



Orkney Islands Council

Strategic Housing Investment Plan

September 2025



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Introduction, legislative and policy context

The Strategic Housing Investment Plan (SHIP) is Orkney's five-year development plan for affordable housing provision and is updated yearly in line with Scottish Government guidance. This 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 for renewable energy generation.

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

- Housing (Scotland) Act 1987 - Duty of local authority to consider needs of their area for further housing accommodation.
- 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.

Orkney Islands Council has undertaken a considerable amount of work over the last 2 years in strategic planning for housing:

- The Council Plan and Council Delivery Plan 2023-2028 which 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 location, 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 Local Housing Strategy (LHS) – this sets out the strategies and policies to meet those needs. The LHS was approved by Orkney Islands Council in June 2024 following 12 months of in depth analysis and consultation through the Orkney Housing Market Partnership.
- The Essential Workers Housing Strategy – this set 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). This was approved in February 2024.
- The Orkney Housing Market Partnership – this oversaw the development of the HNDA, the LHS and the Essential Workers Housing Strategy and 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 includes elected members from the Council and Board members from Orkney Housing Association. The Housing Market Partnership will also monitor the progress of implementation of the LHS and the SHIP.
- In addition, the current Local Development Plan, and the review of the Local Development Plan underway will support delivery of the housing programme.

- Agreement, in principle, that a pipeline of Council land is 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 potential land identified in this Decision is included in this SHIP.
- Delegated authority 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 OHAL, to deliver housing.

Orkney's unique local economic position

Orkney's current and projected economic context are key to its current housing system position. Orkney has high levels of employment and low unemployment, and due to its strong household growth public and private sector employers find it increasingly difficult to recruit with high vacancy rates, with the lack of housing availability being a key factor. In addition to the ongoing economic activity, Orkney is now on a path of significant economic growth driven mainly through growth in the renewables industry. This has impacts on short-term and longer-term housing needs.

The Islands Growth Deal Heads of Terms was agreed in March 2021 and Full Deal entered into in January 2023. This set out a programme to achieve growth with support from the UK and Scottish Governments. Four Orkney specific projects were supported including the Orkney World Heritage Site Gateway Project, the Orkney Research and Innovation Campus, the Scapa Flow Future Fuels Hub and the Orkney Community Vertical Farm Project. Orkney is also involved in the three joint Islands Projects which includes the Islands Centre for Net Zero, Creative Islands Wellbeing and TalEntEd Islands Programme. The key themes in the Deal were to lead the way to a low carbon future, support growth and future industries, and support thriving sustainable communities. The potential to support transition to renewable industries is supported in the Scottish Government's National Planning Framework 4 (NPF4) identifies proposed infrastructure in Orkney as one of the 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.

The key economic development projects planned for construction phases from 2024 are:

- Finstown SSEN Interconnector Substation - This development is a strategically important piece of infrastructure driven by the requirement to provide a transmission network connection from Orkney to the Scottish mainland and to support renewable energy generation. SSENT has now started work in Orkney with a temporary workers' village established at Finstown, and work on the interconnector has started. The Housing Service is working with SSENT on maximising housing legacy from their investment in Orkney, and minimising impact on the local housing system that may be caused from an influx of 200+ temporary workers (see below).

- Investment in Orkney harbours through the [Orkney Harbours Masterplan](#), an ambitious blueprint that provides a framework for the long-term future of our islands supporting renewable energy industry development around Orkney.
- West of Orkney Windfarm – the West of Orkney Windfarm was granted offshore Section 36 and Marine Licence consents in June 2025, with estimates of Year 1 site preparations and installations of turbines commencing in 2028 and the earliest first power from 2029. The Windfarm has applied for a 30-year consent after which it will be decommissioned.
- Flotta Oil Terminal - The Flotta Terminal has been operational since 1976 and has made a significant contribution to Orkney's economy and communities for almost 50 years. The owner and operator, Repsol Sinopec, has a vision to transition the oil industry to clean, green energy and a secure future for skilled oil and gas workers in Scotland and across the UK. At this stage the project is at 'vision' stage and so the detail on timescales is unknown.

