



ORKNEY
ISLANDS COUNCIL

Item: 6

Education, Communities and Housing Committee: 9 September 2026.

Strategic Housing Investment Plan.

Report by Director of Education, Communities and Housing.

1. Overview

- 1.1. This report presents the Strategic Housing Investment Plan for the period 2027/28 to 2031/32, for approval.
- 1.2. The Strategic Housing Investment Plan is Orkney's five-year development plan for affordable housing provision and is updated yearly in line with Scottish Government guidance. This Strategic Housing Investment Plan (SHIP) also takes a longer vision for new housing supply for the next 10 years, due to Orkney's significant housing supply requirements, driven by household growth and its rapid economic development context. Following the Council's consideration, the Plan is submitted to Scottish Government to secure funding to enable affordable housing supply.
- 1.3. The Council is the Strategic Housing Authority, the role of which is to assess need and demand across tenure, to prioritise sites for affordable housing, and to co-ordinate activity across all housing providers to meet that need and demand. The Strategic Housing Investment Plan reinforces the role of the local authority as the Strategic Housing Authority by informing Scottish Government housing investment decisions and Local Programme Agreements.
- 1.4. The Strategic Housing Investment Plan, attached as Appendix 1, sets out plans and projects to deliver the affordable house build programme in Orkney over the next 5 to 10 years across a range of housing developers/providers; mainly the Council, Orkney Housing Association Limited, Places for People Scotland and Development Trusts.
- 1.5. The Strategic Housing Investment Plan sets out the amount of housing required, the developers, housing tenure, specialist housing projects, timescales and the amount of funding required from the Scottish Government.

- 1.6. The Housing Supply Target, as detailed in the Local Housing Strategy 2024-2029, sets out a requirement for at least 60 affordable homes each year. The Strategic Housing Investment Plan sets out the plan for 408 affordable housing approvals and 288 completions over the next 5 years. The higher number of approvals reflect the flexibility of land and projects built into the plan, and the fact that there is a lag between approvals and completion.
- 1.7. Monitoring of the delivery of the house build programme continues through monthly meetings with affordable housing developers, and through the Local Housing Strategy monitoring process – reporting to the Housing Market Partnership on a quarterly basis, the Council and the Scottish Government on an annual basis. There is also a specific annual meeting offered to Orkney's construction industry to outline the programme and future opportunities for the industry.
- 1.8. In addition, the current Local Development Plan, and the review of the Local Development Plan continues to support delivery of the housing programme.
- 1.9. Progress on actual delivery of affordable housing supply has been very positive in the first full financial year since approval of the Council's Local Housing Strategy in 2024. In 2025/26 there were a total of 76 approvals and 47 completions. Orkney's 2025/26 total affordable housing programme spend was £6.57m against a Scottish Government Resource Planning Assumption of £4.08m – this represents a 61% increase in spend against the planning assumption and is the first time in ten years that Orkney has exceeded its annual Scottish Government funding allocation. This demonstrates strong project delivery and confidence in Orkney's housing programme. The programme outlined in this SHIP, designed to meet Orkney's housing needs, means that Scottish Government Affordable Housing Supply funding is required at a higher rate of around £6m to £7m per annum, compared to the Scottish Government's committed level of funding of approximately £4m per annum over the next four years.
- 1.10. On 26 June 2025, the Policy and Resources Committee recommended that, in principle, a pipeline of Council land be made available for sale to all affordable housing providers, including Orkney Housing Association Limited and Places for People Scotland, in line with the Strategic Housing Investment Plan in order to achieve the Housing Supply Target.

- 1.11. The Policy and Resources Committee also recommended that powers be delegated to the Director of Education, Communities and Housing to enter into, on behalf of the Council, Strategic Co-operation Agreements with Places for People Scotland and Orkney Housing Association Limited, to deliver housing on terms and conditions to be determined by the Head of Corporate Governance.
- 1.12. A Strategic Co-operation Agreement was entered with Places for People Scotland in November 2025, and it is now making positive progress with their first sites at the former Papdale Halls of Residence and Weyland. Progress is ongoing with Orkney Housing Association to agree a Strategic Co-operation Agreement which will set the framework for cooperation, governance and joint working between Orkney Islands Council and Orkney Housing Association for the delivery new affordable housing supply in Orkney.

2. Recommendation

- 2.1. It is recommended that members of the Committee:
 - i. Note that the proposed Strategic Housing Investment Plan includes proposals for affordable housing and mixed tenure housing developments for five years, with a vision for 10 years.
 - ii. Note that this continues to require a strategic and assertive project management approach from the Council, as the Strategic Housing Authority, across all relevant Council services to enable all suppliers to deliver the programme.
 - iii. Approve the Strategic Housing Investment Plan for the period 2027/28 to 2031/32, attached as Appendix 1 to this report, for submission to the Scottish Government.
 - iv. Agree that the Chair of the Education, Communities and Housing Committee should make representations to Scottish Government senior officials and Scottish Ministers seeking an increase in its Resource Planning Assumptions for Affordable Housing Supply funding for Orkney, to be in line with Orkney's housing requirements as determined through the Housing Supply Target, as set out in the Strategic Housing Investment Plan.

3. Strategic Housing Investment Plan

- 3.1. The draft Strategic Housing Investment Plan 2027/28 to 2031/32 (SHIP), attached as Appendix 1 to this report, outlines the continuing programme for new housing supply. The Local Housing Strategy, approved in June 2024, sets out the Housing Supply Target of 103 units per annum for 10 years with a ratio of 60:40

affordable/private housing split, resulting in 60 affordable new homes target completions each year.

- 3.2. The SHIP sets out a range of projects over 10 years which provide a mix of housing to provide choice to a range of households and housing needs. Many of the projects will provide mixed tenure developments and will include housing for independent living, for essential/key workers and specialist housing provision.
- 3.3. Consultation on this year's SHIP has been undertaken by issuing a 'call for SHIP affordable housing proposals' to all Housing Market Partnership members, with a statement on how the Strategic Housing Authority will prioritise sites. Affordable housing developers were asked to respond with information on the amount and type of provision proposed, the planning application/decision status and any constraints. Meetings were held and/or correspondence entered with the affordable housing developer to gather further information. Feedback was provided to the developers on whether the proposals would be included in the SHIP, timing for development and their RAG (red, amber, green) status assessed by the Strategic Housing Authority. Consultation has also been undertaken with the Scottish Government More Homes team.
- 3.4. Should the Council approve the SHIP, it will be discussed with the local construction industry to ensure all companies are aware of the upcoming opportunities to tender for construction of the affordable housing developments.
- 3.5. The Council's Strategic Housing Authority role in achieving this housing target is to work with Scottish Government to secure funding for affordable housing, to prioritise sites for development and to co-ordinate the activity of housing developers/providers. The Council, as a social housing landlord, is also one of these developers/providers. The other affordable housing developers are Orkney Housing Association Limited, Places for People Scotland and the Island Development Trusts. Some private developers also use affordable housing funding to provide low-cost housing for sale or Mid-Market rent. In April 2026, the Council, as Strategic Housing Authority, published a [Guidance Note on Requirements for SHIP New Build Developments](#) setting out how affordable housing developers should liaise with the Council's Housing Authority and Planning Authority in developing affordable housing proposals.

