proportion of adapted properties in the private sector than Scotland as a whole. 3. There is a concentration of poor housing conditions in the Private Rented Sector. 4. There are challenges for social landlords in meeting the Scottish Housing Quality Standard in relation to energy efficiency due to cost and technical difficulty in off-gas areas.
Housing stock pressures	<ol style="list-style-type: none"> 1. Demand for housing is high and there is a fairly consistent demand by property size across Housing Market Areas with on average 63% of applicant requiring a 1 bedroom property; 23% a 2 bedroom property and 10% a 4 bedroom property. 2. There are variations in social rented stock by house size across Housing Market Areas, with particularly low proportions of 1 bedroom properties in Lochaber and East Ross and a low proportion of 2 bedroom properties in East Ross and Sutherland. 3. Overall housing pressure varies significantly across Housing Market Area, with Nairn and Inverness, and Skye and Lochalsh having the greatest pressure, and Caithness low pressure. 4. There is a mismatch between supply and demand for different property sizes, which varies across Housing Market Area. 5. There is a considerable pressure for 1

	<p>bedroom properties, and this is likely to continue given demographic trends. The balance between 1 and 2 bed properties for new builds will be reviewed as part of the LHS.</p>
<p>Size, type, tenure and location of future social housing supply</p>	<ol style="list-style-type: none"> 1. There is a lower proportion of social rented housing in Highland than in Scotland as a whole. This contributes to housing pressure across most Housing Market Areas. 2. The percentage of private renting has increased slightly over the last 10 years (from 8.4% to 9.9%). 3. There has been a reduction in Right to Buy Sales over the last 10 years, and when Right to Buy is ended in 2016 we will begin to see a real increase in social rented stock 4. There is a higher proportion of pre1919 housing stock across all tenure, and less interwar and post-war properties, reflecting historic population / migration / economic patterns over the 20th Century. 5. There are some significant variations in house size across Housing Market Area, where some, mainly rural, areas have a lower proportion of smaller houses. This is a particular issue in relation to demographic trends towards smaller, single person households and the impact of the under-occupation rules on private and social renters on low incomes who rely on housing benefit / Local Housing Allowance. 6. In the social rented sector there is a predominance of houses rather than flatted property.
<p>Sustaining communities tenure diversification / regeneration</p>	<ol style="list-style-type: none"> 1. There are no major demolitions planned and only limited infill opportunities, but we will continue to work with communities to identify opportunities, particularly in Wick and Muirtown & South Kessock (Inverness). 2. Affordable housing can help make “fragile” communities more sustainable.

CHAPTER 4: Estimating Housing Need and Demand

4.1 Summary

4.1.1 This chapter describes the way in which housing need and demand has been estimated in Highland. The key findings are summarised in Table 4-6 and Table 4-7 below and in the standard templates in the key findings summary at the start of this document. These are presented for the periods 2015 to 2019 (for the Local Housing Strategy) and 2015 to 2024 (for the Local Development Plan). Background papers providing further details are referenced in Appendix A. This analysis provides the evidence that helps us to produce estimates of the additional housing requirement in future years. This will inform housing supply targets and affordable housing policies that will be set out in our Local Housing Strategy and Highland Development Plan.

4.2 Future Demographic Scenarios

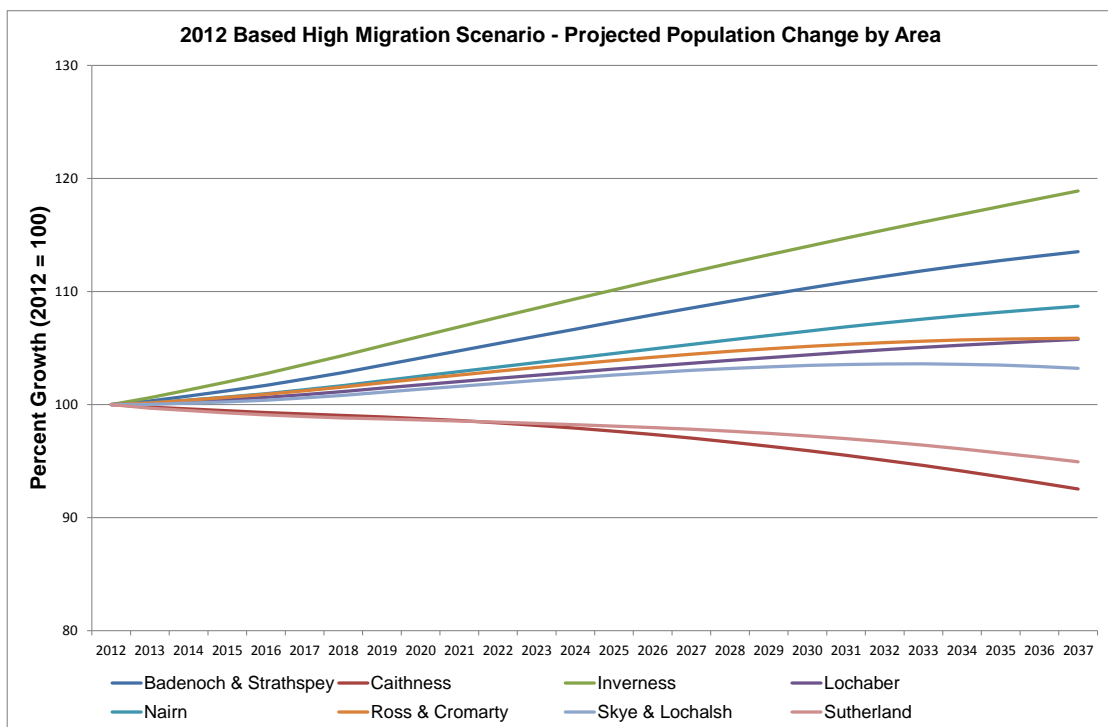
4.2.1 Chapter 2 above describes how the population of Highland has grown steadily over the last 30 years, and that generally positive economic conditions suggest growth will continue into the future. Sections 2.5 to 2.7 show that the assumptions used by NRS in their three standard sets of projections (principal, low migration and high migration) result in lower growth than we have seen over the last 20 years. The high migration scenario of +1,100 people per year suggests an average growth of 790 households per year over the next decade which compares with an average of 1,140 over the last 20 years. The HMP is concerned that, although the high migration scenario is the NRS projections that is closest to the likely future growth of Highland, planning on this basis might result in a shortage of housing land that would constrain future economic growth.

4.2.2 The HMP has therefore developed an additional scenario - "continued growth" – which delivers the historic rate of household growth over the next decade but recognises that it will not continue in the longer term because of our ageing population. This scenario is described in detail in the background paper *5 scenario to be used for highland HNDA*

4.2.3 The principal, low and high scenarios have been assessed by the CHMA as robust and credible but they consider the continued growth scenario to be policy based, outwith the scope of the HNDA Guidance, and part of the LHS and LDP process. They have therefore not assessed this scenario against their robust and credible criteria. In the remainder of this Section, full detail is given for the high migration scenario, and the resulting need and requirement are compared with equivalent figures from our 2010 HNDA. Headline need (social rent) and requirement figures are compared for all four scenarios and a full breakdown by tenure and HMA is given for the high migration and continued growth scenarios as described in Section 4.6 below.

4.2.4 Each Highland area has different demographic characteristics - in terms of current age profile, fertility & mortality rates, and numbers & age profiles of migrants – with the result that growth is not uniformly spread across Highland. Figure 4-1 (below) gives a simple summary of the projected population change with each area starting at an index of 100 in the base year of 2012. It shows that Inverness and Badenoch and Strathspey are expected to see particularly high rates of growth, with falls in Caithness and Sutherland. The detailed results for each area give single year of age populations, by gender, for each year of the projection period and these are used as input to household projections.

Figure 4-1 Projected Population Change by Housing Market Area

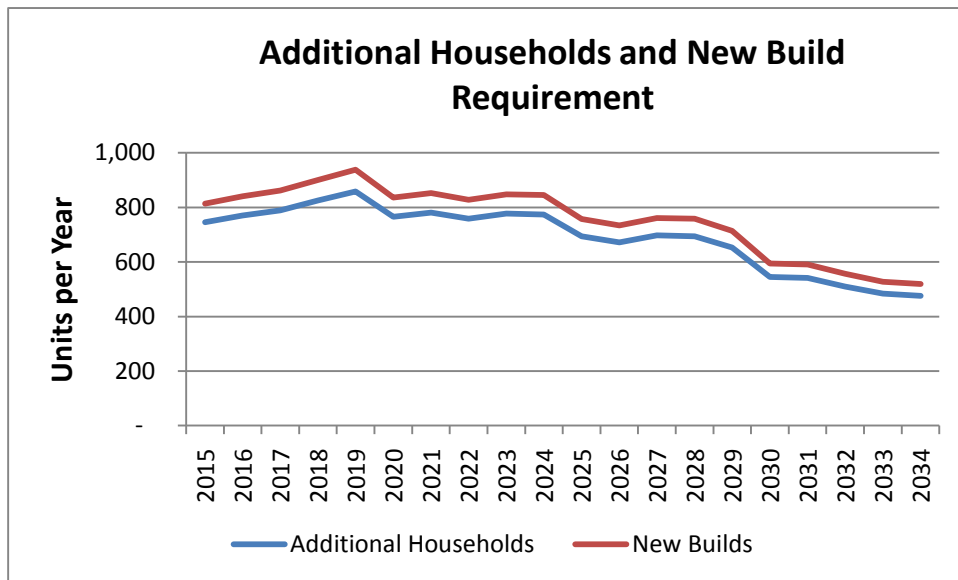


Source: Highland Council 2012 based household projections

4.2.5 The household projections build on the detailed population projections. The number of people living in private households is estimated by taking the population projections for each year and subtracting the number of people living in communal establishments, such as student halls of residence, care homes or prisons. “Headship rates” are calculated by National Records of Scotland for each household type and age group in Highland and these are applied to the private household population to produce the basic household projections for the eight projection areas. At this stage of the process, Ross and Cromarty split into its three constituent housing market areas by calculating the percentage share of the total population, by single year of age and gender, in each data zone in the area and assigning each zone to a housing market area.

4.2.6 Figure 4-2 (below) shows the total housing requirement that results from this process and gives both the number of new households per year and the housing requirement when ineffective stock is taken into account (8.4% for Highland). It shows that the number of new houses required per year is generally stable for the first ten years of the period but then begins to fall as a result of our ageing population, the increasing margin of deaths over births, and national assumptions about future rates of household formation.

Figure 4-2 Projected Additional Households and New Build Requirement



Source: Highland Council 2012 based household projections, high migration scenario

4.2.7 Table 4-1 (below) summarises the number of households and household types for 2012 and 2037 for the eight projection areas in Highland. They show an increase in the number of households from 103,706 to 120,149 with an increase in the percentage of 1 and 2 person households and a reduction in the number of 3+ person households.

Table 4-1 Household Types 2012 and 2037

2012								
	1 person male	1 person female	2 person 2 adult	2 person 1 parent	3+ person all adult	3+ person 1 parent	3+ person 2 ad + ch	Total (100%)
Badenoch and Strathspey	15.0	18.3	34.5	3.0	8.0	2.4	18.8	6,042
Caithness	15.0	18.2	34.4	3.0	8.0	2.4	19.0	11,891
Inverness	15.0	17.0	32.5	3.5	7.6	2.9	21.4	34,342
Lochaber	14.9	17.8	34.1	3.1	8.0	2.5	19.6	8,838
Nairn	15.0	18.7	34.4	2.9	8.0	2.3	18.7	5,860
Ross and Cromarty	15.0	18.2	34.7	3.0	8.1	2.4	18.7	24,099
Skye and Lochalsh	14.9	18.3	35.5	2.7	8.5	2.2	17.9	5,930
Sutherland	15.0	20.1	36.4	2.5	8.3	1.9	15.9	6,705
Highland	15.0	17.9	34.0	3.1	7.9	2.5	19.5	103,706
2037								
	1 person male	1 person female	2 person 2 adult	2 person 1 parent	3+ person all adult	3+ person 1 parent	3+ person 2 ad + ch	Total (100%)
Badenoch and Strathspey	18.4	19.4	34.4	3.8	5.6	3.0	15.4	7,384
Caithness	18.5	20.2	36.2	3.3	5.8	2.5	13.5	12,075
Inverness	18.2	18.0	34.4	4.1	5.9	3.1	16.1	43,109
Lochaber	18.3	18.8	35.6	3.7	5.8	2.9	14.9	9,956
Nairn	18.4	19.7	35.5	3.6	5.6	2.8	14.4	6,762
Ross and Cromarty	18.4	19.9	35.4	3.6	5.6	2.8	14.3	27,277
Skye and Lochalsh	18.4	20.6	36.9	3.2	5.6	2.5	12.9	6,618
Sutherland	18.6	21.8	36.3	3.0	5.5	2.3	12.5	6,967
Highland	18.3	19.3	35.2	3.7	5.7	2.9	14.8	120,149

Source: Highland Council 2012 based household projections, high migration scenario

4.3 Estimate of Existing Need (Backlog of Need)

4.3.1 The Highland Housing Partnership has agreed to use an in-house method to estimate existing need (sometimes referred to as the backlog of need) based on an assessment of the current living arrangements of each applicant on the Highland Housing Register (HHR). The Partnership believes that this approach is more robust than both the modelled Homelessness and Temporary Accommodation Pressure (HaTAP) approach and the surveyed and inferred based methods suggested as defaults in the HNDA Guidance. The background to this decision is described more fully in the accompanying paper 2 *Backlog Definition to be used in Highland HNDA*.

