Midlothian Council
Strategic Housing Investment Plan
2015/16 - 2019/20

Midlothian

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Front page photographs:
Top: Cowan Court, Penicuik (completed 2013 and managed by Midlothian Council)
Bottom: Thornybank Green, Dalkeith (completed 2014 and incorporating some units managed by Castle Rock Housing Association).

Table of Contents

1. Introduction and Background

The purpose of the Strategic Housing Investment Plan (SHIP) is to set out the strategic investment priorities for affordable housing over a 5 year period to achieve the outcomes set out in Midlothian's Local Housing Strategy (LHS). The SHIP has been produced by Midlothian Council in conjunction with its stakeholders and partners and is submitted to the Scottish Government every two years.

The SHIP provides the opportunity for the Council to:

- Set out key investment priorities for affordable housing and how these will be delivered
- Identify the resources to deliver project priorities
- Involve key partners in the delivery of new affordable housing.

Aims of the SHIP

The aims of Midlothian's SHIP are to:

- Improve longer-term strategic planning
- Provide a practical plan detailing how the Local Housing Strategy investment priorities can be delivered
- Form the basis for more detailed programme planning
- Provide a focus for partnership working
- Inform, and be informed by, the preparation of Registered Social Landlords (RSL) Strategy and Development Funding Plans
- Develop actions identified in the Local Housing Strategy (LHS)
- Inform the allocation of resources from a national to a local authority level

The SHIP will continue to inform the allocation of resources from the Scottish Government's Affordable Housing Investment Programme (AHIP), which primarily supports the delivery of affordable housing via the Council and Registered Social Landlords. In addition, other funding streams that seek to support LHS priorities for affordable housing or complement existing resources have also been evaluated.

Affordable Housing Achievements

The main achievements in relation to investment in affordable housing in Midlothian during the previous year (2013/14) include:

- 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.
- Completion of 26 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.
- 9 owner occupied households provided with support to avoid repossession of their home through the Mortgage to Rent scheme.
- Eastfield Drive development (which includes Cowan Court Extra Care Housing), Penicuik awarded “Top 50 UK Affordable Housing Development 2014” by Inside Housing Magazine.
- Cowan Court Extra Care Housing development was shortlisted among finalists in the Local Social Sustainability category for the European Responsible Housing Initiative (ERHIN) 2014 award and also at the Scottish Home Awards..

2. Key Strategic Links

Midlothian Local Housing Strategy 2013 - 2017

The Housing (Scotland) Act 2001 requires that all local authorities in Scotland develop a Local Housing Strategy (LHS). The purpose of the LHS is to:

- Describe the extent and type of housing need and demand;
- Set out the local authority's strategic vision for the future of housing across all tenures, taking account of national priorities;
- Set out how the standard of housing will be improved;
- Provide clear strategic direction for housing investment;
- Focus on the outcomes required to achieve this vision; and
- Identify specific commitments made by the local authority and key partners to enable the delivery of outcomes as shared priorities.

As a consequence, the SHIP is a key part of the Local Housing Strategy process and together the key statements of affordable housing investment priorities which will guide the application of Scottish Government subsidy and other funding in Midlothian.

The strategic vision of Midlothian's Local Housing Strategy 2013 – 2017 is that:
"All households in Midlothian will be able to access housing that is affordable and of good quality in sustainable communities."

Outcomes of the LHS have been identified to be achieved by 2017, and affordable housing investment decisions will be of fundamental importance in order that these outcomes are realised. These outcomes have also shaped key housing priorities within Midlothian's Single Plan – which is a Combined Midlothian Community Plan and Single Outcome Agreement with the Scottish Government.

The outcomes 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.

A range of specific actions have also been agreed by the Council and key stakeholders which relate to affordable housing investment decisions. These will be monitored during the lifetime of the Strategy and include:

- Development of a second phase of Midlothian Council's affordable housing programme to build up to 1,300 new council homes by 2017.
- Develop affordable housing using innovative models for securing more affordable homes which requires less subsidies, such as Mid Market Rented Housing.
- Build smaller housing to address the growing number of single person households and to avoid households under-occupying larger homes in the social rented sector.
- Work with partners in the public and private sector to meet the housing supply target of 565 new homes per annum.
- Secure homes and resources for affordable housing through Midlothian Council's Affordable Housing Policy.
- Work with partners to provide options for home ownership for low income residents of Midlothian.
- Develop an annual Strategic Housing Investment Plan to set out the areas and Sites for priorities for investment.
- Support initiatives that assist first time buyers to purchase a property.
- Provide up to 40 additional temporary accommodation units for homeless households in Midlothian by 2014.
- The Council, together with its partners, to consider demand for specific groups, and develop an increased proportion of housing stock that meets the needs of households with physical and/or complex learning disabilities and mental health needs.
- Develop Extra Care Housing for Elderly People through new building and reprovisioning, and agree an allocation policy for this type of housing.
- Contribute to the Midlothian Dementia Demonstrator Project in Midlothian.
- All new build housing in Midlothian should be built with recognition of particular needs in order that there is a reduced incidence of households being unable to

carry on living in their own home, and a reduced requirement for expensive home adaptations.

- Site facilities at the jointly managed East and Midlothian Gypsy Traveller Site refurbshished and extended in 2014.
- Ensure energy efficiency standards of new build housing across all tenures.

Housing Supply Target

The Local Housing Strategy identified an annual target (Table 2.1) for new housing supply based on projections of need for both market and affordable housing, together with projections of what would be realistically achievable. Table 2.2 showed that Midlothian exceeded this target for affordable housing in 2012/13 with 250 completions while only 102 affordable homes were completed in 2013/14 (Table 2.2). However, over both years the total figure of 352 completions still exceeded the two year target number of units for Midlothian. Conversely, supply targets for market housing (private sector for sale or rent which was not affordable) have been significantly higher over the last 2 years. Combining market and affordable housing completions means that the Midlothian annual Housing Supply Target of 565 units (Table 2.1) has been exceeded in 2012/13 and 2013/14 respectively.

Consequently, it appears that the target for private housing supply was pessimistic which was a reflection of the poor economic situation which severely impacted the housing market in Midlothian for several years but appears to have significantly recovered with annual completions far in excess of the average even prior to the credit crunch in 2008. Although in future years, the level of affordable housing completion is likely to continue to fluctuate unless there is significant additional funding or an increased uptake of other affordable housing models.

Table 2.1: Annual Midlothian Housing Supply Target 2013 - 2017

Sector	Annual Target
Affordable	165
Market	400
Total	565

Table 2.2: Housing Supply Trends in Midlothian 2003 - 2013

Sector	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013/14
Affordable	26	0	9	16	40	303	168	159	173	250	102
Market	148	102	105	180	255	360	339	275	337	472	483
Total	174	102	114	196	295	663	507	434	510	722	585

Source: Housing Statistics for Scotland, www.scotland.gov.uk

Housing Need and Demand Assessment (HNDA)

- The Midlothian housing market operates within the wider South East Scotland Strategic Development Plan (SESplan) housing market area, the most pressured housing market area in Scotland, with a significant affordable housing requirement. The SESplan housing market area includes land within the administrative boundaries of the City of Edinburgh, East Lothian, Midlothian, West Lothian, Scottish Borders and the Southern area of Fife.
- To inform the development of individual LHS's and the SESplan housing land requirement, a housing needs and demand assessment is required that covers the SESplan area. In 2008, the four Lothian Authorities commissioned an update to the Housing Need and Demand Assessment 2005 to inform the LHS and Strategic Development Plan (SDP) processes. This Study was then revised to produce a Housing Need and Demand Assessment[1] for the wider SESplan area.

Key Points

- The SESplan HNDA identified that to provide for predicted levels of growth over the period 2009 - 2032, land for a total of 155,600 new homes will be required across the SESplan area.
- Calculating current housing need is based on estimating the number of households that currently have unmet housing needs based on the circumstances such as the number of homeless households, those in temporary accommodation and in overcrowded conditions. The SESplan Housing Need and Demand identified that 46,357 (8%) households out of the 546,119 households in the SESPlan area were in housing need.
- The Report projected that an additional 1.6% of the 546,119 households in the SESplan area would require new housing.

[1] The SESplan Housing Need and Demand Assessment can be viewed in full at: www.sesplan.gov.uk

- As it would be impossible to address the requirement for current and housing need in one year, the SESplan Study estimated that the total number of new affordable homes required across the SESplan area would be 2,817 per annum for 10 years. In Midlothian, this figure would be 121 affordable homes required per annum for 10 years.
- As part of the development of the LHS, the Council carried out an assessment of housing needs in Midlothian in 2012, and it was concluded that 165 affordable homes per annum was an appropriate level of investment to address housing need over the next 5 years, as shown in the Housing Supply target (Table 2.1).

The Housing Need and Demand Assessment 2 (HNDA2)

- Work on the second HNDA2 is nearing completion and will be published during the winter 2014/15. The HNDA2 has been prepared to provide updated and reliable data on housing need and demand to inform the Main Issues Report (MIR) in advance of the second Strategic Development Plan (SDP2) and subsequent Local Development Plans (LDPs) and Local Housing Strategies (LHSs). A wider Housing Market Partnership has been established and a programme of extensive consultation put in place to ensure meaningful engagement with stakeholders in relation to the SESplan HNDA2 development process.
- A range of scenarios and corresponding figures on current and future housing need have been produced. These suggest that there has been a significant increase in the need for both affordable and private housing to meet the growing population of Midloithian.