- 3.6. In April 2026, the Housing Market Partnership discussed the definition of Affordable Housing, and following consultation with the Planning Authority, the Council, as Strategic Housing Authority, then issued further guidance. This [Affordable Housing guidance](#) is published on the Council's website and is in line with National Planning Framework 4 (NPF4). This must be used by all affordable housing providers in making proposals for affordable housing sites and potential Affordable Housing Supply funding. The guidance states that Affordable Housing in Orkney is:
- Social rented housing.
 - Mid-market rented.
 - Shared-ownership.
 - Shared-equity.
 - Housing sold at discount (including plots for self-build).
 - Self-build plots with subsidy / public sector enabling resources.
 - Low cost housing for sale with subsidy, or without subsidy depending on construction costs and values.
- 3.7. NPF4 also encourages mixed tenure developments and the provision of affordable homes on all sites.
- 3.8. The 40% private (or market) element of the Housing Supply Target will comprise private rent and housing for sale with no subsidy.
- 3.9. The SHIP sets out the volume of housing planned for the next five years with 408 approvals and 288 completed homes, with a breakdown by tenure, provider and area for completions as follows:

Completions – Projected 5-year estimated between 2027/28 and 2031/32

Tenure.	2027/2028 to 2031/2032.
Social rent.	205.
Mid-market rent.	41.
Shared equity / affordable housing for sale.	17.
Total to 2030/31.	288.*
Number of projects.	18.

*The total includes 25 homes for the Development Trusts, tenure to be confirmed.

Housing Market Area.	2027/2028 to 2031/2032.
Kirkwall.	151.
Stromness.	39.
East Mainland and linked south isles.	16.
West Mainland.	32.
The Isles.	25.
Total to 2031/32.	288.*

*The total includes 25 off-the shelf acquisitions, locations for which are to be confirmed

Provider.	2027/2028 to 2031/2032.
Orkney Islands Council.	60.
Orkney Housing Association Ltd.	143.
Places for People.	60.
Isles Development Trusts.	25.
Total to 2031/32.	288.

- 3.10. The SHIP also sets out the ambition for the next 10 years for new affordable housing supply amounting to a total of 644 completed homes. This is in line with the overall Housing Supply Target of 60 affordable homes per annum. Critically, the Plan also identified the long-term sites and projects. Some of these sites are challenging, may not happen, or will be delayed, and so additional longer term and speculative sites have also been identified and included in the Plan to allow for sites falling out of the programme.
- 3.11. Implementation of the SHIP in practice is under continual review. The Housing Service team meets with Orkney Housing Association Limited, Places for People Scotland and Scottish Government More Homes team on a monthly basis to monitor process on site development. The Housing Service also discusses projects with Development Trust representatives to assist in the funding of projects. In addition, Housing Services meets monthly with the Planning Service to discuss planning applications that relate to developments in the Strategic Housing Investment Plan and to discuss where any blockages can be alleviated.

- 3.12. The SHIP outlines the Affordable Housing Supply Programme grant resources required to support delivery of the SHIP. This amounts to £6 million per annum over the next 5 years, and £6.75 million over the next 10 years. This should be compared to the Resource Planning Assumption for Orkney which is £4 million per annum. Orkney has benefited from the fact that Scottish Government More Homes Area Team has the flexibility to re-allocate funding across the Highlands and Islands Area. Orkney welcomes the continued support to increase the allocation on an annual basis where funding across the area allows. However, the Council considers that an improved long-term funding allocation is required from Scottish Government to provide certainty and enable Orkney's housing delivery partners to plan accordingly.
- 3.13. The SHIP also includes two additional projects which are not funded through the Affordable Housing Supply Programme. The repurposing of St Rognvald House for Orkney Health and Care (OHAC) agency staff will commence during 2026/27 to be completed in 2027/28 and will be partly funded by the Scottish Government's Islands Programme. The temporary Houton site is a housing legacy where funding from SSEN will open up a housing site at Houton, with SSEN paying for infrastructure costs. Thereafter the Council will seek approval for a permanent housing site, with use of Scottish Government Affordable Housing Supply funding for social housing, and serviced sites for self-build.

For Further Information please contact:

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Implications of Report

1. **Financial** – Any of the proposed Council projects would require the standard Capital Project Appraisal procedure to be completed prior to development. Each individual project would be required to be financially justifiable through a combination of government grants, internal resources and/or borrowing.
2. **Legal** - There is a legal requirement on the Local Authority to produce both a Local Housing Strategy and a Strategic Housing Investment Plan, as set out in section 89 of the Housing (Scotland) Act 2001. The Council's adherence to these requirements is demonstrated through approving the Strategic Housing Investment Plan as recommended in this report.
3. **Corporate Governance:** The establishment and review of policies and schemes to exercise the Council's functions in respect of housing is a referred matter to the Education, Communities and Housing Committee, as defined in the Scheme of Administration.

4. **Human Resources:** The lack of available affordable housing in Orkney is presenting a significant barrier to recruitment of staff across the Council. The successful delivery of the SHIP will hopefully have a positive impact in the long term.
5. **Equalities** – An Equality Impact Assessment was undertaken for the Local Housing Strategy and a separate one is not required for the SHIP which underpins the Local Housing Strategy.
6. **Island Communities Impact** – An Island Communities Impact Assessment was undertaken for the Local Housing Strategy and a separate one is not required for the SHIP which underpins the Local Housing Strategy. The house build programme support new supply across all Orkney communities.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - ☒ Growing our economy.
 - ☒ Strengthening our Communities.
 - ☒ Developing our Infrastructure.
 - ☐ Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - ☒ Cost of Living.
 - ☒ Sustainable Development.
 - ☒ Local Equality.
 - ☐ Improving Population Health.
9. **Environmental and Climate Risk** - All new housing is built in line with Planning and Building Regulations.
10. **Risk** - Failure to deliver sufficient housing for Orkney has an economic risk and societal risk and impacts on the viability of communities.
11. **Procurement** - Will be required for specific council house build projects.
12. **Health and Safety** – None specifically relating to the recommendations in this report.
13. **Property and Assets** - As the SHIP is realised the Council's portfolio of housing stock will increase.
14. **Information Technology** - Over the life of the SHIP, increased capacity will be required to service the additional housing units.
15. **Cost of Living** - The provision of more affordable homes which meet modern energy efficiency standard will contribute to easing the cost of living burden.

List of Background Papers

Housing Need and Demand Assessment (2023).

Local Housing Strategy (2024-2029).

Essential Workers Housing Strategy (2024).

Strategic Housing Investment Plan Report (2025).

Appendix

Appendix 1 – Strategic Housing Investment Plan 2027/28 to 2031/32.