4.3.2 Each individual record in the Highland Housing Register has been examined to see whether the applicant requires a stock addition, in which case they are included in existing need, or an in-situ solution which does not need a stock addition. The decision uses a combination of the information recorded in the *current home description* and *points rule* fields. Using this approach, the existing need in Highland requires 2,144 additional new homes, as detailed in Table 4-2 (below).

Table 4-2 Components of Housing Need

	Badenoch & Strathspey	Caithness	East Ross	Inverness	Lochaber	Mid Ross	Nairn	Skye & Lochalsh	Sutherland	West Ross	Total
Homeless	16	7	46	256	37	53	22	36	3	3	479
Living in a hostel	5		2	27		3	2	3			42
Living in a caravan	3	1	7	24	18	6	3	13	6	9	90
Living in temporary accommodation provided by the Highland Council or another Council	3		9	31	6	14	4	1	1		69
Living or lodging with friends	13	10	30	101	32	22	12	23	7	13	263
Living with parents or relatives	63	37	131	522	103	141	69	65	37	33	1,201
Grand Total	103	55	225	961	196	239	112	141	54	58	2,144

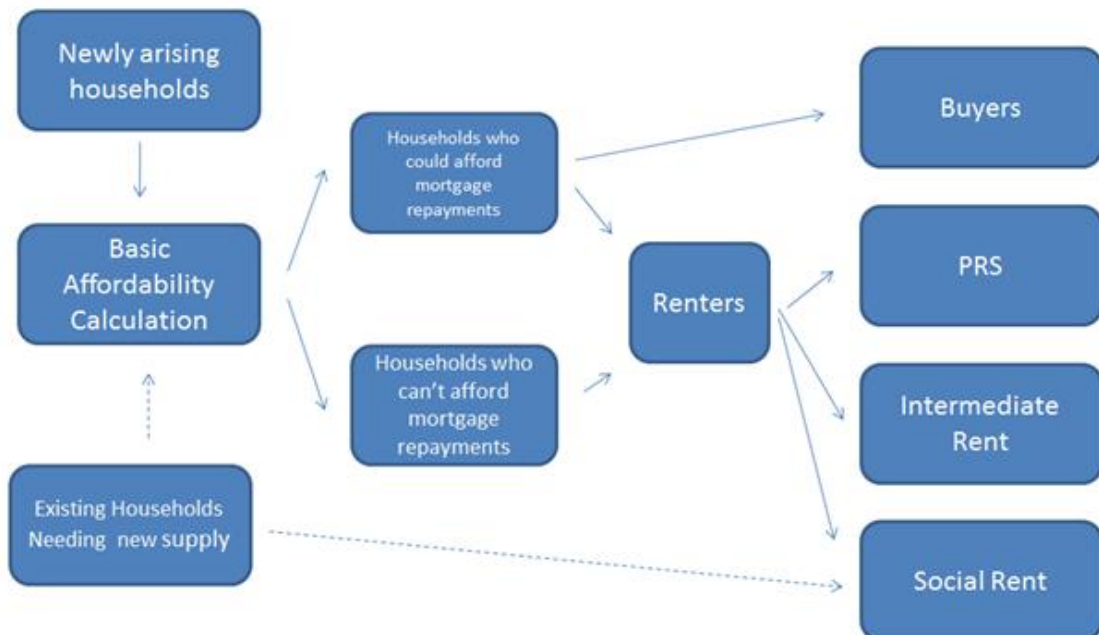
Source: Analysis of Highland Housing Register

4.3.3 Current and anticipated funding levels for housing subsidy suggest that it will not be possible to remove the backlog of need quickly, and in the analysis that follows it is assumed that the backlog will be removed over ten years starting in 2015 (ie starting with our next Local Housing Strategy).

4.4 Using the HNDA Tool: House Price and Income Scenarios, and Split by Projected Tenure

4.4.1 The HNDA Tool uses information on incomes, house prices and rents for each HMA in Highland to assign newly arising households and existing need to tenure. The basic structure of the Tool is laid out in Figure 4-3 below:

Figure 4-3 HNDA Tool Schematic



4.4.2 The accompanying paper *8 Using the HNDA Tool in Highland* gives full details of the way in which version 1.13 of the tool has been used to evaluate the high migration scenario which will provide the baseline for our LHS and LDP. Full details of the assumptions used are in the table below. For the most part we have used default parameters unless we have been able to calculate or source accurate local information, with some key assumptions as follows:

- The main scenario is the high migration scenario and we have also evaluated the principal and low migration scenarios: all three are equivalent to those prepared by National Records of Scotland. We have also evaluated 25 other scenarios looking at sensitivity to the choice of model parameters.
- The existing need of 2,144 is removed over 10 years starting in 2015.
- We have not used the affordability model to allocate existing need as the tool assumes that the income profile for the population overall will be applied to families in need, yet the personal and living circumstances of these families suggest that they are likely to have low incomes. Our approach results in all of the existing need being assigned to social rent.

4.4.3 A copy of the HNDA tool EXCEL workbook used to evaluate the high migration scenario is given as file *12 run3* in the accompanying information. Table 4-3 (below) details the assumptions used.

**Table 4-3 Assumptions and Parameters Used
In The HNDA Tool**

ASSUMPTIONS AND PARAMETERS USED IN THE HIGH MIGRATION SCENARIO RUN OF THE HNDA TOOL		
1 Household Projections	1 Household Projection	High migration scenario
	1a Household Growth Adjustment	Not used
2 Existing Need	Use HaTAP method	Not used (numbers in temporary accommodation and homeless provision requirements)
	Own existing need figures	2,144 (excludes overcrowding) over 10 years starting 2015 (2,787 over 13 years starting 2012 as tool input data)
	2a Years from 2015 to clear need	10
	Use affordability model to assign need	No
3 Income, Growth and Distribution	Income data	CACI income data
	Growth in median income scenario	Modest increases (core)
	Change in income Distribution	Flat
	Select part of income distribution interested in	Not used
4 Prices and Affordability	House price scenario	Office of Budget Responsibility (OBR) estimates (core)
	Income percentile	25%
	Income ratio	4
5 Split Need into Tenure	Proportion of market who buy	50%
	Upper income-to-rent threshold	35%
	Lower income-to-rent threshold	25%
	Rent Growth Scenario	Office of Budget Responsibility OBR estimates (core)

- 4.4.4 The accompanying information referenced in the Appendix also includes:
- *9 HNDA_tool_run_log* giving the parameter settings for 29 individual model runs used to evaluate the sensitivity to model parameters
 - *10 HNDA_tool_results_summary* giving the detailed results by housing market area for each model run: and
 - *11 sensitivity analysis* summarising and describing the key results.
- 4.4.5 The various additional runs of the tool were carried out relatively early in the HNDA process to help our understanding of the way in which the tool works, and have not been used directly to inform the HNDA (other than the principal, high migration and low migration runs). The key findings are summarised in the template tables given in the key findings and are presented for the Local Housing Strategy period (to 2020) and for the Local Development Plan Period (to 2034).

4.5 Comparison of Scenarios

4.5.1 Table 4-4 and Table 4-5 below compare the need and requirement by HMA for the low, principal, high and continued growth scenarios. Towards the end of the projection period there is negative household growth in Caithness, East Ross, Nairn, Skye & Lochalsh and Sutherland (low) and Caithness, Skye & Lochalsh and Sutherland (principal) and negative figures have been counted as zero. There are no negative values during the five years of the LHS.

Table 4-4 Comparison of Scenarios - Need and Total Requirement, Five Years Starting 20015/16 (for the Local Housing Strategy)

	Need (Social Rented)				Total Requirement			
	Low	Principal	High	Continued Growth	Low	Principal	High	Continued Growth
Badenoch & Strathspey	113	120	132	156	277	305	348	438
Caithness	51	63	76	89	113	158	207	254
East Ross	174	189	202	238	341	394	443	578
Inverness	843	889	938	1,096	1,909	2,090	2,284	2,904
Lochaber	145	158	172	193	266	312	361	438
Mid Ross	190	205	218	256	391	448	497	644
Nairn	89	100	117	138	173	226	273	348
Skye & Lochalsh	113	121	131	149	221	251	287	350
Sutherland	48	58	69	80	98	130	168	204
West Ross	65	70	75	75	159	176	194	193
Highland	1,832	1,977	2,130	2,469	3,951	4,492	5,062	6,349

Source: Highland Council Analysis

4.5.2 Setting aside the fall in household numbers in parts of Highland later in the period, the figures for the low projection show that much of the need and requirement is coming from changing circumstances of our existing population, as well as from new households moving into Highland.

4.5.3 The assumption made on the backlog of existing affordable need is that it will be removed over 10 years, and 1,072 (half of the Highland total) is included in all four scenarios in Table 4-4 above. This accounts for the relative insensitivity of the need for social rented housing to the choice of scenario, with the need rising from 1,832 (low) to 2,469 (continued growth). Although the existing need is also included in the requirement, its proportion of the total is lower and the total requirement varies significantly with the scenario, rising from 3,951 (low) to 6,349 (continued growth). The low and principal scenarios are considered to be unlikely unless we experience another significant economic setback, but even in this eventuality there would still be a requirement for between 800 and 900 houses per year.

Table 4-5 Comparison of Scenarios – Need and Total Requirement 20 Years Starting 20015/16 (for the Local Development Plan)

	Need (Social Rented)				Total Requirement			
	Low	Principal	High	Continued Growth	Low	Principal	High	Continued Growth
Badenoch & Strathspey	303	353	429	553	804	975	1,235	1,659
Caithness	69	99	137	183	131	218	357	523
East Ross	353	427	509	694	682	934	1,211	1,834
Inverness	2,301	2,589	2,919	3,713	5,864	6,898	8,083	10,950
Lochaber	310	390	483	596	589	852	1,154	1,526
Mid Ross	422	506	589	782	911	1,207	1,499	2,182
Nairn	186	262	341	443	364	618	879	1,216
Skye & Lochalsh	222	265	331	420	429	571	789	1,083
Sutherland	75	102	150	201	129	209	356	510
West Ross	155	191	223	223	389	505	608	608
Highland	4,396	5,184	6,111	7,810	10,292	12,988	16,171	22,091

Source: Highland Council Analysis

4.5.4 Table 4-5 shows that the differences between the scenarios widen during the 20 years of the LDP, largely because population growth in some HMAs stagnates, or becomes negative, under the two lower growth scenarios. The requirement falls each year during the second half of the period as shown in Figure 4-2 above. In addition, the existing need for social rented housing is removed during the first 10 years and there are no equivalent figures in the second half of the period.

4.6 Building on This Analysis in our Local Housing Strategy and Local Development Plan

4.6.1 HNDA Guidance is that housing supply targets in the LHS and LDP should be a policy based interpretation of the HNDA to be considered separately from the HNDA (Manager’s Guide Section 13), and this is considered by the CHMA to be outside the remit of the HNDA and the robust and credible framework. Section 13.4 of this Guide lists potential factors which might be taken into account including economic factors, capacity, completion rates and recent development levels.

4.6.2 Throughout the preparation of this HNDA a significant concern of the HMP has been that the 2012 based population and household projections suggest a potentially lower rate of household growth than we have seen historically: the reasons for this are outlined in 4.7 above and Figure 2-6 gives the rates for comparison. Section 1.2 *Evolution of this HNDA* describes how an earlier draft gave a scenario in which need and requirement were based on the economy and population continuing to grow at rates we have seen over the last 20 years whilst also taking into account the impact of ageing population.

