

Midlothian Strategic Housing Investment Plan 2015/16 – 2019/20

Report by Eibhlin McHugh, Joint Director, Health & Social Care

1 Purpose of Report

This Report outlines the key points set out in Midlothian's Strategic Housing Investment Plan 2015/16 – 2019/20 which sets out 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 in Midlothian. The SHIP sets out the Council's approach to promoting affordable housing investment and meeting housing supply targets identified in the Local Housing Strategy (LHS).
- 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 its social housing programme of developing new council housing, a total of 1,368 new affordable homes have been developed in Midlothian, significantly boosting the supply of affordable housing. In addition, key achievements during 2013/14 included:
- Midlothian Council progressing with Phase 2 of their New Council Housing Programme with two developments completed in Dalkeith and Penicuik and three further developments in Penicuik currently under construction.
 - An increased supply of housing in recent years, with 722 completions across all tenures in 2012/13 and 585 in 2013/14.
 - Completion of 26 Registered Social Landlord (RSL) social rented homes.
 - Completion of 15 intermediate (mid market) rent properties in Midlothian.
 - Assisting 42 households to purchase homes in Midlothian via Open Market Shared Equity Scheme representing a significant increase from 2012/13 when there was 13 purchases.
 - Eastfield Drive development (which includes Cowan Court Extra Care Housing), Penicuik awarded "Top 50 UK Affordable Housing Development 2014" by Inside Housing Magazine.
- 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 a growing number of households who have a housing need. In addition, property in the private rented sector and owner occupied tenures will not be affordable as a housing option for a significant number of households in Midlothian.

2.4 To address this demand the SHIP has identified and prioritised sites in Midlothian for future investment in developing new affordable rented housing. The total level of new supply by 2019/20 is estimated to be 672 units. The breakdown of tenures is as follows:

- 322 units will be Council housing.
- 260 units will be RSL Social Rented housing.
- 90 units will be for RSL Mid Market rent.
- Additional 2 units will be purchased on the Open Market for re-housing Newbyres Crescent residents. These will be rented as social housing

Sites and numbers are subject to change and many are dependent on planning approval. Also, 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.

2.5 Table 1 below shows the highest level of subsidy available to both the Council and the RSLs, which was increased by £16,000 per unit in July 2013 to support affordable housing providers to undertake an increased level of development. This also addresses some concerns from RSLs regarding the affordability of accessing private finance and uncertainty over rental income as a result of the introduction of Universal Credit. At present, RSLs can receive up to £58,000 per unit, with Councils receiving up to £46,000. The Scottish Government has announced the minimum levels of grant funding for affordable housing in Midlothian as £3.046 Million in 2015/16 and £5.587 Million between 2016/17 and 2018/19. Midlothian Council also receives funding for development via Second Homes and Empty Homes Council Tax Income, which amounted to £158,000. The Council continues to use this income to support the development of new build council housing as it prioritises Scottish Government grant funding to RSLs to maximise the total level of new units being developed.

Table 1: Scottish Government Grant Subsidy¹

Pre July 2013 Subsidy Level Per Unit		Post July 2013 Subsidy Level Per Unit	
Council Housing	£30,000	Council Housing	£46,000
RSL Housing	£42,000	RSL Housing	£58,000

¹ Table 2.3 is a simplified table showing subsidy rates, a more detailed breakdown of subsidy can be viewed at: <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/investment/ahsp>

Report Implications

3.1 Resource

There are no additional direct resource implications arising from this Report.

3.2 Risk

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

3.3 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 and divisional priorities within Midlothian's Communities and Wellbeing Division.

3.4 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.

3.5 Adopting a Preventative Approach

Development of the SHIP enables for 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

Complex Physical or Learning Disabilities where provision of suitable housing would require less resourcing in comparison to traditional models of care.

3.6 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 LHS priority. In addition, RSLs have worked closely with Council Officers to agree on the content of the SHIP.

3.7 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.

3.8 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.

3.9 IT Issues

None

4 Recommendations

It is recommended that Cabinet:

- a) Note the contents of this Report.
- b) Agree for the Strategic Housing Investment Plan 2015/16 – 2019/20 to be submitted to the Scottish Government.

Date: 12 December 2014

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Background Papers:

Appendix 1: Strategic Housing Investment Plan 2015/16 – 2019/20