The infrastructure development is likely to result in demand for around 1,400 bedspaces for construction workers for the potential infrastructure projects. These are temporary housing requirements over the next 5-10 years, but it is estimated that at least 200 additional long-term jobs will be created for the operational phases, 100 of which are assumed to be filled by incoming workers. The temporary housing requirements will have to be resourced through the developers, but the Local Housing Strategy sets out the Council's policy that the impact of this infrastructure development must minimise the impact on the existing housing system and residents, and must maximise housing legacy from their investment.

Orkney Islands Council has agreed a scheme with SSEN to bring empty homes back into use. As at September 2025, two empty homes have been brought into use through SSEN's investment, and more are being explored with the aim of achieving up to five homes for SSEN's managers to live in while the interconnector work is ongoing. After SSEN's work is complete the homes can revert to the mainstream housing system. In addition, OIC and SSEN have co-designed a spill-over site for SSEN's use while it is in Orkney, and SSEN is due to submit a planning application for this site imminently. The significant investment by SSEN will enable the opening up of a difficult site, which in due course will be used for new build permanent housing, with the site included for permanent development in this SHIP.

Discussions have also commenced with West of Orkney Wind Farm on the socio-economic impacts and accommodation plans, and Community Benefit potential.

Housing need and demand in Orkney

The [Housing Need and Demand Assessment 2023](#) (HNDA) sets out analysis of need and demand across the whole range of housing issues: the drivers of housing need and demand, the requirement for new supply, housing stock profile, pressures and management issues, the quality of existing homes including empty homes, access to housing, and specialist housing provision and needs.

The key housing market drivers in Orkney are:

- Orkney has had higher than average population growth - since 2001, the population in Orkney has increased by 17%, compared with 8% across Scotland, the second highest growth area in Scotland after Midlothian. This has been driven by high net migration.
- There has been almost double the rate of household growth in Orkney at 29.5% over the last 20 years compared to Scotland's 16%. Orkney's growth is the highest in Scotland over the same period.
- It is predicted that population and household growth will continue. Kirkwall and East Mainland is projected to see growth while the North Isles are projected to see a decline in population.
- There is evidence of a higher 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 population is unlikely to be captured in official projections and this temporary population adds further housing pressure. There is evidence of migration being constrained due to the lack of housing for incoming essential permanent workers.
- Pressure is evidenced by increasing house prices, and rental prices, and lack of availability of private rented and social rented housing for residents and essential incoming workers. Most recent data from Registers of Scotland shows Orkney house price growth being double the Scottish average (2021/22 and 2022/23).
- Orkney has high levels of employment and low unemployment. There is potential for significant economic growth in Orkney as part of the Islands Growth Deal and from the renewables industry. This has impacts on short-term and longer-term housing needs.
- The supply of new housing in 2022 was at a 20-year low, particularly in the affordable sector. This partly explains the current severe housing pressure and imbalance between demand and supply. Reasons for this include a range of capacity and system issues which were considered through the Housing Market Partnership through development of the LHS.
- The current economic context is challenging – with fluctuating inflation rates and high and unpredictable costs across the housing supply chain. There is also a very tight workforce, and interest rates have affected the cost of finance for housing providers, building contractors and individual renters and homeowners over recent years which has contributed to the slow down in new build. These challenges do not seem to have abated over recent years.

Housing Supply Target

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.

The HNDA estimates of new supply is the most relevant aspect of the HNDA for the SHIP. Using the HNDA Principal estimate scenario this resulted in a requirement over the next 10 years for additional supply of 1035 new houses across tenure, across all of Orkney Islands, **or 103 per annum**.

The HNDA showed that housing need and demand was broadly split 50:50 affordable and private housing. Some of the private demand was shown for private rented housing but the current housing development cost to value ratio on Orkney means that new build for unsubsidised private rent is unlikely to happen. More supply for Mid-Market (MMR) rented housing will be needed to meet demand, and the approved Housing Supply Target as set out in the Local Housing Strategy is therefore broadly 60:40 affordable to private housing.

Affordable housing includes social rent, MMR, low-cost home ownership and entry level home ownership (starter homes). The split of new housing supply by tenure is shown below, with private rented housing new supply also coming through empty homes being brought back into use for private let.

Housing Supply Target by tenure

	% split	1-year provision	5-year provision	10-year provision
Social rent	35%	36	183	365
Below Market (Mid Market Rent)	21%	22	110	220
Private rented housing	3%	3	15	30
Buyers	41%	42	210	420
Total		103	518	1035

This level of supply requirements compares to recent completion levels in Orkney across all sectors (Scottish Government new build statistics).