Strategic Development Plan for South East Scotland and the Midlothian Local Development Plan

A key driver of strategy for future investment for house building is the development plan as this guides the location of development and the standards to be achieved. Midlothian's development plan currently comprises of the Strategic Development Plan for South East Scotland (approved June 2013) and the Midlothian Local Plan (adopted in December 2008 to meet the requirements of the previous Structure Plan and has now replaced by the Strategic Development Plan).

The Strategic Development Plan (referred to here as SESplan), covers the period to 2032. It expects the development of committed housing land (from previous and current local plans and windfall sites) and sets requirements for additional housing land to be identified in Midlothian. This requires that an additional housing land is allocated in the Midlothian Local Development Plan (MLDP), which is currently in preparation. Once adopted, the MLDP will replace the current Midlothian Local Plan 2008.

It is anticipated that the MLDP Proposed Plan will be published early 2015 with the plan's adoption expected in late 2015/ early 2016. The MLDP will allocate land for housing, employment and other uses, and contain policy which will be used to assess planning applications.

Midlothian's Strategic Local Programme

The delivery of affordable housing in Midlothian is influenced by Scottish Government grant subsidy. The allocation of resources to each local authority area is called a "Strategic Local Programme (SLP)". Each SLP covers a three year period and identifes funding for all affordable housing projects/priorities within each area. In turn, the SLP is informed by a Resource Planning Assumption (RPA), a minimum level of funding expected from the Scottish Government which forms the basis for the investment decisions outlined in the SHIP.

For instance, the RPA for Midlothian as outlined in the SLP between 2012 and 2015 is £14.4 Million while the minimum RPA for 2015 – 2019 is £8.633m. In the past there were separate funding streams for Council and RSL housing projects, but these have been streamlined into a this single fund. Therefore, the Council is now required to balance its own development priorities together with the development plans of locally active RSLs.

There are several ways which Midlothian Council works with RSLs and the Scottish Government in order to agree on how to allocate RPA resources including:

- Strategic Housing Investment Plan Working Group
- Local Housing Strategy and Homeless Strategy Group
- RSL Forum
- Scottish Government Liaison Meetings
- RSL Development Programme Meetings

Table 2.3 below shows the 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. At present, RSLs can receive up to £58,000 per unit, with Councils receiving up to £46,000.

Table 2.3: Scottish Government Grant Subsidy[2]

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

Midlothian Council's Affordable Housing Policy

Midlothian Council is committed to working with private sector developers in order that the need for market housing and affordable housing can be addressed in Midlothian. For example, it consulted with house builders during the development of Midlothian's Local Housing Strategy and has worked with the Scottish Futures Trust to offer house builders the opportunity to work with the Council to develop homes through innovative financial models.

The Midlothian Council Local Plan (2008) sets out that within residential sites allocated in the Local Plan, and on windfall sites identified during the Local Plan period, provision shall be required for affordable housing units equal to or exceeding 25% of the total site capacity (depending on the total number of units being developed).

Additionally, the 2012 Supplementary Planning Guidance (SPG) on Affordable Housing sets out that there is the potential for a range of types of affordable housing to be provided to meet the Local Plan's affordable housing requirement, including.

- Social rented housing;
- Subsidised low cost housing for sale
- Shared ownership;
- Shared equity;
- Unsubsidised entry level housing for sale;
- Housing let at a mid market or intermediate rent.

[2] 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

The SPG also provides information on the affordable housing requirement for sites allocated and identified in previous Midlothian Local Plans (2008).

The new Midlothian Local Development Plan is expected to be adopted in 2015 and will replace the Midlothian Local Plan (2008). The Local Development Plan will set out the Council's position on affordable housing for new residential development while also highlighting the Council's commitment to:

- Increase housing supply across all tenures over the long term;
- Increase the choice of housing available to those on low incomes;
- Create housing developments of high environmental and design standards that contribute to the creation of sustainable, mixed communities; and
- Ensure that social housing provides better value for public expenditure.

Housing Land Audit

According to the Midlothian Housing Land Audit (HLA) 2013 (Table 2.4), there is committed land available in Midlothian for a total of 10,736 dwellings. It is expected that 1,828 of these units will be affordable homes – the actual number may vary due to a variety of factors, including sites not being developed, and the availability of Scottish Government grant funding. The total number of dwellings, by area, is shown in the table below.

Table 2.4: Housing Land Audit 2013

Settlement	Total dwellings	Of which, the total affordable
Shawfair Area	3,996	798
Mayfield / Newtongrange	1,164	264
Gorebridge	1,077	83
Dalkeith	1,114	105
Penicuik	961	192
Villages and Rural Remainder	823	180
Bonnyrigg	581	15
Roslin / Bilston	353	89
Rosewell	463	59
Loanhead	204	43
Total	10,736	1,828

3. Area Profile of Midlothian

Housing Sub Areas

New housing development in the SHIP is divided into the same sub areas as in the previous SHIPs and the LHS (Table 3.1 and Figure 3.1). These are the core development areas in Midlothian, based predominantly on the provisions of the Edinburgh and the Lothian's Structure Plan 2015, which concentrated new development in Midlothian on:

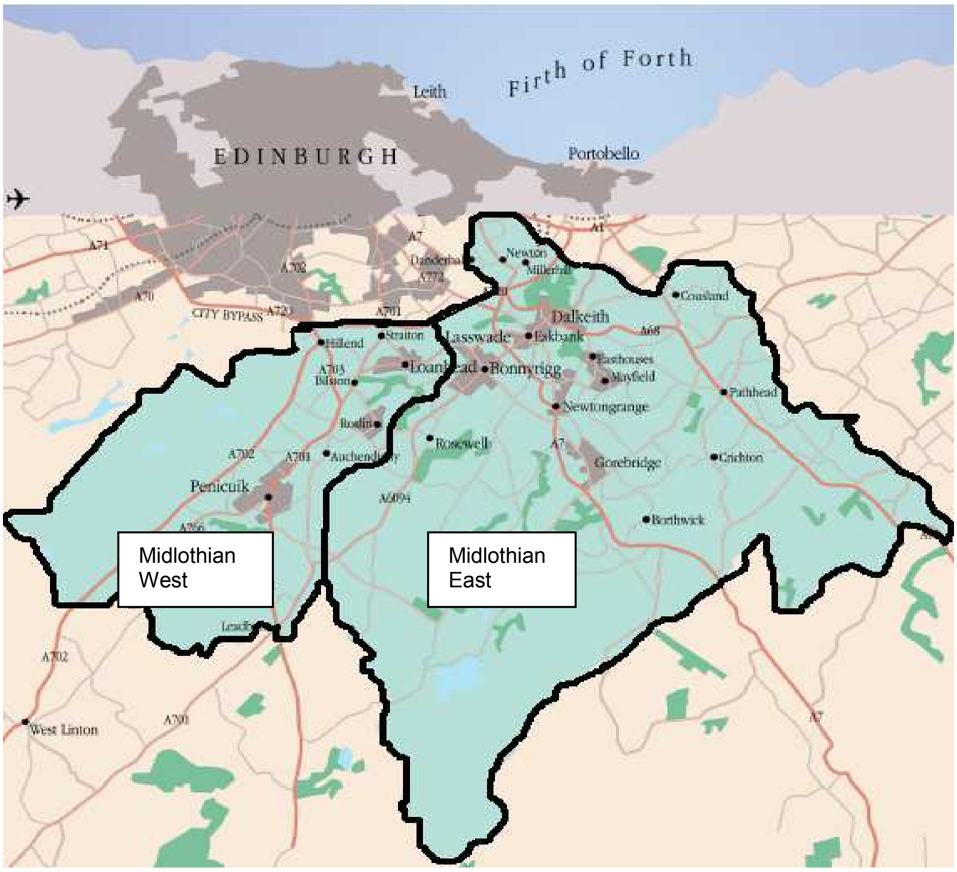
- The A701 Corridor;
- The A7/A68/ Borders Rail Corridor; and
- The Shawfair part of South East Edinburgh.

The first two areas equate to Midlothian West (A) and East (B) respectively. Although plans for the development of Shawfair have commenced, the area has not been identified as a sub market area as yet. Mean time, it is considered as part of Midlothian East, but this will be reviewed as development progresses.

Table 3.1: Settlements in Housing Sub Market Areas

Midlothian West (A)	Penicuik, Loanhead, Bilston, Roslin, Straiton, Auchendinny
Midlothian East (B)	Dalkeith, Bonnyrigg, Gorebridge, Rosewell, Mayfield, Easthouses, Pathhead, Newtongrange

Figure 3.1: Map showing Midlothian Housing Sub Market Areas



Deliverability per Sub Area

The two main sub areas in Midlothian are West and East sub areas (Table 3.1 above). Affordable housing development follows local housing needs, with most needs located in sub area B. While most of the affordable housing units are in sub area B, there are ongoing actions to ensure that more affordable housing units are also developed in sub area A.

Sub Area A (West) – Sub area A continues to be a high priority for the council in comparison to sub area B where there had been a significant proportion of new build affordable housing development in recent years.

Sub Area B (East) – Most settlements and the majority of the population of Midlothian lives in this area. Overall, this sub- area has the highest number of applicants on the waiting list for housing. Also included as part of sub area B is the Shawfair area, which was identified in 1994 as a location for substantial housing and economic growth, with a new settlement at Shawfair to include a town centre located beside a new station on the Borders Rail line.

