

Midlothian Strategic Housing Investment Plan 2017/18 – 2021/22**Report by Eibhlin McHugh, Joint Director, Health & Social Care****1 Purpose of Report**

This Report summarises the key points set out in Midlothian's Strategic Housing Investment Plan 2017/18 – 2021/22 which details the priorities for the investment in new affordable housing in Midlothian.

2. Background

- 2.1** The Scottish Government requires that all local authorities prepare a Strategic Housing Investment Plan (SHIP) every two years that identifies the main investment priorities for affordable housing. The SHIP sets out the Council's approach to promoting affordable housing investment and meeting housing supply targets identified in the SESplan.
- 2.2** The SHIP acknowledges that there has been significant achievements in the investment of affordable housing in Midlothian. Since 2006, when Midlothian Council began developing new council housing, a total of 2,414 affordable or subsidised housing options have been delivered in Midlothian, significantly increasing the supply of affordable housing.
- 2.3** Despite the considerable level of investment, the SHIP identifies that there is a requirement to increase the supply of affordable housing in all areas of Midlothian in order to meet demand from the growing number of households in housing need.
- 2.4** In the SHIP sites have been identified and prioritised for future affordable housing investment in Midlothian which could deliver 1,441 new affordable homes. This is a significant increase in development from the previous SHIP 2015/16 - 2019/20 which identified developments for 672 units. There are a number of reasons for this significant increase:
- (i) The Scottish Government has announced a target of 50,000 new affordable homes in Scotland and substantially increased the Housing budget to £3 Billion during the lifetime of the current Parliament.
 - (ii) The Scottish Government has raised the level of funding allocated to each affordable home built, meaning the Council and RSLs have to borrow less to fund development.
 - (iii) Midlothian Council has committed to a 3rd phase of new council housing development.

- (iv) The property market has recovered from the financial crisis of 2008 and more sites are being developed which have affordable housing policy obligations.

2.5 The SHIP has identified 47 sites for affordable housing development across the following tenures:

- 475 units will be Council new housing.
- 30 units will be Council purchases bought on the open market which will be rented as council housing
- 598 units will be RSL Social Rented housing
- 245 units will be RSL Mid Market rent.
- 93 units will be RSL Shared Equity
- A total of 115 units will be built as specialist provision, such as Extra Care Housing.

2.6 Section 6 in the SHIP shows how sites have been prioritised for development. No development is considered as a low priority and priorities may change in later years. Sites and numbers are subject to change and many are dependent on planning approval. The total number of new homes completed will be dependent on site availability, the Council's Affordable Housing Policy and the availability of grant funding and private finance.

2.7 As noted earlier, the Scottish Government has increased the allocation of grant funding. In Midlothian in 2014/15 the total level of grant funding for affordable rented housing was £3.78 Million. In 2015/16 this increased by 70% to £6.44. Million and this higher level of funding is likely to be maintained for several years. This increase in subsidy will help to support development of the 16 proposed sites for the 2nd and 3rd phases of new council housing as well as RSL development. Officers have been advised by the Scottish Government that if further projects are identified an increased level of grant funding could be made available for Midlothian.

2.8 It is therefore proposed that in addition to funding new build council housing development the Housing section also undertakes a programme of purchasing 30 homes on the open market for use as council housing. Purchases would be undertaken mainly in areas where there has been few affordable homes built in recent years.

3. Edinburgh and South East Scotland City Region Deal

The City Region Deal will accelerate housing delivery across the region with an ambition to more than double housing delivery rates over the investment period. In particular the ambition is to ensure a significant acceleration in affordable and low cost market housing, aligned to Scottish Government targets and an Inclusive Growth agenda.

An opportunity exists to create a construction pipeline at scale to support capital investment in regional Small and Medium Sized Enterprises, linked to the work of the Low Carbon Construction Centre and wider low carbon innovation activity, and to help

address fuel poverty across the region. In addition there is an ambition to increase the number of new developments that are made internet-ready as part of their construction, along with a recognition of the need to ensure that the online facilities and experience across the region are improved.

There are a number of interconnected elements to the housing ask including: an increased level of affordable housing grant; a housing infrastructure fund; and a number of additional powers to facilitate house building activity.

4. Report Implications

4.1 Resource

Elected members have already approved funding for the 2nd and 3rd phase of the new Council house building programme. An additional £3.3Million will be required to undertake a programme of 30 open market purchases. Long term financial modelling demonstrates that the Housing Revenue Account can sustain this extra investment.

4.2 Risk

If the Council does not support the development of new affordable housing, the level of housing need will increase with negative consequences for the community.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- X Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- X Sustainable growth
- ☐ Business transformation and Best Value
- ☐ None of the above

This Strategy aligns with Midlothian's Single Outcome Agreement and with corporate priorities in the Health & Social Care Directorate.

4.4 Impact on Performance and Outcomes

The SHIP supports the following Local Housing Strategy Outcomes, these are:

- Households have improved housing options across all tenures.
- Homeless households and those threatened with homelessness are able to access support and advice services and all unintentionally homeless households will be able to access settled accommodation.
- The condition of housing across all tenures is improved.

- The needs of households with particular needs will be addressed and all households will have equal access to housing and housing services.
- Housing in all tenures will be more energy efficient and fewer households will live in or be at risk of fuel poverty.

4.5 Adopting a Preventative Approach

Setting out a programme for development in the SHIP enables the investment of affordable housing to be carried out in a balanced approach in order that any investment takes into account the needs of the community. This includes those with particular needs such as Extra Care Housing for older people or those Complex Physical or Learning Disabilities where provision of suitable housing would require less resourcing in comparison to traditional models of care.

4.6 Involving Communities and Other Stakeholders

Extensive consultation was carried out for the LHS involving the input of key stakeholders, including local organisations such as housing associations and private landlords as well as the wider community. During consultation, it was widely recognised that investment in affordable housing was a key Local Housing Strategy priority. Further consultation on affordable housing issues will take place during 2017 as part of the development of Midlothian's new Local Housing Strategy. In addition, RSLs have worked closely with Council Officers to agree on the content of the SHIP.

4.7 Ensuring Equalities

An equalities impact assessment has been completed for the SHIP. No negative consequences were identified and specific actions within the SHIP are recognised as having positive outcomes for equality groups, such as those with a disability and the elderly.

4.8 Supporting Sustainable Development

An SEA Pre Screening was undertaken in respect of the Strategy, which established that a full screening was not required. In addition, good practice in relation to energy efficiency and sustainability is highlighted in the document.

4.9 IT Issues

None

5 Recommendations

It is recommended that Council:

- a) Approves submission of the Strategic Housing Investment Plan 2017/18 – 2021/22 to the Scottish Government.
- b) Agrees to a programme of 30 additional open market purchases of properties for use as council housing.

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Background Papers:

Strategic Housing Investment Plan 2017/18 – 2021/22 – previously circulated to Members and available in the Member's Library