- 2022/23 – 61 (55 or 90% private sector).
- 2023/24 – 92 (64 or 70% private sector).
- 2024/25 – 69 (47 or 68% private sector).

Actual completions over the last 5 years have on average been a total of 81 homes, but most of these have been private, individual homes and not affordable (social rent, MMR, low cost home ownership or starter homes). Over the same period there has been only 24 affordable homes completed on average each year against the 60 affordable homes target, with OIC completing 10, and OHAL 12 homes on average per annum.

The requirement for an additional capacity for new housing supply

A key element of Orkney's Housing Strategy is the requirement to increase the local capacity to deliver more homes in Orkney.

The LHS (2024) sets out the approved action to increase the capacity to deliver more affordable homes by attracting at least one additional affordable housing provider to Orkney. The need to attract an additional affordable housing provider in Orkney reflects the key delivery challenge in Orkney. The housing strategy

development process involved independent financial analysis of both the Council's Housing Revenue Account Business Plan and OHAL's Business Plan as the current provider and concluded that neither organisation would have the capacity to meet the demand for affordable housing.

In addition, there are a limited number of private housing developers and most of these develop for single houses, or very small private developments at one time, many of which are not affordable for average incomes.

The Scottish Government More Homes Area Team has been supportive of the strategy to attract another provider to increase financial and organisational capacity to enable more housing supply in Orkney. The Scottish Government has also been supportive in acknowledging the higher cost of new housing supply in Orkney, approving above benchmark approvals to enable housing development to happen. Notwithstanding this approach, housing development at pace and scale remains very challenging and requires greater financial and organisational capacity, and expertise to add to the existing housing supply landscape.

This challenge around financial and organisational capacity to deliver affordable housing is demonstrated in Orkney's ability to spend its full Affordable Housing Supply Programme (AHSP) Resource Planning Assumption. Since 2016/17, unfortunately there has been AHSP total grant underspend of £9m. Orkney's new approved housing supply framework is therefore designed around establishing the much needed additional housing development capacity for Orkney.

Implementation of a new housing supply framework for Orkney

On 1 July 2025, the Council agreed to enter into strategic co-operation agreements with both PFP and OHAL to set the framework for housing supply delivery over the next ten years. OIC also made the decision to make land available for acquisition for mixed tenure housing for PFP for 500 homes over the next 10 years, and for OHAL for 200 homes taking into consideration its current land holding. The Council will also develop up to 150 social homes over the same period on its own land.

Methodology to prioritise sites

The Council meets regularly with OHAL, PFP, Scottish Government and private developers involved in affordable housing supply to discuss the Orkney affordable housing supply programme. These meetings work through potential sites and priorities, to ensure an ongoing pipeline of projects, and to find solutions to any constraints to development.

The Council's Housing and Planning Services meet monthly to consider implementation of the SHIP and to identify any barriers to housing supply and agree potential solutions, and to discuss any current planning applications for affordable housing and any issues which may affect the overall aim of meeting the housing supply target. A Housing Design and Development group has also been established, led by the Planning service where all the various professional disciplines are brought together in one room with the potential housing developer to consider larger sites at pre-planning application stage. This approach has recently been tested through the

Council's Copland's Road site with the aim of ensuring an efficient process when it comes to the actual planning application. The same approach has started with the Grainbank site which OHAL will potentially develop.

In addition to these stakeholders, a wider group of internal consultees including economic development colleagues were consulted in the development of this SHIP.

The way in which the potential projects for affordable housing have been identified and ranked is as follows:

- Trawl through the housing land audit.
- Discussions with all stakeholders.
- Priorities are determined as follows:
 - Green - ownership (Council, RSL or developer), combined with planning consent / or no planning and constraints envisaged.
 - Amber – ownership as above but no consent or there may be some planning issues envisaged, or significant scale.
 - Red – private ownership and no consent and there may be some planning issues or constraints.

Housing suppliers and land for housing

Affordable housing supply is currently provided by the Council, Orkney Housing Association Limited (OHAL), and the private sector. From 2026/27 PFP will also be a key housing supplier in Orkney.