Strategic Housing Investment Plan 2027/28 to 2031/32

September 2026



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1. Purpose of the Strategic Housing Investment Plan

The Strategic Housing Investment Plan (SHIP) is Orkney's five-year operational plan to drive the delivery of affordable housing provision. It must align with the Orkney Local Housing Strategy and related housing policies and is updated yearly in line with [Scottish Government guidance](#). The Orkney Islands SHIP also takes a longer vision for new housing supply for the next 10 years, due to Orkney's significant housing supply requirements, driven by household growth and its economic development context.

The SHIP reinforces the role of the local authority as the strategic housing authority by:

- Informing Scottish Government investment decisions; and
- Informing the preparation of a Strategic Local Programme Agreement that sets out the planned programme across the local authority and, where required, informs the preparation of Programme Agreements to individual providers setting out their planned programme.

Orkney Islands Council's duties in relation to assessing and meeting housing needs are set out in legislation:

- **Housing (Scotland) Act 1987** - Duty to consider needs of their area for further housing accommodation, including the power to acquire land for housing.
- **Housing (Scotland) Act 2001** – Duty to assess the housing needs of all persons in the area – through the Housing Need and Demand Assessment, and to develop strategies to meet those needs through the Local Housing Strategy. The duty is across housing tenure.
- **Islands (Scotland) Act 2018** - Scottish Government has a statutory duty to produce a National Islands Plan. Housing is one of the seven Strategic Objectives included in the new Plan and this SHIP highlights the distinct housing needs of Orkney's communities.

2. Consultation on the Strategic Housing Investment Plan

The [Orkney Housing Market Partnership](#) oversaw the development of the Housing Need and Demand Assessment 2023, the Local Housing Strategy 2024 and the Essential Workers Housing Strategy 2024. The Partnership includes stakeholders from across the public, private and third sectors with an interest in the supply, access and improvement of housing in Orkney. The Partnership also includes Orkney Islands Council elected members.

The Housing Market Partnership also monitors the progress of implementation of the Local Housing Strategy and the SHIP through quarterly meetings. The Council also hosts an additional meeting held annually to inform the construction industry on the approved SHIP projects and pipeline to help inform their business and operational planning, with the aim of increasing capacity in the local construction industry.

Consultation on the SHIP for 2027 onwards has been undertaken by issuing a 'call for SHIP affordable housing proposals' to all Housing Market Partnership members,

with a statement on how the Council will prioritise SHIP sites. Affordable housing developers were asked to respond with information on the amount and type of provision proposed, the Planning application/decision status and any constraints. Meetings were held/and or correspondence entered with the affordable housing developer to gather further information. Feedback was provided to the developers on whether the proposals would be included in the SHIP, timing for development and their RAG (red, amber, green) status assessed by the Council.

3. Orkney Local Housing Strategy and Community Plan

The SHIP is underpinned by the [Orkney Local Housing Strategy 2024-2029](#) (LHS) which is now in its third year of implementation. The LHS is underpinned by the [Orkney Housing Needs and Demand Assessment 2023](#) and the [Orkney Community Plan 2025-2030](#) which incorporates the Local Outcomes Improvement Plan.

The Local Housing Strategy was developed through the Orkney Housing Market Partnership which meets quarterly to monitor implementation through the LHS Action Plan. This is reported on the [Housing Market Partnership webpage](#).

The Orkney Local Housing Strategy vision is:

“Orkney has a wide range of good quality, sustainable homes that are affordable and meet the current and future needs of individuals, families and local communities across the Orkney Islands.”

A summary of key aspects from the relevant housing and wider strategies is:

- The Local Housing Strategy has three strategic priorities: More Homes; Quality Warm Homes and Access and Choice of Housing for All.
- The Community Plan has four strategic priorities, with the most relevant to housing strategy being Cost of Living; Sustainable Development and Inequalities.
- The Council Plan and Council Delivery Plan 2023-2028 states under ‘Developing Our Infrastructure’ that ‘We will invest in homes supporting choice, inclusion and economic growth’ with the outcomes of ‘more quality homes to rent or buy in various locations, providing more choice’.
- The Housing Need and Demand Assessment (HNDA) – assessed as ‘Robust and Credible’ by the Scottish Government in October 2023. This is the foundation of all strategic housing planning and is required for both the Local Housing Strategy and the Local Development Plan (LDP). The review of the Local Development Plan is currently underway and will support delivery of the affordable housing programme.
- The Essential Workers Housing Strategy 2024 – this sets out the particular circumstances in Orkney in relation to the acute need and demand for housing for essential workers (key workers and others essential to support Orkney’s communities and local economy).

4. Orkney’s economy, and housing need and demand

The [Housing Need and Demand Assessment 2023](#) (HNDA) sets out Orkney’s housing market drivers, underpinned by a unique economic position. This is driven

by Orkney's key position to support transition to renewable industries, with the Scottish Government's National Planning Framework 4 (NPF4) identifying the proposed new infrastructure in Orkney as one of Scotland's National Developments. These are significant developments of national importance that will help to deliver Scotland's spatial strategy, with Orkney identified in the Energy Innovation on the Islands National Development. This includes harbour developments in Scapa Flow and at Hatston, offshore renewable energy generation, renewable low and zero carbon fuel production, infrastructure and shipping, and associated opportunities in the supply chain for fabrication, research and development. SSEN currently has a significant presence in Orkney through the installation of the new Finstown Interconnector Substation which is key to unlocking Orkney's future renewable industry development. Orkney has a very buoyant tourist industry – this is positive economically for many of Orkney's households, but it also increases pressure on housing supply due to the increase of Short-term lets.

Orkney is characterised by higher than average population and household growth and 2022 based household projections suggests this growth will continue. Orkney has had a high level of net migration in recent years and in addition, significant temporary migration among the 'supplementary' workforce who live on Orkney on a rotational, agency and interim basis. This workforce is essential to support Orkney's communities, but it puts considerable additional pressure on the housing market. This pressure is evidenced by increasing house prices, and rental prices, and lack of availability of private rented housing, increasing homelessness and increasing length of stay in temporary accommodation for homeless households.

5. Orkney's Housing Supply Target

The Orkney Housing Supply Target (HST) as approved through the Local Housing Strategy is:

- 1035 new houses across tenure over 10 years across all of Orkney Islands, or 103 per annum.
- This is split 60% affordable and 40% private housing: equating to around 60 affordable homes per annum.
- The SHIP is concerned with driving the 60% new affordable housing supply.

5.1. Location

Orkney's housing system comprises five Housing Market Areas which represent reasonably self-contained areas in which people move and purchase housing. The area with the highest population, and the highest need and demand is Kirkwall followed by West Mainland, Stromness, East Mainland and the Linked South Isles, and the Isles. This SHIP therefore identifies projects to meet needs in line with these geographic demands.