4.6.3 The Council’s policies are closely aligned to those of the Scottish Government and we encourage growth. Our SOA contains a commitment to work with developers to enable 5,000 new homes to be built over a five year period and we are on target to achieve the target which is also accompanied by a commitment to create 5,000 new jobs. The housing target was perceived to be relatively modest when it was set in 2012, when we were still recovering from the 2008 credit crunch, yet it is similar to the 5 year figure of 5,062 given in Table 4-6 above which is intended to indicate a high growth rate.

4.6.4 The high migration scenario gives a level of household growth below the historic average. If this was to be used as the basis for a housing supply target that is too low there would be a risk of constraining economic growth through increased house prices, low population growth and skills shortages. In developing our LHS and LDP we will therefore also consider the level of development that would be needed to support continued growth. The four tables below set out tenure by HMA for the two scenarios that will be used as the basis of consultation on the LHS and LDP:

- Table 4-6 and Table 4-7 set out housing supply targets for the high migration scenario and this gives a baseline which has been used for the “low” scenario in our LHS and LDP Main Issues Report. This scenario has been assessed as robust and credible by the CHMA.
- Table 4-8 and Table 4-9 set out housing supply targets based on continued growth and these have been used for the “high” scenario in our LHS and LDP Main Issues Report. This scenario has not been assessed by the CHMA against their criteria for robust and credible status as it is policy based and outwith the scope of the Guidance.

Table 4-6 Additional Housing Units by Tenure and Housing Market Area 20015/16 to 2019/20 (for the Local Housing Strategy)

	Social Rent	Below Market Rent	Private Rented Sector	Buyers	Total Requirement	Requirement as % of Current Stock
Badenoch & Strathspey	132	47	103	66	348	4.9
Caithness	76	32	28	71	207	1.6
East Ross	202	66	79	96	443	4.5
Inverness	938	281	541	523	2,284	6.4
Lochaber	172	53	50	87	361	3.7
Mid Ross	218	60	124	94	497	4.9
Nairn	117	33	59	65	273	4.6
Skye & Lochalsh	131	43	63	50	287	4.0
Sutherland	69	29	28	41	168	2.2
West Ross	75	33	54	31	194	3.9
Highland	2,130	678	1,129	1,124	5,062	4.5

Source: Highland Council Analysis using HNDA Tool, high migration Scenario

**Table 4-7 Additional Housing Units by Tenure and Housing Market Area
20015/16 to 2034/35 (for the Local Development Plan)**

	Social Rent	Below Market Rent	Private Rented Sector	Buyers	Total Requirement	Requirement as % of Current Stock
Badenoch & Strathspey	429	185	383	239	1,235	17.3
Caithness	137	55	46	119	357	2.8
East Ross	509	194	230	278	1,211	12.2
Inverness	2,919	1,114	2,059	1,991	8,083	22.5
Lochaber	483	190	179	303	1,154	11.8
Mid Ross	589	200	408	302	1,499	14.7
Nairn	341	118	199	222	879	14.9
Skye & Lochalsh	331	130	184	144	789	11.1
Sutherland	150	60	59	88	356	4.6
West Ross	223	112	173	100	608	12.3
Highland	6,111	2,357	3,918	3,785	16,171	14.5

Source: Highland Council Analysis using HNDA Tool, high migration Scenario

**Table 4-8 Continued Growth Scenario: Additional Housing Units by Tenure and
Housing Market Area 20015/16 to 2019/20 (for the Local Housing Strategy)**

	Social Rent	Below Market Rent	Private Rented Sector	Buyers	Total Requirement	Requirement as % of Current Stock
Badenoch & Strathspey	156	62	134	86	438	6.1
Caithness	89	41	35	89	254	2.0
East Ross	238	93	112	135	578	5.8
Inverness	1,096	378	727	703	2,904	8.1
Lochaber	193	68	65	112	438	4.5
Mid Ross	256	84	173	131	644	6.3
Nairn	138	44	79	87	348	5.9
Skye & Lochalsh	149	56	81	64	350	4.9
Sutherland	80	37	35	52	204	2.6
West Ross	75	33	54	31	193	3.9
Highland	2,469	895	1,494	1,491	6,349	5.7

Source: Highland Council Analysis using HNDA Tool, continued growth scenario

Table 4-9 Continued Growth Scenario: Additional Housing Units by Tenure and Housing Market Area 20015/16 to 2034/35 (for the Local Development Plan)

	Social Rent	Below Market Rent	Private Rented Sector	Buyers	Total Requirement	Requirement as % of Current Stock
Badenoch & Strathspey	553	254	525	327	1,659	23.2
Caithness	183	85	70	184	523	3.9
East Ross	694	315	374	450	1,834	18.5
Inverness	3,713	1,563	2,884	2,789	10,950	30.5
Lochaber	596	263	248	419	1,526	15.5
Mid Ross	782	309	627	463	2,182	21.5
Nairn	443	170	285	318	1,216	20.6
Skye & Lochalsh	420	188	266	209	1,083	15.2
Sutherland	201	90	88	131	510	6.5
West Ross	223	112	173	100	608	12.3
Highland	7,810	3,350	5,541	5,390	22,091	19.8

Source: Highland Council Analysis using HNDA Tool, continued growth scenario

4.7 Comparison with 2010 HNDA

4.7.1 Table 4-10 and Table 4-11 compare need and requirement for the high migration scenario with equivalent figures from our 2010 HNDA, which were based on the 2006 series of population & household projections and net inward migration of 1,650 per year. They show a significant reduction in growth figures due to changes in both methodology and assumptions:

- In 2010, the backlog of existing need was significantly higher as it was based on all high priority needs and was not confined to need that could only be met through an addition to stock. The total backlog of need fell from 4,606 to 2,144 and in each case the assumption is that it will be removed over a 10 year period.
- The population growth is lower than in 2010, due mainly to a lower figure for net inward migration (1,100 and 1,650 per year respectively) but also a result of the ageing of our population in the intervening period and the increasing margin of deaths over births through the projection period.
- The 2011 Census has resulted in a revision of the assumptions on the way household composition and size is expected to change in the future. The rate at which household size is falling is lower than it was, and revised headship rates mean that Highland is now expected to have the second slowest rate of falling household size of all 32 Council areas (on a like for like population basis).
- Much of the analysis for 2010 was carried out by Heriot Watt University and their analysis of need was more sophisticated, including an analysis of turnover rates in HMAs with high stock relative to demand (applied particularly to Caithness, Sutherland to a lesser extent) and the financial resources of families moving into Highland.

Table 4-10 Comparison of High Migration Scenario with 2010 HNDA, First Five Years for LHS

	Need (Social Rented)		Total Requirement	
	2010 HNDA	2015 HNDA	2010 HNDA	2015 HNDA
Badenoch & Strathspey	235	132	559	348
Caithness	0	76	301	207
East Ross	1,926	202	3,667	443
Inverness	440	938	669	2,284
Lochaber	444	172	638	361
Mid Ross	260	218	857	497
Nairn	623	117	893	273
Skye & Lochalsh	282	131	360	287
Sutherland	434	69	535	168
West Ross	75	75	347	194
Highland	4,718	2,130	8,825	5,062

Source: Highland Council Analysis and 2010 HNDA

Table 4-11 Comparison of High Migration Scenario with 2010 HNDA, 20 Years for LDP

	Need (Social Rented)		Total Requirement	
	2010 HNDA	2015 HNDA	2010 HNDA	2015 HNDA
Badenoch & Strathspey	521	429	1,841	1,235
Caithness	0	136	656	357
East Ross	435	509	2,577	1,211
Inverness	3,723	2,919	12,337	8,083
Lochaber	981	483	1,808	1,154
Mid Ross	2,295	589	2,865	1,499
Nairn	1,472	341	2,017	879
Skye & Lochalsh	1,495	331	1,754	789
Sutherland	146	150	900	358
West Ross	1,040	223	1,169	608
Highland	12,107	6,111	27,922	16,171

Source: Highland Council Analysis and 2010 HNDA

4.8 Chapter 4: Key Findings

LHS and Development Plan	Key Issues Identified in the HNDA
Ineffective Stock	2. 8.4% of Highland stock is ineffective (vacant plus second / holiday homes), varying between 3.7% and 19.1% by HMA. This will be taken into account when we calculate housing and land supply targets in our Local Housing Strategy and Local Development Plans.
Existing need	2. We estimate that existing need (backlog) in Highland will require 2,144 stock additions to eradicate.
Future Demographic Scenario	<p>4. Three in house population and household projections, based on the standard NRS projections applied to Highland areas, have been assessed by the CHMA as robust and credible: these are the principal, high migration and low migration scenarios.</p> <p>5. Our HMP believes that, of the three, the high migration scenario is the closest to the likely future growth of Highland but it suggests a lower rate of household growth than we have seen historically.</p> <p>6. We will therefore consult in our LHS and LDP on both the high migration scenario (“low”) and an in-house continued growth scenario (“high”). The latter is policy based and not assessed against the HNDA criteria as it is outwith the scope of the Guidance.</p>
Household growth headlines (all high migration scenario and assessed as robust and credible)	<p>4. Over the lifetime of the Local Housing Strategy, 5,062 households will require additional housing.</p> <p>5. Over the lifetime of the Local Development Plan, 16,171 households will require additional housing.</p> <p>6. As rules of thumb to help understanding: - around half of the new housing requires some degree of subsidy (although this proportion varies between housing market areas) - future private sector housing is projected to be split evenly between ownership and renting.</p>
Owner occupation	<p>3. Over the lifetime of the Local Housing Strategy, 1,124 additional households will become owner occupiers.</p> <p>4. Over the lifetime of the Local Development Plan, 3,785 additional households will become owner occupiers.</p>
Private rent	3. Over the lifetime of the Local Housing Strategy,

	<p>1,129 additional households will become private renters.</p> <p>4. Over the lifetime of the Local Development Plan, 3,918 additional households will become private renters.</p>
Below Market Rent	<p>3. Over the lifetime of the Local Housing Strategy, there is potential for 678 households to take up below market rent properties.</p> <p>4. Over the lifetime of the Local Development Plan, there is potential for 2,357 households to take up below market rent properties.</p>
Social rent	<p>3. Over the lifetime of the Local Housing Strategy, 2,130 additional households will need social rented housing.</p> <p>4. Over the lifetime of the Local Development Plan, 6,111 additional households will need social rented housing.</p>

CHAPTER 5: Specialist Provision

5.1 Introduction

5.1.1 This chapter sets out information on the need and demand for a range of specialist provision.

5.1.2 Although specialist housing can be required by people of all ages, needs become more acute in later life. This section therefore starts with an introduction describing how Highland's retirement age population will increase during the planning period, and how this might result in an increase in the need for both care at home (with a commensurate increase in the need for specialist and adapted housing) and residential care. A significant proportion of the elderly population is likely to live alone, bringing a particular set of challenges in terms of housing and care, and information is also given on single person households.

5.1.3 Operational models developed over the last decade and more have aimed to move the balance of care away from care homes to care in the home & community, with care homes providing for the particularly frail and elderly. This has been successful with the number of people in care homes, and the number of beds provided, falling over the last decade and the numbers receiving care at home increasing. A significant challenge for specialist provision will be to provide purpose built and adapted housing of all tenures that enables people to live in their own homes as long as possible, and to provide the care that is required from a labour force that falling as a percentage of the total population.

5.1.4 The information contained in this chapter will help to inform the provision and use of specialist housing and related services, and will be used as the basis for consideration of approaches to policy and service delivery that will be set out in the Local Housing Strategy, and which will read across to the Highland Joint Commissioning Strategy. This chapter will also inform approaches to planning policy on specialist provision within the Highland Development Plan.

5.2 The Retirement Age Population

- 5.2.1 Table 5-1 below shows how the number of people of retirement age changed over the decade to 2011 together with future projections, and includes a comparison with the Scotland average. The years for the projection have been chosen to coincide with the Local Housing Strategy (2015 to 2020) and Local Development Plan (2015 to 2035).
- 5.2.2 The table shows that the population aged 65 and over grew by 25% over the decade to 2011, and the proportion in each of the three over 65 age groups also increased. The general trends were similar to Scotland overall where the percentage increase was lower at 11%.
- 5.2.3 The pace of change is projected to increase through the planning period with the total number of people of retirement age projected to increase from 45,542 to 56,173 (13%, Scotland 9%) during the life of the LHS and from 45,542 to 76,111 (54%, Scotland 46%) during the life of the next LDP. The most significant feature for Highland is the growth in the population aged 75 to 84 (from 15,661 in 2015 to 18,123 in 2020 and 25,709 in 2035) and 85 plus (5,905, 7,500, and 15,748 respectively).

