

Future Housing Land Supply

Report by Kevin Anderson, Executive Director Place

Report for Information

1 Recommendations

It is recommended that the Council:

1. Notes the affordable housing land supply that is already secured and contained in the Strategic Housing Investment Plan (SHIP).
2. Notes the nature of the ongoing work within Midlothian Council to establish a longer term housing land supply.
3. Notes the likely future requirement to purchase sites off the open market.
4. Notes a further update on activity shall be included in the annual SHIP report to Council later this year.

2 Purpose of Report/Executive Summary

- 2.1 At the meeting of Midlothian Council on 14th December 2021, a report was requested on affordable housing land supply. This report is in response to that request and sets out:
 - i. Where Midlothian Council has already secured affordable housing supply;
 - ii. The challenges around securing a longer term housing land supply;
 - iii. Work currently underway to establish a future pipeline of sites;
 - iv. Examples of sites currently under consideration; and
 - v. Details on the Edinburgh Housing Demonstrator, which is one possible means of delivering homes on future housing land.
- 2.2 A further report will be submitted to Council when the review of housing land is completed and this will be submitted to Council together with the 2023/24 - 27/28 Strategic Housing Investment Plan (SHIP) in September 2022.

Existing Affordable Housing Land Supply

- 2.3 The approved Strategic Housing Investment Programme (SHIP) covers the period 2022/23 to 2026/27. It is an annually updated review of the future supply of housing sites in Midlothian. As such it is a useful starting point to understand what sites are already secured for affordable housing supply.
- 2.4 The SHIP features 31 development projects currently being progressed by Midlothian Council over the next 5 years as well as 14 by Registered Social Landlords. In total these projects will deliver 2,446 homes, of which 1,413 are Council housing.
- 2.5 Table 1 below shows the sites that are in the current programme are either on site or coming forward. These sites comprise our substantive existing affordable housing programme.

Project Address	Developer	Unit No.	Tenure	Estimated / Actual site start	Estimated / Actual completion
Bonnyrigg Burnbrae Road	MLC	21	SR	Mar-22	Jun-23
Bonnyrigg Cockpen Terrace, Bonnyrigg	MLC	16	SR	Mar-22	Jan-23
Bonnyrigg Dalhousie (Springfield Homes)	MLC	70	SR	Jan-21	Jun-22
Bonnyrigg High Street (Complex Care)	MLC	20	SR	May-22	Mar-24
Bonnyrigg Polton Street (Complex Care)	MLC	46	SR	Mar-22	Jun-24
Dalkeith Newmills Road (Care Housing)	MLC	48	SR	Mar-21	Dec-22
Dalkeith Newmills Road - (General Needs)	MLC	44	SR	Mar-21	Dec-22
Gorebridge Newbyres Crescent	MLC	72	SR	Mar-22	May-24
Mayfield Conifer Road	MLC	72	SR	Mar-22	Mar-24
Mayfield Easthouses Road Former Newbattle High School Site) (Phase 1) - P42523	MLC	98	SR	Sep-22	Apr-24
Newtongrange Morris Road	MLC	79	SR	Aug-18	Jul-22
Dalkeith Buccleuch Street	MLC	7	SR	Feb-22	Nov-22
Roslin Moat View (Barratt)	MLC	53	SR	Feb-22	Jan-24
Shawfair (Dandara)	MLC	18	SR	Feb-22	Apr-23
Danderhall, Newton Church Road (Leisure Centre)	MLC	24	SR		
Danderhall Newton Church Road (Barratt)	MLC	33	SR	Sep-22	Feb-24
Shawfair Plot P	MLC	49	SR	Jun-22	Mar-24
Total		770			

- 2.6 At present Midlothian Council has a very positive affordable housing supply and is maximising the level of grant the Scottish Government is able to support our programme with.
- 2.7 One feature to note is that Midlothian Council benefits significantly from affordable housing supplied to the programme by the private sector, through Section 75 agreements. In the table above, more than 230 of the homes coming through the programme are provided via this mechanism.
- 2.8 While it is very positive that the affordable housing programme benefits from the high level of house-building in the area, it should be noted that Midlothian Council is not able to control to the same degree the specification of these homes. For example, these homes are not built to a Passivhaus standard, unlike many of the homes the council build on land in our ownership. Furthermore, these homes are provided within larger mainstream housing developments. These developments do not necessarily generate the same regeneration or place-making benefits that Council-led housing does.