The focus for the different providers and land requirements will be as follows:

- PFP will be focused on large sites in Kirkwall initially, and possibly Stromness in later years. The SHIP assumes land for 500 homes over 10 years.
- OHAL will be focused across Orkney including Kirkwall, Stromness and smaller settlements according to demand and landbank availability. The SHIP has assumed 200 new homes over 10 years.
- OIC will build across Orkney including all settlements, with development sizes typically being medium or smaller. The SHIP assumes a maximum of 150 homes over 10 years.

Isles Development Trusts will continue to build / redevelop across the Isles.

These land assumptions total more than the 600 affordable homes required. This is because inevitably, some sites may not happen, or will be delayed and so additional sites and volume of homes have been included in the Plan to allow for sites falling out of the programme.

Annex 1 shows the housing sites which include the projects prioritised within the SHIP programme for the first five years from 2026/27, but also a longer-term pipeline of potential projects to ensure a rolling programme of projects over 10 years. The further out the project, the more speculative, but the aim here is to provide potential

suppliers with confidence of the commitment from the Council and its partners to plan for a long-term housing supply programme.

All of the programme is dependent on the availability of Affordable Housing Supply Programme grant for the main programme, and Rural Housing and Islands Fund grant for Development Trusts.

The summary tables below show the potential completions for the next 5 years 2026/27 to 2030/31.

Projected 5-year potential completions to 2030/31

Tenure	2026/2027 to 2030/2031
Social rent	189
Mid-market rent	76
Shared equity / affordable housing for sale	55
Total to 2030/31	320

Housing Market Area	2026/2027 to 2030/2031
Kirkwall	215
Stromness	25
East Mainland and Linked South Isles	14
West Mainland	16
The Isles	50
Total to 2030/31	320

Provider	2026/2027 to 2030/2031
OIC	50
OHAL	100
Places for People	120
Development Trusts	50
Total to 2030/31	320

Note - The 5-year total excludes ad-hoc off the shelf purchases.

Over the next 10 years there is potential for a total of 683 new supply across the affordable sector. This is in line with that required by the HNDA and Housing Supply Target.

Projected 10-year potential completions to 2035/36

Tenure	2026/2027 to 2035/2036
Social rent	329
Mid-market rent	165
Shared equity / affordable housing for sale	144
Total to 2035/36	638

Housing Market Area	2026/2027 to 2035/2036
Kirkwall	495
Stromness	45
East Mainland and Linked South Isles	20
West Mainland	28
The Isles	50
Total to 2035/36	638

Provider	2026/2027 to 2035/2036
OIC	81
OHAL	177
Places for People	330
Development Trusts	50
Total to 2035/36	638

Note - The 10 year total excludes ad-hoc off the shelf purchase.

Funding requirement

Based on the detailed draft proposed new supply projects to be submitted with the SHIP through the Scottish Government HARP system, and assuming current estimated development costs and Scottish Government funding benchmark rates, a 10-year programme of 638 affordable homes will require around £72m or approximately £7m per year of Affordable Housing Supply Programme funding per annum (excluding ad-hoc purchases of existing stock). This is a very significant increase on spend over the last 5 years (of around £3-4m) and will require a strategic and assertive project management approach from the Council as the Strategic Housing Authority across all relevant services to enable all suppliers to deliver this affordable housing programme.

Housing size and type

Orkney's housing supply is currently dominated by 3-bedroom houses, with a lack of supply of smaller houses, flats and starter homes.

Household projections and the social housing lists show a predominant need for smaller properties, but at the same time there is a requirement to create balanced and mixed communities, and to meet the need of ageing communities and those with specific needs.

There is an identified need to increase density in Orkney's towns and villages which will be confirmed through the review of the Local Development Plan. It is therefore expected that the new affordable housing supply programmes in Orkney will now include a greater proportion of flats and higher density houses in Orkney's towns to meet need/demand and to increase efficiency of the programme.

The house sizes required in each development will be determined on a site-by-site basis, considering the overall housing need for that specific location, the need to create mixed and sustainable communities, specialist housing needs, and any site and funding constraints. Most sites would normally be subject to a development brief provided by Development and Marine Planning. In some circumstances the landowner who wishes to develop the site may be required to provide the development brief.

Specialist housing 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. New supply for those with specific needs are outlined below.