Table 5-1 Age 65 Plus Population Trends as a Percentage of the Total Population

	Highland					Scotland		
	Total Population	Population Aged 65+	65 to 74	75 to 84	85+	65 to 74	75 to 84	85+
2001	208,920	34,790	9.3	5.5	1.9	8.8	5.4	1.8
2011	232,730	43,424	10.3	6.2	2.2	9.1	5.7	2.0
2015	234,952	49,542	11.9	6.7	2.5	10.2	6.0	2.2
2020	239,797	56,173	12.7	7.6	3.1	10.7	6.4	2.6
2025	244,692	63,072	12.8	9.1	3.9	10.9	7.4	3.1
2030	248,861	70,501	13.6	9.9	4.8	11.9	8.0	3.6
2035	251,951	76,111	13.8	10.2	6.3	12.2	8.3	4.5

Source: Census and Highland Council in house projections, high migration scenario, and NRS projections, principal projection (both 2012 based)

5.3 Overview of Health and Wellbeing in Highland

- 5.3.1 Table 5-2 (below) shows that the population Highland is marginally healthier than the Scotland average, with fewer people reporting one or more health conditions in the 2011 Census. It also shows how health deteriorates with age, with more than half of the population reporting a health condition at age 65.

Table 5-2 Percentage of the Population Reporting One or More Health Conditions

Age Group	Highland	Scotland
0 to 15	10.3	9.7
16 to 24	15.9	14.4
25 to 34	16.6	16.7
35 to 49	22.9	24.6
50 to 64	37.1	40.9
65 to 74	52.6	57.2
75 to 84	68.9	72.2
85 and over	86.0	86.7
All Ages	29.6	29.9

Source: 2011 Census

- 5.3.2 Alzheimer Scotland estimates there being 149 people in Highland under the age of 65 years with dementia and 4,085 over 65 years in 2014 (8.5% of the population age 65+). This is consistent with the national average prevalence rate.
- 5.3.3 Table 5-3 (below) gives the breakdown by condition (the figures do not sum to 100% because some people have more than one condition). It shows that the prevalence of the two conditions most likely to result in the need for adapted housing – physical disability and blindness or partial site loss – rise significantly after age 65 with 22.4% and 86.7% respectively affected at age 85 plus.

**Table 5-3 Long Term Health Conditions by Age Group
as Percent of Total Population**

	0 to 15	16 to 24	25 to 34	35 to 49	50 to 64	65 to 74	75 to 84	85 and over	All Age Average
No condition	89.7	84.1	83.4	77.1	62.9	47.4	31.1	14.0	70.4
One or more conditions	10.3	15.9	16.6	22.9	37.1	52.6	68.9	86.0	29.6
Deafness or partial hearing loss	0.6	0.9	1.3	2.6	7.0	16.1	30.5	50.2	7.0
Blindness or partial sight loss	0.4	0.6	0.6	1.0	1.9	3.9	9.8	22.4	2.3
Learning disability	0.5	0.9	0.7	0.6	0.4	0.3	0.2	0.2	0.5
Learning difficulty	2.6	5.4	3.4	1.8	1.1	0.7	0.5	0.3	2.1
Developmental disorder	2.2	1.7	0.5	0.2	0.1	0.1	0.1	0.0	0.7
Physical disability	0.7	1.2	1.7	3.5	7.6	12.7	20.7	33.6	6.1
Mental health condition	0.3	2.5	4.4	5.4	4.5	2.5	4.1	9.8	3.6
Other condition	5.5	6.5	8.1	14.1	26.2	35.7	40.4	42.0	18.3

Source: 2011 Census

5.4 Impact of the Ageing Population

5.4.1 The accompanying paper *4 Note on Elderly Needs* assesses the scale of need for future provision of care at home services (which will be closely aligned to the need for adapted housing), and care home places. The premise underlying this work is that prevalence rates by age and gender will be constant through time: if the policy of care at home continues to be successful then the figures for residential care will be an over estimate (essentially an upper bound) and those for care at home will be an under estimate. The findings are:

Care at Home:

- Between 2015 to 2020 the number of people receiving care at home is projected to increase from 1,764 to 2,112: an increase of 20%, or 70 people per year.
- Between 2015 to 2035 the number of people receiving care at home is projected to increase from 1,764 to 3,596: an increase of 104%, or 92 people per year.

Residential Care

- Between 2015 to 2020 the number of people in residential care is projected to increase from 1,616 to 1,937: an increase of 20%, or 64 people per year.
- Between 2015 to 2035 the number of people in residential care is projected to increase from 1,616 to 3,376: an increase of 109%, or 88 people per year.

5.5 Single Person Households

5.5.1 The Census results tell us that the number of single person households increased between 2001 and 2011, as shown in Table 5-4 below (the standard tables do not allow a breakdown into more detailed age groups). It shows that the growth in single person households has been reasonably consistent across the age groups, but above the Highland average in the 65 and over age group.

Table 5-4 Single Person Households 2001 and 2011

Age Group	2001	2011	% Change
24 and under	946	1,061	12.2
25 to 64	15,292	17,565	14.9
65 and over	11,770	13,752	16.8
All Single Person Households	28,008	32,378	15.6

Source: Census tables CAS248 and LC1109SC

5.5.2 Table 5-5 (below) shows how the numbers of single person households are expected to change. Again, the years for the projection have been chosen to coincide with the Local Housing Strategy (LHS) and Local Development Plan (LDP). They show a mixed picture for the under 65 age groups, but an increase for people of retirement age and a significant increase for the 85 and over age group of 27.6% (LHS) and 172% (LDP). Projections for the 85 and over age group make assumptions about long term trends (particularly mortality and headship rates) for a group with relatively small numbers historically which means that there is a margin for error. However, the large projected increase suggests that we are likely to see a significant increase in the number of older single person households – and therefore in the need for specialist and adapted housing – during the lifespan of our plans.

Table 5-5 Projected Number of Single Person Households

Age Group	2015	2020	2035	Percentage Increase	
				2015 to 2020	2015 to 2035
16 to 24	1,153	1,151	1,197	-0.2	3.8
25 to 34	3,274	3,283	3,240	0.3	-1.0
35 to 49	6,000	5,895	7,035	-1.8	17.2
50 to 64	9,421	10,053	9,087	6.7	-3.5
65 to 74	6,756	7,235	7,501	7.1	11.0
75 to 84	6,026	6,687	8,592	11.0	42.6
85 and over	2,882	3,678	7,837	27.6	172.0
All Ages	35,512	37,982	44,488	7.0	25.3

Source: Highland Council household projections 2012 based, high migration scenario

5.5.3 The remainder of this chapter contains the standard templates for specialist provision contained in the Housing Need and Demand Assessment Guidance.

5.6 **Template 1: Accessible and Adapted Housing**

1 National policies

- 1.1
 - 2020 Vision: Strategic Narrative
 - Reshaping Care For Older People
 - Adapting for Change: Final Report of the Adaptations Working Group, November 2012

2 Local policies/strategies

- 2.1
 - Adaptations Policy:
 - Scheme of Assistance:

3 Property needs

3.1 There is a slightly greater proportion of adapted property in Highland than nationally. Adapted stock is more common in the social rented sector (45%) with lower proportions in the owner occupied (24%) and Private Rented Sector (11%). The property profile in Highland, with relatively high proportions of houses / bungalow compared to flats helps to meet the need for accessible housing.

3.2 The process for obtaining housing adaptations varies depending on the tenure of the home and whilst there are a higher number of owner occupiers in Highland, proportionally there is a higher percentage of adapted public sector housing.

3.3 The Scottish House Conditions Survey reports that there are 7% of households in Highland who are that restricted in their current home (and therefore may require an adaptation or a move to more suitable housing) compared to 6% nationally. Again the highest proportion is in the social rented sector (15%). This reflects the national position, but at a slightly higher proportion than the national average (11%).

3.4 The Scottish House Conditions Survey also provides information on the number of households requiring an adaptation. The figure for Highland is the same as the national average (3%) but shows a higher level of need in the social rented sector (10%) compared to the Scottish average (6%).

3.5 In the Social Rented Sector information from the Highland Housing Register shows that there are relatively large numbers of applicants for housing with the need for accessible / adapted housing, with a particular need for ground floor / level access accommodation and toilet and washing facilities. The detailed breakdown is given in Table 5-7 below.

4 Suitable for:

- People whose current accommodation does not meet their physical / medical needs.
- People with limited mobility / dexterity who are otherwise able to remain in

mainstream housing, with or without care or support.

5 Evidence

- 5.1 Table 5-6 (below) summarises the Council's stock that is suitable for people with disabilities as a result of property characteristics or adaptation undertaken. This is a count of measures, and an individual property may have more than one measure with the result that the sum of the percentages is more than 100%.

Table 5-6 Council Adapted Property

	w/c	shower	wet room	ground floor bathroom	ground floor bedroom	Extension	wheel-chair adapted
Badenoch and Strathspey	61	104	0	241	196	1	9
Caithness	211	385	24	1080	1065	28	40
Inverness	254	942	45	1128	1061	19	86
Lochaber	200	189	0	527	405	5	5
Nairn	26	116	3	216	191	15	6
Ross And Cromarty	1470	876	12	1164	1173	85	49
Skye And Lochalsh	121	118	1	241	256	2	2
Sutherland	68	275	21	604	459	14	16
Total	2411	3005	106	5201	4806	169	213
% of All Council Stock	17.5	21.8	0.8	37.7	34.8	1.2	1.5

Source: Highland Council records

- 5.2 This shows that a significant proportion of the Council's housing stock is suitable for people with accessible housing needs.
- 5.3 Applicants for housing who report medical issues affecting their ability to function in their current homes are assessed by NHS Highland Occupational Therapy Service. Detailed tables on different categories of need by Housing Market Area are set out in appendices to the Specialist Provision background paper. The Highland-wide summary is contained in Table 5-7 (below):

Table 5-7 : Accessible Housing Assessments

Assessed Need	Number	% of all Applicants
Level access	777	10
Ground floor property	947	12
Ground floor toilet	955	12
Ground floor bathroom	949	12
Walk in shower	703	9
Wheelchair adapted	89	1
Other special requirement	240	3
OT assessment	58	1
Extra bedroom for medical / carer needs	47	1
Move closer to medical facilities	29	0.4
Wet Room	35	0.5

Source: NHS Highland and Highland Council records

- 5.4 This shows that there are relatively large numbers of applicants with the need for

accessible / adapted housing, with a particular need for ground floor / level access accommodation and toilet and washing facilities.

2.5.5 Table 5-8 (below) shows the outcomes for people on the Housing Register with accessible housing needs:

Table 5-8 Housing Outcomes

Number Housed	Number	% of all those housed
Level access	399	21
Ground floor property	414	22
Ground floor toilet	418	22
Ground floor bathroom	410	22
Walk in shower	341	18
Wheelchair adapted	57	3
Other special requirement	81	4
OT assessment	29	2
Extra bedroom for medical / carer needs	17	1
Move closer to medical facilities	9	0.5
Wet Room	68	4

Source: Highland Housing Register

5.6 This illustrates that despite fairly high levels of need there is a reasonably good turnover of suitable adapted property to meet specialist needs. The tables also illustrate the Highland Housing Register priority categories are resulting in a fairly high priority for these applicants, with higher proportions of applicants housed compared to those with the specialist requirements.

5.7 Within the Social Rented Sector needs are also met by providing adaptations to existing stock. The number of adaptations carried out last year are set out in Table 5-9 (below):

Table 5-9 Adaptations to Council Stock 2013/14

	Adaptations completed
Badenoch & Strathspey	1
Caithness	88
East Ross	29
Inverness	172
Lochaber	0
Mid Ross	33
Nairn	0
Skye & Lochalsh	12
Sutherland	61
West Ross	8
Total	404

Source: Highland Council records

5.8 Overall the need for accessible and adapted housing is being met within existing housing stock, combined with ongoing investment in new adaptations and a housing mix providing a high proportion of ground floor / accessible housing within social rented new build programmes.

5.9 Within the private sector adaptations are funded through the Council Private Sector Housing Grant / Scheme of Assistance. On average we will approve around 350 applications for grant under the Scheme of Assistance each year. Table 5-10 (below) shows the number of new adaptations carried out in 2013/14. The data collection areas are different from housing market areas with figures for some HMAs combined, but the figures give an indication of work which is generally in direct proportion to population.