5.2. Housing type, size and tenure

The Housing Need and Demand Assessment (HNDA) identifies the growth of ageing, and smaller households. At the same time, the Local Housing Strategy, Essential Workers Housing Strategy and Community Plan identify the requirement to support Orkney's communities by ensuring there is a good supply of affordable

housing for new, emerging households including families, and incoming Essential Workers. This includes temporary agency workers who are critical to support essential statutory services. There is also a need for a small number of larger social rented family homes (four of five bedrooms) in Kirkwall and proposals are included in this SHIP for two OIC properties to be developed within the next two years.

The size, type and tenure of housing will therefore be considered on a site-by-site basis, considering evidence from the HNDA, waiting list and local community intelligence. The Council published a [Guidance Note on Requirements for SHIP New Build Developments](#) in April 2026 which set out the process required of all affordable housing developers to discuss potential development proposals with the Strategic Housing Authority to agree the needs being met and housing mix (type, size and tenure). This guidance is consistent with National Planning Framework 4 (NPF4) in promoting and facilitating the delivery of choice across tenures. This guidance also sets out design guidance on the maximum house size standards to ensure value for money in delivery of new affordable housing supply, and therefore to maximise the Affordable Housing Supply funding available and increase the number of new affordable houses built.

5.3. Specialist provision

The Council's approach in relation to specialist needs is to enable people to live independently and safely at home or in a homely setting in their own community. Over the last 20 years the highest population growth rate has been in those aged 65 plus (70%, compared to Scotland 33%) and looking forward, while there will be growth in working age households, the most significant growth will be in those aged over 75 years. This means that new supply must cater for older people's needs and those with mobility needs. The Council's approach to housing for new supply for older people, those with mobility limitations and disabled people is to ensure new supply is accessible and integrated into communities. There will also be new accessible housing located close to the current/new care homes at Stromness, Dounby and Soullisquoy.

There is also a requirement for putting in place supported housing/care provision for those with learning disabilities and those with enduring mental health. There is ongoing consideration on how to best meet the housing needs of those with enduring mental health.

Most sites will include wheelchair provision (estimated requirement of five houses per year) where this is appropriate to the site to ensure the full range of needs are catered for. OHAL has also identified the opportunity to convert some of its amenity provision to full wheelchair standards.

6. Orkney's Definition of Affordable Housing

In April 2026, the Housing Market Partnership discussed the definition of Affordable Housing, and the Council then issued guidance. This [Affordable Housing guidance](#) is in line with National Planning Framework 4 (NPF4) and must be used by all affordable housing providers in making proposals for affordable housing sites and potential Affordable Housing Supply funding. The guidance states:

Affordable Housing in Orkney is:

- Social rented housing.
- Mid-market rented.
- Shared-ownership.
- Shared-equity.
- Housing sold at discount (including plots for self-build).
- Self-build plots with subsidy / public sector enabling resources.
- Low cost housing for sale with subsidy, or without subsidy depending on construction costs and values.

NPF4 also encourages mixed tenure developments and the provision of affordable homes on all sites. The 40% private (or market) element of the Housing Supply Target will be built with no subsidy. This will comprise private rent and housing for sale with no subsidy.

7. Affordable housing developers and land for housing

New affordable housing supply is developed in Orkney by:

- Orkney Islands Council.
- Orkney Housing Association Limited (OHAL).
- Places for People Scotland (PFP).
- Development Trusts.
- Private developers who can develop mid-market rent and affordable housing for sale.

On 1 July 2025, the Council made the decision that a pipeline of Council land will be made available for sale to all affordable housing providers in line with the Strategic Housing Investment Plan in order to achieve the Housing Supply Target. The decision enables the sale of Council land in line with the Council's Best Value duty, determined through independent valuation (market value for affordable housing).

Council land will be available for sale as follows:

- PFP for 500 homes over the next 10 years – initially focusing on Kirkwall, and possibly Stromness in future years.
- OHAL at least 200 homes over the next ten years, after taking into consideration its current land holding - including Kirkwall, Stromness and smaller settlements according to demand and landbank.
- The Council will also develop up to 150 social homes over the same period on its own land - including all settlements, with development sizes typically being medium or smaller.
- Isles Development Trusts will continue to build / redevelop across the Isles.

This committed land supply for housing is greater than the 600 affordable Housing Supply Target over 10 years and is intended to provide sufficient land supply capacity and flexibility for all affordable housing developers to meet the Housing Supply Target. This is confirmed in [guidance published by the Council](#) in April 2025. Through the SHIP process, and in consultation with affordable housing developers,

the Council takes an overview of all the land available for housing and will consider which affordable housing provider is best placed to develop which sites to ensure the best use of housing land. This consideration includes all affordable housing providers' existing landbank funded through the Scottish Government Affordable Housing Supply funding. In considering the land available for affordable housing supply, the Council may, in line with its statutory powers, facilitate the assembly of land, and the acquisition or transfer of interests in land, where it is considered appropriate to achieve the Local Housing Strategy objectives, and the Housing Supply Target.

7.1. Strategic Co-operation Agreements

The Council decision on 1 July 2025 also agreed to enter into strategic co-operation agreements with both PFP and OHAL to set a new framework to drive new housing supply delivery over the next ten years.

- The PFP Strategic Co-operation Agreement was entered in November 2025.
- The OHAL Strategic Co-operation Agreement is under discussion and will set the framework for further affordable housing development sites by the Association.

7.2. Local Development Plan Housing Land Audit

The Housing Land Audit (HLA) is conducted annually to track all housing development that is within a formal housing allocation or support through the policies of the Local Development Plan. The HLA records remaining (notional) capacity within formal housing allocations alongside any identified constraints. It is acknowledged that some constraints may only become apparent on receipt / assessment of a planning application or a development brief.

When comparing the current effective land supply against the HNDA estimates this shows that the provision under the Orkney Local Development Plan 2017 (OLDP2017) remains sufficient to cover both scenarios. The OLDP2017 is currently under review but remains, along with National Planning Framework (NPF4), material planning consideration until a new Plan is adopted.

NPF4 has introduced a change in policy which strengthens the previous approach to flood risk and now requires consideration of flood risk to also make an appropriate allowance for the effects of climate change and sea level rise. The Council's Engineering Service (The Flood Authority) with assistance from the Planning Service are in discussions with SEPA about this new requirement and are taking forward workstreams to support the development process. This includes Kirkwall Surface Water Management Plan, Coastal Change Adaptation Plan and the Kirkwall Flood Wall Overtopping Study. Work here is drawing to a close and will be reported separately to the Council and will include details on SEPA's position. The Council, SEPA and Scottish Water are committed to joint working in the management of flood risk and coastal change.

8. Methodology used to prioritise sites for the SHIP

The SHIP call for sites issued to all Housing Market Partnership partners set out the way in which affordable housing projects would be prioritised by the Council.

Submissions were requested to set out:

- Site location.
- Ownership arrangements.
- Proposed development type and indicative number of homes.
- Indicative tenure mix.
- Current planning status, including any pre-application discussions.
- Known infrastructure, servicing, planning or delivery constraints.
- Indicative delivery timescales.
- Any other relevant supporting information.