Balance of Tenure in Midlothian

Table 3.2 shows Midlothian has a lower proportion of Housing Association and Private Rented housing than is the case for Scotland overall. There has also been a significant reduction in the availability of affordable rented housing in Midlothian as between 1998 and 2013, 2,461 properties were sold under the Right to Buy scheme[3]. Consequently, the LHS contains actions to encourage growth in both social rented and private rented sectors.

Table 3.2: Tenure in Midlothian

	2011 Census	
	Midlothian	**Scotland**
Owner-occupier	65%	62%
Local Authority	19%	13%
Housing Association	8%	11%
Private-rented	7%	13%
Living rent free	1%	1%
	100%	100%

http://www.scotlandscensus.gov.uk/ods-web/area.html

[3] http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/HSfSSalesAppsDataset2

4. Midlothian Housing Profile

Council Housing Stock Profile 2013/14

- There are a total of 6,710 council homes in Midlothian. The majority of council housing is located in the larger settlements, with some smaller settlements having very few Council properties. Table 4.1 shows that Dalkeith has the highest number of council homes with 1,388 units accounting for 21% of all stock, as it is the largest settlement in Midlothian. This is followed by Bonnyrigg/Lasswade with 1,134 units (17%) and Penicuik with 1,134 units (16%). Other areas with a significant number of council housing include: Gorebridge with 831 units (12%), Mayfield/Easthouses with 696 units (10%) and Loanhead with 514 units (8%).
- Table 4.1 also shows the area preference by waiting list applicants along with corresponding stock levels for each area. In total, there are 18,205 housing application area choices on the waiting list; with the actual number of households on the housing list being 4,156 (Table 4.2). Currently, Midlothian Council and Melville Housing Associations operate a Common Housing Register with a shared application form.
- Bonnyrigg/Lasswade had the largest number of households choosing this area (12%, 2,249 households) and had the second highest number of Council houses in Midlothian (1,134). This is followed by Dalkeith with 1.863 households, then Newtongrange/Butlerfield with 1,567 households.
- It is notable that many areas with small levels of stock also have high levels of demand; including Danderhall, Roslin, Bilston and Rosewell all having less than 300 homes but with high levels of demand from applicants.
- Overall, there are no areas of Midlothian where there there is low demand for affordable housing and despite the significant investment in new affordable housing since 2006, the total number of applicants on the housing list continues to increase.

Table 4.1: Waiting List Applicants' Area Preferences & Stock by Area

Ranking	Area	Waiting List Area Choices		Total Stock	
		Number	%	Number	%
1	Bonnyrigg/Lasswade	2,249	12%	1134	16.9%
2	Dalkeith	1,863	10%	1388	20.7%
3	Newtongrange/Butlerfield	1,567	9%	268	4.0%
4	Loanhead	1,488	8%	514	7.7%
5	Poltonhall	1,389	8%	111	1.7%
6	Penicuik	1,305	7%	1050	15.6%
7	Mayfield/Easthouses	1,274	7%	696	10.4%
8	Danderhall	1,029	6%	264	3.9%
9	Roslin	1,022	6%	52	0.8%
10	Gorebridge	970	5%	831	12.4%
11	Bilston	872	5%	113	1.7%
12	Rosewell	860	5%	102	1.5%
13	Auchendinny inc Glencorse	647	4%	22	0.3%
14	Pathhead	548	3%	129	1.9%
15	Carrington	392	2%	13	0.2%
16	Cousland	256	1%	10	0.1%
17	Temple	247	1%	5	0.1%
18	North Middleton	227	1%	8	0.1%
	Midlothian	**18,205**	**100%**	**6,710**	**100%**

- An analysis of applications by areas shows that, of the 4,156 applicants on the waiting list (Table 4.2), 87% were from Midlothian against 13% from outside Midlothian. Of this 87% were from Midlothian and most applicants were from the larger settlements of Dalkeith with 663 applicants (16%) followed by Bonnyrigg/Lasswade with 640 applicants (15%) and Penicuik with 552 (13%). The smaller settlements recorded only a small number of applicants.

Table 4.2: Waiting List Applicants by Areas and Housing Market Areas

Housing Market Areas	Area	Total	
		Number	%
B	Dalkeith	663	16.0
B	Bonnyrigg/Lasswade	640	15.4
A	Penicuik	552	13.3
B	Gorebridge	446	10.7
B	Mayfield	436	10.5
A	Loanhead	333	8.0
B	Newtongrange	189	4.5
B	Danderhall	92	2.2
B	Poltonhall	59	1.4
B	Pathhead	51	1.2
A	Rosewell	51	1.2
A	Roslin	40	1.0
A	Bilston	36	0.9
A	Auchendinny	14	0.3
B	Temple	5	0.1
B	Cousland	3	0.1
A	North Middleton	2	0.0
B	Carrington	1	0.0
Others	Edinburgh	292	7.0
	Other	170	4.1
	East Lothian	48	1.2
	No Fixed Address	26	0.6
	West Lothian	7	0.2
	Total	**4,156**	**100**

- In terms of the age grouping of households on the waiting list, the largest age group are those whose head of household is aged between 26 and 39 (34% of applicants); followed by 40-59 year olds (30%). In addition, 25% of householders were aged 16-25 years old and 11% were 60 or older. The majority of applicants on the waiting list are under the age of 40 (59%). The highest demand for 1 bed housing is among households under the age of 40, with 55% of these households qualifying for housing of this size.
- The majority of waiting list applicants (59%) require 1 bedroom housing, with this property size accounting for 12% of stock. This shows a significant mismatch between the supply of, and demand for, 1 bed property in Midlothian. Two bedroomed housing had the second highest applications (31% of applicants), representing 55% of council housing stock. In terms of 3 bed housing, 9% of waiting list applicants met the critieria for this housing size with this property size

representing 28% of all council stock. In addition only 2% of waiting applicants required 4 or more bedroom housing, with a small proportion of council stock (5%) being of this property size.

Turnover

- The total level of turnover for Midlothian in 2013/14 was 323, meaning that only 5% of the total Council stock was available for relet in 2013/14. This meant that fewer applicants on the waiting list were housed in 2012/13, when there were 564 lets made and there was a significant number of new properties let for the first time. The lower figure is a more realistic rate for Midlothian as the turnover rate had been inflated in the past due to Council's previous 'Transfer-Led Allocation Policy' along with the new build programme. This meant that after new build houses had been allocated to applicants on the Council's transfer list, the resulting vacancies were then allocated to waiting list applicants.
- Smaller areas including Auchendinny inc Glencorse, Cousland, North Middleton and Temple had no turnover at all – which means there will be a considerable level of housing pressure and households will have to move elsewhere as they cannot access social housing in these areas. This is a particular issue in rural areas given the small number of council homes in these areas. However, some larger settlements such as Mayfield/Easthouses (5%), Penicuik (4%) and Bonnyrigg/Lasswade (2%) also have low levels of turnover. The areas with the highest turnover were areas with higher levels of council housing or recently completed new build sites such as Gorebridge with 9% turnover and Dalkeith (7%).
- Properties with the highest levels of turnover in 2013/14 were 1 bed (7%) and 2 bed (5%) properties. This is against the backdrop that these are the most required property sizes in Midlothian. In addition, 3 and 4 bed properties had the lowest turnover of 4% each.

Pressure

- 1 bed properties continue to have the highest level of pressure (32 applicants for every single let in 2013/14). This high demand for 1 bed properties is partly as a result of the changes to the welfare benefits system which penalises households who are deemed to be underoccupying a property but also reflects a trend of an increased proportion of smaller households

- 2 bed properties also had significant pressures, with a ratio of 5:1, while larger houses had a lower level of demand as fewer applicants now require larger properties.
- The overall housing pressure for Midlothian was 10:1, meaning that there were 10 applicants for every single let in 2013/14. The smallest areas have very high levels of pressure because of the small number of stock in these areas.
- Demand for housing that meets varying needs is high although a significant number of adaptations are carried out on an annual basis to existing housing to ensure that people with particular housing needs are able to live independendtly in their own home. In 2013/14 a total nimber of 247 adaptations (including Council and private housing) were carried out.

Housing Association Stock

- There are 9 RSLs with properties in Midlothian. The two largest RSLs are Melville Housing Association, a locally based RSL with 1,864 properties and CastleRock Edinvar with 1,039 properties. In total RSLs in Midlothian had 3,223 properties in 2012/13, a 2.5% increase from the 2011/12 level of 3,144.

Total RSL Lets by Area

- According to SCORE[4] data, there were 298 lets by RSLs in 2012/13. 4 bedroom properties were the most let properties followed by 3 bedroom and 2 bedroom respectively with only four 1 bedroom properties being let in 2013. Houses were the most commonly let property type.

Table 4.3: Lets by Apartment and Dwelling Type 2012/13 - SCORE

House Type	1 bed	2 bed	3 bed	4 bed	5 bed	Total
Flat: Tenement & Other	4	20	16	15	0	55
Bungalow	0	0	4	2	1	7
Flat: 4-in-a-Block	0	15	19	12	0	46
Flat/Maisonette: multi-storey block	0	31	4	3	0	38
House	0	0	65	78	8	151
Other	0	1	0	0	0	1
	4	67	108	110	9	298

Homelessness and Housing Options

[4] SCORE is a Scottish Government information collection system on RSLs new lets in any given year.