Table 5-10 Care and Repair Adaptations 2013/14

2013/14	Shower	Wet room	W/C	Wheel-chair	Total
Caithness	18	0	2	25	49
East Ross	9	1	0	19	32
Badenoch and Strathspey	141	2	8	98	254
Nairn					
Inverness					
Lochaber	11	1	4	17	36
Mid Ross	39	12	4	17	76
West Ross					
Skye and Lochalsh	8	13	0	21	52
Sutherland	12	2	0	23	41
Total	220	31	16	195	491

Source: Highland Council records

6 External stakeholder consultation & engagement

- Housing Strategy Group
- Adult Services Strategic Planning Group
- Telecare Strategy Group

5.7 Template 2: Wheelchair Accessible Housing

1 National policies

- 1.1
 - Lifetime Homes Standards - which provides for 'visitability' by a wheelchair user and includes features that make the home adaptable for wheelchair use at a later date.
 - Housing for Varying Needs Standards – a design guide: design for dwellings specifically for wheelchair users
 - National Health and Wellbeing Outcome 2 - People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community

2 Local policies/strategies

- 2.1
 - The Highland Council's Sustainable Design Guide Supplementary Planning Guidance
 - The Highland Council SHIP 2015

3 Property needs

- 3.1 The Scottish House Conditions Survey indicates that there is a concentration of adapted property and individuals restricted by their dwelling / waiting for adaptations in the social rented sector. This suggests both investment and need are concentrated in this sector.
- 3.2 The Scottish Government published Moving Forward: Review of NHS Wheelchair and Seating Services in Scotland, March 2006. Data provided on wheelchair services covers Highland and the Western Isles. Within this area 3,099 wheelchair users were registered, across a population of 255,180 (12.3 users per thousand population). The service also received 731 new referrals in a year.
- 3.3 Analysis based on the Scottish House Condition Survey 2009/10 shows that there are around 119,800 households with a wheelchair user in Scotland (5.1% of all households). Applying the Mind the Step calculation for both 'indoor' and 'outdoors only' wheelchair users, the estimate of the number of wheelchair user households in Scotland with unmet housing needs is 17,042 (14.2% of all wheelchair user households).
- 3.4 In 2011, the Council and housing partners agreed a target for increasing the number of affordable houses suitable for older people and people with disabilities over 5 years. To date we have developed 619 new units with a further 54 on site.
- 3.5 Since January 2013, the Council's Sustainable Design Guide Supplementary Planning Guidance has actively promoted Lifetime Homes Standards in the affordable and private sector, and for the social sector general needs housing is built to Housing for Varying Needs Standards

wherever possible, and for wheelchair accessible housing to the specific design guidance for dwellings for wheelchair users. Increasingly new housing will be accessible and rooms within the buildings of a suitably size to allow for future adaptations.

4 Suitable for: Wheelchair users and people who may require to use a wheelchair in future

5 Evidence

5.1 Within the social rented sector 152 units are specifically designed for wheelchair users (0.6%), and 211 for ambulant disabled, however many wheelchair users are living in suitable adapted property that meets their needs.

5.2 NHS Highland undertakes an occupational health assessment of Highland Housing Register applicants who say they are unable to manage in their current homes. At April 2014 there were 89 applicants requiring wheelchair adapted housing, and in the year 57 applicants were housed in suitable adapted property. Figures by Housing Market Area are given in Table 5-11 and Table 5-12 (below).

Table 5-11 Highland Housing Register Applicants Needing Wheelchair Adapted Property at March 2014

	16-59	60-64	65-69	70-74	75-79	80-85	85+	Total
Badenoch & Strathspey	2	0	1	0	0	0	0	3
Caithness	2	0	0	1	0	0	0	3
East Ross	12	0	1	0	1	0	0	14
Inverness	27	2	4	0	1	0	3	37
Lochaber	5	0	0	0	0	1	0	6
Mid Ross	5	0	1	1	0	1	0	8
Nairn	5	0	0	0	1	0	0	6
Skye & Lochalsh	6	0	0	1	0	0	0	7
Sutherland	2	0	0	0	0	0	0	2
West Ross	1	1	0	1	0	0	0	3
Highland	67	3	7	4	3	2	3	89

Source: Highland Housing Register

Table 5-12 Number of Applicants Needing Wheelchair Adapted Property Housed 2013-14

	16-59	60-64	65-69	70-74	75-79	80-85	85+	Total
Badenoch & Strathspey	0	0	0	0	0	0	0	0
Caithness	2	1	1	3	3	1	0	11
East Ross	6	0	1	2	0	0	0	9
Inverness	13	5	2	1	0	0	0	21
Lochaber	1	0	0	0	0	0	0	1
Mid Ross	6	2	1	0	0	1	1	11
Nairn	0	0	0	0	0	0	0	0
Skye & Lochalsh	1	0	0	0	0	0	0	1
Sutherland	1	0	0	0	0	0	0	1
West Ross	0	1	1	0	0	0	0	2
Total	30	9	6	6	3	2	1	57

Source: Highland Housing Register

5.3 This shows that 64% of housing need for wheelchair adapted property is met annually through stock turnover. It also illustrates that most need for wheelchair housing is in the under 60 age group

5.4 Within the private sector around 195 adaptations to make housing wheelchair accessible were carried out under the Scheme of Assistance.

6 External stakeholder consultation & engagement

- Housing Strategy Group
- Adult Services Strategic Planning Group
- Care and Repair Agents

5.8 Template 3: Non-Permanent Housing

1 National policies

1.1 A Strategy For the Private Rented Sector in Scotland

2 Local policies/ strategies

- Houses in Multiple Occupation: Supplementary Planning Guidance, 2013

3 Property needs (key section)

3.1 This section covers some of the accommodation needs of mainly young, single people who may require accommodation whilst in education, preparing to enter owner occupation / social renting, experiencing homelessness or other housing crisis.

3.2 The private rented sector, including Houses in Multiple Occupation, plays a vital role in Highland's housing system. It provides housing for a wide range of households including young working people, students, lower income households and economic migrants as well as people who need support and those who are at risk of homelessness. It is particularly important in communities such as Inverness where there is a "younger" population than Highland as a whole combined with a high housing pressure.

3.3 Asylum Seekers

Highland does not process any asylum seekers and any arriving in Highland are passed to the national centre in Glasgow.

3.4 Student Accommodation

The University of the Highlands and Islands (UHI) is the only provider of further and higher education within Highland, although a comparison between UHI student numbers and the total student population reported by the Census (figures below) suggest that around 800 people in Highland may be studying at a distance from other centres. UHI is not a conventional university and has five partner campuses in Highland, and courses at any of them can be provided through distance learning from home or the workplace, and also from one of a number of local distance learning Centres:

- North Highland College, Thurso (local centres at Dornoch, Aness)
- Highland Theological College, Dingwall
- Inverness College, Inverness, with the Executive office also based in Inverness.
- Sabhal Mòr Ostaig, Skye
- West Highland College, Fort William (local centres at Auchtertyre, Broadford, Gairloch, Kilchoan, Kinlochleven, Mallaig, Portree, Strontian, Ullapool).

3.5 Single Homeless

There is an ongoing need for temporary accommodation for single homeless people. The number of homeless applications from single people is relatively stable at around 150 per year. The Council currently provides temporary accommodation through a framework agreement with a number of accommodation providers, but is moving away from this model and aims to replace most current framework by building an additional 200 single person units for temporary accommodation by 2017 through the housing development programme. The following Table 5-13 shows the distribution of current temporary accommodation for single people.

Table 5-13 Single Person Temporary Accommodation

	HRA	Leased	Contract	B&B	Total
Badenoch And Strathspey	5	5	0	0	10
Caithness	4	0	0	1	5
Inverness	20	44	199	0	263
Lochaber	3	14	5	18	40
Nairn	0	9	9	0	18
Ross And Cromarty	10	13	47	0	70
Skye And Lochalsh	16	4	0	2	22
Sutherland	0	0	0	0	0
Highland	58	89	260	21	428

Source: Highland Council records

The table shows that the major concentration of need is in Inverness, with Lochaber and Ross and Cromarty also showing relatively high need.

3.6 Hostels

The Council has 2 hostels for single homeless people with 5 bedspaces in Badenoch and Strathspey and 6 at Skye and Lochalsh. These consist of self-contained bedsits / flats.

4 Conclusions

4.1 There will be an increasing demand for single person accommodation as a result of demographic change and exacerbated by Welfare Reform. In future there is likely to be much greater competition for single person accommodation.

4.3 The distribution of HMO accommodation suitable for young single people was described earlier in the Chapter 3. There is a concentration of demand within Inverness. Future supply will be influenced by many factors, including:

- Future student numbers at the University of the Highlands and Islands, Beechwood Campus;
- Future demand of students and others seeking to share accommodation
- The needs of incoming workers; and
- The needs of those requiring supported shared accommodation.

5 **Land Needs**

5.1 The University of the Highlands and Islands is currently building a new Campus in Inverness.

6 **Suitable for:** single people, students, single homeless people, victims of domestic abuse.

7 Evidence

7.1 Table 5-14 (below) gives details of the numbers of students registered at each college of UHI in Highland during the 2013-14 academic year:

Table 5-14 Student Numbers

College	Full Time Equivalents	Heads
Highland Theological College	76	121
Inverness College	1,240	1,748
North Highland College	400	713
Sabhal Mòr Ostaig	127	229
West Highland College	130	152
Highland total	1,973	2,963

Source: UHI student records 2013/14

7.2 The Census gives the living arrangements by age for all full time students living in Highland aged 16 and over (table DC1402SC): if we focus on ages 18 and over as ages 16 and 17 are dominated by school pupils, then in summary:

- There are 3,739 students living in Highland; of these:
 - 266 live alone (7%, Scotland 8%)
 - 1,947 live with their parents (52%, Scotland 33%)
 - 934 live in their own family unit (25%, Scotland 13%)
 - 166 live in an all student household (4%, Scotland 24%)
 - 130 live in a communal establishment (3%, Scotland 13%)
 - 296 have other arrangements (8%, Scotland 7%)

7.3 Highland has a significantly higher proportion living with their parents and in their own family homes than the Scotland average, and fewer in all student households and communal establishments, which reflects the impact of distance learning and the higher proportion of mature students in Highland. The relatively low numbers living on their own or in all students households suggests that they are not impacting on the private rented sector to the extent that students in parts of the established university cities do.

7.4 The UHI student numbers quoted above for 2013/14 followed an increase in funding allowing an increase in student numbers by 2,000 across all partners, and reflect a proportion of this increase. UHI expect to grow, particularly now that their new campus in Inverness is nearing completion, but this is dependent on Government funding and the pace and scale of any increase in uncertain. As UHI is maturing as a university they anticipate an increase in degree and postgraduate student numbers but the emphasis will continue to be on flexible, often home based, distance learning.

7.5 In order to manage the potential increase in the numbers of students requiring accommodation (particularly degree and postgraduate), UHI has appointed a partner to deliver dedicated student accommodation at a number of their campuses. The original specification envisaged that the work would start in 2014 and be completed over a 5 years period, but the work has been delayed while the funding model is agreed. Table 5-15 (below) shows the number of bed spaces planned within Highland:

Table 5-15 Additional Student Units Planned

Partner College	Location	Years 1 to 3	Years 3 to 5	Total
Highland Theological College	Dingwall	10	10	20
West Highland College	Fort William	40	60	100
North Highland College	Dornoch	40	0	40
Inverness College	Inverness	150	150	300

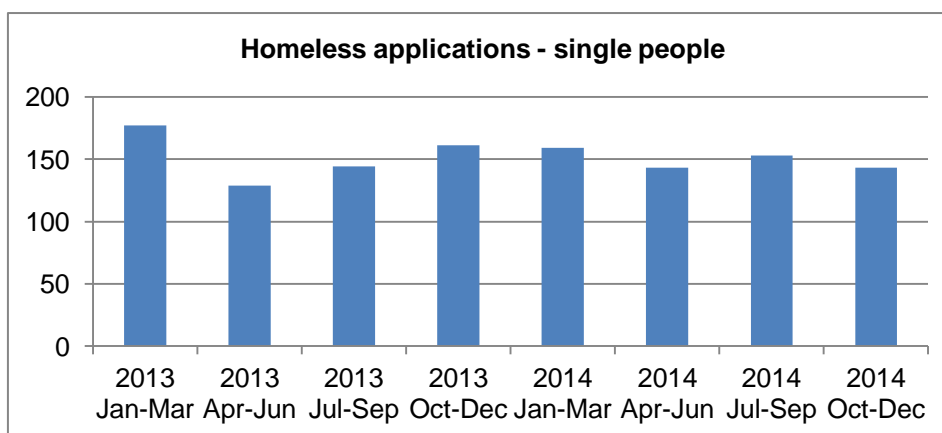
Source: UHI

7.6 Given the continued focus on flexible learning and the intention to deliver dedicated student accommodation we do not anticipate a major increase in the demand for student accommodation across all campuses. However, given the potential for growth at the Inverness campus and the delays in providing dedicated accommodation there is potential for increased pressure on the private rented sector. Many student flats are houses in multiple occupancy (HMOs) and our current policy limits HMOs to 10% of the stock in any census output area. We will review this policy as we formulate our next Local Development Plan.

