

### 5.1.1 Development Programme

The Affordable Housing Investment Programme (AHIP) subsidy for development is provided through the Strategic Housing Investment Plan (SHIP) which is administered by the Shetland Islands Council. Detailed resource planning assumptions are confirmed by the Scottish Government, which set out the level of grant allocation for Shetland and they are generally on a multi-year basis.

- 2024/25 - £5,164M
- 2025/26 - £5,249M

The above figures are subject to change but set a minimum level of committed grant funding for each year.

The Association is committed to working in partnership with Shetland Islands Council to ensure the continued supply of high quality, affordable homes is achieved through the SHIP. The successful working partnership with the SIC has resulted in the Association being gifted development sites as part of the local authority's contribution towards meeting the high level of housing demand in Shetland. The Association looks to build on this partnership and will continue to explore opportunities for development sites throughout Shetland.

The Association will try to ensure wherever possible to avoid abortive design costs should any site not progress through to the construction phase. It also acknowledges the ongoing influence global events are having on inflation and interest rates and recognises the impact that has on the cost of construction. The high material costs and reduced labour availability are having a particular impact on the local economy. The Association understands this puts even more pressure on the limited funds available for development.

The certainty provided by the Scottish Governments multi-year planning assumptions is supplemented by the Associations Staneyhill site in Lerwick, which has potential for approximately 300 houses to be built over the next ten to fifteen years. The Scottish Governments commitment to the Staneyhill project resulted in the Association receiving grant approval through the Housing Infrastructure Fund in the sum of £20m over three years 2023-26.

- 2023/24 - £2M
- 2024/25 - £10M
- 2025/26 - £8M

This investment will allow the necessary roads and infrastructure to be constructed prior to the commencement of the first of the house building contract scheduled to begin in 2025.

The Staneyhill site along with the Associations other land-banks provide a high level of certainty in terms of land availability beyond the term of this plan.

#### 5.1.1.1 Programme 2024/2029

Project priority to be determined in agreement with the Local Authority:

**On site (as of 1<sup>st</sup> April 2024) – 5 units**

Walls (4 units)

Rental off the Shelf (ROTS) 19 Grostane (1 unit)

**SHIP Approvals (site starts 2024/25) – 0 units**

**SHIP proposals (site starts 2024-2029) – 93 units**

Staneyhill Phase 1, Lerwick (42 units) 2025

Staneyhill Phase 1A, Lerwick (21 units) 2027  
Staneyhill Phase 2, Lerwick (30 units) 2028

#### **5.1.1.2 Development Tasks**

*Tasks:*

- Carry out revision of the Associations Design Brief.
- Update the register of regulated procurements.
- Carry out a review of the following policies:
  - Procurement Strategy
  - CDM Policy
  - Consultation Policy (Development)
  - Defects Policy
  - Development Risk Policy
  - Development Strategy
  - Dispute Resolution Policy
  - Energy Efficiency Policy
  - Environmental Policy
  - Handover Policy
  - Land Banking Policy
  - Reporting schedule for development activities
- Produce and publish a Procurement Annual Report
- Complete assessment of completed development projects utilising the Scottish Housing Network (SHN) Value for Money tool.
- Complete assessment of Procurement capabilities through the Scotland Excel Continuous Improvement Programme for Procurement (CIPP)