- Table 4.4 below shows the number of households presenting as homeless between 2006/07 and 2013/14, with the highest number of presentations in 2008/09 (873). Since then, there has been a fall in presentations which has been due to a greater focus on homeless prevention activities by the Council. Between 2012/13 and 2013/14 alone, there was a 23% reduction in homeless presentations

Table 4.4: Homeless Presentations in Midlothian: 2006/07 to 2013/14

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Change 12/13 to 13/14	
									Number	%
Midlothian	687	743	873	729	660	763	754	601	-153	*-23*

http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/RefTables/adhoc-analysis/annualreferencetables201314.

The Council is providing a variety of housing options to address homelessness including:

- Increasing the number of temporary accommodation properties available for homeless households. It has secured 22 additional units from local RSLs and has opened a new House in Multiple Occupation in Penicuik. It also provides 250 privately rented properties as temporary accommodation and Council staff are investigating opportunities for additional HMO provision in existing Council buildings.
- Developing a Housing Options Guide and new Common Housing application form.
- An online Housing options toolkit and private rented housing search tools have been developed with Scottish Government Housing Options partners and will be available online from January, 2015.

Private Rented Sector

- Midlothian has a relatively small private rented sector accounting for only 7.4% of the housing sector (Table 3.2). Table 4.5 below shows that private sector rental costs are quite high in Midlothian. Notably, the average cost of renting 1 bed properties had increased by 16% between 2010 and 2014.

Table 4.5: Average Monthly Private Rental Cost by Bedroom Size

Year	1 bed	2 bed	3 bed	4 bed	>=5 bed
2010	£477	£602	£739	£978	£1,730
2011	£513	£588	£717	£991	£1,646
2012	£502	£585	£703	£998	£1,418
2013	£509	£600	£727	£1,127	£1,443
2014	£553	£607	£749	£1,158	£1,506

* 2010 figures only available for June – Dec and 2014 figures only available for January -September
Source: http://www.zoopla.co.uk/to-rent/property/midlothian/

- An analysis of the average annual private rental cost by area (Table 4.6) shows that Pathhead had the highest average annual rent followed by Penicuik and Loanhead. The average monthly rent in the private sector (£747) is significantly higher than an average council rent of £245 and may be unaffordable to a full time worker living in Midlothian with an average income of £484.4 per week[5]. Therefore, a significant number of households earning less than the average full time worker in Midlothian would struggle to afford property in this tenure unless able to access Housing Benefit. In the Private Rented Sector, those aged under 35 would only be able to access a shared room if they are reliant on housing benefit. The effect of this is to limit the housing options of young people on low incomes.

Table 4.6: Annual Average Private Sector Monthly Rental Cost by Area 2010-2014

Area	2010	2011	2012	2013	2014
Bonnyrigg	£706	£775	£769	£762	£741
Dalkeith	£740	£708	£699	£711	£693
Gorebridge	£687	£606	£638	£637	£628
Loanhead	£759	£773	£747	£820	£815
Newtongrange	£730	£835	£704	£665	£773
Pathhead	£881	£971	£668	£843	£1,014
Penicuik	£893	£735	£741	£810	£822
Roslin	£644	£797	£879	£905	£769

Source: http://www.zoopla.co.uk/to-rent/property/midlothian/

Table 4.7, below, shows the Local Housing Allocance (LHA) in Midlothian, this shows that the maximum LHA rates are significantly lower for all house sizes, suggesting a significant number of low income households will be unable to access the private rented sector.

[5] http://www.nomisweb.co.uk/reports/lmp/la/1946157423/report.aspx

Table 4.7: LHA Rates from April 2014 to March 2015

Shared	1 Bed	2 Bed	3 Bed	4 Bed +
£67.59	£115.37	£139.84	£184.63	£276.92

Private Sector House Sales

- According to the Register of Scotland data (Table 4.8), between 2004/05 and 2013/14, the annual average house price in Midlothian (£171,819) was significantly higher than the Scotland average (£157,476). Also, Midlothian recorded the highest percentage change in average house price among all Lothian authorities in the 10 years between 2004/05 and 2013/14. This high average house price along with lower income is likely to pose a problem of affordability to residents of Midlothian as many householders will not be able to purchase properties on the open market.

Table: 4.8 Annual Average House Price by Local Authority Area

Local authority	2004/05	2013/14	% Change
East Lothian	£150,539	£204,033	35.5
Edinburgh, City of	£168,384	£216,814	28.8
Midlothian	£123,917	£171,819	38.7
West Lothian	£108,300	£139,281	28.6
Scotland	£115,056	£157,476	36.9

http://www.ros.gov.uk/press_release/RoS10yearreport.pdf

- Table 4.9 below shows the volume of market sales in Midlothian and Scotland. Although the volume of sales was below the pre 2008 levels, sales figures have shown significant increases in recent years suggesting that the housing market has now recovered from the economic downturn in Midlothian.

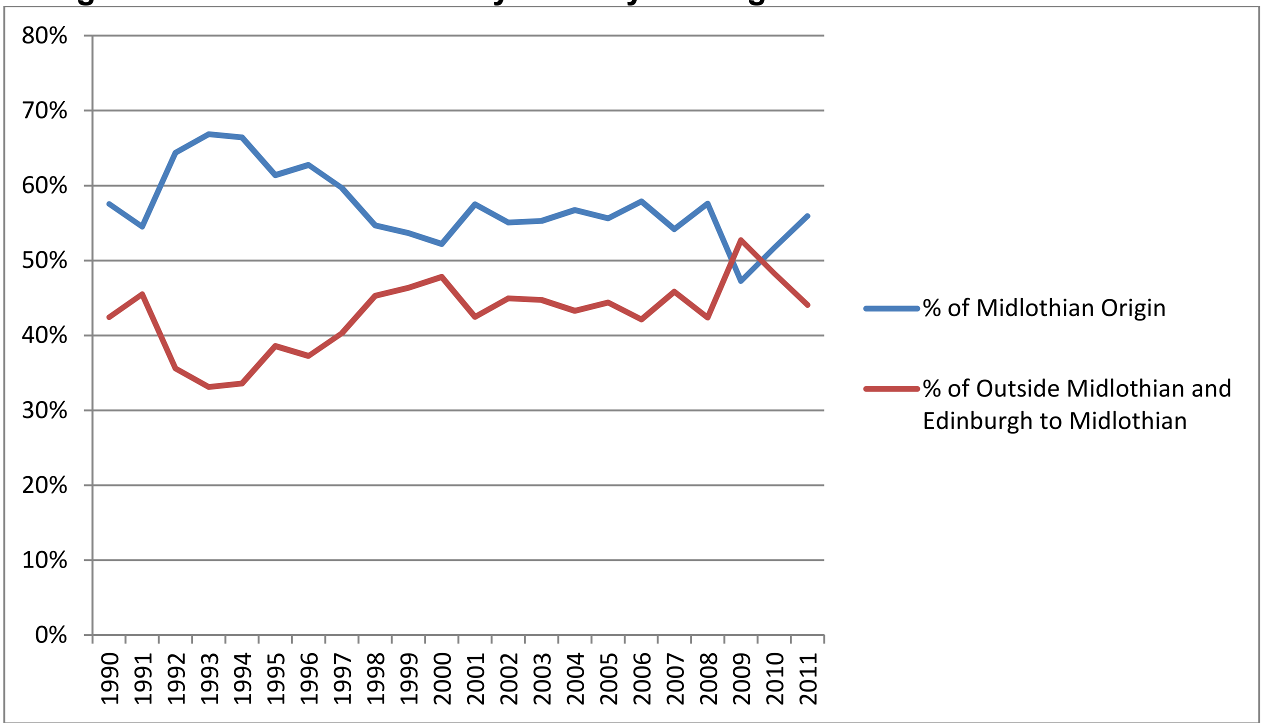
Table 4.9 Volume of Private House Sales in Midlothian

Year	Midlothian		Scotland	
	Value	% Difference	Value	% Difference
2013/14	1,465	32%	87,475	20%
2012/13	1,110	27%	73,199	3%
2011/12	874	1%	70,962	10%
2010/11	866	-10%	64,649	-11%
2009/10	962	-28%	72,487	-17%
2008/09	1,335	-33%	87,147	-42%
2007/08	1,989	11%	149,961	-1%
2006/07	1,792	13%	151,318	6%
2005/06	1,591	4%	142,948	11%
2004/05	1,536	-13%	129,279	-1^
2003/04	1,763		130,319	

http://www.ros.gov.uk/press_release/RoS10yearreport.pdf

- Figure 4.1 shows the origins of buyers in Midlothian with a significant proportion of house buyers originating from outwith Midlothian. In 2011, 46% of buyers were from outside Midlothian against 54% originating from within Midlothian meaning that for every 10 houses sold, at least 4 houses were to buyers from outside Midlothian. This is a reduction from the 2009 figure when more buyers originated from outside Midlothian (53%) than from Midlothian (47%).
- The decision by home buyers (who otherwise were unable to afford higher average house prices in Edinburgh or elsewhere) to buy in Midlothian reflects the higher income level of Edinburgh residents (£562 per week)[6] compared to those living in Midlothian (£484). Potentially this creates an affordability problem for local residents in Midlothian.

