

**Council House Building Programme Phases 2, 3 and 4
Progress Update March 2018****Report by Garry Sheret, Head of Property and Facilities Management****1 Purpose of Report**

To update the Council on the status of the approved sites and propose new sites for the Council building programme.

2 Housing Building Programme and Planned Works**2.1 Council housing programme – Phase 1**

The first phase provided 864 additional houses within Midlothian over a period of 7 years with a total budget of £108,700,000 and is now complete.

2.2 Completed Sites Phase 2

Phase 2 targeted providing a further 412 additional homes within Midlothian with a budget of £63,663,000 funded from the Housing Revenue Capital Account and Scottish Government grant funding. A total of 264 units have been constructed to date at the following locations:

- Site 2; Woodburn Road; Dalkeith - 14 mainstream homes (and 1 Home for Young People)
- Site 37; Eastfield Drive; Penicuik - 32 extra care flats, 30 mainstream homes (and 1 Home for Young People).
- Site 9; Craigiebiel Crescent; Penicuik - 17 mainstream homes
- Site 18; Eastfield Drive; Penicuik - 17 mainstream homes.
- Site 42; Jackson Street; Penicuik - 14 mainstream homes
- Site 60; Edgefield Road; Loanhead - 41 mainstream homes
- Site 108; Polton St, Bonnyrigg - 18 mainstream homes
- Site 51a Stobhill Road; Gorebridge – 37 mainstream homes
- Site 51b Stobhill Road, Gorebridge – 32 mainstream homes.
- Teviot Court Complex Care, Eastfield Farm Road, Penicuik
12 new build one bed apartments for particular needs provision and a refurbished management block.

2.3 Phase 2 sites at Design Development Stage

The following phase 2 sites are at Design Development Stage

- Site 32/34; Newbyres Crescent / Gore Avenue, Gorebridge 75 homes. Contractor appointed. Site start pending environmental monitoring.
- Site 53 Morris Road, Newtongrange –79 homes awarded contractor appointed. Site start anticipated October 2018.
- Site 23 Woodburn Terrace, Dalkeith – 10 homes contractor appointed 2017. Site start anticipated August 2018, following approval of final consents.

This revised planned total of 419 homes exceeds the original target of 412 homes for Phase 2.

2.4 Phase 3

At the Council meeting of 15 December 2015 it was agreed that the Phase 3 Social Housing Programme would follow on from Phase 2. In September 2016 Council approved the list of sites and the procurement strategy for these sites.

Phase 3 is currently envisaged as being able to deliver in the region of 200 to 240 homes to be constructed from a budget of £36 million funded by the Housing Revenue Capital Account and is to be extended by the funding from Scottish Government Affordable housing subsidy allocation. The Procurement of contractors will continue using open tenders with the flexibility of tenderers able to bid for any combination of the builds.

Tenders are due back in April 2018 for the following sites:

- Site 109 Conifer Road in Mayfield (49 homes).
- Site 39 Crichton Drive in Pathead (12 homes)
- Site 115 Castlelaw Terrace in Bilston (6 homes)
- Site 110 Clerk St in Loanhead (30 homes)
- Site 47 Kirkhill Road in Penicuik (23 homes)

The following sites are still to be tendered and it is planned that site investigations for these tenders commence in April 2018.

- Site 120 Kirkhill Road in Penicuik (refurbishment 3 homes for Houses for Heroes)
- Site 117 Hopefield Yard in Bonnyrigg (23 homes)
- Site 116 Newmills Road (Former Dalkeith High School site), Dalkeith (55 homes and development of a new primary school)

2.5 Phase 4 – sites for development following Council building closures

Council owned sites highlighted in previous reports:

- Site 114 (St Mary's Primary School), Bonnyrigg (24 homes)
- Site 112 High St (Depot), Bonnyrigg (40 homes)
- Site 51C Stobhill Road, Gorebridge (25 homes)

Proposed new sites at the following locations

- Site 130 Newbattle High School, Newtongrange - (150 homes).
- Site 26 Buccleuch St, Dalkeith – (8 social homes plus refurbishment of retail).
- Site 121 Stobhill Depot affordable provision – (70 homes with potential increase to 100 homes).
- Site 122 at 83 High St, Bonnyrigg – (18 homes with Amenity/Learning Disability).
- Site 131 Hopefield Retail site - (20 homes in conjunction with a retail development).

2.6 Proposed Affordable Housing Provision from External Developers

In order to achieve the target provision of 1,000 homes by 2022 it will be necessary to acquire further land for development and/or develop on Council owned surplus open space.

In addition to this, it is proposed to purchase completed houses from external developers as an additional procurement route to achieve completed homes as soon as possible. A development agreement to purchase the affordable housing provision from Miller Homes as Council social housing at Shawfair is set out in a separate report on today's agenda.

Future proposed completed home purchases are located at:

- Site 119 Shawfair site – Miller Homes Ltd (23 homes)
- Site 118 Shawfair site – Bellway (47 homes)
- Site 128 Shawfair site - Mactaggart and Mickel (48 homes)

Further affordable housing may offer opportunities as Council social housing and delivery timescales are subject to applications by external developers and are being monitored.

- Site HS2/HS3 North/South Lasswade Road – Dandara Homes developer
- Site ref H46 – Wester Cowden – Bellway / Buccleuch Estates

2.7 Grant Funding

Council approved in June 2017 the use of the Scottish Government grant for future housing. Officers continue to pursue available grant monies to assist in land purchases/construction of Council housing in Midlothian.

3 Report Implications

3.1 Resource

All the costs of employing the necessary members of staff are included in the project budgets. Resources for the delivery of future sites will be outlined in a separate report.

3.2 Risk

The risk of failure to achieve the Council's target of 1,000 homes by March 2022 due to lack of available sites and availability timescales is being mitigated by the proposed purchase of sites and the purchase of Completed Houses from Developers. It is also proposed to continue the delivery of new homes as quickly as possible by inviting open tenders from a wider number of contractors than previously through the Framework.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Adult Health Care and Housing
- Sustainable Growth

3.4 Impact on Performance and Outcomes

The proposed works support the Council's Local Housing Strategy and accord with Midlothian Council's Corporate Priorities.

3.5 Adopting a Preventative Approach

Reviewing and utilising different procurement options in order to promote early delivery.

3.6 Involving Communities and Other Stakeholders

Consultations internally and externally continue to be carried out with all appropriate stakeholders ensuring input/comment on the proposed layouts / house types and mix. This will be undertaken for the additional sites.

3.7 Ensuring Equalities

An Equalities Impact Assessment was completed for Midlothian Council's Strategic Housing Investment Plan 2018/19 – 2022/23. This document, which is updated annually, sets out all new affordable housing investment plans in Midlothian (including assessing need and demand for housing including specialist housing provision). This was reported to Council in November 2017.

3.8 Supporting Sustainable Development

The new build housing programme will comply with all current building regulations and follows best practice in line with the Council's policies on the environment.

3.9 IT Issues

Building Information Modelling is being utilised to deliver the projects. Models exist for the generic house types and flat types. It is proposed that these models will be used for the completion of Phase 2, 3 and 4.

4 Recommendations Council is recommended to:

- a) Note the content of this report and appended report and the progress made on Phases 1, 2 and 3.
- b) Note the new sites proposed to complete Phase 3 and commence Phase 4.
- c) Note the proposals to acquire houses from private developers.

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