Pursuing a core and cluster approach for new housing suitable for older people and a range of other needs, including extra care housing. This relates to 3 sites in the SHIP that are located close to 3 care homes –

- Coplands Road, Stromness.
- Dounby.
- Part of Soullisquoy, Kirkwall.

There is also a requirement for putting in place supported housing/care provision for those with learning disabilities and those with enduring mental health. The SHIP identifies 2 separate sites to fulfil these needs. All of these sites for particular needs will include some wheelchair provision (estimated requirement of 5 per year), as will the mainstream new build sites where this is appropriate to the site to ensure there is a range of needs catered for.

OHAL has also identified the opportunity to convert some of its amenity provision to full wheelchair standards.

Delivering More Homes

A comprehensive action plan for delivering More Homes in Orkney includes the following:

The Council will drive a 'More Homes' strategic programme delivery approach to create a longer term and more certain pipeline to enable supply of 103 homes per annum over 10 years.
Undertake acquisitions of individual properties in the existing market or from developers for social rent or MMR where the properties can be brought up to relevant standards. Opportunities will be taken in town centres to contribute to regeneration.
Identify and appraise options/feasibility for developing new accommodation and repurposing existing buildings for shorter-term accommodation for essential workers.
Work with new infrastructure developers to understand their temporary accommodation requirements, mitigate risks to the existing market and maximise legacy for future housing supply. Currently this involves empty homes investment and site infrastructure funding.
Use the Council's 'Rural Housing Body' status so that where new homes are built on council land apply a primary residence burden on housing property.
Through the Housing and Planning liaison group ensure principles of good placemaking and sustainability are adopted on all new housing sites across all Orkney communities i.e. mixed communities, housing choice, quality homes, in the right location and of the right tenure and size. This will be confirmed through the review of the Local Development Plan.
Increase density in towns and key villages where relevant in line with National Planning Framework 4 and the review of the Local Development Plan.
Provide serviced sites and a design guide for self-build and develop a register for those interested in self-build.
Undertake discussions with at least one established affordable housing provider with track record and financial capacity to supply new housing in Orkney.

Through the ongoing work of the Housing Market Partnership, the SHIP meetings, and the Housing and Planning Services liaison group, these approaches will be implemented to enable best practice to deliver increased supply of affordable housing, delivered in the most efficient and effective way.

In future, delivery methods of housing suppliers may include consideration of modular build and modern methods of construction (MMC); however, it is not yet clear whether these methods provide clear efficiencies at scale, particularly when involving transport and travel to island communities. The Council and its affordable housing supply partners will continue to monitor learning from elsewhere on MMC.

Housing land supply and constraints

The Housing Land Audit (HLA) is conducted annually to track development within the land allocated for housing in the Orkney Local Development Plan 2017 (OLDP2017). The HLA records remaining (notional) capacity on each site 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 OLDP2017 remains sufficient to cover both scenarios. The OLDP2017 is currently under review but remains, along with NPF4, material planning consideration until a new Plan is adopted.

The Planning Service was part of the discussions in formulating the Housing Supply Target and will ensure with the review of the Orkney Local Development Plan that there is an appropriate level of housing land allocated going forward. It should be noted that Orkney Islands Council cannot adopt a new Local Development Plan if it does not meet the Housing Land Target through housing allocations or policy provision.

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, its potential implications and how this was considered when the Kirkwall Harbour Flood Protection Scheme was designed and approved. While SEPA has yet to confirm its position, discussions between the partners have been positive. There is cautious optimism that agreement can be reached between partners that existing modelling data incorporating climate change uplifts can be used for determining development consents in the short term with new modelling data used to inform decisions as it becomes available. There is also a review of water policy in Scotland underway. A consultation on proposals which include the separation of the management of surface water from Scottish Water and Local Authorities began in Autumn 2023, revised policy was expected in Autumn 2024.

Embarking upon an ambitious affordable housing programme as set out in this Plan will bring considerable demands on the current local construction industry. This has been discussed with the local construction industry through the Housing Market Partnership and it is acknowledged that in the short-term there will be capacity building required to respond to the increased activity, but the prospect of a longer and larger pipeline of work is welcomed, and capacity should increase over time driven by market forces.