7.7 The Council is in regular contact with UHI and we will review the accommodation needs of students whenever significant new information becomes available.

7.8 Figure 5-1 (below) shows the number of homeless presentations and housing advice cases from single people.

Figure 5-1 Homeless Applications from Single People



Source: Highland Council records

7.9 Around 60% of all homelessness presentations are from single people, and

this trend is likely to continue in future.

8 External stakeholder consultation & engagement

- Housing Strategy Group
- Homelessness Strategy Group

5.9 Template 4: Supported Provision

1 National policies

- 1.1
 - Joint Improvement Team, Joint Strategic Commissioning
 - Reshaping Care for Older People
 - Scotland's National Dementia Strategy

2 Local policies/ strategies

- 2.1
 - Highland Strategic Commissioning Plan

3 Property needs

Care Homes

- 3.1 The profile of care home residents in Highland is similar to that of Scotland as a whole although the average age of admission is slightly lower than nationally and the length of stay longer than the rest of Scotland, although this has come down. *(see evidence section below)*.
- 3.2 Of those in long term care 47% are assessed as requiring long term nursing care and could therefore be assumed not to have long term housing needs. However there are other client groups where long term / alternative housing models may be appropriate, for example those suffering from mental health, visual and hearing impairment, learning difficulties and acquired brain injury. Demographic projections also indicate that greater numbers of older people are likely to have significant care needs in future, and that increasing housing based provision will be a feature of future service planning.

Long term Housing Support

- 3.3 As at March 2014 there were 643 people receiving a long term housing support service in Highland. Most services are centred on clients with Learning Difficulties (47%) or Mental Health conditions (29%). *(see evidence section below)*.
- 3.4 There are currently 914 sheltered and very sheltered public sector housing units in Highland with over half provided by the Council (63 sheltered properties are Telecare only and do not have a regular warden service) and all bar eight of the remainder are owned by specialist national providers. A breakdown by area is given in Table 5-16 below; in addition to this Cairn have de-registered 195 sheltered units which are now offered as "retirement housing":

Table 5-16 Sheltered and Very Sheltered Housing Stock

HMA	Highland Council	Abbeyfield	Hanover Housing Association	Trust Housing Association	Albyn	Total
Badenoch and Strathspey	17	0	137	0	0	154
Caithness	60	0	0	0	0	60
East Ross	39	0	0	0	0	39
Inverness	207	8	0	36	0	251
Lochaber	0	0	82	0	0	82
Mid Ross	93	7	0	0	0	100
Nairn	41	10	0	31	0	82
Skye and Lochalsh	0	0	0	25	0	25
Sutherland	51	0	0	24	0	75
West Ross	38	0	0	0	8	46
Highland	546	25	219	116	8	914

Source: Highland Council records

- 3.5 There is a varying picture of demand for sheltered housing compared to turnover, with particular pressures in Badenoch and Strathspey, Inverness and Easter Ross and lower pressure in Caithness, Mid-Ross, Wester Ross and Sutherland. Details of demand and turnover of Council stock is provided in the evidence section below.
- 3.6 At March 2014 there were 1,547 applicants aged 60+ on the housing register, of which 412 were aged 75+ (5.2% of all housing applicants). During 2013/14 237 applicants aged 60+ were housed, of which 53 people were over 75 (2.8% of all lets). Highland Housing Register had 603 applicants expressing a desire for sheltered housing. This suggests that only 40% of housing applicants who would be eligible for sheltered housing on age grounds actually want to live in sheltered housing and that many older people would prefer to continue to live in a more suitable mainstream or adapted property.
- 3.7 The evidence of need and demand for Sheltered Housing suggests that an underlying unmet demand from significant numbers of housing applicants remains, and planning and managing future housing for older people, and meeting their individual aspirations, will be challenging and need sensitive handling.
- 3.10 The Council is currently undertaking a review of Sheltered Housing provision to help us understand some of these issues in more detail and contribute to the planning, design and development of housing aimed at meeting the needs of an aging population.
- 3.11 Based on population projections and prevalence rates there will

be an increase in the number of people requiring long term residential care in future. Current projections, which are likely to be an over estimate if the policy of care at home continues to be successful, are:

- 2015 to 2020: The number of people in residential care is projected to increase from 1,616 to 1,937: an increase of 20%, or 64 people per year.
- 2015 to 2035: The number of people in residential care is projected to increase from 1,616 to 3,376: an increase of 109%, or 88 people per year.

Domestic Violence

- 3.12 Women's Aid run 3 independent refuges in Highland as well as providing outreach services to women affected by domestic abuse. Provision is summarised in Table 5-17 (below):

Table 5-17 Women's Aid Refuge Places

Area	Places
Inverness	13
Ross and Cromarty	7
Lochaber	3
Skye	1
Total	24

Source: Women's Aid

- 3.13 The Highland Housing Register application gathers data from applicants who identify themselves as being at risk from domestic abuse. At March 2015 there were 137 applications recorded where a risk of domestic abuse has been identified. Table 5-18 (below) gives a geographic breakdown, indicating which applicants are on the general list and which are existing social rented tenants:

Table 5-18 HHR Applicants Reporting Domestic Abuse

Area	Housing List	Transfer list	Total
Badenoch & Strathspey	4	3	7
Caithness	9	3	12
Inverness	70	17	87
Lochaber	7	4	11
Nairn	0	0	0
Ross & Cromarty	11	5	16
Skye and Lochalsh	1	0	1
Sutherland	3	0	3
Total	105	32	137

Source: Highland Housing Register

- 3.14 Analysis of homelessness statistics indicated that an average of 120 people a year become homeless due to domestic violent or abuse. Figures show that on average around 40 cases a year are housed in

refuge provision as a direct result of homelessness. Given that many women will self-refer this is likely to be an underestimate.

4 Care and support needs (key section)

- 4.1 The critical issue is that as the older person population increases and there are much higher numbers of people aged 75+ demand for sheltered housing and specialist models is likely to increase.
- 4.2 There is an opportunity to consider the development of specialist accommodation models that would suit some client groups currently in long term care. Developing such models will prevent or delay future admission to care home settings that would otherwise be an inevitable consequence of an aging population.
- 4.3 There will be an ongoing need to provide both temporary and permanent accommodation for women suffering from domestic abuse.
- 4.4 NHS Highland reports an increasing number of people who have complex needs, especially challenging behaviour at any age, and those who have dementia. The intensive support needs mean that support will only be practicable and affordable through core and cluster and multiple occupancy arrangements.

5 Suitable for

- 5.1 A range of specialist provision is required, which together with correctly tailored care and support services can meet the housing needs for older people and an aging population, so that as many people as possible can stay at home or in the community for as long as possible. Additional specialist accommodation with support may be required in some areas for the following client groups:
 - Women fleeing domestic abuse
 - People with physical disabilities,
 - People with Mental Health conditions,
 - People with Substance misuse issues
 - People with Learning Difficulties
 - People with dementia

6 Evidence (key section)

Care Homes

- 6.1 According to Information Services Division Scotland Residential Care statistics, there were 1,839 adults in long term care in Highland at March 2014. The key characteristics of these clients are summarised in Table 5-19 (below):

Table 5-19 Long Term Care Clients

	Highland	Scotland
Average Age	84	85
	%	%
Under 65s	16	10
65-74	11	10
75-84	26	29
85-94	41	42
95 plus	7	8
Total	100	100
Average age on admission	75	78
Average age on discharge	81	84

Source: Scottish Care Home Census Information Services Division, NHS Scotland

- 6.2 At March 2014 there were 81 Adult Care Homes in Highland providing long term care for 1,839 people and short term/respite stay for 61 occupants. Table 5-20 (below) summarises the characteristics of long term care home residents. *(Please note that some clients have more than one condition and therefore the percentages sum more than 100%).*

Table 5-20 Highland long term Care Clients - Condition

Type of Resident	Highland
Total Number of Long Stay Residents	1,839
Characteristics of Long Stay Residents	%
Requiring Nursing Care	47
Visual Impairment	18
Hearing Impairment	11
Acquired Brain Injury	4
Other Physical Disability / Chronic Illness	42
Dementia (Medically Diagnosed)	41
Dementia (Not Medically Diagnosed)	7
Mental Health Problems	13
Learning Disability	12

Source: Scottish Care Home Census Information Services Division, NHS Scotland

- 6.3 The proportion of older people who are long stay care home residents in Highland is the same as the national average, as illustrated in Table 5-21 (below).

**Table 5-21 Older People Supported in Care Homes
Quarter to March 2012**

Area	Clients aged 65+	Total population aged 65+	%
Highland	1,512	46,541	3.2
Scotland	30,389	946,862	3.2

Source: Scottish Care Home Census Information Services Division, NHS Scotland

Long Term Housing Support

- 6.4 Table 5-22 (below) gives a breakdown of the main conditions affecting people currently receiving long term care.

Table 5-22 Care at Home Client Groups

Client	Number	%
Acquired Brain Injury	11	2%
Drug/Alcohol Misuse	21	3%
Dementia	4	1%
Learning Disability	299	47%
Mental Health	184	29%
Older People	59	9%
Physical Disability	60	9%
Skills Development	1	0%
Sensory Impairment	4	1%
Total	643	100%

Source: Scottish Care Home Census Information Services Division, NHS Scotland

- 6.5 There is an uneven spread of services across Housing Market Areas, with services for all client groups only available in Inverness. Lochaber and Ross and Cromarty have a reasonable spread of services, but not all client groups are catered for. In the more rural areas services are restricted, and in the case of Skye and Lochalsh there are no services at all.
- 6.6 Self-Directed Support and a more flexible approach to care delivery in the community, in which teams are being encouraged to be more flexible providing care across a wide range of premises within a local area that may include care homes, peoples' homes, community hospitals and even schools, is helping maintain provision in rural areas. However, the client numbers are low and it is difficult to sustain area based services for all client groups in all areas, which has implications for clients and their families who may have to move out of their local area to access services.

Sheltered Housing

- 6.7 Table 5-23 (below) provides a breakdown of applications for and lets to sheltered housing through the Highland Housing Register.

Table 5-23 sheltered Housing by Housing Market Area

	Sheltered Housing Stock	Applications for Sheltered Housing	Lets in last year
Badenoch & Strathspey	89	29	2
Caithness	115	18	12
Inverness	294	275	23
Lochaber	25	66	0
Nairn	80	30	5
Ross East	69	55	4
Ross Mid	95	64	13
Ross West	38	21	8
Skye & Lochalsh	25	27	0
Sutherland	89	18	11
Total	919	603	78

Source: Highland Housing Register

Domestic Abuse

- 6.8 Table 5-24 shows that there were **399** referrals for multi-agency case conferences on domestic abuse during 2014. A total of **718** actions were agreed during this period; **66** of which were housing related.

Table 5-24 Domestic Abuse multi-agency case work

Area	Number of referrals	Number of housing actions
Caithness & Sutherland	59	5
Ross, Lochaber & Skye	114	20
Inverness, Badenoch, Strathspey & Nairn	226	41
Total	399	66

Source: MARAC Annual Report

7 External stakeholder consultation & engagement

- Housing Strategy Group
- Adult Services Strategic Planning Group
- Telecare Strategy Group

5.10 Template 5: Care and Support

1 National policies

- 1.1
 - National Telehealth and Telecare Delivery Plan for Scotland to 2016
 - 2020 Vision: Strategic Narrative

2 Local policies/ strategies

- 2.1
 - Highland Strategic Commissioning Plan

3 Property needs (key section)

- 3.1 Highland's population is projected to increase from 2010 to 2035. The projected increase in those in pensionable age groups is 15% to 2020, and the projected increase in those aged 75 and over is 19%. By 2035, people over 64 will constitute just under 30% of the Highland population compared to 20% in 2010. This is the largest increase in this age group of any area in Scotland. For this reason we expect to see an increase in care and support services that will enable people to stay at home or in community settings for longer.