Future Supply

- 2.9 While the current programme is robust and delivering, looking ahead to where the sites of the future will emerge, the picture is less clear. The Shadow Programme in the SHIP serves as a longer term reserve list, highlighting potential future opportunities that have yet to be confirmed. This contains a short list of sites for Midlothian Council, set out in Table 2 below.

Table 2 SHIP Shadow Programme (MLC)

Project Address	Developer	Unit Numbers (TBC)	Tenure	Estimated / Actual site start year	Estimated / Actual completion year
Danderhall Edmonstone Road	MLC	28	SR	Nov-22	Nov-23
Pathhead South Tynewater Crichton Road	MLC	12	SR	TBC	TBC
Shawfair Old Craighall Rd (M&M)	MLC	48	SR	TBC	TBC
Total Shadow Programme		88			

- 2.10 Sites not included in this list are those that cannot be confirmed as part of the future affordable housing land supply.
- 2.11 On the 29th June 2021, Midlothian Council agreed to bring forward a deliverable regeneration plan for Dalkeith. A key component of this will be affordable housing. A Stage 2 masterplan for Dalkeith town centre is just getting underway, however the scale of housing that will be included in this will be subject to further analysis and an Outline Business Case that will require further approval.

- 2.12 Similarly, an Outline Business Case is to be developed for an affordable housing development in Newtongrange village centre. However, as these proposals are currently developed and will be subject to further approval due to the requirement to relocate the current library in Newtongrange, these are not included above. However, both Dalkeith and Newtongrange present future opportunities for the delivery of housing.
- 2.13 Given the limited level of opportunities that are currently known of, an exercise is clearly required to address future opportunities going forward.

3 Identifying Future Housing Supply

- 3.1 A Future Housing Pipeline exercise is currently underway within the Construction Team, in order to identify sites that are suitable for housing in a methodical way. Currently the team is:
- Analysing GIS database of property in Council ownership for potential housing sites.
 - Reviewing data on lock up and garage sites across Midlothian to establish whether these sites are suitable for housing delivery.
 - Engaging with services within Midlothian Council to understand whether their future property requirements will result in surplus properties being created, which may be suitable for housing.
- 3.2 This will create a long-list of potential sites that could be developed post-2023. A set of criteria will then need to be applied to these to scope their suitability for development and inclusion in the affordable housing supply programme.
- 3.3 The Strategic Housing Investment Programme contains a methodology for the prioritisation of sites, which can be adopted here. This is set out below.

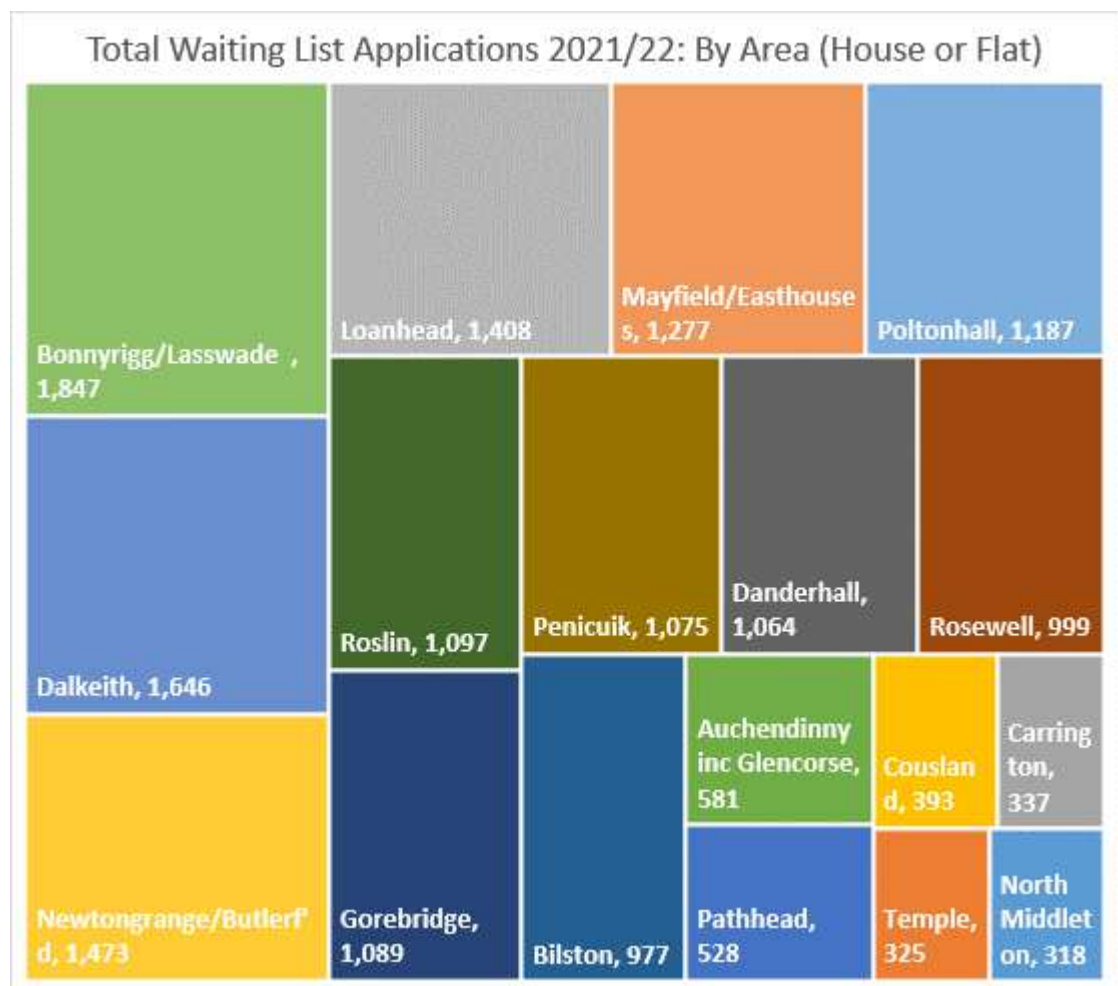
Table 3: SHIP Project Prioritisation Methodology

