

**Strategic Housing Investment Plan 2013/14 – 2017/18****Report by Eibhlin McHugh, Joint Director, Health and Social Care****1 Purpose of Report**

This Report outlines the key points set out in Midlothian's Strategic Housing Investment Plan 2013/14 – 2017/18 which details the priorities for the investment in new affordable housing in Midlothian.

**2 Background**

**2.1** The Scottish Government requires that all local authorities prepare an annual Strategic Housing Investment Plan (SHIP) which identifies the main investment priorities for affordable housing. The SHIP sets out the Council's approach to promoting affordable housing investment in Midlothian and to meeting housing supply targets identified in the Local Housing Strategy (LHS).

**2.2** The SHIP acknowledges that there has been significant investment in affordable housing within Midlothian. The Council began developing new council housing in 2006 and a total of 1,251 new affordable homes have been developed in Midlothian, significantly boosting the supply of affordable housing. In addition, key achievements during 2012/13 included:

- Midlothian Council completing Phase 1 of its New Social Housing Programme, with 143 homes completed during 2012/13 producing a total of 864 homes.
- Midlothian Council embarking on Phase 2 of the New Social Housing Programme with developments in Dalkeith and Woodburn starting on site.
- Melville Housing Association completing the largest affordable housing development in Midlothian for a generation, with 133 new homes at Langlaw Road, Mayfield.
- Developments at New Park Gardens, Gorebridge (Midlothian Council) and Langlaw Road, Mayfield (Melville Housing Association) were awarded prizes in the "Top 50 Affordable Housing Development in the UK" – the only two developments in Scotland to receive this award.

**2.3** Despite the considerable level of investment, the SHIP identifies that there is a requirement to increase the supply of affordable housing across all areas of Midlothian in order to meet a growing number of households who have a housing need. It reports that the Council's Housing List had more than doubled between 2006 and 2012 (from 2,465 households to 5,132). It notes that the LHS identified a housing supply target of 165 new affordable homes per annum to help address this growing level of need.

- 2.4** The SHIP has identified sites to build 686 affordable homes between 2013/14 and 2017/18. Midlothian Council has set a budget which intends to deliver 412 new council homes within this timescale. Development of this number of homes is not dependent on grant funding. However, it is recognised that receiving subsidy for new homes will reduce the Council's borrowing and potentially enable further development to take place in future. The remaining number are to be developed by local Registered Social Landlords (RSLs), although RSL are reliant on grant funding and will not usually undertake development unless they receive subsidy. Sites that have been identified for development have been assessed in terms of their priority – this particularly applies to RSL sites in the event that there is insufficient grant funding available for each development.
- 2.5** RSLs in Midlothian, and across Scotland, have been reporting that their plans for affordable housing development are being constrained by several factors including: a lack of available private finance, subsidy levels for development not being high enough, and concerns over welfare reform reducing the rental income that RSLs receive. To address these concerns, the Scottish Government announced in July 2013 that it was increasing the maximum level of grant subsidy per property to help support developing Councils and Registered Social Landlords (RSLs).
- 2.6** In addition, the Scottish Government announced an additional £643,000 to fund investment in affordable housing. This sum is in addition to £3.7 Million already allocated to affordable housing projects undertaken during 2013/14 and 2014/15 by Midlothian Council, Melville Housing Association, Dunedin Canmore Housing Association and Castle Rock Edinvar Housing Association. It is recommended that on this occasion that the majority of this additional funding (£553,000) is allocated to sites being developed as part of Midlothian Council's New Build Housing Programme to ensure that all new council homes receive some grant funding. This would be subject to the agreement of the Scottish Government's Housing Investment Division. Between 2015/16 and 2017/18 the Scottish Government have confirmed that a minimum of £3.918 Million will be allocated to affordable housing projects in Midlothian.

**Table 1: Scottish Government Grant Funding Allocation 2013/14 – 2014/15**

<b>Developer</b>	<b>No. of Units Funded</b>	<b>Total Amount Funded (Million)</b>
Midlothian Council	114	£1.791
Dunedin Canmore HA	24	£0.705
Melville HA	20	£0.862
Castle Rock HA <sup>1</sup>	25	£1.016
<b>Total</b>	<b>183</b>	<b>£4.374</b>

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<sup>1</sup> Homes developed by Places for People Group, of which Castle Rock HA is a subsidiary.

### **3 Report Implications**

#### **3.1 Resource**

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

#### **3.2 Risk**

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

#### **3.3 Single Midlothian Plan and Business Transformation**

Themes addressed in this report:

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

This Strategy aligns with Midlothian's Single Outcome Agreement and with corporate and divisional priorities within Midlothian's Communities and Wellbeing Division.

#### **3.4 Impact on Performance and Outcomes**

The Strategic Housing Investment Plan (SHIP) supports the 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.

#### **3.5 Adopting a Preventative Approach**

Development of the SHIP enables investment of affordable housing to be carried out in a balanced approach in order that investment takes into account the needs of the community. This includes those with particular needs such as dementia or impaired mobility, where

provision of suitable housing would require less resourcing in comparison to traditional models of care.

### **3.6 Involving Communities and Other Stakeholders**

Extensive consultation was carried out for the LHS involving the input of key stakeholders, including local organisations such as housing associations and private landlords as well as the wider community. During consultation, it was widely recognised that investment in affordable housing was a key LHS priority. In addition, RSLs have worked closely with Council Officers to agree the content of the SHIP.

### **3.7 Ensuring Equalities**

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

### **3.8 Supporting Sustainable Development**

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

### **3.9 IT Issues**

None

## **4 Recommendations**

It is recommended that Cabinet:

- a) Note the contents of this Report
- b) Agree the Strategic Housing Investment Plan 2013/14 – 2017/18 is submitted to the Scottish Government.
- c) Agree to the allocation of £553,000 of Scottish Government Affordable Housing Supply Programme Funding allocated to the Council's New Build Phase 2 Housing Programme, with the remaining £90,000 allocated to a RSL project (subject to the approval of the Scottish Government's Housing Investment Division).

**Date** 2 August 2013

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**Background Papers:**

**Appendix 1: Strategic Housing Investment Plan 2013/14 – 2017/18**