Telecare

- 3.2 In 2014 Telecare provision in Highland was delivered to a total of 7,512 people ranging from basic community alarms to enhanced Telecare sensors and packages. This includes provision of NHS Highland Telecare services in home settings, and that of other service providers in a range of settings including sheltered and very sheltered housing, residential and care homes. As shown in the evidence section below 73% of clients are over 75 year old.
- 3.3 The current rate of Telecare provision per 1,000 of population is below the Scottish Average. In order to bridge this gap NHS Highland's Telecare Delivery Plan 2015 aims to double the level of NHS Telecare provision in Highland over a three year period through a range of actions designed to embed technology solutions as a mainstream and integrated element of care planning and delivery.

Care at Home

- 3.4 Home Care Services give people the support, practical help and personal care that they need to live as independently as possible in the community.
- 3.5 Current provision of Home Care services per 1,000 population is around the national average. *(Further information is provided in the evidence section below)*
- 3.6 Assuming similar prevalence rates in future, and applying these to population projections, Table 5-25 (below) provides the following summary of needs.

Table 5-25 Projected Change in Need for Care at Home Services to Older Population

Age Group (persons)	2015	2020	2035
65-74	275	300	340
75-84	698	808	1,146
85 plus	791	1,005	2,110
Total 65 plus	1,764	2,112	3,596

Source: Highland Council Analysis

3.7 This suggests that:

- Between **2015 to 2020**: The number of people receiving care at home is projected to increase from 1,764 to 2,112: an increase of 20%, or 70 people per year.
- Between **2015 to 2035**: The number of people receiving care at home is projected to increase from 1,764 to 3,596: an increase of 104%, or 92 people per year.

Handyperson Services

3.8 Across Highland, a handyperson service is also offered to anyone aged 65+ and for people of any age with a disability. This service provides extra help with small practical jobs to make peoples' lives easier and safer around the home.

3.9 Services have seen an increase in work undertaken in the last year, and in 2013/14 carried out over 15,000 individual jobs. Services are particularly focussed on the needs of older people, and 85% of all work is for clients aged over 65, and nearly a quarter (23%) is for people aged 80+ years old. Most handyperson tasks (51%) relate to adaptations, with 39% small repairs and 9% Telecare installation.

3.10 Given projected demographic trends we would expect to see an increase in the number and proportion of Telecare work in future.

4 Care and support needs (key section)

Telecare

4.1 A significant expansion of Telecare Services will minimise delayed discharge, support discharge planning, support people with dementia and their carers, seek to reduce emergency and unplanned admissions, help reduce the length of stay in hospital, focus on prevention, anticipation and self-management, and help people to remain at home safely in the community for longer.

4.2 This shift has implications for the design standards, specifications and accessibility of new housing supply. There is an anticipated need for increased supply of accessible housing and specialist housing, including a wider and more flexible range of housing options for older people that extends to extra care housing models. In addition there are investment impacts on housing support services such as adaptations, and handyperson services. In

terms of the Council’s sheltered housing provision the switch from analogue to digital systems has specific investment implications.

Handyperson

4.3 Current activity indicates the extent of ongoing investment aimed at allowing people to stay at home for longer. They show a high level of activity in relation to repairs, adaptations and Telecare installations across tenure.

4.4 Successful Telecare services will continue to facilitate speedy hospital discharge, prevent care home admissions and allow people to continue to live at home. Population projections point to increasing demand for these services in future.

5 **Suitable for:** People living at home but needing care / support to continue living independently.

6 **Evidence (key section)**

Telecare

6.1 Table 5-26 (below) provides details of Telecare client numbers by age.

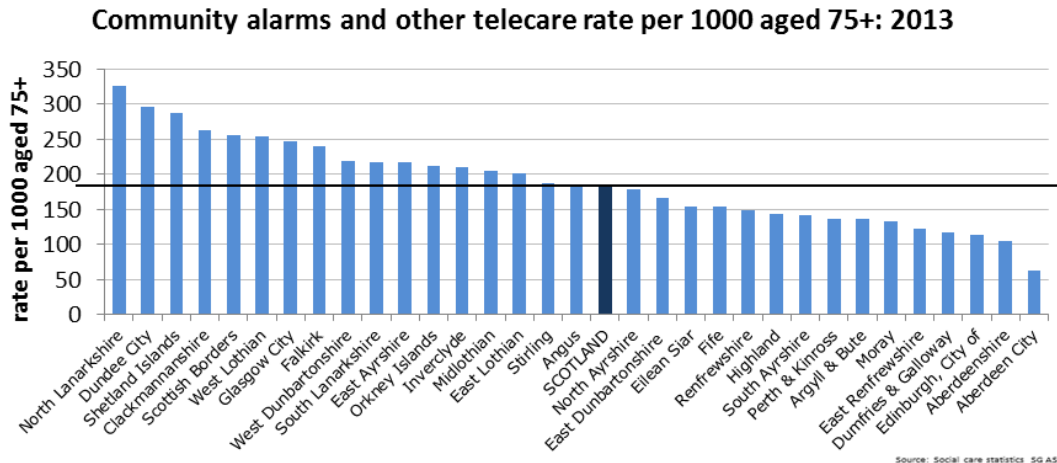
Table 5-26 Telecare Clients by Age 2014

	0-17	18-64	65-74	75-84	85 plus	Total Clients
Highland	57	876	854	2,356	3,117	7,512

Source: Highland Council records

6.2 The National Telehealth and Telecare Delivery Plan has set a target of providing an additional 300,000 people in Scotland with Telehealth and Telecare solutions by March 2016. Increasing provision and improving access to Telecare solutions will help address the challenges presented by an aging population in all local authorities. Figure 5-2 (below) illustrates the current position of Highland nationally in terms of Telecare provision.

Figure 5-2 Local Authority Telecare Provision



Care at Home

6.3 The numbers of people receiving care at home in 2013 has been extracted from Scottish Government records, and the percentage of people in each age group receiving care at home calculated as shown in Table 5-27 (below).

Table 5-27 Care at Home

Age Group (persons)	2013 Client Group	% of Total Client Group
0-64	285	0.2
65-74	259	1.0
75-84	667	4.5
85 plus	712	13.7

Source: Scottish Government Social Care Census 2013

6.4 Table 5-28 below shows the trend in adults receiving personal care at home over the last 5 years. Figures for the NHS Highland area (including Argyll & Bute) show that the proportion of adults receiving care at home rose steadily from 49.8% in 2009 to 56.3% in 2013, while the total number of people receiving care was broadly static (5,302 and 5,364 respectively).

Table 5-28 Adults Receiving Personal Care at Home in NHS Highland, 2009-2012

	2009	2010	2011	2012	2013
Personal Care at home	2,643	2,810	2,895	2,983	3,018
Long stay care home residents	2,535	2,508	2,413	2,363	2,277
Continuing care census	124	107	96	83	69
Total	5,302	5,425	5,404	5,429	5,364
Percentage 10+ hrs home care	49.8%	51.8%	53.6%	54.9%	56.3%

Source: NHS Highland

Handyperson Scheme

6.5 Table 5-29 (below) shows the number of individual handyperson jobs carried out in each of the last 2 years.

Table 5-29 Handyperson Jobs

Number of individual jobs	2012/13	2012/14 (%)	2013/14	2012/14 (%)
Badenoch & Strathspey	462	3%	422	3%
Caithness	1,916	13%	1,503	10%
East Ross	1,649	11%	1,482	10%
Inverness	2,882	20%	3,490	23%
Lochaber	481	3%	1,353	9%
Mid Ross	3,506	24%	3,134	20%
Nairn	672	5%	764	5%
Skye & Lochalsh	2,059	14%	1,945	13%
Sutherland	844	6%	958	6%
West Ross	287	2%	308	2%
Highland	14,758	100%	15,359	100%

Source: Highland Council records

6.7 More detailed information on Handyperson activity is available in a background paper on specialist provision.

7 External stakeholder consultation & engagement

- Housing Strategy Group
- Adult Services Strategic Planning Group
- Telecare Strategy Group

5.11 Template 6: Gypsy / Traveller Site Provision

1 National policies

- 1.1
 - Equalities Act 2010
 - Housing (Scotland) Act 2010 - The Scottish Social Housing Charter
 - Scottish Government National Strategy Group
 - Equal Opportunities Committee inquiries into the lives of Gypsy/Travellers

2 Local policies/ strategies

- 2.1
 - Highland Equality Plan - Working toward a Fairer Highland
 - Highland Wide Local Development Plan
 - Highland Housing Strategy 2010 - 2015

3 Land Needs

- 3.1 The Local Development Plan process will provide the framework to identify and consult on specific sites taking account of any national published design standards.
- 3.2 Land needs have already been identified in the current Inner Moray Firth Local Development Plan based on the Council's previous Gypsy/Traveller Accommodation Needs Assessment. The potential need for an additional land requirement in Skye and Lochalsh has been identified in the current needs assessment.

4 Care and Support Needs

- 4.1 The Gypsy / Traveller Accommodation Needs Assessment 2014 found that Gypsy / Travellers were generally positive about their experiences of accessing public services, including health and education. The majority of participant in the survey work were comfortable with GP registration arrangements.
- 4.2 The Council has an active interrupted learning service for Gypsy / Traveller families. Service monitoring reports confirm a positive response to the support available and the achievements of their children. There is a positive trend of parents informing schools when they are moving out of the area and when accessing their next school. This helps the continuity of learning and supports improved record keeping and records transfer.
- 4.3 In terms of access to care and support services, provision appears to be structured around existing authorised sites and provision is at a much higher and consistent level in the Inverness area than elsewhere in Highland.

5 Suitable for: Gypsy/ Travellers

6 Evidence

6.1 In terms of permanent site provision the Accommodation Needs Assessment for Gypsy / Travellers found that :

- 50-65 Gypsy/Traveller households are expected to have a need for permanent site accommodation over the 5 year period 2014 - 2019. This is expected to be focused on Inverness and Spean Bridge, but also includes accommodation needs at Newtonmore and Skye.
- Projected supply at existing Council sites over this period is 65 – 70 pitches which equates to capacity to meet additional demand of around 0 to 20 pitches (0-4 per annum) over this period. This suggests that across the Highland area as a whole, current levels of site provision are likely to be sufficient to meet needs.
- However the balance of need is likely to be quite different at a local level, such that some areas may see more substantial surplus or shortfall in Gypsy/Traveller provision. In particular there is a larger projected surplus in Inverness, and an estimated shortfall of 5-6 places in Skye – where there is currently no Gypsy/Traveller accommodation provision.

6.2 In terms of travel patterns and potential for transit site or stopping place provision:

- Gypsy/Traveller encampments take place across most parts of the Highland area, but the largest volume of activity is focused in the Inverness and Inner Moray Firth and Skye areas.
- Levels of Gypsy/Traveller encampment activity suggest a potential role for transit site or stopping place provision in Highland - to provide safer and more sustainable stopping locations and to reduce the negative impact of encampments.
- There are well established travel routes particularly with Moray and Grampian, and Tayside, Perth & Kinross and Fife.
- Collaborative working with these local authorities may add significant value to the planning and delivery of any transit sites or stopping places in Highland.
- There remains a range of concerns regarding the likely effectiveness of transit sites (and to lesser extent stopping places) amongst statutory partners, the Gypsy Traveller population and other stakeholders.

6.3 In terms of Care and Support Needs:

- Gypsy/Travellers to have significantly poorer health outcomes than most other ethnic groups. For example a 2009 Equality and Human Rights Commission study estimated that life expectancy for the Gypsy/Traveller population is around 10 years lower than the national average, and Gypsy/Traveller mothers are 20 times more likely than other populations to have experienced the death of a child.
- Nearly half of participants in the Highland Accommodation Needs

Assessment indicated that one or more members of their household had a health condition that limited their activities. This compares with around a fifth of the Highland population being recorded by the Census as having a long-term health condition or disability. Moreover, around 1 in 7 of families involved in the survey fieldwork indicated that this health condition had an impact on their health needs – this includes some counted in the needs assessment as living in unsuitable housing.

- Feedback through the Highland needs assessment suggests that Gypsy/Travellers’ take-up of health services is generally good around more specific need for service – for example the needs of young babies and dealing with more acute conditions. However, challenges remain in engaging Gypsy/Travellers on the subject of health improvement and behaviour change; this work is more reliant on building relationships over time, and this is clearly difficult for the more transient Gypsy/Traveller population. It is also important to note that health improvement remains a significant priority in the context of what remain significantly poorer health outcomes for Gypsy/Travellers.