Scoring Criteria	Explanation	Score
Area 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. Also ranked highly are sites with Planning Permission in place	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	1-5

	have yet to be resolved would be given a lower score.	
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

- 3.4 In terms of area needs, Early Pressure Analysis by Midlothian Council indicates highest areas of demand from those on the waiting list. This shows particularly high areas of demand in Bonnyrigg/Lasswade, Dalkeith, Newtongrange and Loanhead. However, there is consistent demand for housing in most settlements in Midlothian.

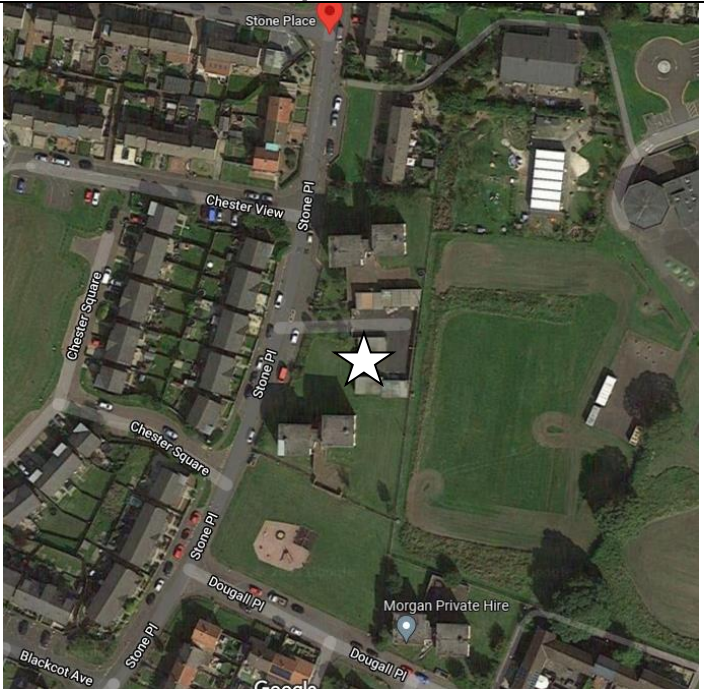
Figure 1: Early Pressure Analysis February 2022




- 3.5 While the initial focus will be on existing land in Midlothian Council ownership, there will be diminishing opportunities arising from this as many of the key sites generated from (for example) the relocation of schools, such as the site of the former Newbattle High School, form part of our current programme.
- 3.6 Therefore, in the future, it is likely that there will be a need to acquire sites on the open market to ensure an ongoing supply of Council built new affordable homes. This is likely to have an inflationary impact on development costs, however will be necessary to ensure an on-going supply of high quality, Council built homes that meet our energy efficiency standards and contribution towards place making and the regeneration of Midlothian communities.