Projects have broadly been prioritised using a RAG system as follows:

- **Green** – Sites in the ownership of the Council, a Registered Social Landlord (RSL) or another affordable housing developer, where the proposal will meet identified affordable housing need and demand, planning consent is in place (or positive pre-planning discussions have taken place) and suitable governance arrangements are in place to allow progression.
- **Amber** – Sites in the ownership of the Council, a Registered Social Landlord (RSL) or another affordable housing developer, where the proposal will meet identified affordable housing need and demand but further work is required. This may include sites without planning consent, sites with planning or infrastructure issues to resolve, or sites of significant scale or complexity.
- **Red** – Sites in private ownership and/or where there are known planning difficulties, infrastructure constraints, ownership issues or other significant delivery risks, but which may still have longer-term potential to meet identified affordable housing need and demand.
- **Not Suitable for Inclusion in the SHIP** – Proposals which do not demonstrate an identified affordable housing need or demand.

In addition, through this year's SHIP review process, the Council has also identified '**long-term**' which are sites where timing may go beyond 10 years but are still considered to be future SHIP sites.

There are also more '**speculative**' sites which have not been included as active SHIP sites as their status is unclear, but which will be kept under active review as potential future SHIP sites. These may come into use within the 5-year, or the 10-year programme if circumstances change.

9. Progress since Local Housing Strategy approval

The Local Housing Strategy approved in 2024 included the Housing Supply Target and objective to deliver 60 affordable homes per annum for 10 years.

The first full financial year 2025/26 post approval of the Housing Supply Target resulted in:

- Affordable Housing Supply Programme - 74 approvals, 58 site starts, 40 completions.
- Key worker Fund - 2 approvals, 2 site starts, 7 completions.

In total this equates to 47 completions in 2025/26 against a target of 60 affordable homes per annum. The number of approvals is a very strong improvement on previous years and will make a good contribution to achieving the target number of completions over the next two years.

Orkney's 2025/26 total affordable housing programme spend was £6.57m against a Resource Planning Assumption of £4.08m – this represents a 61% increase in spend against the planning assumption and is the first time in ten years that Orkney has exceeded its annual Scottish Government funding allocation. This demonstrates strong project delivery and confidence in Orkney's housing programme.

10. SHIP 5-year programme 2027/28-2031/32

The tables below show projected Scottish Government Affordable Housing Supply project approvals and completions. Approvals occur just before the site is acquired and/or site starts. Then there is a lag while houses are built and let or sold. Depending on the size of the development this can typically take between 6 and 36 months in Orkney before a housing development is completed, although for larger sites there will be phased release of completed homes for let or sale.

The tables show that the 5-year approvals are projected to be at a healthy level at 408 homes, but the completions will only be around 288 over the next five years, against a 10-year Housing Supply Target of 600 affordable homes, showing the lag between approvals, the building process and completions. There are also approvals from 2026/27 that do not appear in the SHIP, but where the completions are counted in this SHIP 2027-2031.

10.1. Approvals

Projected 5-year estimated between 2027/28 and 2031/32

Tenure.	2027/28 to 2031/2032.
Social rent.	216.
Mid-market rent.	86.
Shared equity / affordable housing for sale.	81.
Total to 2031/32.	408.*
Number of projects.	14.

*The total includes 25 homes for the Development Trusts, tenure to be confirmed.

Housing Market Area.	2027/28 to 2031/2032.
Kirkwall.	310.
Stromness.	14.
East Mainland and Linked South Isles.	2.
West Mainland.	32.
The Isles.	25.

Total to 2031/32.	408.*
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*The total includes 25 off-the-shelf acquisitions, locations to be confirmed.

Provider.	2027/28 to 2031/2032.
Orkney Islands Council.	35.
Orkney Housing Association Limited.	88.
Places for People Scotland.	260.
Development Trusts.	25.
Total to 2031/32.	408.

Sites RAG Status.	2027/28 to 2031/2032.
Red.	46.
Amber.	312.
Green.	25.

*The RAG status excludes homes for Development Trusts.

10.2. Completions

Projected 5-year estimated between 2027/28 and 2031/32

Tenure.	2027/28 to 2031/2032.
Social rent.	205.
Mid-market rent.	41.
Shared equity / affordable housing for sale.	17.
Total to 2031/32.	288.*
Number of projects.	18.

*The total includes 25 homes for the Development Trusts, tenure to be confirmed.

Housing Market Area.	2027/28 to 2031/2032.
Kirkwall.	151.
Stromness.	39.
East Mainland and Linked South Isles.	16.
West Mainland.	32.
The Isles.	25.
Total to 2031/32.	288.*

*The total includes 25 off-the-shelf acquisitions, locations to be confirmed.

Provider.	2027/28 to 2031/2032.
Orkney Islands Council.	60.
Orkney Housing Association Limited.	143.
Places for People Scotland.	60.
Development Trusts.	25.
Total to 2031/32.	288.

Sites RAG Status.	2027/28 to 2031/2032.
Red.	46.
Amber.	112.
Green.	105.

*The RAG status excludes homes for Development Trusts.

The tables in Annex 1 show the housing sites prioritised for the next five years. It should be noted that all of the programme is dependent on the availability of Scottish Government Affordable Housing Supply Programme funding for the main programme, and Rural Housing and Islands Fund (RHIF) grant for Development Trusts. Occasionally RHIF is also used by private developers supplying Mid-Market Rent. Potential delivery constraints for these sites are discussed in the tables in the Annex.

11. Other 5-year housing projects

There are two other key housing projects being implemented by the Council, but which are not funded by the Scottish Government Affordable Housing Supply Programme and therefore are not included in the tables above, or in the annex.

Repurposing of St Rognvald's House – the previous care home recently vacated is being repurposed for temporary accommodation for Orkney Health and Care (OHAC) agency staff. There are currently 63 agency staff used by OHAC and this figure is likely to increase. They use private rented accommodation or short-term lets for accommodation when on island for weeks or months at a time which puts pressure on the wider housing system. By repurposing this accommodation for up to 41 agency workers, it will release mainstream private rented housing for permanent residents, while delivering a value for money solution for accommodation for agency workers. This is temporary accommodation let on an occupancy agreement basis and so is not eligible for Affordable Housing Supply grant, but funding through the Islands Programme has been approved. This project will be started in 2026/2027 and completed in 2027/28. The building has an estimated life of 10 years, after which time it is planned for demolition and redevelopment with neighbouring council land which is in the long-term SHIP. The Council is also discussing the potential development of the NHS Orkney old Balfour Hospital site which could involve a combination of uses including for essential / key worker housing.

Houton site – the Council has been working with SSEN to achieve a housing legacy for Orkney while the company has a significant presence on the islands. Approval from both SSEN and the Council has been achieved to open up a housing site at Houton, with SSEN paying for infrastructure costs and using the site on a temporary basis for overspill accommodation for its workers. SSEN will be using the site for a maximum of one year and then the site is included in the SHIP under the Affordable Housing Supply Programme to be taken forward through the planning process for a total of six permanent housing units – three social rent and three serviced sites for self-build/home ownership. SSEN is making a significant funding contribution to service the site.