Figure 4.1: Containment Analysis - Buyers Origin in Midlothian



Source: Scottish Government CACHI

[6] http://www.nomisweb.co.uk/reports/lmp/la/1946157416/report.aspx

5 Delivery of Affordable Housing

Total Affordable Housing Investment in Midlothian

Table 5.1 shows the number and location of affordable housing units built by the Council and RSLs in Midlothian since 2006. It shows that there has been a significant level of investment across Midlothian by both the Council and RSLs during this period. Whilst the Council's investment in new housing has been significant in providing a large number of households with good quality affordable homes, it should also be recognised that RSLs have delivered 31% of the total new units in this period. Consideration of where future investment should be targeted will be partly influenced by the level of housing need but also by the level of investment in each area in recent years. The table also shows that Dalkeith and Mayfield had the highest number of new units since 2006, with 284 and 279 units respectively.

Table 5.1 Affordable Housing Completions in Midlothian, 2006 - 2013

Settlement	Council No. of Completed Units	RSL No. of Completed Units	Total	%
Bonnyrigg/Lasswade	209	26	235	17%
Dalkeith	146	138	284	21%
Gorebridge	236	32	268	20%
Loanhead	47	-	47	3%
Mayfield	130	149	279	20%
Newtongrange	55	41	96	7%
Penicuik	117	42	159	12%
Total	**940**	**428**	**1,368**	**100%**

Investment in new Council Housing in Midlothian

The Council is committed to the construction of new build council homes in Midlothian. The Council allocated £108M for its phase 1 new build programme, with 864 homes developed on 16 sites across Midlothian by the end of 2012. The Council has committed a further £60M for the development of Phase 2 new building. Site studies have been undertaken and house types have been designed. Two sites of the 2nd phase were completed by the end of 2013 with three further sites currently on site. Table 5.2 shows the location and number of homes completed.

Table 5.2: Midlothian Council New Build Programme Completed Units

Name	Location	No. Completed Units
Phase 1 Council Housing Programme		
Bill Russell Grove	Dalkeith	27
Park Avenue/Road	Gorebridge	48
Stone Place	Mayfield	44
Suttislea	Newtongrange	55
Cuiken Terrace	Penicuik	18
Campview Road	Bonnyrigg	12
Barleyknowe	Gorebridge	64
Eskview Road	Mayfield	86
Cameron Crescent	Lasswade	100
New Hunterfield	Gorebridge	60
Hopefield	Bonnyrigg	85
Gore Avenue	Gorebridge	64
Eastfield Farm Road	Penicuik	37
Polton Gardens	Lasswade	12
Salters Road	Dalkeith	105
Academy Lane	Loanhead	47
Phase 2 Council Housing Programme		
Pentland Way	Penicuik	30
Cowan Court	Penicuik	32
Woodburn Court	Dalkeith	14
Total New Council Homes Midlothian		940

The next chapter details sites planned for the Councils Phase 2 of development. Many factors have influenced the selection of these sites and the housing mix being developed, including housing list demand, availability and accessibility of Council owned land, and demographic change. The impact of welfare reform (in particular the reduced housing benefit payable to tenants who under-occupy their home) has also contributed to planning a housing mix which will have an emphasis on providing smaller house sizes. In addition, a significant number of units are planned for development in Penicuik as this remains an area of high housing need which had a lower level of units completed in the first phase due to their being a lack of suitable sites in this area during the first phase of development.

Affordable Housing Delivered by Partner Organisations

As noted earlier in this section, a total of 428 new homes have been built by RSLs in Midlothian since 2006. The Council will continue to work with RSLs and private developers to identify housing investment opportunities in Midlothian. However it is evident that development by RSLs is currently constrained by:

- Concern over a loss of rental income as a result of reform to Housing Benefit, including the introduction of Universal Credit.
- The RSLs' ability to access alternative funding sources. Access to borrowing for additional housing development continues to be constrained .
- Some RSLs are unwilling to consider the development of MMR housing due to them being committed to developing social rented housing,which requires higher levels of subsidy.

Affordable Housing Investment Priorities 2015/16 - 2019/20

Total and Type of Units

- A total of 672 affordable homes are to be built between 2015/16 and 2019/20.
- A total of 203 units are to be developed in sub- area A, of which 12 are particular needs housing.
- A total of 469 units are to be developed in sub- area B.
- Additional 2 units will be procured under the Council's 'Buy-Backs' Scheme to rehouse Newbyres Crescent residents relocated due to demolition.
- The LHS targeted that at least 70% of all new affordable housing units would be 1 and 2 bedroom properties to meet the demand for smaller housing.

Tenure Types

- 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 rehousing Newbyres Crescent residents. These will be rented as social housing

Total SHIP Funding Proposals

The total funding requirement for the proposed priority sites for development can be broken down as follows:

- A total of £7.265 Million grant is required from the Scottish Government to support affordable housing delivery in 2015/16 of which £4.143m is required to support RSL development.

- A total of £6.893 Million grant is required from the Scottish Government to support affordable housing delivery in 2016/17 of which £4.153m is required to support RSL development.
- Total grant required to support RSLs affordable housing delivery in 2017/18 is £4.513Million.
- A total of £3.368 Million grant is required between 2018/19 and 2019/20 to support RSLs affordable housing delivery.
- Estimated total private funding required by RSLs for social housing development over the next 5 years is £14.300 Million[7]. This is in addition to Government grant.
- Estimated private funding required by the RSLs for Mid Market Rent development over the next 5 years is £8.370 Million[8]. This is in addition to Government grant.
- Midlothian Council intends to borrow £60 Million to fund its next phase of new build programme.
- Beween 2012/13 and 2015/16[9], the Resource Planning Assumptions in Midlothian (the minimum amount of funding for affordable housing development) from the Scottish Government was £9.509 Million. In future years the following amounts have been indicated: £3.046Million in 2015/16 and, £5.587 Million between 2016/17 and 2018/19[10]. In comparison, the SHIP identified a total grant requirement of £22.039 Million between 2015/16 and 2019/20, representing an average of £4.408 Million per year.

[7] Figure is an estimate showing level of private finance required by RSLs to deliver social housing

[8] Figure is an estimate showing level of private finance required by RSLs to deliver MMR

[9] http://www.scotland.gov.uk/Topics/Built-Environment/Housing/investment/ahsp/AHSPBudgetallocation

[10] http://www.scotland.gov.uk/Topics/Built-Environment/Housing/investment/ahsp/Resource-Planning-Assumptions

6 Affordable Housing Development Project Prioritisation

Background to Project Prioritisation

A key aim of the SHIP is to prioritise projects in order that it is clear what developments should have funding allocated to them. Table 6.1 below shows the key criteria for scoring and subsequent prioritisation of each project, while Table 6.2 indicates how the SHIP Working Group has ranked housing need by area in Midlothian.

Bonnyrigg/Lasswade/Poltonhall, Loanhead, Newtongrange, Danderhall/Shawfair and small rural settlements such as Bilston, Pathhead, Roslin and Rosewell have been awarded the highest score of 5 due to high housing demands (such as waiting list numbers) and the lower levels of new affordable housing supply in these areas. Penicuik has been awarded a score of 4 because of its low turnover rate, its high pressure rate and because of the relatively low level of new build affordable completions (since 2006 12% of new units in Midlothian were on sites in Penicuik) in recent years. Awarding a score of 4 also takes into account that the Council intends to develop a significant number of units in this area over the next five years. In addition, Gorebridge and Mayfield/Easthouses were awarded a score of 3 due to the significant levels of new build completions in these settlements in recent years (20% of new affordable housing units built since 2006 have been in each of these areas).

Table 6.1 Project Prioritisation Scoring

Criteria	Explanation	Score Awarded
Housing Need	Housing need rankings are based on a waiting list demand study. 1 would indicate no housing need in an area, whilst 5 indicates the highest level of need.	1- 5
Land Availability	Sites ranked most highly are those owned by the Council or RSL.	1- 5
Ability to Start on Site	A site with a high score indicates that the work could start on site underway once funding was approved.	1- 5
Constraints	Issues such as Section 75 requirements that have yet to be resolved would be given a lower score.	1- 5
Equalities Needs	All sites will score at least a good rating (3) due to Housing for Varying Needs. Additional points would be awarded for particular needs housing, mixed tenure development e.g. shared equity.	1- 5
Environmental Impact	All sites which have been allocated through the Midlothian Local Plan would not be considered as having a negative environmental impact. Use of renewable technology and building on Brownfield sites would score more points.	1- 5

Table 6.2 Project Prioritisation Scoring for Housing Need

Rank	Area	Points
1	Bonnyrigg/Lasswade/Poltonhall Loanhead, Newtongrange, Danderhall/Shawfair Small Settlements including Pathhead, Roslin, Rosewell, Bilston	5
2	Dalkeith Penicuik	4
3	Gorebridge, Mayfield/Easthouses	3

RSL Development Priorities for 2015/16 – 2019/20

In terms of future new build housing by RSLs, Table 6.3 shows development priorities of RSLs with plans to develop in Midlothian: (Dunedin Canmore HA; Melville HA and Castle Rock Edinvar HA – Places for People) for different areas across Midlothian during 2015/16 – 2019/20. Most sites in Midlothian have scored high, (with overall average score of 24), indicating high likelihood of sites being developed and a high housing need in these areas.

Table 6.3 Development Priorities – RSL Housing

	2015/16					2016/17				2017/18			2018/19 - 2019/20		
Priority (1 to 5)	Wester Cowden, Dalkeith (DCHA)	Dewar Park, Gorebridge Phase 2 (DCHA)	Shawfair (Millerhill Phase 1) (PfP)	Rosewell (PfP)	Seafield Rd, Bilston (MHA)	Seafield Rd, Bilston (DCHA)	Newtongrange Older People (PfP)	Shawfair (Millerhill) (PfP)	Bonnyrigg (PfP)	Gorton Loan, Rosewell (MHA)	Darag , Mayfield (PfP) *	Gorton Loan, Rosewell (DCHA)	Lothian Drive, Easthouses (MHA)	Penicuik Road, Roslin (MHA)	South East Wedge (DCHA)
Housing Need	4	3	5	5	5	5	5	5	5	5	3	5	3	5	5
Land Availability	4	4	4	4	4	4	3	4	3	3	5	4	5	3	4
Ability to Start on Site	4	4	5	5	5	4	3	5	3	3	3	3	5	3	3
Constraints	4	5	5	5	4	3	3	5	3	3	3	3	3	3	3
Equalities Needs	4	4	3	3	5	4	5	3	5	4	5	4	5	5	4
Environmental Impact	4	4	3	3	4	4	4	3	3	4	3	4	4	4	4
TOTAL	24	24	25	25	27	24	23	25	22	22	22	23	25	23	23

Council Development Priorities for 2015/16 – 2017/18

Table 6.4, below, shows Midlothian Council's the next sites for its Phase 2 New Build Council Housing Programme. A total of 10 developments across 5 settlements in Midlothian have been proposed although this may be subject to change as some sites have not yet received planning permission or may require demolition work to existing buildings. The highest priority during 2015/16 is the Jackson Street development in Penicuik (25 points), one of three developments being constructed in the town during the year, and also Polton Street in Bonnyrigg (25 points). For 2016/17, the highest priority developments are at Eastfield Farm Road, where the Council intends to provide housing for those with complex care needs, and also at Stobhill Road, Gorebridge. Proposed sites beyond 2016/17 are at an earlier stage of planning and are likely to be scored more highly in later years due to constraints being addressed or other factors e.g. provision of more housing for particular needs being designated on one site would increase the score for that site.

Table 6.4: Investment Priorities – Midlothian Council New Build Phase 2 Programme

Priority (1 to 5)	2015/16					2016/17			2017/18	
	Eastfield Drive, Penicuik (Phase 3)	Craigiebield Crescent, Penicuik	Jackson Street, Penicuik	Polton Street, Bonnyrigg	Edgefield Road Loanhead	Stobhill Rd, Gorebridge	Eastfield Farm Road, Penicuik	Kirkhill Road, Penicuik	Newbyres Crescent/Gore Avenue, Gorebridge	D'Arcy Road, Mayfield
Housing Need	4	4	4	5	4	3	4	4	3	3
Land Availability	5	5	5	5	5	5	5	5	4	5
Ability to Start on Site	4	4	4	4	4	3	3	4	2	3
Constraints	4	4	4	4	4	4	4	3	3	4
Equalities Needs	3	3	4	3	4	5	5	5	4	4
Environmental Impact	4	4	4	4	4	4	4	4	4	4
TOTAL	24	24	25	25	25	24	25	25	20	23

Newbyres Crescent/Gore Avenue, Gorebridge

During 2013/14 it became apparent some households living on one of the Council's recently built developments at Newbyres Crescent and Gore Avenue, Gorebridge had become unwell and subsequent investigation identified that carbon dioxide (CO_2) was migrating into the houses and accumulating at levels sufficient to affect human and animal health. Following testing of levels of carbon dioxide levels within buildings, and working with the NHS to ensure public safety, the Council has taken the decision to demolish all 64 properties on this site. It is now intended to rebuild housing on this site as part of the phase 2 programme. Prior to redevelopment of the site, further appropriately designed investigation, ground gas monitoring, risk assessment and appropriately designed, installed and verified gas defence systems included within the building structures of the building and within the site itself will be incorporated within the development to avoid a risk of CO_2 exposure.

All affected households are currently being supported by the Council to find suitable council housing and other housing options. In addition, those required to be rehoused are being offered the opportunity to return to a new build development once it is completed, with the next development in Gorebridge being at Stobhill Road in 2016/17. Therefore, despite Gorebridge having lower levels of housing need than some other areas, the development of two new council housing sites reflects the need to rehouse displaced households into permanent accommodation and also to replace stock that is being demolished. The Scottish Government has also provided grant funding in order that the Council was able to purchase a limited number of properties to meet specific needs of some households.

A further outcome of this incident will influence local policy particularly with regards to the future development of brownfield sites in ensuring that any of Midlothian Council future housing developments are not adversely affected by ground gases.

7 Overcoming Development Constraints

Addressing Constraints

Midlothian Council is confident that its proposed SHIP can be delivered given the actions and initiatives undertaken to date by the Council and its strategic partners to increase the supply of affordable housing and source suitable sites for development. However, a number of challenges need to be addressed by the Council and its partners if meeting the housing supply target of 165 affordable housing units per annum is to be achieved.

Risks and constraints to development vary depending on the circumstances of each site and the developing landlord. These potential risks and constraints are:

- Difficulties in accessing affordable private finance by many RSLs.
- Obtaining required Planning Approval.
- Building and Procurement Constraints.
- Environmental and design issues.
- Affordable housing policy sites are dependent on developers' timescales.
- Sites not in the ownership of the developer
- Agreeing on Section 75 requirements.
- Unknown site ground conditions.
- The rural nature of some areas in Midlothian can mean that development is more constrained in these areas, particularly in relation to available land for housing development and access to services.
- The impact of welfare reform (in particular the reduced housing benefit payable to tenants who under occupy their home), and roll- out of Universal Credit in Midlothian during 2015 is projected to have significant impact on rental income by the RSLs and Council thereby affecting future development projects.

Steps to Ensure Strategic Land Supply

According to the Scottish Planning Policy (2014), the planning system should:

- Identify a generous supply of land for each housing market area within the plan area to support the achievement of the housing land requirement across all tenures, maintaining at least a 5-year supply of effective housing land at all times;
- Enable provision of a range of attractive, well-designed, energy efficient, good quality housing, while also contributing to the creation of successful and sustainable places;

- Have a sharp focus on the delivery of allocated sites embedded in action programmes, informed by strong engagement with stakeholders.

In Midlothian, the supply of land for affordable housing is currently delivered via a range of sources including RSL land-bank, Council land-bank, and land being made available through the Council's Affordable Housing Policy. The Council will continue to take steps to secure land for the delivery of affordable housing in Midlothian.

Disposal of Council Assets and Land

The Council is required by law to ensure it achieves best value in disposing of any asset, including land. The Council acknowledges that Best Value does not always mean highest price but can be linked to a range of wider benefits. Provision of affordable housing is a good example of where the Council has sold land and assets to RSLs at a price lower than market value while still achieving the required Best Value or where it has been able to facilitate a tenure mix of council and RSL housing on one site.

Section 75 Developer Contributions

The Council's policy is to seek Section 75 contributions from all developers, including RSLs and Council's own Housing Revenue Account, to meet needs relating to providing and maintaining infrastructure and local facilities which are expected to arise as a result of the proposed developments. The majority of costs incurred by developers relate to Education provision, which in some cases can amount to as much as £13,000 per unit.

Identification of Alternative Sources of Finance for Development

The development of affordable housing is sometimes constrained by access to borrowing for social landlords and the level of Scottish Government subsidy. However, the Council will continue to identify other sources of funding and alternative financial models that will support further investment in affordable housing.

Second Homes and Empty Homes Council Tax Funding

Under the Council Tax (Discount for Unoccupied Dwellings) (Scotland) Regulations 2005, Midlothian Council reduced the amount of discount for long term empty dwellings and second homes from 50% to 10%, with the extra revenue used to support affordable housing. A total of £297,000 was raised during 2012/13 and 2013/14 which is being used to support Midlothian's New Build Council Housing Programme.

Commuted Sums

In some circumstances the Council may consider accepting commuted sums as opposed to the delivery of affordable housing units on some sites. In 2012/13 and 2013/14, Midlothian Council received £323,000 to support affordable housing development.

Non-Traditional Financial Models of Finance

Midlothian Council is working with the Scottish Futures Trust to procure housing through the National Housing Trust model, an innovative method, to increase affordable housing supply. The Council has also obtained consent from Scottish Ministers to act as a lender to RSLs, where practicable, will help RSLs access private finance for development. In addition, the Empty Homes Scheme has been launched in Midlothian. This involves the use of interest free loans to help empty home owners renovate and bring back their property into use. Homes brought back into use will be rented out at affordable rent, thereby increasing the supply of affordable housing.

8 Energy Efficiency and Environmental Standards

Midlothian Council is committed to ensuring that our properties have the highest levels of energy efficiency. For instance, the Council's earlier energy efficiency requirement for any development for which a Building Warrant application had been made after May 2007 was that they out-performed the Building Regulations by either

- 15% if only low- and zero-carbon technology (LZCT) were used; or
- 20% if there were some reliance on improved insulation.

Below are some examples of Council and RSL projects which have met and/or outperformed relevant energy efficiency standards.