4 Sites Under Consideration


- 4.1 To date, a number of opportunities have been assembled from preliminary work. Some of these sites are listed below to illustrate the nature of the opportunities and the kinds of factors that need to be taken into consideration.

Site Name	Stone Place Lock Ups
Location	
Area of Housing Need	While there is demand for Council housing in Mayfield, there is already a high proportion of Council and other social housing located in the settlement, with a substantial programme of new Council housing coming forward in the vicinity.
Land Availability	The site is in Council ownership. However, the

	site of the Mayfield Campus redevelopment is adjacent to it. The lock up site may be required to benefit the overall design of the Mayfield campus. Until the design for the joint campus is finalised, it is not proposed to progress a housing proposal at this location.
Constraints	No known constraints however Site Investigation would be required to understand ground conditions.
Equalities Needs	To be determined.
Environmental Impact	Redevelopment of this brownfield site will have a positive environmental impact. Any housing would be built to passivhaus standard.

Site Name	Oak Crescent Lock Ups, Mayfield
Location	
Area of Housing Need	While there is demand for Council housing in Mayfield, there is already a high proportion of Council housing located in the settlement, with a substantial programme of new Council housing coming forward in the vicinity.
Land Availability	The site is in Council ownership but the lock up site itself is small. There may be other opportunities on a larger site.
Constraints	No known constraints however Site Investigation would be required to understand ground conditions.
Equalities Needs	To be determined.
Environmental Impact	Redevelopment of this brownfield site will have a positive environmental impact. Any housing would be built to passivhaus standard.

Site Name	Blackcot Road, Mayfield
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Location	
Area of Housing Need	<p>While there is demand for Council housing in Mayfield, there is already a high proportion of Council housing located in the settlement, with a substantial programme of new Council housing coming forward in the vicinity.</p>
Land Availability	<p>Site ownership to be established, but likely to be in Council ownership, created as recreation space for the housing adjacent. However over time it has become disused.</p>
Constraints	<p>Site Investigation would be required to understand ground conditions. Existing vehicular access is narrow and a new access might be required if developed.</p>
Equalities Needs	<p>To be determined.</p>
Environmental Impact	<p>Redevelopment of this brownfield site will have a positive environmental impact. Any housing would be built to passivhaus standard.</p>

- 4.2 As a longlist of future sites is developed, a strong geographical balance will be needed to reflect the balance of demand across Midlothian.

5 Edinburgh Home Demonstrator

- 5.1 Many of the sites being reviewed at present are by their nature small, infill sites. These generate higher development costs due to an inability to capitalise on economies of scale that larger sites might bring.
- 5.2 One means to address this may be to explore the benefit of utilising the Edinburgh Home Demonstrator project. This project is being delivered through the Edinburgh and South East Scotland City Region Deal and its focus is on creating the conditions to facilitate the wider adoption of Modern Methods of Construction (MMC) or off-site construction, whereby component of homes are designed for manufacture off site and on-site assembly. This could have significant benefits in terms of the speed of delivery of homes as well as benefits related to energy efficiency due. The vision and workstreams for this project are below.

Figure 2: Vision for Edinburgh Home Demonstrator



Scottish Government
Riaghaltas na h-Alba
gov.scot



Edinburgh Napier
UNIVERSITY



EDINBURGH
THE CITY OF EDINBURGH COUNCIL

Image courtesy of Scottish Futures Trust

5.3 This is a City Region wide project. To achieve the vision set out above, local authorities are being encouraged to work together to achieve:

- Assembled scale across the city region by putting multiple sites together. This would assist with economies of scale for smaller sites.
- Consensus around housing types, performance and products to allow mass customisation to be achieved.
- A phased, flexible approach to reflect capacity and maturity of supply and demand.
- Whole life benefits and value.

5.4 With the first two pilots for the EHD now live, the SFT led team is seeking to assemble a pipeline of up to 800 homes across the city region (see below). There may be scope for our future housing supply sites to make up some of this pipeline, subject to assurances around performance specification and the need for these to deliver homes to a Passivhaus standard.