12. SHIP 10-year vision and longer-term sites

Taking a longer-term view enables to the Council, the affordable housing developers and the local construction industry to plan a pipeline of housing development. The Council and affordable housing developers, and NHS Orkney have identified a range of long-term sites for affordable housing development. Some of these are more speculative or have particular constraints which have to be overcome over the medium term.

Considering the long-term supply of land and potential projects, these sites should provide a very good level of flexibility to deliver up to 839 approvals and 644 completions over 10 years, which compares to the Orkney Housing Supply Target of 600 affordable homes over 10 years. The higher estimated approvals mean there will be continued flexibility of land, projects and eventual supply. However, there are constraints on some of these sites which will be worked through over the medium term, and some projects may not happen. This is why it is critical to have more land supply and potential projects than required. Annex 1 summarises the long-term and more speculative sites.

12.1 Completions

Projected 10-year estimated between 2027/28 and 2036/37

Tenure.	2027/28 to 2036/2037.
Social rent.	360.
Mid-market rent.	122.
Shared equity / affordable housing for sale.	112.
Total to 2036/37.	644.*

*The total includes 50 homes for the Development Trusts, tenure to be confirmed.

Housing Market Area.	2027/28 to 2036/2037.
Kirkwall.	451.
Stromness.	39.
East Mainland and Linked South Isles.	22.

Housing Market Area.	2027/28 to 2036/2037.
West Mainland.	32.
The Isles.	50.
Total to 2036/37.	644.*

*The total includes 50 off-the-shelf acquisitions, locations to be confirmed.

Provider.	2027/28 to 2036/2037.
Orkney Islands Council.	79.
Orkney Housing Association Limited.	155.
Places for People Scotland.	360.
Development Trusts.	50.
Total to 2036/37.	644.

13. Affordable Housing Supply Programme funding requirement

Based on the detailed draft proposed new supply projects to be submitted with the SHIP through the Scottish Government Housing and Regeneration Programme (HARP¹) system, and assuming current estimated development costs and Scottish Government funding benchmark rates, the programme outlined for affordable homes will require:

- Estimated £30.08m over 5 years or £6.02m per year by completions.
- Estimated £67.81m over 10 years or £6.78m per year by completions.

This compares to Orkney's Scottish Government Affordable Housing Supply Programme Resource Planning Assumption (RPA) of £4.068m. The Scottish Government has confirmed that the RPA is planned to continue at this level for the next four years:

- £3.933m for 2026/27.
- £4.051m for 2027/28.
- £4.172m for 2028/29.
- £4.297m for 2029/30.

Orkney's actual spend in 2025/26 was £6.57m, over 60% above the Scottish Government's RPA. It is expected that the spend requirement in 2026/27 will be similar to the higher 2025/26 level of over £6m.

Orkney's 10-year requirement for affordable housing funding will continue to be at a higher level in the region of £6m to £7m per annum, rather than the lower Scottish Government's RPA of £4m per annum. This should be seen in the light of an

¹ HARP is the Scottish Government's administration IT system for monitoring projects and spend.

inequitable position of the comparator island authorities, both of which have lower requirement for new housing supply than Orkney, but which have higher funding levels than Orkney:

- Shetland has similar household projection increases and a similar annual Housing Supply Target for affordable housing of 54 per annum, compared to Orkney's 60, but has a higher Resource Planning Assumption of around £6m per annum - £2m per annum higher than Orkney.
- Western Isles has a long-term projected decline in households and a lower Housing Supply Target for affordable housing of 30 per annum, half of Orkney's 60, but has a much higher Resource Planning Assumption of around £9m per annum - £5m per annum higher than Orkney.

The formula used to determine the share of the Affordable Housing Supply Programme is the Strategic Housing Investment Framework which was agreed 14 years ago between Scottish Government and COSLA in 2012. Orkney Islands Council believes this formula requires urgent review to increase the funding allocation for Orkney. Orkney has experienced considerable household growth over the last 20 years, resulting in significant housing market pressure and unmet housing need. Recent National Records of Scotland 2022 based household projections show that household growth in Orkney will continue over the next 10 years.

Orkney has benefited from the fact that Scottish Government More Homes Area Team has the flexibility to re-allocate funding across the Highlands and Islands Area. Orkney welcomes the continued support to increase the allocation on an annual basis where funding across the area allows. However, the Council considers that an improved long-term funding allocation is required from Scottish Government to provide certainty and enable Orkney's housing delivery partners to plan accordingly.

13.1. Infrastructure funding

Orkney has not made use of the Scottish Government infrastructure fund. However, the demolition of the Former Papdale Halls is a significant infrastructure constraint for an important Kirkwall town centre housing site. Discussions are ongoing with the Scottish Government More Homes Division over the availability of funding for this demolition.

13.2. Use of Council Tax funds for new housing supply

The Council charges a levy on Second Homes and Empty Homes. Of the funds raised from the Second Homes Surcharge, £200k is used to support the Council's Island and Rural Housing Fund, while £242k raised from the Empty Homes Surcharge is transferred to the Housing Revenue Account.

14. Empty Homes, second homes and short-term lets

The Council has developed an Empty Homes Project in partnership with the Scottish Empty Homes Partnership. The Council employs a Development and Empty Homes Officer who works with households and development trusts to try and bring empty properties back into use. This role has historically been part-time, but funding has now been secured through the Empty Homes Partnership to make this role full time.

To date 123 empty homes have been brought back into use since 2017. The annual rate of homes brought back into use has increased over the last three years from 14 in 2023/24, to 16 in 2024/25 and 23 in 2025/26. In 2025/26, 11 of these became private lets, 8 became owner occupied homes and 4 became short-term lets.

The Council has now approved and launched an empty homes loan scheme, with £1m committed from the 'Orkney Strategic Reserve Fund', for up to £25,000 per property, or up to 40 empty home loans. The loans will support empty homeowners bring properties back into use, with conditions of the Orkney Islands Council Loan requiring the home to be let to essential workers for at least five years.

The Council also entered into a working partnership with SSEN to use their capital investment to bring empty homes back into use for occupation by their workers for the period of the SSEN infrastructure development work. This, therefore, is helping to mitigate the impact on the current housing system. A total of three homes were brought back into use through this scheme, with lessons learned from this experience being used for the Orkney Islands Council Empty Homes Loans Scheme.

The use of permanent homes as short term lets is a significant problem in some of Orkney's communities, especially Stromness and parts of Kirkwall. Quarterly monitoring of the short term lets through the Housing Market Partnership shows an increasing trend in all Housing Market Areas with the exception of East Mainland. Stromness shows the highest level of short term lets at over 10% of dwellings. The review of the Local Development Plan is considering how Planning or other policy /mechanisms can be used to manage the scale of short term lets, particularly for new build housing. A pilot will be conducted through the Stromness Place Plan to consider all empty homes, second homes and short term lets in the round, and thereafter consider what interventions are required. In addition, when the Council is selling land for housing it will include mechanisms to prohibit short term lets and ensure housing is used for primary residency through the sale contract.