7 External stakeholder consultation & engagement

- Housing Strategy Group
- Highland Equalities Working Group
- Public consultation through area local development plan processes

5.12 Chapter 5: Key Findings

LHS	Specialist Provision - Key Issues Identified in the HNDA
Accessible and adapted housing	<ol style="list-style-type: none"> 1. There is a relatively high proportion of adapted stock in Highland, particularly in the social rented sector. 2. The lowest proportion of adapted stock is in the private rented sector. 3. There is evidence of the need for accessible / adapted property, with a particular need for ground floor / level access housing. 4. The profile of the housing stock in Highland, where there is a greater proportion of houses / bungalows, provides the opportunity for in-situ solutions. 5. There is relatively good turnover of adapted property in the social rented sector with 46% of needs met through annual turnover. 6. Current needs are being met within current turnover and capacity to carry out adaptations. 7. Given population and demographic projections future needs are likely to require additional provision of new

	build, adaptations and related care at home / Telecare services.
Wheelchair housing	<ol style="list-style-type: none"> 1. There are significant numbers of people who require wheelchair accessible housing. 2. Need and current provision are currently concentrated in the social rented sector. 3. Demand can currently be met through adaptations and new build, with 64% of needs met through annual turnover of social rented property. 4. Future new build will increasingly include design features that make property easier to adapt to future needs. 5. Most people requiring wheelchair accessible housing are under 60. 6. Long term demographic and health changes are likely to require additional provision of wheelchair accessible housing.
Non-permanent housing e.g. for students, migrant workers, homeless people, refugees, asylum seekers	<ol style="list-style-type: none"> 1. The University of the Highlands and Islands (UHI) is the largest higher education provider within Highland. UHI had 2,963 students in 2013-14 (1,973 FTEs) on flexible study programmes, often distance learning from home. 2. UHI expects student numbers to grow, but the scale and pace of change is dependent on Government funding. The focus will continue to be on flexible and distance learning and UHI are building dedicated student accommodation to cope with increased numbers of residential students. 3. The nature of the student population is different from the national profile, reflecting the unique nature of UHI with more distance learning and a more mature students resulting in lower numbers of students living in HMO / communal student accommodation. 4. UHI are planning to manage the accommodation needs of increasing student numbers through a programme of new student accommodation. 5. An increase in student numbers could impact on the capacity of the Private Rented Sector. 6. There is an ongoing need to provide temporary accommodation for single homeless people. The number of applications from homeless people is relatively stable, with the greatest concentrations in Inverness, Lochaber and mid- Ross. 7. The Council currently provides accommodation through a framework agreement with accommodation providers, but is moving away from this model and plans to provide 200 additional single person units for

	<p>use as temporary accommodation through its new build programme.</p> <p>8. The Council's current policy of limiting the concentration of HMOs may affect supply of suitable shared accommodation to meet the needs of single person households, including students.</p>
<p>Supported Provision</p> <p>e.g. care homes, sheltered housing, hostels and refuges</p>	<ol style="list-style-type: none"> 1. The profile of care home residents is similar to Scotland as a whole but the average age of admission is lower than the national average. 2. Of those in long term care 47% are assessed as requiring long term nursing care, however there are lower proportions of current long term residents with conditions such as mental health, learning difficulties and acquired brain injury where different models of accommodation may be required. 3. Additional specialist housing provision and related care at home services are required in order to prevent unnecessary care home admissions.. 4. There is a relative underprovision of extra care housing. 5. There is a demand for sheltered housing, but it is not always the client's preferred option. 6. There is a need to review whether current models of sheltered housing provision in Highland meets long term needs. 7. As the older person population increases and there are much higher numbers of people aged 75+ demand for sheltered housing and specialist accommodation models is likely to increase. 8. The number of people requiring residential care is projected to increase 20% by 2020 (64 people per year) and by 109% by 2035 (88 people per year). 9. There is an opportunity to consider the development of specialist accommodation models that would suit some client groups currently in long term care. Developing such models will prevent or delay future admission to care home settings that would otherwise be an inevitable consequence of an aging population. 10. Increasing numbers of people with challenging behaviour at any age, and dementia among the elderly, will require more cluster or multiple occupancy arrangements. 11. There will be an ongoing need to provide both temporary and permanent accommodation for women suffering from domestic abuse. 12. Inevitably there will be insufficient client numbers to sustain area based services for all client groups in all areas, but this does have implications for clients

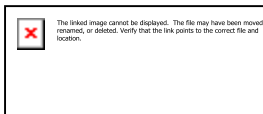
	and their families who will often have to move out of their local area to access services.
Residential Care	<ol style="list-style-type: none"> 1. 2015 to 2020: The number of people in residential care is projected to increase from 1,616 to 1,937: an increase of 20%, or 64 people per year. 2. 2015 to 2035: The number of people in residential care is projected to increase from 1,616 to 3,376: an increase of 109%, or 88 people per year. 3. These figures assume current prevalence rates and are likely to be an over estimate if care at home / in the community policies continue to be successful.
Care/ support services for independent living at home e.g. home help, Handyperson, Telecare	<ol style="list-style-type: none"> 1. Telecare provision per 1,000 of population is below the Scottish average, although NHS Highland intends to double provision in the next 3 years (to 2018). 2. Increasing Telecare provision could impact on care home admission and the proportion of people with long term conditions living at home. 3. Increasing Telecare provision depends on suitable housing supply / design. 4. The number of people receiving care at home is projected to increase by 20% by 2020 (70 people per year) and by 104% to 2035 (92 people per year). 5. The combined effect of an aging population, increased care at home / Telecare provision and a desire to shift the balance of care from care homes to care at home is likely to have significant implications for housing and home based care and support services.
Site provision e.g. sites/ pitches for Gypsy/ Travellers and sites for Travelling Showpeople	<ol style="list-style-type: none"> 1. We estimate the Gypsy/Traveller population in Highland to be around 415 individuals across 130 households. While this is a small proportion of the resident population (0.2%) the 2011 Census indicates that Highland has the third largest Gypsy/Traveller population in Scotland in terms of share of the total population. 2. Gypsy/Traveller accommodation options in Highland include four Council sites providing a total capacity of 47 pitches. Other accommodation options for Gypsy/Travellers in Highland include bricks and mortar housing and roadside encampments. 3. Available data shows an average of 52 unauthorised encampments per annum, with activity peaking during the June to August period. The size of encampments varies widely, but most consist of 3-6 caravans.

	<p>4. Gypsy/Traveller encampments take place across most parts of the Highland area, but the largest volume of activity is focused in the Inverness & Inner Moray Firth and Skye areas.</p>
Development Plan	Specialist Provision: Key Issues Identified in the HNDA
<p>Strategic planning for housing for Specialist Provision housing</p> <p>e.g. any additional locational/spatial considerations.</p>	<ol style="list-style-type: none"> 1. Given the potential for growth at the new Inverness campus, and delays providing dedicated accommodation in the City, there is a possibility of increased pressure on the private rented sector and HMOs. Our HMO policy is to be reviewed as part of our next local Development Plan. 2. There is a large projected increase in the number of older single person households – and therefore in the need for specialist and adapted housing – during the lifespan of our plans. We anticipate a 28.6% increase in single households over 85s (166 households per year to 2020) and 11.5% 65-84 year olds (137 households per year to 2020).
<p>Site provision</p> <p>e.g. sites/ pitches for Gypsy/ Travellers and sites for Travelling Showpeople</p>	<ol style="list-style-type: none"> 1. 50-65 Gypsy/Traveller households are expected to have a need for permanent site accommodation over the 5 year period 2014 - 2019. This is expected to be focused on Inverness and Spean Bridge, but also includes accommodation needs at Newtonmore and Skye. 2. Projected supply at existing Council sites over this period is 65 – 70 pitches which equates to capacity to meet additional demand of around 0 to 20 pitches (0-4 per annum) over this period. This suggests that across the Highland area as a whole current levels of site provision are likely to be sufficient to meet needs. 3. However the balance of need is likely to be quite different at a local level, such that some areas may see more substantial surplus or shortfall in Gypsy/Traveller provision. In particular there is a larger projected surplus in Inverness, and an estimated shortfall of 5-6 places in Skye – where there is currently no Gypsy/Traveller accommodation provision.

APPENDIX A – Appraisal Letter from the Scottish Government’s Centre for Housing Market Analysis

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19 November 2015

Dear Cameron

Highland Council’s Housing Need & Demand Assessment (HNDA): Final appraisal by the Centre for Housing Market Analysis (CHMA)

Following the CHMAs re-appraisal of Highland’s HNDA on 6 October 2015 we would like to thank you on behalf of the Scottish Government for agreeing to make the necessary amendments and clarifications requested.

The CHMA has reviewed this against the recommendations of our initial appraisal and, on this basis, we now consider that the process and methodology used to produce Highland’s HNDA is robust and credible, with some exceptions as set out below

The ‘Continued Growth Scenario’ has not been appraised as it is outwith the scope of the HNDA Guidance. The CHMA consider this scenario to be one of several factors that should inform a Housing Supply Target as part of the Local Housing Strategy.

The report goes on to set out Housing Supply Targets for Highland. Similarly these are part of the Local Housing Strategy and, as such, have not been appraised as they are outwith the scope of the robust and credible appraisal process.

Should the credibility of the HNDA process or methodology be challenged during consultation on the Local Development Plan it should be ensured that this appraisal is drawn to the attention of the Directorate for Planning and Environmental Appeals at the point that the Strategic Development Plan is submitted to Scottish Ministers for examination.

The CHMA recommends that the HNDA and our appraisals are made available to your stakeholders and our suggestion is that they should be formally published online. Whilst this is at your discretion, it should be seen as good practice.

This final letter is sent to you on the proviso that you submit a final copy of your HNDA, with the final signatories attached, to our mailbox chma@scotland.gsi.gov.uk . We require this as the signatories are part of the robust and credible appraisal process.

Yours sincerely

Dr Andy Park
Senior Economist & Head of CHMA

APPENDIX B

HIGHLAND HOUSING NEED AND DEMAND ASSESSMENT

SUPPORTING INFORMATION

This submission of a draft HNDA to the Centre for Housing Market Analysis is accompanied by a number of additional documents which are being supplied separately. The intention is that they will also be available when the final HNDA is published. The role these papers have played in developing our draft HNDA varies: in some cases they provide general context but have not been used directly, some describe the reasons for taking a particular approach, while others contain detailed information that has been summarised in the HNDA. In approximate chronological order These documents are as follows.

1 Analysis of Highland Housing Register Demand and Supply 2014. This note sets out an analysis of the demand and supply of the Highland Housing Register (HHR) partners' social rented housing to help understand pressures and the need for services at a housing market area level.

2 Backlog Definition to Be Used In Highland HNDA. This describes in house method to estimate the existing need (sometimes referred to as the backlog of need) based on an assessment of the current living arrangements of each applicant on the Highland Housing Register (HHR).

3 Note on Specialist Provision. This describes the current provision of specialist housing in Highland and gives background on people who are likely to need specialist accommodation.

4 Note on Elderly Needs. This is provided for context and gives an estimate in the increase of need for care at home and residential care.

5 Scenario to Be Used For the Highland HNDA. This note analyses population trends in Highland and describes the migration scenario that is used as the basis for the population and household projection used in the HNDA, and the reasons for using this particular scenario. The approach recommended in this note has been superseded but it is included here as it includes useful background information.

6 Note on Population and Household Projections. This Note describes the in-house 2012 based projections for HMAs in Highland used in the HNDA, and how they build on the projections published by National Records of Scotland (NRS).

7 Note on Headship Rates. Provided for information only and looks briefly at the potential for errors in the headship rate assumptions (used in Household projections) for Highland.

8 Using the HNDA Tool in Highland. Describes some of the key features of the way the tool has been used in Highland.

9 HNDA Tool Run Log. A simple Excel workbook summarising the parameters used for each of the 29 HNDA tool runs undertaken in Highland.

10 HNDA Tool Results Summary. An Excel workbook containing 29 worksheets, each giving detailed results by HMA for each run of the HNDA tool.

11 Sensitivity Analysis. Simple tables summarising the results of the 29 runs, showing how varying assumptions impacts on the housing requirement and need.

12 run3. The complete HNDA tool workbook containing the full data and results that form the basis for the high migration figures presented in the HNDA.

12 Gypsy Traveller Needs Assessment.

13 Defining Highlands Housing Market Areas