

Midlothian Strategic Housing Investment Plan 2023/24 - 2027/28

Report by Kevin Anderson, Executive Director - Place

Report for Decision

1 Recommendations

Council is recommended to approve the appended Strategic Housing Investment Plan (SHIP) 2023/24-2027/28, which has been submitted to the Scottish Government on 28 October, 2022 in order to meet the required dateline, with the proviso this is subject to approval by Council.

2 Purpose of Report/Executive Summary

This report summarises the key points set out in Midlothian's Strategic Housing Investment Plan (SHIP) 2023-28, which details the priorities for investment in new affordable housing in Midlothian.

Date: 14 October 2022

Report Contact: Fiona Clandillon, Head of Development
email: fiona.clandillon@midlothian.gov.uk

3 Background/Main Body of Report

- 3.1** The Scottish Government requires all local authorities to prepare a SHIP that identifies the main strategic investment priorities for affordable housing over a 5 year period. This important document is required on an annual basis as the Scottish Government requires detail on the Affordable Housing Supply Programme in each regional area towards meeting the national target of supporting the development of 110,000 new affordable homes. The SHIP sets out Midlothian Council's approach to promoting affordable housing investment and meeting housing supply targets identified in the Strategic Development Plan for Edinburgh and South East Scotland.
- 3.2** The delivery of more affordable housing remains a high priority for Midlothian Council, which is undertaking a development programme of 1,000 new council houses.
- 3.3** While the SHIP sets out a recent increase in the number of lettings, in part as a result of the Midlothian Council's most recent new build programme, it also records an 8% increase in the number of households on the waiting list. Despite significant levels of investment in new housing, there is still a shortage against the demand for affordable housing in Midlothian with 4,237 households now on the Council's Housing List.
- 3.4** Midlothian Council has 11 projects named in the SHIP which are not yet on site. Partner Registered Social Landlords (RSLs) have an additional 21 projects listed in the SHIP. Finally, there are a further 8 projects where the lack of an affordable housing provider has not been confirmed. It is anticipated that these will be delivered by Midlothian Council. However, due to a lack of certainty surrounding local authority rent increases at this time, due to existing Scottish Government legislation in the response to the Cost of Living Crisis, it is not certain that these sites can be funded through the Housing Revenue Account. Until a rent setting strategy is agreed, the means to deliver these sites must therefore remain unconfirmed.
- 3.5** A total of £127.520 million of Scottish Government grant funding would be required by the Council and RSLs to deliver the identified units over the next 5 years. This is an increase of £22.612 million from the previous Strategic Housing Investment Plan.
- 3.6** Due to the uncertain future of the rent setting strategy, the number of confirmed Midlothian Council new build properties to be built over the course of the SHIP has reduced from 1,413 (in 2022/23 – 2026/27) to 1,007. This is in contrast to the number of planned RSL new build properties which have increased from 832 to 1,144.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

It is anticipated that the Scottish Government will part-fund these homes through grant provided via the Affordable Housing Supply Programme. Grant levels were uplifted in 2022 by approximately 32%,

however this uplift was outpaced by increases in inflation associated with the rising cost of materials and labour. Those elements not funded by grant are funded through the Housing Revenue Account, where delivered by Midlothian Council, or through affordable housing RSL partners.

As outlined in the SHIP, any projects not currently funded through existing commitments cannot be delivered by Midlothian Council, as there are insufficient reserves in the Housing Revenue Account. This will need to be resolved prior to funding projects not currently in the committed programme. Rent consultation commences in Autumn/Winter 2022 and the results will be presented to Council in February 2023. This will determine the funding to be earmarked for the future delivery of the Midlothian Council new build programme.

It should be noted that the Scottish Government may extend the rent freeze currently in force or impose a cap on rent increases.

4.2 Digital

NA

4.3 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.

4.4 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.

4.5 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

This Strategy aligns with Midlothian's Single Midlothian Plan and with corporate priorities.

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

N/A

A.5 Involving Communities and Other Stakeholders

Extensive consultation was carried out for the LHS involving the input of key stakeholders, including local organisations such as housing associations and private landlords as well as the wider community. During consultation, it was widely recognised that investment in affordable housing a key priority. All developing Housing Associations have discussed their development plans with Council Officers. Private sector developers were also given the opportunity to discuss their future development plans with Council Officers.

A.6 Impact on Performance and Outcomes

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

- Households have improved housing options across all tenures.

- Homeless households and those threatened with homelessness are able to access support and advice services and all unintentionally homeless households will be able to access settled accommodation.
- The condition of housing across all tenures is improved.
- The needs of households with particular needs will be addressed and all households will have equal access to housing and housing services.
- Housing in all tenures will be more energy efficient and fewer households will live in or be at risk of fuel poverty.

A.7 Adopting a Preventative Approach

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

A.8 Supporting Sustainable Development

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

APPENDIX B

Background Papers/Resource Links

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