Energy Efficiency in Council New Build Housing

On recent Phase 1 Council Housing developments, all dwellings were designed with enhanced insulation while:

- Detached, semi-detached and terraced houses and top floor flats will have solar panels, a system boiler and a hot water cylinder [Figure 8.1];
- Lower floor flats will have combi boilers [Figure 8.2].

In addition, at the New Park Gardens, Gorebridge and Eastfield Drive, Penicuik and Woodburn Road, Dalkeith sites, 100% provision of solar water heating has been achieved.

Figure 8.1 – Solar Panels on Council New Build Housing

At Midlothian Council's Extra Care Housing Development at Eastfield Drive there are several innovative approaches to improved energy efficiency which benefits the residents. A Combined Heat and Power Plant has been installed which generates heat and electricity for the 32 extra care flats which reduces the cost of fuel bills for these tenants and is also more efficient than being reliant on the national grid for all electricity needs. Sunpipes have also been used in the building which provide daylight in areas not well served by natural light which reduces the cost of lighting, thereby leading to savings whilst also making these areas look more attractive to residents (as shown in Figure 8.3).

Figure 8.3: Example of a Sunpipe

Energy Efficiency in RSL New Build Housing- Dunedin Canmore HA

Dunedin Canmore's current Energy Strategy Action Plan (2011 - 2017) sets a target rating of C for new build developments but the majority of new properties delivered in 2013/14 exceeded this by achieving a B rating. All projects meet, as a minimum, current Building Regulations with regard to energy standards. Energy Advice leaflets are provided to all new tenants and a dedicated Energy Advice Team provide an on demand energy advice to the tenants.

Energy Efficiency in RSL New Build Housing- Castle Rock Edinvar Places for People

The new build homes at Thornybank in Dalkeith are all EPC band B. Places for People have installed a number of district heating/ combined heat and power systems, and this is likely to be the energy strategy for any larger developments undertaken, due to these being an efficient method of heating. Castle Rock Edinvar has a HEAT team (Home Energy Advice Team) who work with occupiers to ensure they are on the best tariff for their circumstances, and to explain how heating systems can be best controlled. In addition they work with suppliers to resolve issues over consumption such as meter numbers, which may arise.

Energy Efficiency Standard for Social Housing (EESSH)

The EESSH aims to encourage landlords to improve the energy efficiency of social housing in Scotland by :

- Reducing energy consumption, fuel poverty and greenhouse gas emission.
- Making a significant contribution to reduce carbon emissions by 42% by 2020 and 80% by 2050 in line with the requirements set out in the Climate Change (Scotland) Act 2009.

The Council and partner landlords will consider the EESH requirements when planning for new developments and for the any regeneration projets involving exisiting housing stock.

Scotland's Sustainable Housing Strategy[11]

The Strategy sets out the Government's vision for warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland. Its objectives are to:

- Deliver a step-change in provision of energy efficient homes to 2030 through retrofit and new build;
- Ensure that no-one in Scotland has to live in fuel poverty, as far as practicable, by 2016;
- Make a full contribution to the Climate Change Act targets, as set out in the Report on Proposals and Policies; and
- Enable the refurbishment and house-building sectors to contribute to and benefit from Scotland's low carbon economy and to drive Scotland's future economic prosperity.

Through the SHIP, future new builds will help meet some of the Government outcomes set out in this Strategy including:

- A reduction in the number of people living in fuel poverty, with lower fuel bills and increased comfort for all households.
- Maximisation of the potential of innovative design and construction techniques to deliver more, greener homes as part of sustainable neighbourhoods.

[11] http://www.scotland.gov.uk/Resource/0042/00425697.pdf

Council and RSL Future Energy Efficiency Plans

All developing landlords will continue to give consideration to using a combination of technology and passive measures on all new projects and will use the appropriate measures available to meet relevant regulations.

Overall, Midlothian Council and partner RSLs will ensure that future new build developments meet the new energy efficiency standard for social housing while also supporting the Government's vision in the new Scotland's Sustainable Housing Strategy.

9 Housing Needs and Equalities

The Council and its partners are committed to providing housing which meets the needs of various groups. The two categories of housing types in Midlothian are:

- General needs housing: whilst these are considered general needs, all homes are built to the 'housing for varying needs' standard and modern building standards and can therefore be more easily adapted to meet the needs of a tenant with particular needs. For example, all new homes have a ground floor bathroom which could be converted to a wet floor showeroom, if required.
- Particular needs housing: this was set at a target of 5% of new housing being provided for these households. These include amenity and wheelchair housing and other forms of housing, such as extra care and complex care housing.

Also, the Council has a waiting list for households with specific health requirements through which an applicant's needs are assessed and supported to move into appropriate housing in order to alleviate their medical needs:

- Medical Category A is awarded when it is agreed that an applicant can no longer continue to live in their current accommodation with 140 Applicants currently within this category and awaiting suitable accommodation.
- Medical Category B is awarded where it is agreed that rehousing would be of significant benefit to the applicant's health/level of independence, with 381 applicants currently within this category and awaiting suitable accommodation.[12]
- Currently, there are 229 households on the Housing List awaiting sheltered housing

Integration of Health and Social Care

The integration of health and social care is a Scottish Government strategy to join Health and Social Care Services for adults. Once in place, it will change the way Local Authorities and the NHS work together. The regulations recognise the importance of people's homes to their health and wellbeing. The Scottish Government have included in their regulations nine National Health and Wellbeing Outcomes. Outcome no 2 states "People, including those with disabilities and long term conditions or who are frail and are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community." Given that the number of people living in Midlothian is increasing and, people are living longer whilst their health is getting better (with many people living with long-term health conditions), it is expected that joint working between health and social care, as well

[12] Figures correct as of October 2014

as with housing providers, will help to improve the wellbeing of service-users and ensure that those services are provided in a way which makes the best use of the available facilities, people and other resources.

Housing needs of older people and people with disabilities

Midlothian has a growing population of older people and evidence suggests that a larger number will require to live independently in their own home with support required. Notably:

- Midlothian had a population of 14,700 people aged 65 or over (8000 were 75 or over) in 2012,
- This is projected to increase to 21,000 (43% growth) by 2027, and to 27,400 (86% growth) by 2037, forming one-quarter of the population.
- The number of over-75s is expected to more than double over this period and the over 90's is expected to triple (*GROS 2014*).

Also, the Older People's Housing & Care Strategic Review 2014 report noted the following:

- While the majority of older people do not need to use health or social care service regularly, the above demographic change indicates that the risk of conditions such as dementia or mobility problems will increase. For example around 5% of over 65's, 20% of over 80's and 30% of over 90's have a diagnosis of dementia. However, it is recognised that only around half of all cases of dementia are diagnosed, so in reality these figures could be doubled.
- The tenure options of specialist housing for older people is predominantly within the social rented sector and RSLs are the dominant providers of specialist housing.
- The growing population of older people will present a future housing challenge as many will require support to live independently in their own home.

Midlothian has a higher proportion of people with learning disabilities (0.6% of the population compared to 0.5% for Scotland. Also, Midlothian has a higher proportion of learning disabilities than other Lothian authourities, such as West Lothian, where 0.4% of the population had a learning disability[13]). Although there is no accurate data it is known that a significant number of these households are over the age of 65 years. As a result of better health care more adults with learning disabilities are surviving into old age.

[13] http://www.scotlandscensus.gov.uk/ods-web/area.html#!

The Local Housing Strategy is formulated on the basis of the SESPlan which contains a Housing Need and Demand Assessment of 6 local authority areas. The HNDA recognises that that consistent data across the SESPlan area on specialist housing needs is limited, with the recommendation that further research is needed to identify key themes and gaps.

Dementia Housing Need

Dementia is a major cause of disability among older people and it constitutes one of the greatest challenges currently facing families and health and social care services[14]. With the projection that the dementia population in Midlothian is set to rise by 120% by 2035 (Table 9.1); the demand for specialist housing will also increase.

Table 9.1: Projected number of people with dementia in Midlothian

Age	2010	2015	2020	2025	2030	2035	% Increase
Total	1283	1475	1723	2080	2398	2832	121%

Midlothian is currently one of the 5 dementia demonstrator sites. Midlothian, together with partner local authorities are working on innovative approaches to improve the experience, safety and co-ordination of care for people with dementia. This will help to:

- Increase capacity in the provision of low level dementia home improvement advice to council tenants
- Develop dementia expertise in housing and maintenance services to improve the service delivered in people's homes
- Agree and develop a standard for the development of new homes in Midlothian which considers the needs of people with dementia
- Develop models of excellence in dementia friendly design and share best practice
- Extend the programme to reconfigure sheltered housing schemes into Extra Care housing.

Cowan Court Extra Care Housing

To provide suitable housing options for elderly people with particular needs in Midlothian, Cowan Court (figure 9.1) was developed in Penicuik. This consists of 32 Extra Care Flats and is designed with the needs of frailer older people having varying levels of care including impaired mobility, hearing, sight or cognitive function in mind, Also, the development incorporates best practice for the design of housing to assist people with varying degrees of

[14] Service-related needs of older people with dementia

dementia, including avoiding long, monotonous corridors, and creating “landmark” features which help with recognition.

Cowan Court’s garden has been designed with consideration for active involvement and sensory stimulation. There is a communal Hub building with facilities located onsite, including the residents' lounge, a guest suite to accommodate visitors, laundry facilities, a restaurant and cafes, and large communal gardens. The centre also serves as a venue for additional health services, including an optician, physiotherapist and chiropodist. There is a community assisted bathing facility that can be used for patients and clients with particular needs by health and care professionals.