15. Essential and key workers

In addition to significant need and demand from current residents, there is demand from people moving into Orkney, based on recent migration trends. The Essential Workers Housing Strategy showed strong demand from households that have recently moved to Orkney for work or study (keyworkers, other essential workers across the private and public sectors, and students). They mainly demand private, or Mid-Market Rented (MMR) housing, with demand also for home ownership. The need for transitional and short-term housing is due to the increasing use of interim and agency staff across the public sector due to workforce pressure. The availability of housing for essential incoming workers will be increased through the Empty Homes Loan Scheme, and through the repurposing of St Rognvald House (see above). New homes required for this demand group will be built with a mix of housing type, size and tenure, and the Council and a range of public sector partners are discussing the potential development of the NHS Orkney old Balfour Hospital site which could be development for a combination of uses including for essential / key worker housing.

The Essential Workers Housing Strategy and the Council's MMR policy defines Essential Workers as:

- Social care staff – employees of Orkney Islands Council and employees of agencies providing social care services on behalf of Orkney Islands Council.
- Council staff required to deliver essential public services.
- Health staff – employees of NHS Orkney and employees of agencies providing health services on behalf of NHS Orkney.
- Other employees or contractors required to deliver essential public services.
- Construction workers required to support Orkney's local economy.
- Hospitality workers required to support Orkney's local economy.
- Other workers that can demonstrate their working status is essential to help sustain Orkney's communities and local economy.

The Scottish Government has made available up to £25 million over the next five years from the Affordable Housing Supply Programme to make affordable homes available for key workers. The fund allows suitable properties, including those that lie empty, to be turned into affordable homes for key workers and others to allow for local housing needs to be met. The Council and OHAL have already made use of this fund and will continue to do so through the life of the SHIP.

16. Islands (Scotland) Act 2018

The Islands (Scotland) Act 2018 requires public agencies to ensure that their policies and strategies are not detrimental to island areas. As an island authority Orkney Islands Council strives to provide quality services to all households.

The delivery of affordable housing in Orkney's ferry-linked islands is focused on the Islands Housing Fund, with the Council and Highlands and Islands Enterprise providing support to island development trusts to develop affordable housing of different tenures that will help meet housing need on each island.

17. Rural Housing Fund and Islands Housing Fund

The Scottish Government's Rural and Islands Housing Fund offers opportunities for affordable housing development in Orkney. The fund allows partner agencies, that had limited access to affordable housing funding prior to the Islands Housing Fund, the chance to develop individual affordable housing projects that will help their area. The fund provides excellent flexibility around tenure type and delivery and is ideal for areas that require a flexible approach.

Orkney Islands Council's Housing Service has assisted 9 island development trusts, one co-housing group and 5 private developers preparing applications to the Rural and Islands Housing Fund. 14 projects supported through the Fund's main funding programme have now been completed, delivering 36 homes. A further 10 housing projects have secured main funding and are either under construction or expected to commence soon. These projects are located in: Eday; Kirkwall; North Ronaldsay; Papa Westray; Rousay; Shapinsay; Stromness; and Westray. Several additional projects are undertaking feasibility work or remain at an early stage of development and have yet to apply to the Rural and Islands Housing Fund's main funding programme.

The SHIP identifies the requirement for 50 more homes of the outer isles over the next 10 years.

18. Modern Methods of Construction

Orkney College, in partnership with Orkney Construction Training Group (OCTG), is currently developing a project to test the use of modular build and at the same time using the project to train college students in modular build. The pilot has been awarded £75,000 by SSEN's Regional Fund to build two demonstrator student bedroom modules using Joinery apprentices at the college. Governance processes are currently being explored.

19. Child Poverty Strategy

The [Orkney Child Poverty Strategy 2022-2026](#) set out actions in relation to 'Pockets, Prospects, Places, Prevention and Priorities'. The alignment between Orkney's affordable housing projects and Orkney's Child Poverty Strategy relates to access to affordable housing, addressing fuel poverty and moving to net zero as far as possible in the new housing supply across Orkney. Monitoring and reporting of the [Local Child Poverty Action Plan Report 2024-25](#) was undertaken by the Orkney Partnership's Cost of Living Task Force. This 2024-25 report was the final in the 2022-2026 Child Poverty Strategy reporting window. From 2026/27, the Local Child Poverty Strategy is included within the Children's Services Strategy, with monitoring and reporting through the Education, Communities and Housing Committee, the Integrated Joint Board (IJB), the NHS Orkney Health Board and the Orkney Community Planning Partnership.

20. Rapid Rehousing Transition Plan

The key priority of the Rapid Rehousing Transition Plan that links with the SHIP is: 'ensure that Orkney has a sufficient range, number and type of houses to meet demand and need and offers a suitable range of housing options'. As well as increasing the supply of housing, particularly in this case social rented housing by Orkney Islands Council, Orkney Housing Association, Places for People Scotland and the Development Trusts to increase the number of properties that are available to rent to households in housing need, prevention of homelessness is also key. Improved housing options and early intervention leading to reduced periods of time in temporary accommodation, with the provision of housing support as required.

21. Housing for Gypsy/Travellers

Specific housing or pitches for Gypsy/Travellers are not provided in Orkney due to the fact that, historically, there has been very little evidence of Gypsy/Travellers staying in Orkney outside the summer months. This will continue to be monitored, with findings from the most recent Census examined to assess any need.

22. Annex 1 – SHIP Projects

Summary of SHIP projects over the next 5 years 2027/28 to 2031/32

The following summarises the key sites over the first 5 years of the SHIP, including the site status and development constraints.

Estimated Approval.	Estimated Completion.	Development.	Developer.	RAG status.	Tenure.	LDP ref.	Number homes.	Summary of position.
2025/26.	2027/28.	Walliwall Phase 10, Kirkwall.	OHAL.	Green.	Mixed tenure.	NA.	41.	On site.
2025/26.	2027/28.	Coplands Road, Stromness.	OIC.	Green.	Social rent.	STR8.	25.	Positive pre-planning discussions. Contract awarded.
2026/27.	2027/28.	Graeme Park, St Mary's.	OHAL.	Green.	Social rent.	STM5.	6.	Design stage. Will meet need, OHAL land, pre-planning discussions have been positive.
2027/28.	2028/29.	Toab.	OHAL.	Red.	Social rent.	TB4	2	Two 2-bedroom social rented homes on OHAL-owned land. Scottish Water capacity constraint.
2026/27.	2027/28.	Laird's Road, Burray.	OHAL.	Green.	Social rent.	BV3.	8.	Design stage. Will meet need, OHAL land, positive pre-planning discussions. Includes small piece of OIC land for two houses which is planned for sale to OHAL to develop as one scheme.