Other SHIP priorities

Empty Homes

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. To date 100 properties have been brought back into use

since 2017. Like other housing projects progress was slowed down by the COVID-19 Pandemic. The Local Housing Strategy and the Essential Workers Housing Strategy have set a commitment to bring more empty homes back into use, in the context of Orkney having 10% of dwellings being either second homes (4%) or empty homes (6%) compared to the national combined rate of 4%.

The options being considered include the introduction of an empty homes loan scheme, and there is proactive work ongoing 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, therefore helping to mitigate the impact on the current housing system. So far 2 previous empty homes have been brought into use by SSEN and further empty homes are being considered.

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 MMR rented 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 by leasing from the existing private rented sector, acquiring homes from developers off the shelf, and where feasible re-purposing existing non-housing property. New homes required for this demand group will be built with a mix of housing type, size, and tenure, an objective that will be reinforced through the reviewed Local Development Plan.

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 for three properties in Stromness, one in Finstown and 17 in Kirkwall and will continue to identify opportunities in line with the Essential Workers Housing Strategy and the Local Housing Strategy. The SHIP projects have included a significant proportion of housing for MMR which will be targeted to existing and incoming residents who are essential workers (as defined above).

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.

Short term lets

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. The review of the Local Development Plan will consider how Planning policy can be used to manage the scale of short term lets, particularly for new build. In addition, when the Council is selling land for housing it will include mechanisms to prohibit short term lets for new build housing on this land.

Child Poverty Strategy

The [Orkney Child Poverty Strategy 2022-2026](#) sets out actions in relation to 'Pockets, Prospects, Places, Prevention and Priorities'. The alignment between affordable housing projects and Orkney's Child Poverty Strategy relates to improved energy efficiency and move to net zero as far as possible in the new housing supply across Orkney.

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 and Orkney Housing Association Limited 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.

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 outer 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.

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.

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 nine island development trusts, a co-housing group and five private developers to develop applications for the Rural and Islands Housing Fund. Eleven projects have been successfully completed with support from the fund, creating 33 housing units. Ten more housing projects have been awarded main funding and are on site or will commence soon. These include projects in Eday, Kirkwall, North Ronaldsay, Papa Westray, Rousay, Sanday, Shapinsay, and Westray. Four other projects have received Feasibility Funding, these are in Hoy, Rousay, Shapinsay, and St Margaret's Hope. Several more projects are in the early stages and have yet to apply to the Rural and Islands Housing Fund.

The projects under development will help meet housing need in some of Orkney's island communities and other areas where mainstream affordable housing development may not be appropriate or affordably deliverable by the Council or Orkney Housing Association. The Council is committed to supporting groups looking at delivering housing projects in their area wherever possible, primarily through the assistance of development staff based in the Council's Housing Service.

Annex 1

SHIP Sites – Years 1-5

Site	Housing Market Area	Landlord
Independent Living	Kirkwall	OIC
Coplands Road	Stromness	OIC
Walliwall Ph 10	Kirkwall	OHAL
Burnmouth Road	Kirkwall	OIC
Toab	East Mainland and Linked South Isles	OHAL
Graeme Park, Holm	East Mainland and Linked South Isles	OHAL
Burray	East Mainland and Linked South Isles	OHAL
Papdale Halls demolition	Kirkwall	OIC
Dounby – next to Care Home	West Mainland	OIC
Houton	West Mainland	OIC
Orphir	West Mainland	OIC
Weyland Ph 1	Kirkwall	PfP
Former Papdale Halls	Kirkwall	PfP
Grainbank Ph 1*	Kirkwall	OHAL
Weyland Ph 2	Kirkwall	PfP
Midgarth	Stromness	OHAL
Various	The Isles	Development Trusts

- Note: The Grainbank OHAL development is dependent on land assembly of Soulisquoy taking place.

SHIP Sites – Years 6-10 and later

Site	Housing Market Area	Landlord
Evie	West Mainland	OHAL
Weyland	Kirkwall	PfP
Old Finstown Road – St Rognvald House	Kirkwall	OIC
Grainbank	Kirkwall	OHAL
Soulisquoy (OIC site)	Kirkwall	PfP
St Margaret's Hope	East Mainland and Linked South Isles	OIC
Berstane	Kirkwall	PfP
Old Hospital Site	Kirkwall	TBC
Sunnybank	Stromness	OHAL
Various	The Isles	Development Trusts