Figure 9.1: Cowan Court Extra Care Housing Development

The Council is working with health colleagues to deliver a flexible, person centred telehealth care service that will enable tenants to monitor their own conditions without having to visit their General Practitioner.

Castle Rock Edinvar (Places for People) Older People Housing

Castle Rock Edinvar Housing Association recognises the increasing need for older people’s affordable accommodation, and is looking to take forward an independent living housing development for older people project in Newtongrange, based on the latest new-build scheme at Fortune Place in Edinburgh, where a sheltered housing project has been replaced with 54 flats for independent living. These homes have been designed to incorporate features which will assist the residents to remain in their homes for as long as possible, for instance larger space standards and design features which assist people with reducing vision and dementia.

Households with Complex Care Needs

Midlothian faces significant pressures through increasing levels of demand around supporting people with a learning disability and complex care needs. Currently, this demand is exacerbated by a lack of suitable housing options. This necessitates the procurement of expensive and reactive solutions that neither support the achievement of better outcomes for people nor provide best value for the local authority. People with learning disability and complex care needs generally require specialised support, both in terms of care and housing. In Midlothian, 42 adults have been identified as having a learning disability and complex needs. In addition, a significant number of young people who require specialised housing now or in the near future have also been identified (21 people aged between nine and twenty-two years old). The average cost of providing housing with care and support to each of these individuals is projected to be of £166,000 per person, per annum. Provision of suitable housing located with appropriate support on site would significantly reduce the cost of providing the appropriate level of support. Consequently, Midlothian Council has approved the development of a core and cluster model of 12 complex care needs units as part of the Phase 2 New Build Council Housing Programme.

Armed Forces

Midlothian Council, NHS Lothian and partner organisations, working with the Ministry of Defence have established the Midlothian Armed Forces Covenant. This presents an opportunity for these organisations to bring their knowledge, experience and expertise to bear on the provision of support services, help and advice to members of the Armed Forces Community.

Research conducted into the housing needs of ex-personnel indicated armed forces, and their families have specific housing needs that require support[15] For example, some armed forces personnel who have sustained injuries during conflict may require housing suitable for their needs. An organisation called “Houses for Heroes Scotland” recognises these specific needs and let 614 houses in 74 locations in Scotland. In recognition that some injured personnel may have been based at Glencorse Barracks, near Penicuik and around Midlothian, the Scottish Government has agreed to provide up to £280,000 to subsidise the

[15] www.homeless.org.uk/veterans

cost of developing 5 houses for disabled ex-personnel. Midlothian Council is working with Houses for Heroes to deliver this project.

Adaptations to Existing Housing Stock

Significant investment in property is required annually to ensure households with mobility needs are able to remain in their own home with funding from Private Sector Housing Grant, the Council's Housing Revenue Account and RSLs. The types of adaptations include installing wet floor shower rooms and chairlifts. In addition, the Council funds smaller adaptations to assist people to live safely in their own home, although this is not funded via Housing Revenue Account or Private Sector Housing Grant.

A review of the 2012/13 major adaptation works illustrates a significant rate of spend in the private sector, with 47.8% of all spend on adaptations in owner occupied and private rented sectors identified as necessary works for older people. This is in comparison to 27.5% spent on Council tenancies and remaining 24.8% on Registered Social Landlord (RSL) tenancies. Spending cost by tenure is shown below, and totals £0.957M:

- Council tenancies £262,951 (27.5%)
- Private sector (owners & private rented) £457,352 (47.8%)
- Registered Social Landlord tenancies £237,129 (24.8%)

It has been projected that the demand for future adaptations will continue to increase significantly. If this projection continues, it would require a considerably increased level of investment to carry out these adaptations which could have a significant impact on future rents charged by social landlords and the capacity of existing resources to meet this need. However, the need for adaptations will be monitored annually as there has been some recent fluctuations in the demand for adaptations and projections have not taken into account the investment in certain housing types, such as Extra Care Housing and reuse of existing adaptations within the housing stock.

Housing Needs of Minority Ethnic Groups in Midlothian

Table 9.3 below shows the 2011 Census population breakdown of ethnic groups. Minority groups represent only 1.9% of Midlothian population compared to Scotland figure of 4.1%.

Table 9.3: 2011 Census: Ethnic GroupMidlothian Ethnic Group Classification	Scotland		Midlothian	
	Number	%	Number	%
White	5,080,195	95.9	81,643	98.1
Gypsy / Traveller / Irish Traveller	4,212	0.1	72	0.1
Mixed / Multiple Ethnic Groups	19,815	0.4	210	0.3
Asian / Asian British: Indian	32,706	0.6	180	0.2
Asian / Asian British: Pakistani	49,381	0.9	371	0.4
Asian / Asian British: Bangladeshi	3,788	0.1	41	0.0
Asian / Asian British: Chinese	33,706	0.6	130	0.2
Asian / Asian British: Other Asian	21,097	0.4	188	0.2
Black / African / Caribbean / Black British	36,178	0.7	258	0.3
Other Ethnic Group	14,325	0.3	94	0.1
Total	5,295,403	100	83,187	100

www.scotlandscensus.gov.uk

In October 2007, ODS Consulting was commissioned to undertake a study on the housing needs of minority ethnic communities in six council areas: East Lothian, City of Edinburgh, Fife Council, Midlothian, Scottish Borders and West Lothian Councils. The research was aimed at exploring the housing circumstances, needs and preferences of minority ethnic communities, who reside in the local authority areas. The report further noted that:[16]:

- Most minority ethnic communities in Midlothian demonstrate high levels of renting from a private landlord when compared to the white community.
- All minority ethnic communities have a higher rate of owner occupation than the white community.
- Although the percentage increases in owner occupation are quite high the actual numbers of new home owners in minority ethnic communities in Midlothian are relatively low.
- Affordability of owner occupied accommodation is a key factor in determining where to live (as would be the case for all communities). Many minority ethnic communities revealed that in order to access a home large enough for their family they often found themselves looking at houses at the top end of the housing market.

[16] Assessing the Housing Needs of Minority Ethnic Communities in Midlothian (May 2008)

Gypsy/Travellers

Gypsy/Travellers represent 0.1% of the population in Midlothian. Midlothian Council and East Lothian Council currently lease the Gypsy/Travellers site which is located at Smeaton, a rural setting, approximately 1km south of the East Lothian village of Whitecraig and approximately 1.5km north of the town of Dalkeith. The site was opened in October 1994 with 20 pitches for Gypsy/Travellers.

The Midlothian and East Lothian Councils have now implemented the recommendations of a research study on the housing needs of Gypsy Travellers on site improvements. A total of £492,000 was spent on maintenance and upgrade works made up of £369,000 grant funding from the Scottish Government with additional contributions of £61,500 each from East Lothian and Midlothian Councils. Upgrade works carried out included:

1. The development of 16 pitches as opposed to 20 pitches that were on the site.
2. Refurbishment of existing 8 bathroom/kitchen blocks to improve their insulation.
3. Installation of 8 new mobile bathroom/kitchen portakabin blocks. These were fitted with shutters to reduce the incidence of vandalism during void periods.
4. Upgrading of the site electrical circuitry in order to meet with current regulations.
5. Installation of an additional portakabin to house site manager's office and a community space for meetings. Access to I.T facilities has been also provided to help support educational attainment and access to employment and training.
6. Ground works such as landscaping to ensure the stability to caravans.
7. Improving the drainage system to avoid flooding.

Women Experiencing Domestic Abuse

Women's Aid is one of the Council's strategic partners on the Local Housing Strategy and Homelessness Partnership Group, and partners work to identify and develop initiatives to meet the housing needs of women experiencing domestic abuse.

Recently, Melville Housing Association has provided additional refuge accommodation in Midlothian consisting of self contained flats to offer temporary furnished accommodation to victims of domestic abuse until permanent accommodation can be found. These flats are managed by Women's Aid, offering women and their children an accommodation free of domestic abuse. Women's Aid also provides person centred support to those fleeing domestic violence. Midlothian Council has also recently agreed to allocate two permanent lets to Women's Aid clients per annum.

Equality Impact Assessment (EIA)

Midlothian Council is committed to ensuring equality of opportunity and combating discrimination through a series of specific equal opportunities and anti-discriminatory policies. The Council has embedded equalities principles into strategic planning as well as service delivery. Housing policies and services are regularly monitored, reviewed and reported on to ensure that they comply with equalities requirements.

The council carried out an Impact Assessment to ensure that the Strategic Housing Investment Plan takes the needs of all equality strands into account. The assessment found no evidence that any direct discrimination will arise from any part of the strategy.

10 Conclusion

Midlothian Council, together with RSL partners and the Scottish Government, have delivered an impressive 1,368 new build properties over the last 8 years. Nevertheless, the demand for affordable housing continues to grow at a significant rate and the next 5 years which will present the Council and RSLs with further challenges on how to deliver investment to meet this need.

The Midlothian Strategic Housing Investment Plan 2015/16 – 2019/20 identifies how this increasing need will be met by identifying and prioritising the sites for development over the next 5 years. This will not only ensure best value in the use of resources but also ensure the delivery of the right mix of houses in the most pressured areas.

If you have any comments or queries on the content of this document, please contact Anthony Olowoyeye at Midlothian Council for more information.

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