Estimated Approval.	Estimated Completion.	Development.	Developer.	RAG status.	Tenure.	LDP ref.	Number homes.	Summary of position.
2026/27.	2027/28.	Former Papdale Halls demolition.	OIC.	Amber.	-	K28.	-	In-depth surveys completed, procurement process underway. Council decision September 2026. Part funding being sought from Scottish Government.
2027/28.	2028/29.	Houton (permanent).	OIC.	Amber.	Mixed tenure.	HT1.	6.	SSEN has funded infrastructure for this site for temporary use. Post SSEN exit, Council/Scottish Government approval will be sought for permanent housing development.
2027/28.	2028/29.	Reid Crescent, Kirkwall.	OIC.	Amber.	Social rent.	Infill.	2.	Need for two larger family homes. Council/Scottish Government approval will be sought during 2027/28.
2027/28.	2028/29.	Dounby.	OIC.	Amber.	Social rent.	DY2.	10.	Council has approved CPA Stage 1. Positive pre-planning discussions and now at design stage.
2027/28.	2029/30.	Evie School (Phase 1)	OHAL.	Amber.	Mixed tenure.	ES3.	5.	Positive pre-planning discussions. Consultation and design work required with community.

Estimated Approval.	Estimated Completion.	Development.	Developer.	RAG status.	Tenure.	LDP ref.	Number homes.	Summary of position.
2027/28.	2028/29.	Burnmouth Road.	Orkney Builders.	Red	Social rent.	NA.	5.	Private development which will require 25% affordable housing. SEPA objection to the Planning application and is now with Scottish Government on appeal.

Approval.	Completion.	Development.	Developer.	RAG status.	Tenure.	LDP ref.	Number homes.	Summary of position.
2027/28.	2028/29.	K9, Kirkwall (Phase 1)	Orkney Builders/ OHAL.	Red.	Mixed tenure.	K9.	20	Planning application re-submitted in June 2026 for complex site. If planning permission is granted, this site will fulfil high level of housing need/demand in Kirkwall, with other sites in Kirkwall taking longer to deliver, or which are more speculative. There is a need for further discussions with the Strategic Housing Authority on housing needs to be met, house size, type and space standards. Two phases.
2028/29.	2028/29.	Wellington Street Infill.	OHAL.	Amber.	Social rent.	Infill.	4.	Early discussions with Planning for infill site.

Approval.	Completion.	Development.	Developer.	RAG status.	Tenure.	LDP ref.	Number homes.	Summary of position.
2028/29.	2030/31.	Midgarth, Stromness.	OHAL.	Amber.	Social rent.	ST17.	14.	OHAL land, initial discussions with Planning. The site is in the Stromness South Masterplan. Some anticipated constraints on surface water and roads.
2028/29.	2030/31.	Former Papdale Halls.	PFP.	Amber.	Mixed tenure.	K28.	60.	Awaiting demolition of the former Papdale Halls which will potentially take longer than originally anticipated – possibly 12 months until October 2027. Planning application cannot be submitted until 2028 after demolition and final site investigations complete. Constraints are potential diversion of private drainage (OIC) and Scottish Water drainage capacity.
2029/30.	2030/31.	Evie School (Phase 2).	OHAL.	Amber.	Mixed tenure.	ES3.	5.	Positive pre-planning discussions. Consultation and design work required with community.
2030/31.	2031/32.	K9, Kirkwall. (Phase 2).	Orkney Builders/ OHAL.	Red.	Mixed tenure.	K9.	19.	Phase 2 – See above.

Approval.	Completion.	Development.	Developer.	RAG status.	Tenure.	LDP ref.	Number homes.	Summary of position.
2029/30.	2034/35.	Weyland.	PFP.	Amber.	Mixed tenure.	K15.	200.	Large housing development area. Potential constraint is Scottish water capacity.
2030/31.	2031/32.	Flett's Park, Dounby.	OHAL.	Amber.	Social rent.	NA.	6.	Proposed later as OIC is developing in Dounby over next couple of years.
2033/24.	2035/36.	Soulisquoy (OIC site).	PFP.	Red.	Mixed tenure.	K6.	100.	Currently planned for land assembly. Subject to discussion on future development options on neighbouring OHAL site.
Ongoing.		Off the Shelf purchases.	OIC.	Green.	Social rent.	NA.	25.	Ongoing purchases off the open market as suitable opportunities arise.
Ongoing.		Isles projects.	OIC.	Various.	Mixed tenure.	NA.	25.	Ongoing developments as opportunities arise.

Summary of additional long-term SHIP sites and speculative sites

The following summarises other sites and will be kept constantly review to bring forward. There are two types of site:

- **Long term SHIP sites** – included in the SHIP and can be brought forward at any time if other earlier sites do not work.
- **Speculative sites** - at this stage are not considered to be included in the SHIP as status is unclear, but brought into the SHIP if circumstances change.

Long term SHIP sites

Site.	Developer.	Tenure.	LDP ref.	Estimated homes.	Summary of position.
Soulisquoy (OIC site).	PFP.	Mixed tenure.	K6.	100.	Currently planned for land assembly. Subject to discussion on future development options on neighbouring OHAL site.
Berstane, Kirkwall.	PFP.	Mixed tenure.	K14.	250.	Long term, large housing development area.
St Margaret's Hope.	OIC.	TBC.	SMH3.	6.	Status of the Hope Co-housing proposal unclear.
St Rognvald House and land.	OIC.	Social rent.	NA.	25.	In the short-term St Rognvald House is being repurposed by OIC for Orkney Health and Care agency staff accommodation. The building has a maximum 10-year life, with demolition and re-development for new supply planned for the longer term.
Grainbank – OIC owned.	OHAL.	Mixed tenure.	K3.	95.	Large housing development area, with capacity for up to 95. Pre-planning discussion with OHAL has taken place.

Speculative sites

Site.	Developer.	Tenure.	LDP ref.	Estimated homes.	Summary of position.
Former Balfour Hospital site.	NHS Orkney.	Mixed tenure.	NA.	To Be Confirmed.	Early concept and pre-planning. At this stage uses being defined but may include a mix of housing (including for key/essential workers) and non-housing accommodation. This may require AHSP funding.
Grainbank - Private site.	OHAL.	Mixed tenure.	K3.	35.	Private site subject to current planning application by a private developer for private housing. Pre-planning discussions suggest site capacity of 35.
Soulisquoy (OHAL site).	OHAL.	Mixed tenure.	K6.	60.	Prospective developers are advised to check access and services.
Sunnybank, Stromness (phase 1 and 2).	OHAL.	Mixed tenure.	STR2.	70.	There are considerable access constraints to this site. This OHAL site was acquired with Scottish Government funds in 2006, OIC's preference is for OHAL to consider this site in light of the emerging Stromness Place Plan and if alternative access cannot be secured soon, consider potential alternative uses to make best use of the site. This could potentially include sale for private housing with much lower density, therefore result in less access constraints, and then recycle Scottish Government grant for other OHAL developments in the SHIP.