Figure 3: EHD Pilot 3 – 800 home City Region Pipeline

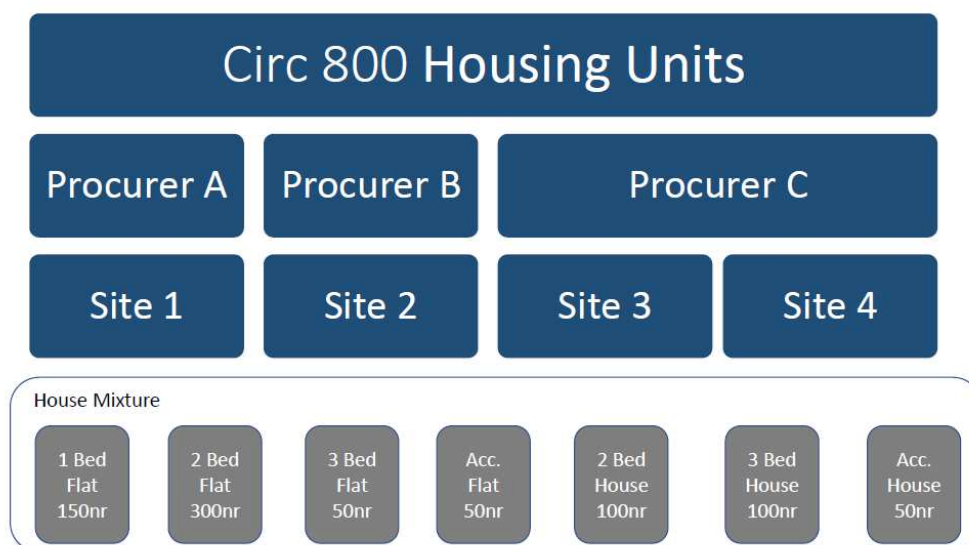


Image courtesy of Scottish Futures Trust

6 Conclusion

- 6.1 Midlothian Council has a strong affordable housing supply programme leading into 2022/23 and to 2023/24. However, beyond that, there needs to be greater certainty around the supply of housing for the next phases of Council housing delivery, particularly with regard to sites that are owned and controlled by Midlothian Council.
- 6.2 While some sites have emerged as options, such as existing lock-up sites, a more thorough, methodical analysis of these in addition to surplus or under-utilised Council owned land and property is required to develop a long list of potential sites. This work is currently underway. It is proposed that a report is provided to Midlothian Council with the conclusions of this work in September 2022.
- 6.3 This report also highlights the potential scope of the Edinburgh Housing Demonstrator as a means to deliver some of these sites in the future.

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7 Report Implications (Resource, Digital and Risk)

7.1 Resource

The Housing Revenue Account (HRA) reserve continues to be committed to funding the existing new build commitments and supports the sustainability of both the HRA and the affordability of tenants rents.

7.2 Digital

None.

7.3 Risk

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

5.4 Ensuring Equalities (if required a separate IIA must be completed)

Equality is central to all housing and housing services delivery. An Integrated Impact Assessment (IIA) has been undertaken on the Local Housing Strategy 2021-26 to ensure that the needs of local communities have been fully considered. The SHIP reflects identified needs and draws on findings from the IIA when considering the implications flowing from the translation of strategic aims into housing policies.

4.4 Additional Report Implications (See Appendix A)

See Appendix A

Appendices

Appendix A – Additional Report Implications

Appendix B – Background information/Links

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Provision of secure affordable housing will improve the quality of life for citizens and reduce the gap in health outcomes.

A.2 Key Drivers for Change

Key drivers addressed in this report:

- Holistic Working
- Hub and Spoke
- Modern
- Sustainable
- Transformational
- Preventative
- Asset-based
- Continuous Improvement
- One size fits one
- None of the above

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- One Council Working with you, for you
- Preventative and Sustainable
- Efficient and Modern
- Innovative and Ambitious
- None of the above

A.4 Delivering Best Value

We manage all aspects of our business so that tenants and other customers receive services that provide continually improving value for the rent and other charges they pay.

A.5 Involving Communities and Other Stakeholders

The Rent Setting Strategy previous consultation undertaken included an in- person survey, meetings with Midlothian Tenant Panel and other Tenant Groups. In addition, the Rent Setting Strategy was discussed at the Local Housing Strategy Working Group to ensure engagement with key stakeholders such as local RSLs, Shelter and the Scottish Government.

A.6 Impact on Performance and Outcomes

The Rent Setting Strategy supports key objectives to keep rents affordable while improving and investing in our existing and new homes.

A.7 Adopting a Preventative Approach

The strategy for rent setting ensures that the Housing Revenue Account continues to provide for investment in existing stock to ensure housing is of good quality and investment of new housing to meet housing need in Midlothian.

A.8 Supporting Sustainable Development

Good practice in relation to energy efficiency and sustainability is contained in the SHIP.

Background Papers: