



EAST LOTHIAN COUNCIL  
STRATEGIC HOUSING INVESTMENT PLAN  
2023/24 – 2027/28

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## 1. Introduction

East Lothian Council's Strategic Housing Investment Plan (SHIP) covers a five year period from 2023/24 to 2027/28 and has been prepared in accordance with revised Scottish Government Guidance on Preparing Strategic housing Investment Plans (8<sup>th</sup> July 2021). This SHIP details how affordable housing tenures will be delivered to achieve the outcomes of the Local Housing Strategy (LHS) 2018-2022. The next LHS 2023-2028 is currently under preparation and will inform the future revisions of the SHIP.

The purpose of the SHIP is to set out East Lothian's strategic housing investment priorities over a 5 year period, specifically affordable housing and Gypsy Traveller accommodation. It is reviewed and updated yearly. It is the key document for identifying the strategic housing projects, which will inform the preparation of Council budgets, RSL borrowing and Strategic Local Programme Agreements.

The SHIP is an operational working tool to improve long-term strategic planning and direct investment in order to:

- reinforce the role of the local authority as the strategic housing authority;
- propose strategic affordable housing projects and detail which do and which do not require Scottish Government support;
- inform Scottish Government investment decisions; and
- inform the preparation of a Strategic Local Programme Agreement.

## 2. Summary

This year's SHIP has been prepared in yet another challenging year where we are still feeling the effects of the pandemic as well as Brexit and the war in Ukraine which are impacting on rising costs and shortages in materials and labour. The volatile national context in respect of inflationary increases, rising interest rates and potential rent freeze is also likely to have a significant impact on future year programmes.

We have however reviewed our existing SHIP taking account the commitments made by the Scottish Government and the impact of the current challenges across the sector. The Council has received a resource allocation of just over £60m for the period 2021-2026 averaging just under £12m per annum, however these allocations have not increased since the benchmark was reviewed, so therefore we may see fewer units delivered.

We have not yet received our resource planning assumptions beyond 2026, however the Council will continue to work closely with the Scottish Government to support the delivery of new affordable housing and ensure subsidy is maximised to its full potential across the affordable housing providers operating in East Lothian.

At the time of writing, this SHIP has only been shared with the Cabinet Spokesperson for Housing. The SHIP will however be submitted to East Lothian Council's Members Library in due course and will be publicly available and published on the Council's website once approved.

This SHIP carries forward the projects set out in the previous SHIP and is updated by current information following significant re-programming and re-profiling of budgets. This work takes into consideration the challenges faced by the construction sector in relation to increasing costs and shortages in materials and labour. However, internal budget development is still ongoing to understand the impact on borrowing and the potential rent freeze; it may be that further re-profiling will be required once this modelling work is complete.

The SHIP does however continue to be ambitious and outlines the potential start of 1,508 new affordable homes over the coming 5 year period. The SHIP also estimates that a total of 1,963 units could complete over the period of the SHIP if additional funding were available; a further 72 units are planned to be delivered unsubsidised through LAR. However, the Council continues to work closely with SFT and the Scottish Government to explore and identify new innovative funding models through private finance. This SHIP projects £73.529m of Scottish Government subsidy will be required through subsidy to allow 880 site starts with 1,471 completions, which have been prioritised using the priority methodology set out in chapter 4. This would be feasible based on current allocations building in 25% slippage. If the Scottish Government was however in a position to offer a further £44.82m, this could help deliver a further 628 site starts with an additional 492 completions.

The ability to deliver these programmes will be dependent on a combination of factors such as:

- Resource allocation from the Scottish Government
- Scottish Government's decision whether to extend, cap or lift the rent freeze after March 2023
- Prevailing interest rates and their impact on current borrowing
- New Building Regulations
- Increasing inflation

- Shortages in labour and material markets

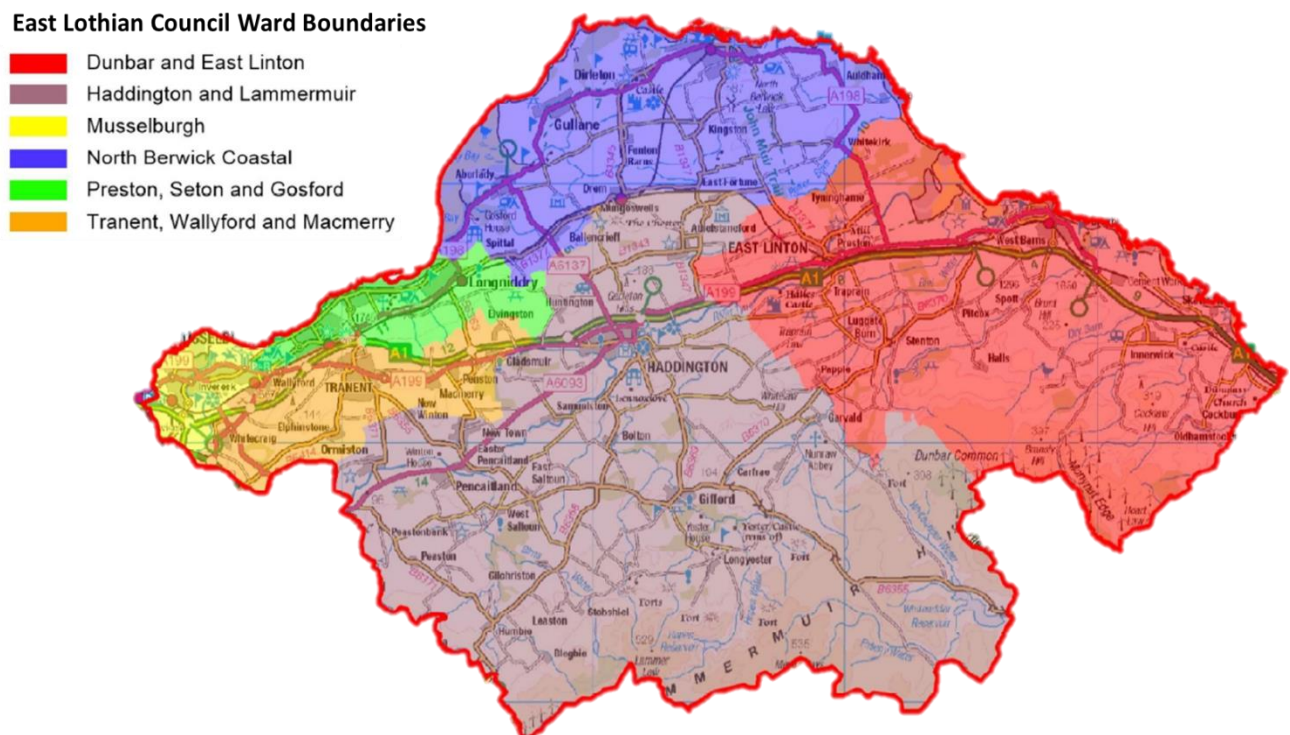
The Council will however continue to work closely with key stakeholders and the Scottish Government to maximise opportunities and explore new and innovative ways to deliver new housing.

### 3. The East Lothian Context

#### 3.1 Overview

East Lothian is part of the wider South-East Scotland housing market area, located to the east of Edinburgh's suburban edge. East Lothian measures approximately 270 square miles in area, and includes 43 miles of coastline. The area has six main towns, extending from Musselburgh in the west to Dunbar and beyond to the area's administrative boundary, with Scottish Borders in the east.

**Figure 1: East Lothian Council Ward Boundaries**



The population of East Lothian is growing and changing; house prices remain relatively high and are still rising compared with national figures, and the county is generally considered affluent. However, the desirability of East Lothian as a place to live and a rapidly growing population places increasing demands on infrastructure and housing. Significant inequalities exist both within and between communities and pockets of deprivation are evident, particularly in the west of East Lothian. Increasing the supply of affordable housing is critical to addressing inequalities and alleviating poverty across the county.

##### 3.1.1 Demographic Context

East Lothian currently has a population of 109,580. This is a 1.6% increase from the previous mid-year population estimates. There has been a 9.7% increase over the last ten years compared to 3.4% growth across Scotland.<sup>1</sup> Between 2018 and 2028, the population of East Lothian is projected to

<sup>1</sup> NRS mid-2021 population estimates [Mid-2021 Population Estimates Scotland | National Records of Scotland \(nrs.scotland.gov.uk\)](https://nrs.scot.nhs.uk/mid-2021-population-estimates-scotland/)

increase by 7.2%, which compares to a projected increase of 1.8% for Scotland as a whole. The county is projected to have the 2nd highest percentage change in population size out of the 32 Council areas in Scotland.<sup>2</sup>

East Lothian has 48,440 households and has experienced an increase of 2% from 2020-2021. A 12.7% increase was observed from 2011-2021. In comparison to the Scottish average of 6.4%, East Lothian's household growth has been nearly twice the Scottish average.<sup>3</sup> Between 2018 and 2028, the number of households in East Lothian is projected to increase from 45,975 to 50,821. This is a 10.5% increase, which compares to a projected increase of 4.9% for Scotland as a whole. From 2018-2043, it is estimated that East Lothian will see an increase in household numbers of 37%.<sup>4</sup>

This growth in East Lothian can be explained by the increased number of dwellings and population growth, whilst the household sizes have decreased. It is estimated that East Lothian had 50,641 dwellings in 2021, a 27.5% increase since 2001, whilst the national average lies at 15.3%. In the meantime, the size of households has also decreased, from the average size of 2.33 persons per household in 2001 to 2.19 person/household in 2021; a drop of 6%. Notably this is below the Scottish average of -6.6%.<sup>5f</sup>

This includes a projected increase of 29.1% in relation to single person households, an overall increase of 8,508 households or 387 per annum. This represents the second largest projected increase in single people, nationally, with a 14.9% increase projected across Scotland.<sup>6</sup> In terms of age, the largest increase in household numbers is projected for those headed by people age 75 and over. East Lothian is projected to have the third largest increase across Scotland at 86.2% by 2040 compared with a 64.7% increase nationally. By 2040, 45% of households in East Lothian are projected to be headed by a person aged 60 and over.<sup>7</sup>

These changes have major implications for housing, housing support and specialist provision as the need and demand for homes and infrastructure increases. A range of house types will be required to meet the growing and changing needs of the population.

### 3.1.2 Housing Stock Profile

The Council currently has 8,906 properties (March 2022) and in April 2022, the local authorities housing list had 2,874 applicants. Despite significant levels of investment in affordable housing in recent years, the number of applicants for Council and RSL properties remains high.

A breakdown of East Lothian Council Housing stock set out in Table 1 shows the largest proportion of social housing is held in Tranent, Wallyford & Macmerry, followed by Musselburgh, together holding over 50% of East Lothian Council housing stock.

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<sup>2</sup> NRS Area Council profile 2020 [https://www.nrscotland.gov.uk/files//statistics/council-area-data-sheets/east-lothian-council-profile.html#population\\_projections](https://www.nrscotland.gov.uk/files//statistics/council-area-data-sheets/east-lothian-council-profile.html#population_projections)

<sup>3</sup> NRS Household Projections 2021

<sup>4</sup> Household Projections for Scotland, 2018-based.

<sup>5</sup> NRS Household Projections

<sup>6</sup> NRS 2019 based population projections – *ibid.*

<sup>7</sup> NRS 2019 based population projections – *ibid.*



**Table 1: Location of Council Stock in East Lothian by ward**

Ward	Total Council Stock	%
Dunbar & East Linton	948	10.64
Haddington & Lammermuir	975	10.95
Musselburgh	2,563	28.78
North Berwick Coastal	623	7.00
Preston/Seton/Gosford	1,800	20.21
Tranent, Wallyford & Macmerry	1,997	22.42
<b>Total</b>	<b>8,906</b>	<b>100</b>

Source: East Lothian Council, 2021

51.15% of East Lothian Council's housing stock consists of 2 bedroom properties, followed by 25.84% of 3 bedroom properties (Table 2). There are no 5+ bedroom properties provided in Haddington, Musselburgh or the North Berwick wards by East Lothian Council, but a small amount is provided by RSLs. Anecdotally, there has been an increasing need for 4 bedroom properties for larger families or families where a child has a disability. Evidence on this is currently being collated for the upcoming LHS 2023-28, and findings will be taken on board in future SHIPs.

**Table 2: East Lothian Council Social Housing Stock by ward and number of bedrooms**

Ward	Number of Bedrooms					Total
	1	2	3	4	5+	
Dunbar & East Linton	142	503	278	25	1	<b>948</b>
Tranent, Wallyford & Macmerry (TWM)	379	1056	529	33	2	<b>1997</b>
Haddington & Lammermuir	273	397	274	31	0	<b>975</b>
Musselburgh	573	1330	597	63	0	<b>2563</b>
North Berwick Coastal	141	335	144	3	0	<b>623</b>
Preston/Seton/Gosford (PSG)	370	934	479	17	3	<b>1800</b>
<b>Total</b>	<b>1878</b>	<b>4555</b>	<b>2301</b>	<b>172</b>	<b>6</b>	<b>8906</b>
<b>%</b>	<b>21.09%</b>	<b>51.15%</b>	<b>25.84%</b>	<b>1.93%</b>	<b>0.07%</b>	

Source: East Lothian Council, 2021

### 3.2 National & Regional policy context

In March 2021, the Scottish Government published its 20 year housing strategy "Housing to 2040" with the aim to ensure that:

**"by 2040, everyone will have a safe, high quality home that is affordable and meets their needs in the place they want to be."**

Housing to 2040 (H2040), continues the More Homes Scotland policy approach first introduced in 2016, and commits to a long term ambition on the completion of the existing 50,000 affordable homes target and a further 110,000 affordable homes over the following ten years up to 2032. At least 70%

of these homes will be for social rent and 10% will be delivered in remote, rural and island communities. H2040 also sets out plans to pursue a range of innovative approaches to delivering affordable housing tenures such as Open Market Shared Equity and Mid-Market Rent options. Other aspects that H2040 seeks to achieve are better quality and energy efficient homes across tenures; more accessible and adaptable homes as well as improving the spaces around homes.

The Housing Planning Delivery Framework reinforces the links between planning and housing requirements to support the provision of the right homes in the right places to create and sustain thriving communities. The strategy shows how integral housing is to the Scottish Government's objectives of tackling poverty and inequality, creating and supporting jobs, meeting emergency efficiency and decarbonisation aims as well as delivery of fuel poverty and child poverty targets, creating connected, cohesive communities.

The Edinburgh and South East Scotland City Region Deal reflects the joint commitment of city region partners and the Scottish Government to deliver the regional housing programme, transforming regional housing supply and driving economic and inclusive growth across Scotland. The regional housing programme aims to accelerate the delivery of affordable housing and housing across all tenures, enable the development of seven major strategic housing sites and drive efficiencies across the public sector estate. An expanded affordable housing programme will build on the committed additional £125m between 2018/19-2020/21, with a commitment to maximise certainty over future public funding levels for the regional housing programme.

### 3.3 Local Policy Context

#### 3.3.1 East Lothian Council Plan

The East Lothian Council Plan 2022-2027 was adopted in August 2022 and continues the Council's vision of achieving:

**'an even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy that enables our people and communities to flourish.'**

The following five years will focus on the current challenges of:

- Recovery and renewal from COVID
- Reducing poverty and inequality
- Responding to the Climate Emergency

The Council Plan acknowledges that there are a myriad of strategies which help to achieve the Council's strategic vision, including the Local Housing Strategy. It also recognises that plans and strategies which are currently under revisions should reflect the new ambitions of the Council Plan. The plan acknowledges the local pressures on housing affordability, and makes direct links to the current Local Housing Strategy and the ongoing work in preparing a new LHS 2023-28.

#### 3.3.2 Statement of alignment with LHS

The LHS underpins the importance of strong alignment between housing and planning authorities and encourages local authorities to demonstrate how they are supporting new and existing neighbourhoods based on Place-Making principles and to promote housing's role in the building of successful sustainable places. The Local Housing Strategy (LHS) sets out the strategic approach of the

local authority and its partners to delivering high quality housing and housing related services across all tenures, to meet identified need, with the LHS directly informing the SHIP.

Importantly, the next LHS 2023-2028 is currently under preparation and will inform the next SHIP 2024/2025. They both will be aligned with the Housing to 2040 documents which sets out the vision for housing in Scotland.

East Lothian's current LHS 2018-23 strategic vision for housing is:

**'Healthy, sustainable homes in vibrant communities, that meet increasing levels of need, reduce inequalities and improve wellbeing across all stages of people's lives'.**

The LHS aims to meet this vision by achieving a set of six outcomes, which reflect local priorities and national policy objectives as follows:

1. Sustainable and vibrant communities are created and maintained;
2. The supply of housing is increased and access to housing improved across all tenures;
3. Homelessness is prevented as far as possible, with appropriate support in place to promote positive health outcomes and tenancy sustainment;
4. A wider range of specialist housing is provided to enable independent living where appropriate;
5. The condition, energy efficiency and where appropriate the management of existing stock is improved; and
6. Fuel poverty is reduced and climate change targets exceeded.<sup>8</sup>

The SHIP aims to increase the supply of affordable housing as set out in outcome two. The SHIP also outlines how the affordable housing supply will provide specialist housing with future adaptability in mind in accordance with outcome three of the LHS.

### 3.3.3 Housing Need and Demand

A housing need and demand assessment (HNDA) is a key part of the evidence base for the LHS. The purpose of the LHS is to provide strategic direction to tackle housing need and demand (as identified through the HNDA) and inform future investment in housing and related services across a local authority area.

East Lothian is part of the South-East Scotland housing market area (HMA), comprising the administrative areas of the four Lothian authorities, Scottish Borders and the southern half of Fife (SESplan) area. The most recent HNDA carried out across the SESplan area, SESplan HNDA2, was approved by the Scottish Government as 'robust and credible' and subsequently published in March 2015. SESplan HNDA2 uses the Scottish Government HNDA tool to model potential alternative futures for the SESplan area, underpinned by scenarios / variables set out in the HNDA tool. SESplan HNDA2 figures show a need for circa 553 new additional units of housing per annum in East Lothian over the period 2012-30, comprising 370 affordable housing units and 183 units of market housing.

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<sup>8</sup> The full LHS 2018-2023 can be found at the following link:

[https://www.eastlothian.gov.uk/downloads/file/27328/east\\_lothian\\_local\\_housing\\_strategy\\_2018-23](https://www.eastlothian.gov.uk/downloads/file/27328/east_lothian_local_housing_strategy_2018-23)

In accordance with Scottish Government LHS Guidance, the HNDA figures are taken as a starting point to set Housing Supply Targets and full consideration given to those factors which may have a material impact on the pace and scale of housing delivery including:

- Economic factors which may impact upon demand and supply
- Capacity within the construction sector
- The potential interdependency between delivery of market and affordable housing
- Availability of resources
- Likely pace and scale of delivery based on completion rates
- Recent development levels
- Planned demolitions
- Planned new and replacement housing and housing brought back into effective use.

On the basis of the above, the SESplan core Housing Market Partnership (Housing and Planning representatives of the six SESplan authorities and SESplan) considered how housing need and demand could best be met over the whole housing market area and across all tenures. An affordable housing supply target of 189 units per annum and a market housing supply target of 330 units per annum were determined for East Lothian, leading to a combined target of 519 units per annum for the period 2018-30.

It should be explained that this SHIP refers to HNDA2 because, despite the most recent HNDA (HNDA3) having received 'robust and credible' status on Thursday 28<sup>th</sup> July 2022, HNDA3 will not be locally adopted until the upcoming LHS 2023-28 is in place. The Housing Supply Target for the next LHS is currently under review, and will inform next year's SHIP 2024/25-2028/29.

The LHS 2018-23 sets out a housing supply target, which translates to an affordable housing supply target of **189** units per annum. This is not intended as an annual target as such, but gives an indication of the delivery, which will be expected and provides a benchmark for monitoring performance against the overall target. This target is not broken down into targets for different tenures and different client groups, however the LHS does identify the need to ensure that the right type and mix of housing is delivered to meet a range of client groups. The LHS identified 40 units for the Health and Social Care Partnership over the last LHS period 2018-2023, this number was exceeded and a new target will be set with the new Housing Supply Target which will inform the next SHIP.

In line with this, the SHIP aims to support all groups as defined within section 10 of the LHS guidance. Therefore, a variety of sizes and types of housing need to be provided depending on the needs of the individual and the makeup of their household. In terms of tenure, ELC has been able to provide social housing and Mid-Market rented housing. The local authority does not have powers to enforce the provision of specialist housing within the private sector. However, there are significant legislative and policy changes coming forward over the next 5 years with regards to H2040 and NPF4. These two strategic documents and their outputs will shape the future East Lothian Policy on wheelchair and other accessible housing across the county.

### 3.4 Wheelchair access, accessible and adaptable housing

East Lothian Council supports the delivery of more wheelchair accessible housing. A Strategic Needs Assessment for Wheelchair and Specialist Housing in East Lothian was carried out alongside the Health & Social Care Partnership in September 2021 and is in the process of being updated to be included

within the forthcoming LHS. This will require formal approval in 2023. As an interim measure, an assumption of 10% has been reflected in the SHIP. This will ensure the SHIP takes account of a variety of specialist housing needs by including the delivery of housing for people who are ambulant disabled, people who require wheelchair housing and housing to meet the needs of an ageing population.

#### **3.4.1 Social Housing**

As stated above, an interim measure of 10% of affordable housing will be developed for wheelchair accessible housing on each site. However, this proportion is likely to change as developments progress. This is due to additional commitments to the H&SCP to develop properties suitable for core and cluster provision. This is, of course, subject to H&SCP budgets, with discussions on going.

#### **3.4.2 Other Affordable Tenure**

In terms of private homes and rented properties, there are no legislative requirements for MMR homes to be HFVN, and are therefore not included within the targets above for wheelchair accessible homes. Should legislation change, for example, via NPF4, it is suggested that an additional % is applied to MMR.

#### **3.4.3 Private Homes**

There is currently no used mechanism to record the number of private homes which are wheelchair accessible. New build properties are not built to Housing for Varying Needs Standards or wheelchair accessible standards. As a result, any accessibility provisions found in private sector homes is often the result of the owner adapting the property.

The Council does not currently have a mechanism to force private developers to provide wheelchair accessible housing. However, the through discussions with planning colleagues regarding the upcoming LHS 2023-28 and LDP2, considerations on how to implement a private sector target will be taken forward. The Council recognises that the finalised NPF4 which has been delayed, may also support this delivery.

### **3.5 Progress achieved so far**

Over the past five years, a total of 606 new affordable homes have been delivered in the social rented sector. Of these 92 were either wheelchair accessible housing or ambulant disabled (Table 12). This represents just over 15% of all new build social housing provided. Table 12 provides an overview of the number of affordable units of social housing delivered within East Lothian of the past five financial years. This also includes core & cluster housing for specialist needs, provided for Health and Social Care Partnership. Our current LHS committed a total of 8 units per annum, 40 over the lifetime of the LHS. This has now been achieved, and discussions are ongoing via the aforementioned Needs Assessment to consider a revised target for the upcoming LHS.

**Table 3: Number of New Build Wheelchair and Ambulant Disabled Units by Town**

Year	Town	Total units	Wheelchair	Ambulant disabled
<b>2017/18</b>	North Berwick	18	1	0
	Musselburgh	31	0	31
	Haddington	8	2	0
	North Berwick	50	4	0
	Musselburgh	12	0	4
<b>Total</b>		<b>119</b>	<b>7</b>	<b>35</b>
<b>2018/19</b>	Haddington	20	0	6
	Wallyford	44	1	0
	Cockenzie	26	2	0
	Tranent	12	0	0
	OMAs Various	14	0	0
<b>Total</b>		<b>116</b>	<b>3</b>	<b>6</b>
<b>2019/20</b>	Prestonpans	28	2	0
	Gullane	12	0	2
	Musselburgh	14	0	4
	Dunbar	10	0	0
	North Berwick	35	2	0
	Aberlady	14	2	2
	OMAs Various	21	0	0
<b>Total</b>		<b>134</b>	<b>6</b>	<b>8</b>
<b>2020/21</b>	Various	13	0	0
	Dunbar	7	0	0
	Haddington	43	2	4
	Musselburgh	12	0	4
	Tranent	12	0	12
	Ormiston	30	0	2
	Prestonpans	6	3	0
<b>Total</b>		<b>123</b>	<b>5</b>	<b>22</b>
<b>2021/22</b>	OMAs Various	20	0	0
	Longniddry	39	0	39
	Ormiston	37	2	4
	Musselburgh	18	0	0
<b>Total</b>		<b>114</b>	<b>2</b>	<b>43</b>
Source: East Lothian Council, 2022				

East Lothian Council funds a Care and Repair service which provides a range of services to assist homeowners and private tenants aged over 60, or aged over 50 and disabled to maintain, repair or adapt their home in order that they can remain living at home for as long as possible. East Lothian Care and Repair can help with the entire process of adapting or repairing the home, ensuring that the work is completed as promptly and efficiently as possible. This includes support through the design stage and tendering process, applying for grants/charitable funding right through to completion of works, including agreeing final accounts with builders.

### 3.6 Gypsy/Travellers

Appropriate housing is critical to the health, education and employment opportunities of Gypsy / Travellers. Gypsy / Travellers are a distinct ethnic group and included as such for the first time in the 2011 Census. Of the 4,200 individuals identifying as Gypsy / Travellers in Scotland, 85 were living in East / Midlothian. Notwithstanding the size of this relatively small community, which fluctuates with the seasons, formally assessing and subsequently addressing the accommodation needs of Gypsy / Travellers remains important.

East Lothian Council manages a site for Gypsy / Travellers in Dalkeith, on behalf of East and Midlothian Councils. The existing site is currently not in operation due to significant damage. East Lothian and Midlothian Councils are working in collaboration to find a way forward, via a feasibility study, on how best to supply an appropriate site for Gypsies/ Travellers.

Scottish Government have made available £20million for the Gypsy/Traveller Accommodation Fund over 2021-2026 using demonstration projects across Scotland. The fund is intended for both significant renovation and improvements of standards on existing sites and the building of new sites.

At present, there has been little evidence of need and demand for the site in East or Mid Lothian, with the majority of need being met through City of Edinburgh's site. Nevertheless, East Lothian Council continues to monitor the situation and engage with Gypsy/Traveller families where possible to ensure their needs are met locally. For these reasons, East Lothian has not applied to the Gypsy/Traveller Accommodation Fund, but does intend to work closely with the Scottish Government over the coming months to find a resolution for the current site.

#### 3.6.1 Local Development Plan

The Local Development Plan 2018 (LDP) is East Lothian Council's land use plan, setting out a development strategy for the future of East Lothian to 2024 and beyond as well as a detailed policy framework for guiding development. It sets out where development should and should not occur, including housing, education, economic and retail development, new transport links and other infrastructure. It sets the current policy position for East Lothian and decisions on planning application will be made in accordance with this Plan. The LDP also seeks to ensure that an adequate 5-year housing land supply is maintained within East Lothian. The LDP is set to be reviewed in 2023 as the previous LDP is becoming outdated. The next LDP will cover a 10 year period.

Policy HOU3 of the LDP sets out an affordable housing quota of 25%. It states that a 25% affordable housing contribution is required from developers of new housing developments consisting of five or more units, with the exception of Blindwells and Letham Mains, Haddington, for which contributions will be 30% and 17% respectively.

In line with the review of the LDP, the Supplementary Planning Guidance (SPG) on Affordable Housing will also be reviewed in due time. However the SPG appendices are reviewed annually alongside the SHIP. The SPG sets out in detail how developers should seek collaboration with East Lothian Council and goes into detail on the requirements and delivery and design of affordable housing in East Lothian.

The LDP is also concerned with the design of development and a development's influence on sustainability and place making. In line with this, one of the LHS outcomes is to deliver 'sustainable

communities'. Housing cannot be seen as just bricks and mortar. Wider service provision and the promotion of sustainable places is crucial. This includes: ensuring accessible, well-managed greenspace; encouraging attractive environments with pleasing facilities for people to live and work in; creating a network of paths with associated active travel routes and conserving bio-diversity. There is a focus on the people who live in East Lothian's communities, ensuring places are welcoming, accessible, easy to move around and inclusive for everyone, i.e. accommodating differently-abled bodies. There is also an emphasis on health, i.e. promoting physical activity, promoting positive mental health and reducing carbon emissions.

Provision of a range and choice of good quality housing plays an important role in promoting quality and opportunity and sustainable communities. It also helps to enhance the environment and its positive impact on health and general wellbeing is recognised. While the current priority is the delivery of social rented housing, it is anticipated that the majority of alternative forms of tenure will come forward as mid-market rent (MMR) or low cost home ownership (LCHO). Notably, Policy HOU4 of the LDP supports a good variety of affordable housing based on the needs of the locality.

### 3.6.2 Rapid Rehousing Transition Plans

The rapid rehousing approach means prioritising prevention, but if homelessness occurs then households are provided with appropriate settled housing as quickly as possible, moving away from the use of temporary accommodation as an automatic first response to homelessness.

RRTP sits within and links to the LHS 2018-2023 particularly in relation to outcome 3 of the LHS which seeks to prevent homelessness as far as possible. The RRTP highlights that it is an integral part of the SHIP and projects that up until 2024, 10 Housing First Tenancies will be created per annum.

East Lothian's Rapid Rehousing Plan (June 2021) led to the implementation of a partnership model to support prevention pathways for families and young people at risk of homelessness and, where families are in temporary accommodation, support them to permanently resolve homelessness and work to resolve challenges that have been a factor leading to homelessness presentations. The model provides links and an extension to the existing mediation service, promoting joined up working between the voluntary sector and health, education, housing and children's services, based on the principles of whole family prevention and early intervention.

Homelessness in East Lothian remains a structural issue, with a lack of affordable housing supply across the county, limited land supply and substantial costs required for infrastructure. East Lothian Council currently has approximately 2,600 applicants on our housing list with a turnover of around 400 units in any given year.

The ability of the Council to meet the extended Order is premised to a large extent on increasing the supply of affordable housing, however although the new build programme is ambitious, it is unlikely to make a significant impact in respect of homelessness pressures and wider housing demand. New build properties comprise approximately 14% of allocations made in the last two financial years and the Council is fundamentally reliant on voids, within a challenging context of East Lothian Council having the highest tenancy sustainment and lowest void turnover rates in the country.

Notwithstanding a wide range of mitigating actions in recent years, the level of demand from homeless applicants for temporary accommodation in East Lothian remains high and the balance



between supply and demand is such that the Council continues to be reliant on unsuitable accommodation, with a significant pool of around 400 temporary units in total. Approximately 12% comprises unsuitable accommodation as per the extended Order.

Despite high levels of housing allocations to homeless households, waiting times for re-housing can be significant depending on individual requirements. Consequently, the length of time spent in temporary accommodation is considerable, impacting upon flow through the system. The average number of days in temporary accommodation in 2020/21 was 363 for single person households and 259 for a couple with children. The unique position of East Lothian is outlined nationally, with a report commissioned by Social Bite on behalf of HARSAG stating *'Temporary accommodation pressure is extraordinarily high in East Lothian with 71% of those owed a duty during the year remaining in temporary accommodation at the end of the year, suggesting acute blockages in the 'flow' of households through temporary accommodation'*<sup>9</sup>. A report by Crisis focuses on the seven Scottish Council areas with the highest use of 'unsuitable temporary accommodation', which includes East Lothian<sup>10</sup>. Accordingly, East Lothian Council is identified by the Scottish Government as one of a small number of authorities, unable to meet with the extended Order.

The team are committed to transforming the way we prevent and tackle homelessness and work towards a rapid rehousing approach. However, the Council has faced circa 10 threats of judicial review since October 2021 compared with a previous figure of approximately 5 per annum. This has resulted in resources being diverted from rapid rehousing policy ambitions to prevent and tackle homelessness, to a focus on meeting duties in respect of the Order, which will result in an increase in suitable temporary accommodation, diverging from rapid rehousing priorities.

Despite some rapid rehousing actions being realised, the Council's response to homelessness is currently under significant threat due to the rapid wave of legislative reforms in addition to the Ukrainian Refugee Settlement Scheme.

The impact of the Ukraine Resettlement Programmes on the area and its local housing system has been immense. As noted in our meeting, it is disappointing that fewer than 10 formal matches have been approved (in the context of the super sponsor scheme) with a significant number of identified matches aborted as a result of the high expectations of Ukraine guests and their unwillingness to move to East Lothian.

We now have over 100 people living in host accommodation, however we continue to receive calls daily to advise of relationship breakdowns between the host and families. While there is a supply of shared host accommodation, there is just not an adequate supply or turnover of either temporary or permanent housing to enable us to offer families access to self-contained accommodation should this become a requirement.

The team are doing all they can to prevent families from Ukraine presenting themselves as homeless, in accordance with our corporate duty. Teams are being proactive in this space and have recruited a

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<sup>9</sup> [http://social-bite.co.uk/wp-content/uploads/2018/11/SB\\_TempAccommReport\\_FinalReport.pdf](http://social-bite.co.uk/wp-content/uploads/2018/11/SB_TempAccommReport_FinalReport.pdf)

<sup>10</sup> [https://www.crisis.org.uk/media/239523/i\\_wont\\_last\\_long\\_in\\_here\\_experiences\\_of\\_unsuitable\\_temporary\\_accommodation\\_in\\_scotland\\_-pdf.pdf](https://www.crisis.org.uk/media/239523/i_wont_last_long_in_here_experiences_of_unsuitable_temporary_accommodation_in_scotland_-pdf.pdf)

dedicated specialist team that will sit within the wider homeless service with a focus on Ukraine and other resettlement and asylum dispersal schemes. The recruitment of this team is now almost complete with posts being filled in October. Meanwhile, the Homeless team are providing homeless prevention and housing options advice including the consideration of income and affordability, successfully assisting families to move into the private rented sector, however the uptake of this small number of private rented lets will have an impact on the housing options available to our Homeless clients. The Council have also developed and are delivering a bespoke employability service for displaced people from Ukraine to access training, education and employment.

### 3.7 Child Poverty (Scotland) Act 2017

The role of housing is critical in helping to reduce child poverty. As part of the Child Poverty (Scotland) Act 2017, local authorities and NHS Boards must jointly report annually on the activity they are taking and will take to reduce child poverty. Best Start, Bright Future published by Scottish Government in highlights that affordable housing is a major contributor towards tackling child poverty. According to the report 17% of children will live in relative poverty and 16% will live in absolute poverty in 2023. However with the rising inflation and current economic uncertainty, it is likely that child poverty will rise again after seeing a drop in recent years. As part of this, the AHSP should strengthen to focus on housing needs by size and location to ensure larger family homes are being delivered.

As part of the new Local Housing Strategy 2023-2028 which is currently under preparation, East Lothian is carrying out a Joint Strategic Needs Assessment with Children's Services on the housing and support needs of children and young people including, looked after children, children at risk of homeless, children experiencing homelessness, young carers and disabled children. This assessment will identify any gaps and inform the new LHS and consequently the following SHIP next year.

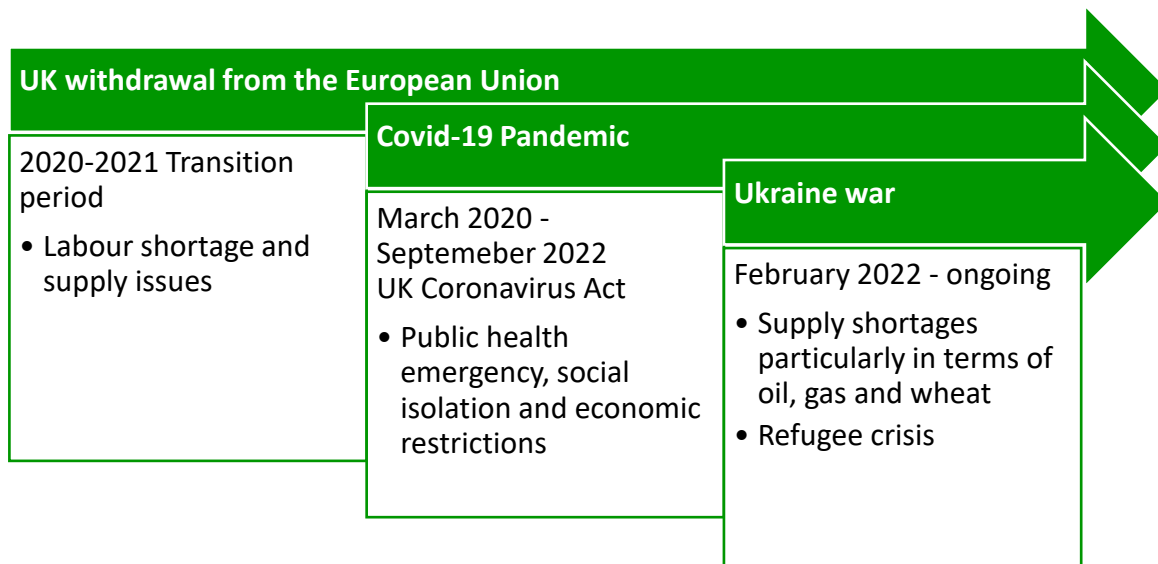
The East Lothian Poverty Plan 2021-23 incorporates East Lothian's Child Poverty Action Plan ensuring there is a co-ordinated and strategic approach to tackling child poverty. The Plan sets out a wide range of actions to reduce poverty within the county. The key outcomes are: working and free from in-work poverty; financially included; having a home; educated; healthy and well; resilient and well-connected; and empowered and responsible. East Lothian is forecast to grow at one of the fastest rates of all 32 local authorities in Scotland. The number of 0-15 year olds is projected to increase by 27.5% between 2012 and 2037.

According to the East Lothian Child Poverty Action Plan, child poverty levels vary across the county and often within ward areas. Child poverty can often be hidden as parents strive to do the best they can for their children. On average, 1 in 5 children in East Lothian are living in poverty after housing costs are taken into account, in some areas this rises to 1 in 4. The Children and Young People Services Plan 2020-2023 highlights that the west of county has a higher percentage of children living in relative poverty (21% in Musselburgh and 12% in Dunbar).

The LHS also aligns with these key outcomes such as increasing the supply of affordable housing, reducing homelessness, improving standards of gypsy traveller accommodation, support people with disabilities to maintain their independence, and reducing fuel poverty are all indicators within the action plan to help reduce child poverty.

### 3.8 Economy

The combined effects of the UK's exit from the European Union (Brexit), the effects of the Covid-19 pandemic and the war in Ukraine, are placing significant constraints on the economy. Volatile market conditions have been affecting Scottish Housing providers during 2022, specifically due to the rising cost of material, as well as the mounting energy prices and global supply issues.



Unfortunately the current economic climate is causing further challenges in delivering our affordable housing programme, with increasing costs and contractors experiencing difficulties with supply and labour shortages. Reductions in rent yield and increasing interest rates will very much impact on the financial capacity of the Council and its Housing Association partners to continue to deliver their ambitious programmes. The state of the economy and the uncertainty of markets will undoubtedly now impact on the delivery of housing sites generally across East Lothian.

Both Brexit and the Covid-19 pandemic have introduced labour shortages across the construction industry and beyond, with shortages of decorators, electricians and joiners as well as an ageing consultation workforce. The absence of a co-ordinated construction training strategy, growing demand for fire safety and net zero technological advances coming at pace are all impacting the sector. Further, anecdotal evidence suggests that construction companies are struggling to get workforces who can and are able to afford the increasing costs of travel to sites, particularly affecting sites in rural areas.

## 4. Affordable Housing Supply Programme

The focus of the SHIP is to deliver the outcomes set out in the LHS and maximise the use of the Scottish Government's Affordable Housing Supply Programme (AHSP) resources. The Council will continue to support its policy of maximising this investment in East Lothian. Where potential under-spend is identified in the Scottish Government Programme, the Council will continue to examine other alternative opportunities with its RSL partners and the Scottish Government to ensure this investment is fully spent. The SHIP identifies a shadow programme in the first year and will continue to do so for future years, which will provide future opportunities should projects be delayed during the period of the programme. These shadow developments will be made up of some high priority sites which may be accelerated and those medium priority sites, should opportunities arise to accelerate them.

The programme also takes account of:

- Projects already on site and expected to complete shortly;
- Projects that are progressing through various stages of the planning process;
- New projects that have been identified through the LDP process;
- Timescales identified through the Council's HLA; and
- Increased Resource planning assumptions.

The key aim of the SHIP is to deliver 880 completed affordable units over the next 5 years with a further 42 unsubsidised units (outlined in Table 4 in Section 4.4 below). This number is based on those high priority projects highlighted in Appendix E that could start on site during the period 2023/24 – 2027/28. However, if all projects are included, i.e. if we include all projects prioritised as high, medium and low, then the SHIP shows that East Lothian could potentially see a total of 1,963 completions (excluding 42 unsubsidised).

Subsidy of £73.529m will be required to deliver the programme for those high priority projects, with a further £44.820m to deliver all potential projects. The Scottish Government, Council and its partners will collectively look at those projects that can deliver over this period and allocate resources in the best way to maximise delivery and funding.

### 4.1 Site Prioritisation Methodology

ELC is a diverse area with a number of different housing priorities, even within the same area. It is the Council's intention to develop a Local Investment Framework as part of the new LHS to improve the Council's intelligence at an area based level. This will focus on ward areas and housing need will be assessed with related indicative targets for each ward to help address any imbalances occurring in the investment programme.

All projects included within this SHIP have clear links to the outcomes of the LHS. Housing development projects will only be taken forward where they assist in the delivery of those outcomes.

All projects have been prioritised to reflect deliverability in terms of strategic priorities, local need (including specialist housing), site availability / constraints, statutory consents as well as funding availability both from affordable housing providers programmes and private housing developers own financial capacity. It is, however, expected that in light of the Scottish Government's intention to freeze rents via the Cost of Living (Tenant Protection) (Scotland) Bill, plus the impact of recent

increases in borrowing rates, RSLs may review their business plans in the coming months. It will be essential to ensure close collaboration continues between the Council and its RSL partners to mitigate any potential knock on effects.

The following housing needs are included within any considerations:

- Existing stock in each area;
- Housing list data, showing the demand to live in particular areas;
- Specialist housing data, showing the need for a variety of particular client groups;
- The level of recent development in each area and the impact this has had on current housing lists;
- Allocations in each area;
- Turnover of stock through transfers;
- Levels of affordability; and
- Wider regeneration priorities.

The deliverability of sites including land supply, constraints and funding include considerations on:

- The level of subsidy per unit available;
- Financial capacity of affordable housing providers as a result of increasing costs, rising interest rates and potential rent freeze;
- The availability of land within the Council's control is a key issue and the majority of sites are reliant on delivery from the Private Sector.
- In East Lothian, there are challenges with respect to infrastructure costs as the majority of new housing development in East Lothian requires associated infrastructure investment. This is predominantly funded through Section 75 developer contributions. An example of this is for education.
- Housing Land Audit (HLA)
- Existing Planning Consent

Appendices B–D outline the different steps and considerations taken for prioritise sites and the outcome of the site prioritisation process is attached at Appendix E.

## 4.2 Housing Tenure

The SHIP projects that in total, based on those high priority sites, a split between the delivery of completed Local Authority social rent and Housing Association social rent to be around 61/39. The delivery of all high priority completed affordable tenures projects are split between social rent and intermediate to be 89% social rent with 11% delivering intermediate tenures. In addition to this, it anticipates a mix of 42 MMR delivered without subsidy. Adding these figures to the overall total projects a tenure balance of 81% social rent and 19% intermediate, which is in line with East Lothian Council's Affordable Housing Policy.

Budget capacity and re-profiling work will still be required once the Council has a better understanding of its financial position and allocation for future financial years. This may result in a change to the balance of housing delivered between the Council and RSL partners as well as a change in the tenures delivered. As stated above, the provision of a range and choice of good quality housing plays an important role in promoting quality and opportunity and sustainable communities. It also helps to

enhance the environment and its positive impact on health and general wellbeing is recognised. While the current priority is the delivery of social rented housing, it is anticipated that the majority of alternative forms of tenure will come forward as mid-market rent (MMR) or low cost home ownership (LCHO).

### 4.3 Investment priorities in Town Centres

East Lothian is home to a number of distinct and popular High Streets and Town Centres. To ensure regeneration, development and to maintain its commitment to the Town Centre First Principle, ELC continues to explore opportunities to maximise investment in town centres.

Most recently, developments have centred on Tranent town centre, where a successful CARS project was also established. Around 28 units are in the process of being delivered, of which some are specialist provision.

A successful CARS project was also secured in Cockenzie which is planned to conclude in April 2023. Dunbar CARS project secured funding in early 2022 and will commence in winter 2022. The Council is currently scoping out the potential to create more housing as part of this project. In addition, 2 units are currently being refurbished in Dunbar Town Centre with further possibilities to lease the ground floor office area after the above units are completed.

The Council has acquired a site in the town centre of Tranent with plans to deliver housing. The project is at an early feasibility stage but could potentially deliver approximately 25 units of affordable housing together with retail units.

### 4.4 Affordable Housing Delivery Profile

The anticipated funding levels are based on those sites that have a prospect of achieving tender approval in the timescales stated. The Council and its partner Registered Social Landlords (RSLs) have been through a process of considering a number of sites and eliminating others, particularly in the case of Affordable Housing Policy sites, where there has been no recent contact with the developer. It is important to note that private developers and RSLs are both expressing concern due to the rise in costs and shortage of labour.

It is highly likely that windfall projects will also come forward throughout the term of this SHIP and the Council will continue to work with its partners to identify opportunities for acceleration and maximisation of expenditure where possible. The Council will also explore any increased opportunities to buy off-shelf over the next 5 years.

There will be many changes in the timing of projects, even to those included in this year's programme, but it is important to be ambitious and identify as many opportunities as possible to address the clear and pressing need for affordable housing. The delivery of the programme is flexible and subject to change; some developments may not proceed, while others may come forward.

Table 4 below outlines that over the next 5 years, the development of 880 affordable homes are to be started and 1,446 are to be completed, of which 42 are planned to be unsubsidised.

<b>Table 4: Summary of High Priority Site Starts and Completions</b>				
<b>Year</b>	<b>Site Starts</b>	<b>Completions</b>	<b>Unsubsidised starts</b>	<b>Unsubsidised completions</b>
<b>2023/24</b>	58	446	0	42
<b>2024/25</b>	382	296	0	0
<b>2025/26</b>	370	243	0	0
<b>2026/27</b>	60	272	30	0
<b>2027/28</b>	10	189	0	0
<b>Total</b>	<b>880</b>	<b>1,446</b>	<b>30</b>	<b>42</b>

In terms of tenure and supplier mix for high priority starts, 320 dwellings are to be developed by Housing Associations and 369 by East Lothian Council. Furthermore, 191 MMR properties are planned. However, no low cost home ownership properties are planned (Table 5).

<b>Table 5: Tenure / Supplier Mix (High Priority Site Starts)</b>					
<b>Year</b>	<b>Housing Association (HA) Rent</b>	<b>Local Authority (LA) Rent</b>	<b>MMR</b>	<b>LCHO</b>	<b>Total</b>
<b>2023/24</b>	39	19	0	0	58
<b>2024/25</b>	77	225	80	0	382
<b>2025/26</b>	154	105	111	0	370
<b>2026/27</b>	50	10	0	0	60
<b>2027/28</b>	0	10	0	0	10
<b>Total</b>	<b>320</b>	<b>369</b>	<b>191</b>	<b>0</b>	<b>880</b>

In terms of tenure and supplier mix for high priority completions (see Table 6), 675 dwellings are to be completed by Housing Associations and 492 by East Lothian Council. Furthermore, 279 MMR properties are planned to be completed. No low cost home ownership properties are planned.

<b>Table 6: Tenure / Supplier Mix (High Priority Site Completions)</b>					
<b>Year</b>	<b>Housing Association (HA) Rent</b>	<b>Local Authority (LA) Rent</b>	<b>MMR</b>	<b>LCHO</b>	<b>Total</b>
<b>2023/24</b>	191	203	52		446
<b>2024/25</b>	157	49	90		296
<b>2025/26</b>	103	101	39		243
<b>2026/27</b>	75	99	98		272
<b>2027/28</b>	149	40	0		189
<b>Total</b>	<b>675</b>	<b>492</b>	<b>279</b>		<b>1,446</b>

Notably, the focus of housing delivery lies with projects of highest priority. However, when considering sites of various priority, the SHIP aims to start the development of 1,508 dwelling over the next 5 years and to complete 1,963 units, as is shown in Table 7 below.

<b>Table 7: Summary of all Site Starts and Completions</b>				
<b>Year</b>	<b>Site Starts</b>	<b>Completions</b>	<b>Unsubsidised starts</b>	<b>Unsubsidised completions</b>
<b>2023/24</b>	58	446	0	42
<b>2024/25</b>	520	338	0	0
<b>2025/26</b>	558	301	0	0
<b>2026/27</b>	201	468	30	0
<b>2027/28</b>	171	360	0	0
<b>TOTAL</b>	<b>1,508</b>	<b>1,963</b>	<b>30</b>	<b>42</b>

Although the SHIP includes sites that do not currently have planning consent, it only includes sites which either the Council or RSLs consider are likely to obtain tender approval and site starts within the next five years. There are therefore some differences between sites included in the SHIP and those included in the draft HLA.

The Council's land use planning policy for Affordable Housing aims to deliver onsite, either through units or serviced land for affordable housing and the Council is committed to working with private developers to assist the delivery of both market and affordable housing. Opportunities are currently being explored for a mix of delivery mechanisms from taking serviced land and procuring directly to buying off the shelf from developers.

The SHIP will inform next year's programme. Importantly, the SHIP is fluid and by no means sets the longer term programme. The programme will require to adopt a flexible approach in order to address any potential slippage. The Scottish Government have suggested a minimum slippage factor of 25% is applied on an annual basis to the AHSP element of the SHIP. Appendix F provides ample opportunity to include for slippage and hopefully ensure that advantage can be taken of any additional resources that may become available, with sufficient slippage included within the programme.

The appended SHIP spreadsheets have been checked against the draft Housing Land Audit (HLA) to ensure consistency. Anomalies can arise due to information being presented in different ways. The HLA is based on the land available as at October 2021.



## 5. Resources and Funding

### 5.1 Resource Planning Assumptions

To support strategic planning, the Scottish Government have provided our Resource Planning Assumption (RPA) for the period between 2021/22 to 2025/26. A total of £60.894m has been allocated for East Lothian, as shown in Table 8. However, we do not have any resource planning assumptions beyond 2025/26, so we have therefore used similar allocations for the next 5 years to help with our planning assumptions.

Table 8 : Resource Planning Assumptions					
Financial Year	2021/22	2022/23	2023/24	2024/25	2025/26
RPA	£13.651m	£11.767m	£11.733m	£11.774m	£11.969m

As we do not yet have our Resource Planning Assumption for the full period of the SHIP, we have prioritised those sites which could be delivered, if a similar allocation was to be made for the remainder of the SHIP period with an additional 22% slippage built in. The SHIP will make sure AHSP funding is allocated to support the LHS and ensure the Council has a realistic and practical plan for delivering investment priorities.

### 5.2 Developer Contributions

The Local Development Plan 2018 (LDP) sets out an affordable housing quota of 25%. It states that a 25% affordable housing contribution is required from developers of new housing developments consisting of five or more units. Currently two exceptions can be found in East Lothian, within the Blindwells development, where contributions lie at 30% and at Letham Mains, Haddington which is nearly at completion, where a 17% affordable housing contribution was made.

The Supplementary Planning Guidance (SPG) for Affordable Housing, approved in February 2019, provides a framework for the implementation of East Lothian Council's Affordable Housing Policy and outlines the mechanisms by which affordable housing can be delivered within a broader economic context. Notably, alongside the forthcoming LDP2 there will be a full revision of the SPG. In the meantime, the appendices of the SPG will be reviewed, with expected approval in December 2022.

Developer contributions can be delivered by a variety of means and are usually enforced by planning obligations, in accordance with Section 75 of Town and Country Planning Act. Contributions can include social rented housing, intermediate housing in the form of mid-market rented housing or Low Cost Home Ownership options (provided the current market allows) or the payment of commuted sums.

East Lothian Council prefers the securing Affordable Housing using the mechanisms in following order:

- on-site provision;
- off-site provision;
- commuted payment;

Committed Sums are obtained through the Council's land use policy for Affordable Housing, when on site provision cannot be achieved. These sums contribute towards the provision of affordable housing

within East Lothian. The Council will use this fund also to assist with site purchases or units which deliver affordable housing units in excess of the affordable housing policy. The Council currently has around £0.640m within this fund, the majority of which is in the North Berwick area.

According to Table 3, 1,185 homes were completed between 2016/17 and 2021/22. Most units in the past 5 years were developed in the North Berwick area followed by Dunbar, particularly the number of MMR has been high. Preston/Seton/Gosford saw however the most homes developed for social rent.

### 5.3 Council Tax Income for Affordable Housing from Second and Empty Homes

As at March 2022, the Council had accumulated around £1m additional monies for affordable housing from the higher level of Council Tax applied to second homes and properties which are empty for a long term. Local authorities may continue to use this income themselves and have flexibility to disburse these funds to other organisations and individuals including RSLs. This income can be used by local authorities to support revenue and capital expenditure related to a range of affordable housing activity including (but not limited to):

- providing new-build affordable housing through Registered Social Landlords (RSLs) or new Council house building
- funding of specified elements of water and sewerage infrastructure for new homes,
- Bringing empty properties back into affordable housing use – including topping up or establishing an Empty Homes Loan Fund;
- Land acquisition for affordable housing development;
- Purchasing off-the-shelf houses from private developers for affordable housing use – including the purchase of developers' part-exchange properties.

To date, it has so far been used to purchase properties through Open Market Acquisition in North Berwick, allowing East Lothian Mid-Market Homes to acquire an additional 8 units to their stock. Second Homes Council Tax monies are also being used to enable East Lothian Housing Association to deliver affordable units in Dirleton and Haddington.

### 5.4 Empty homes

In 2020/21, 793 properties were granted empty property relief in East Lothian. In East Lothian, different discounts apply for furnished and unfurnished properties, however after 12 months, unoccupied properties stop receiving discount and instead a 50% additional charge is applied after 24 months and a 100% premium is applied. In March 2022, 980 homes were vacant in East Lothian, including long term empty homes which no longer receive relief. The number of long term empty homes has seen a 15% decrease since 2020, down to 415 homes, although this level remains higher than it was in 2015.

East Lothian Council no longer have a dedicated Empty Homes Officer. The remit is now part of the Housing Enabler's role, who continues to work closely with Shelter Scotland and the Empty Homes Partnership to provide advice and assistance to owners of neighbours of empty properties. A database of owners who have an empty property to sell is kept by East Lothian Council as well as a database of purchasers through the Matchmaker Scheme who are looking for a project/home to work on, lease out, sell on or live in themselves.

East Lothian Council is currently renegotiating the terms of its Empty Homes Loan with the Scottish Government to ensure maximum uptake. The Loan had been due to be paid back to the Scottish Government in 2023, however none of the funds have yet been utilised. A change in terms will allow more empty home owners to access it through:

1. Removal of the £15k per unit cap
2. Remove the restriction to rent at less than 10% less than LHA
3. Remove the sale price constraint
4. Extend to include conversion of non-residential to residential

Second homes have experienced a continuous drop since 2015 and 489 properties are currently known to be second homes. Notably, a discount in Council tax for second homes has been removed. Unfortunately this has removed the incentive for home owners to declare their home as a second home. Consequently, it is unclear how accurate the current data on second homes is.

## **5.5 Council Initiatives**

### **5.5.1 Housing Revenue Account (HRA) Prudential Borrowing**

Local Authorities are in a position, where appropriate, to make additional funding for housing investment available through the Prudential Borrowing Regime. The Council took a decision in 2004 to commence its own new build programme and to the end of October 2021, has delivered 1,182 units. The Council's programme over the next five years will focus on the delivery of housing in those areas identified as high priority for the Council.

### **5.5.2 Innovative Financing Models**

In May 2019, East Lothian Mid-Market Homes LLP was established. The new company has delivered 50 units to date for mid-market rent without the need for subsidy. The model has been delivered through an arrangement with an Investment Company who arranged institutional investment by a pension fund to develop the properties, leasing them back to the East Lothian Mid-Market Homes LLP over a 40 year period, with the option for the units to be sold to the Council for £1 each at the end of the 40 year period. The Council holds the responsibility to manage and maintain the units by retaining an agreed amount of the rent collected, before making the lease payment back.

The Council are currently exploring opportunities to add to the Company's stock portfolio and is also appraising a proposal to deliver an unsubsidised social rented model.

The Company have purchased two properties towards the portfolio and concluded the purchase of eight further units in June 2022 when the managing contract with Lowther Homes came to an end.

### **5.5.3 Open Market Acquisitions**

East Lothian Council does not distinguish between Open Market Acquisitions and Buy Backs from general new build; all additions to stock are recorded as New Supply. To date, the Council has undertaken seven phases of Open Market Acquisitions on a selective basis to assist in delivering the provision of affordable housing. Between 2016/17 and 2021/22, 69 open market purchases for social rent were carried out across the local authority.

The Council continues to use this delivery mechanism and proposes to deliver a minimum of 50 additional units over the next 5 years, with an expected 15-20 before the end of the 2022/23 financial year. So far, 8 purchases have been completed this financial year 2022/23. This, however, is at risk due to the current financial context the housing market is operating within. The median residential property price in East Lothian has been rising by at least 9% each year since 2018.<sup>11</sup> In 2021/22, the average property price in East Lothian was 38% above that of the Scottish average.<sup>12</sup> Within this context, it has become increasingly difficult for the Council to successfully bid on properties on the open market due to properties being sold for high % over the home report. For example, between June and August 2021, the average percentage of Home Report Valuation attained by houses and Flats in East Lothian was 109.2%, an increase of 7.3% points on 2020. This figure was higher than anywhere else in the SES region.<sup>13</sup> That said, it remains to be seen whether more recent housing market movements, indicating a possible slowdown, could potentially enhance our opportunities to acquire further OMA properties.

#### 5.5.4 Discounted Housing for Sale

In January 2015, Cabinet approved the Council's own model for discounted sale. This discounted housing for sale model helps to deliver the Affordable Housing Policy's 'Unsubsidised Low Cost Home Ownership' tenure.

The model is administered by the Council and the Section 75 agreements that secure the provision of affordable housing secure properties at a discounted price below the open market value. This tenure is offered mainly to first time buyers and those on modest incomes. The percentage difference between the discounted price and the open market value price is secured by a standard security in favour of the Council. The purpose of the standard security is to ensure that the property can remain affordable to future first time buyers and there will be conditions attached to the property. The standard security will be ranked after any granted by the mortgage provider.

To date, the Council has approved and delivered 109 units and have continued to retain these units as affordable housing through recent resales. As with Open Market Acquisitions as mentioned above in 5.5.3, with property prices continuing to rise, this also affects Discounted Housing for Sale which, when being re-advertised, are being valued at increasingly higher prices, bringing their affordability into question. In addition to this the current volatility of the pound on the international current markets and the prospect of interest rates rising to 6-7% next year have caused at least 5 major mortgage lenders to withdraw mortgage offers to new customers. Fixed rate products have also been withdrawn from offers. This will disproportionately impact households seeking mortgages who receive below median salaries, again, putting future sales of discounted housing for sale at risk.

### 5.6 Other available funds

#### 5.6.1 Housing Infrastructure Fund

The Scottish Government has set out round two of the Housing Infrastructure Fund (HIF), which will run to at least the end of the parliamentary period to March 2026. The fund helps support the delivery

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<sup>11</sup> Scottish Government (2021). Residential Properties Sales and Price.

<sup>12</sup> Register of Scotland (2022). Registers of Scotland quarterly house price statistics: 2021-22 Q3 (October to December 2021)

<sup>13</sup> ESPC (2021) [East Lothian property market update | Housing market data | ESPC](#)

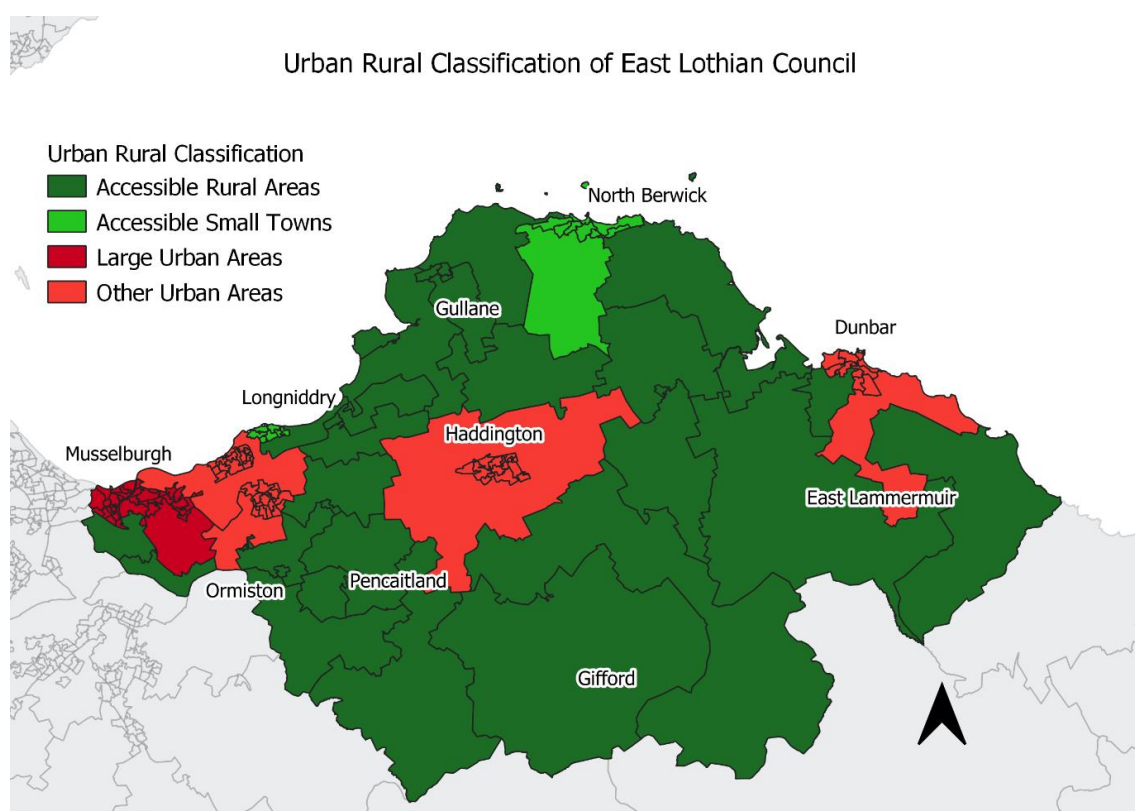
of housing through loans and grants. Priority will be given to those projects delivering affordable housing which cannot proceed or have stalled due to exceptional infrastructure works to unlock these sites for delivery.

Currently no projects have been identified by ELC. We will continue to review sites within the SHIP, in parallel with the planning approval process, to identify and update the Scottish Government with any other opportunities where this fund may assist in unlocking and accelerating significant delivery of new allocated housing sites over the period of this plan.

### 5.6.2 Rural Housing Fund

To help address the difficulties building in rural communities, the Scottish Government has launched a £25m Rural Housing Fund, which has been available from April 2016 for three years. The fund aims to increase the supply of affordable housing of all tenures in rural Scotland and will contribute to the 50,000 affordable homes target. Areas eligible are to be located within the 4-6 of the urban rural classification levels. As shown in Figure 1 below East Lothian is 80% is considered rural.

**Figure 1: Scottish Government Urban Rural Classification 2016 – East Lothian**



The Rural Housing Fund is available to a wide range of applicants, including community organisations, development trusts, private landowners and private developers, as well as the more traditional housing providers, enabling them to take a more active role in meeting the housing needs of their communities.

The fund has two components. The main one offers capital support (grant and loan) to enable the direct provision of new affordable housing and refurbishment of existing empty properties. A second,

smaller component provides a contribution to feasibility studies. So far, no opportunities have arisen in East Lothian to use the fund, but the Council will continue liaising with stakeholders.

### 5.6.3 Vacant and Derelict Land Investment Programme

East Lothian are currently undertaking some feasibility studies for the redevelopment of some vacant and derelict sites. We understand that the third round funding for 2023/24 has now closed. Should the sites in question be deemed appropriate for redevelopment then East Lothian will consider applying for the fourth round of funding in 2024/25.

### 5.6.4 Individual and organisational support

There are a variety of fund and support options provided by the Scottish Government which are available to individuals and other organisations. All these schemes help towards the provision of more affordable housing, although they are considered non-AHSP financing models:

- Low Cost Initiatives for First Time Buyers (LIFT)
- Open Market Shared Equity (OMSE)
- New Supply Shared Equity (NSSE)
- New Supply Shared Ownership
- Self-Build Fund
- Building Scotland Fund
- Housing Association investment drawn down from the private sector

## 5.7 Risk Management

Risk Management is the process of identifying, assessing and mitigating risks as best we can. This helps to establish a consistent approach to programme and project risk management. As with any long term, financial planning there is a need to keep the projections and assumptions used under constant review to ensure that the level of investment that has been assumed can actually be delivered.

East Lothian Council has had a clear long-term strategy in place to increase the delivery of affordable housing in the county. Much of this delivery is dependent on the Local Development Plan and Supplementary Guidance for Affordable Housing, which specifies that 25% of new housing should be affordable. Through ongoing programme meetings with Housing Associations and via Council new build team project meetings, the main risks to the SHIP programme are monitored and consideration given to mitigate against them.

Securing sites is challenging, particularly when the majority of sites are in the control of the private sector. The nature of the sites and the large sums of money associated with infrastructure works often results in complex discussions around delivery, which can have negative impacts on the delivery of affordable housing in terms of the speed with which site starts are coming forward. The Council is maintaining open dialogue with developers looking for solutions and opportunities they may have to deliver affordable housing.

The risks stated above are those the Council face as standard. In addition to these, the Cost of Living (Tenant Protection) Bill was passed by the Scottish Government in October 2022, providing temporary powers to cap social and private rents and introduce an eviction ban. The 0% rent cap, which applies

to in-tenancy rent increases can be extended over two further 6 month periods at Ministers' discretion under the new temporary legislation. The existing rent cap and ban has been put in place until March 2023. The Council, RSLs and Mid-Market Providers have all expressed concern about the knock-on effects of their new build program as a result of this legislation, in addition to the existing risks within the housing and economic market conditions.

In addition to the economic context, the Ukrainian Refugee Settlement Program and a range of homelessness legislation including the extension of the Unsuitable Accommodation Order and the forthcoming revisions to Local Connection Duty all place significant pressure on the housing system in East Lothian almost to the point of breaking.

The key risks identified in the delivery of the SHIP are as follows:

- Cost of Living (Tenant Protection) Bill – specifically the freeze on rents resulting in uncertainty for providers;
- Financial capacity of all providers as a result of the inflation, and volatile market;
- Rising interest rates;
- Insufficient land in control of affordable housing providers;
- Development Constraints such as infrastructure requirements and educational capacity;
- Financial assumptions - insufficient Prudential Borrowing capacity to fund the Council's programme;
- Continuing challenges for first time buyers to secure a mortgage and deposit;
- Legal and procurement constraints;
- Planning constraints;
- Land constraints such as wayleaves and drainage;
- Scottish Water constraints;
- Ground conditions and constraints.

Appendix B assesses the likelihood and potential impact of the key risks and what actions can be taken to address these.



## 6. Offsite construction, procurement and energy efficiency

### 6.1 Offsite Construction and Procurement

In line with Housing 2040, East Lothian Council will strive to work with developers on the possibilities to build affordable housing off-site.

On larger sites where there is likely to be more than one affordable housing provider, the Council appreciates that collaborative working and sharing services is likely to be a more efficient way of achieving best value and best practice through the delivery process and will continue to work closely with our partners to consider all opportunities. East Lothian Council have recently developed two sites in partnership with its Housing Association partners:

- Aberlady West: a joint project with Dunedin Canmore Housing Association acting as the Development Agent for East Lothian Council
- Letham Mains, Haddington: a joint project with Castlerock Edinvar with East Lothian Council acting as the Development Agent for Castlerock Edinvar.

East Lothian has also recently joined the Edinburgh Home Demonstrator Programme, a collaborative business model for the construction of affordable housing in partnership with the South East Scotland's Local Authorities, Scottish Government and other academia and industry partners. The aim is to develop 1,000 homes which are as close to net zero as possible, right across the SES region, using modern collaborative procurement models. The homes funded by EHD are centred on modern methods of construction and would be constructed off site. The first pilot project will be delivered in Edinburgh at the Granton Waterfront with homes utilising zero emissions heating and being zero carbon.<sup>14</sup> East Lothian's New Build Team will work closely with partners to identify sites in East Lothian to develop housing under this programme. These homes will be delivered to a lifetime home standard and some of them will be made fully wheelchair accessible.

Like the Edinburgh Home Demonstrator Programme, East Lothian will continue to explore opportunities for off-site construction through a range of different avenues.

### 6.2 Climate change and energy efficiency

Scottish Government has set out the target to achieve net zero emissions by 2045 to tackle climate change and has set duties on public bodies to contribute towards achieving this target. In East Lothian, domestic energy consumption represents 29.4% of the total energy consumption with gas (19.4%) being the main energy type.

The Scottish Government has designated both the decarbonisation of homes and buildings, and the reviewing of energy efficiency standards as national priorities, as they are key to meeting the ambitious climate change targets and to tackling fuel poverty. Improved energy performance of housing and reduced energy consumption will improve standards of living and contribute towards eradicating fuel poverty, whilst also cutting carbon emissions. By tackling fuel poverty through energy efficiency measures, owner occupiers and private renters can make their homes more affordable.

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<sup>14</sup> <https://www.be-st.build/media/fp3n5ik1/edinburgh-home-demonstrator-clf.pdf>



East Lothian Council's Climate Change Strategy 2020–2025 sets out the Council's commitment to tackling the Climate Emergency at a local level and setting out the vision and overall aims for a Net Zero and Sustainable Council and a Carbon Neutral East Lothian. One key outcome of this strategy is:

**'East Lothian's homes and buildings will be Net Zero and energy efficient, enabling us to achieve Fuel Poverty targets; will use low carbon and renewable heat and energy sources; and will be adapted for future climate change impacts'.**

The Strategy includes specific actions over the next 5 years towards achieving these aims and targets. The 2022 Annual Update highlighted some milestones in term of housing development:

- 1) The 'ClimateEvolution Zone' draft explores how future development around the Tranent/Longniddry area can aid the transition towards carbon neutrality. This area includes Blindwells, East Lothian's biggest housing development.
- 2) The Energy Advice Service delivered by Changeworks supports 80 households per quarter. The Council is currently negotiating additional funding to increase this to between 120-180 households per quarter as a result of the increasing cost of living.
- 3) The Musselburgh Flood Protection scheme is currently undergoing public consultation. The scheme aims to limit the risk of flooding, protecting hundreds of households within the area.
- 4) 385 central heating upgrades (including condensing boilers & high heat retention storage heating) and 124 insulation measures (including lofts, cavity wall, and external wall) were completed to improve energy efficiency in the Council's domestic and private stock.

Energy Efficiency Standard for Social Housing (ESSH) aims to improve the energy efficiency of social housing in Scotland. It will help to reduce energy consumption, fuel poverty and the emission of greenhouse gases. It is based on the minimum Energy Performance Certificate rating (EPC). The ESSH2 was recently published and sets out a new target for social housing properties to improve their EPC rating to B by 2032. All new affordable housing developed by Registered Social Landlords or by East Lothian Council will be built in accordance with those targets. Furthermore all existing social housing stock will be undergoing retrofitting where feasible to meet these targets. Further minimum criteria for energy efficiency are also set out within building standards regulations by the Scottish Government which are also adhered to when it comes to the development of affordable housing.

To further decarbonise buildings, the Scottish Government has instructed all Local Authorities to produce a Local Heat and Energy Efficiency Strategy (LHEES) and Delivery Plan by the end of 2023. The aim of an LHEES is to set out a long-term plan for how each local authority will decarbonise the heat supply in buildings and improve their energy efficiency across the entire local authority area. East Lothian has carried out two pilot schemes:

- One in 2021/2022 focusing on the Private Rented Sector.
- One that is currently underway testing the first four stages of the LHEES methodology.

Once the first full LHEES is published, it will inform the LHS and the SHIP on the decarbonisation of housing.

### 6.3 Existing projects

The Council is continuing to explore opportunities to improve the energy efficiency of existing stock across all domestic tenures through measures such as external wall insulation, cavity wall insulation as mentioned above. The Council has also recently received funding to offer solar PV including batteries to households in fuel poverty.

The improvement of private housing stock is delivered by the Scottish Government Energy Efficiency: Area Based Scheme (EES:ABS) fund. East Lothian Council received £1.1m in funding and delivered 181 external wall insulations and 72 cavity wall insulations during 2021/2022. As part of this funding, a special project was launched to provide solar panels with storage batteries to fuel poor households. This project was not fully completed and the Council is currently seeking to get approval to carry on the funding across the next financial year to complete it. New funding of another £1.1m was approved for the financial year of 2022/2023 which will allow ELC to carry on reducing fuel poverty in certain areas of East Lothian.

Energy Company Obligations (ECO) 3 is now being replaced by ECO 4 (2022-2026). ECO puts obligations on suppliers to promote measures which support heating low income homes under the Home Heating Cost Reduction Obligation (HHCRO), the Carbon Emissions Reduction Obligation (CERO) and Solid Wall Minimum Requirement (SWMR). Homeowners are eligible for ECO funding if they are on certain benefits or if they are being referred by certain organisations such as the NHS and Citizens Advice.

East Lothian Council is also currently in discussions with energy suppliers on the potential schemes which could be delivered across the county. Unfortunately, the new ECO4 schemes does not allow for the blending of EES:ABS and ECO anymore, which will pose administrative challenges. RSL and PRS landlords may be eligible for ECO finance if their properties are rated at an F or G.

## 7. Consultation and collaboration

A draft Strategic Housing Investment Plan was prepared for consultation with Registered Social Landlords who are currently developing or are considering development in East Lothian. It has also been informed through discussions with East Lothian Council's Planning Department to ensure alignment with the Housing Land Audit along with information through ongoing discussions with private developers.

The draft SHIP was circulated to the following:

- Places for People
- Castle Rock Edinvar Housing Association
- Dunedin Canmore Housing Association
- East Lothian Housing Association
- Hillcrest Housing Association
- LAR
- Asset Team, East Lothian Council
- East Lothian Health & Social Care Partnership
- Community Housing & Homelessness, East Lothian Council
- Planning, East Lothian Council

Comments and feedback received were used to inform and help finalise the plan for the next 5 years and help to inform the draft program for the following years to come.

As the next LHS 2023-2028 is currently under preparation, extensive consultations with stakeholders, lived experience and the wider public have taken place between February 2022 and August 2022. Over 60 engagement opportunities in form of online surveys, information sessions, in person and online workshops were provided in that time. The sessions were carried out using a mix of online and in-person workshops as well as online surveys gathering extensive information of the housing needs and demands of local residents and equality groups. Some of these sessions were carried out in collaboration with East Lothian Health and Social Care Partnership. Furthermore, other Council departments and services were invited along to sessions and, in some cases, dedicated sessions for certain services were carried out. Sessions explored the affordable housing requirement over the coming 5-10 year period including adaptability requirements, housing support requirements and for what demographics these affordable homes should be tailored to. The wider consensus is that more affordable housing is required for young people and elderly people; people with physical, mental and learning disabilities/conditions; victims/survivors of domestic abuse; veterans; ethnic minorities particularly refugees; and also individuals involved in the criminal justice system.

## 8. Equalities

East Lothian Council has an overarching commitment to '*reducing inequality within and across our communities*', set out in the Council Plan. The LHS aligns with the approach set out in the Council Plan and clearly links with the Equality Plan 2021-2025, which demonstrates how the Council and its partners aim to reduce the impact of poverty and inequality and meet the requirements of the Equality Act 2010.

East Lothian Council is fully committed to equalities and diversity and the SHIP plays a significant role in promoting this agenda. The planning and delivery of good quality housing with a range of choice, embraces the principle of equal opportunities.

People with specialist housing needs should have, wherever possible, the opportunity to live independently in their own homes and community, where this is appropriate. The aim is for all social rented housing to be built to Housing for Varying Needs specification with some designed to full wheelchair standard.

The SHIP will increase access to affordable housing and contribute to improved health and wellbeing, by increasing the supply of well-designed good quality homes, which are accessible and provide flexibility for future adaptation. These homes will also be more energy efficient, contributing to a reduction in fuel poverty.

An integrated impact assessment covering equalities, human rights and sustainability has been carried out on the LHS 2018-2023<sup>15</sup>, reflecting SHIP guidance.

A Health Impact Assessment Screening Exercise has also been carried out on the draft LHS 2018-23, with the Council working in partnership with NHS Lothian to facilitate this exercise across Housing, Health and Social Care.<sup>16</sup>

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<sup>15</sup> The full assessment can be found at the following link:

[https://www.eastlothian.gov.uk/downloads/file/27647/supporting\\_paper\\_3\\_integrated\\_impact\\_assessment](https://www.eastlothian.gov.uk/downloads/file/27647/supporting_paper_3_integrated_impact_assessment)

<sup>16</sup> The full assessment can be found at the following link:

[https://www.eastlothian.gov.uk/downloads/file/27648/supporting\\_paper\\_4\\_health\\_impact\\_assessment](https://www.eastlothian.gov.uk/downloads/file/27648/supporting_paper_4_health_impact_assessment)

## 9. Strategic Environmental Assessments

The [Environmental Assessment \(Scotland\) Act 2005](#) requires that all public plans, programmes and strategies are considered for any likely environmental effects. Where these are likely to be significant, opportunities to avoid or minimise adverse impacts are sought and positive impacts enhanced. A meaningful SEA can challenge those responsible for preparing plans to identify and explore alternative approaches and different options, highlighting the best options for the environment. This helps to provide protection for Scotland's unique environment.

The Council has previously determined that the LHS and by association the SHIP does not require a full SEA. The SHIP is operational and therefore will not change the policy directions set out in the LHS and LDPs. The East Lothian Council Local Development Plan 2018 was subject to a full SEA and covers all housing projects. Furthermore, any housing development will go through the planning application process where an Environmental Impact Assessment may be requested if deemed necessary. It is therefore considered that the suggested investment projects have in terms of SEA been covered by the Local Development Plan.

## 10. Monitoring

The SHIP is reviewed every year against LHS outcomes and Local Outcome Improvement Plans to identify how LHS policies are being translated into operational delivery.

A range of ongoing activities will ensure projects are monitored and are progressing as planned to ensure resources are maximised to their full potential. These activities include:

- ELC's programme board;
- RSL programme meetings;
- Scottish Government liaison meetings; and
- Regular meetings with relevant Council services, RSL's and private developers

This allows any slippage or new opportunities to be identified early to ensure the programme meets its targets and maximises investment.

The SHIP is also available to the public on the East Lothian Council's online webpage.

## 11. Conclusion

East Lothian currently has a population of 109,580, and over the past 10 years East Lothian has seen a 9.7% increase in population. It is projected that East Lothian will see further population growth in the next 10 years.

At the same time house prices remain relatively high and are still rising. The desirability of East Lothian as a place to live, combined with a rapidly growing population, places increasing demands on infrastructure and housing. Significant inequalities exist both within and between communities and pockets of deprivation are evident, particularly in the west of East Lothian. Increasing the supply of affordable housing is critical to addressing these inequalities and alleviating poverty across the county.

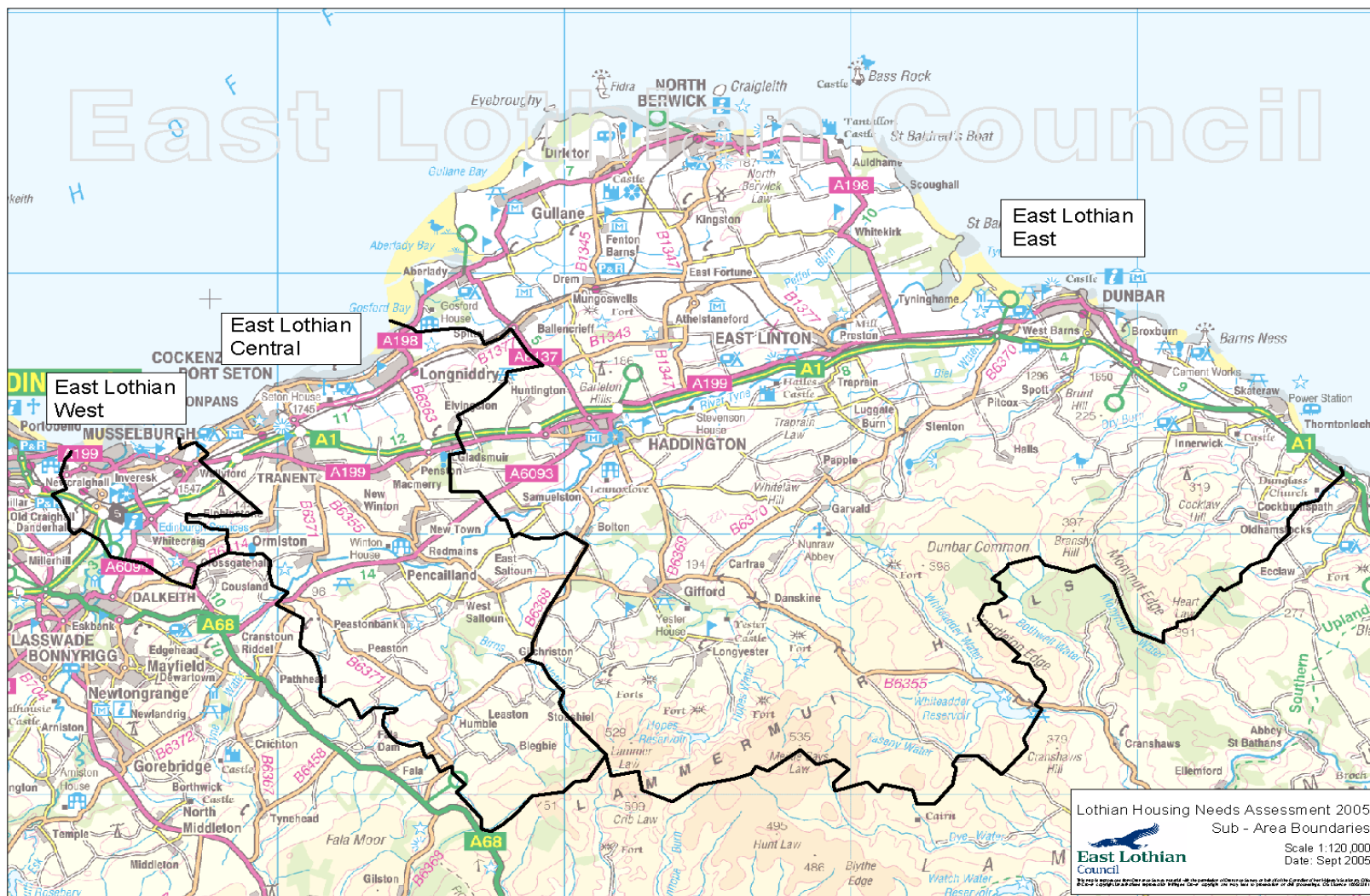
However, nationally as well as locally, the combined effects of the UK's exit from the European Union, the effects of the Covid-19 pandemic and the war in Ukraine, have created various instabilities, pressures and constraints upon the economy. Volatile market conditions have been affecting Scottish Housing providers during 2022 and this SHIP will face particular challenges in delivering more homes.

This year's SHIP outlines the potential start of 1,508 new affordable homes over the coming 5 year period. It is also estimated that 1,963 affordable homes across East Lothian will be completed over the period of the plan. 72 units are planned on top of the above mentioned units and will be delivered unsubsidised through innovative funding schemes.

This SHIP will use £73m of the Scottish Government's Affordable Housing Program to deliver 1,066 units with the highest priority. A further £44.820m of funding will be used to deliver all other units identified.

The SHIP has been prepared in accordance with the guidance prepared by the Scottish Government More Homes Division issued in June 2022. The SHIP also reflects East Lothian Council's Council Plan and the vision of Local Housing Strategy 2018-2023.

## Appendix A – Housing Market Sub-Area Map





## Appendix B – Risk Register

Risk Description	Probability *	Impact**	Risk Score	Mitigating Actions	Process Owner
Land is not available to develop for affordable housing.	2	3	6	<ul style="list-style-type: none"> <li>Sites included in SHIP are sites most likely to be delivered.</li> <li>ELC/RSLs to buy land for development whenever possible.</li> </ul>	ELC/RSLs
Delivery of units, especially through AHSP, dependent on prevailing market conditions and decisions of private developers and lenders in terms of their investment appetite	3	3	9	<ul style="list-style-type: none"> <li>Try and purchase sites at an early stage whenever possible</li> <li>Agree allowance for windfall and AHP sites in future SHIPs</li> </ul>	ELC/RSLs ELC/CS
Potential negative impact of Scottish Government's Cost of Living (Tenant Protection) Bill in terms of reducing private sector investment in new affordable housing	4	3	12	<ul style="list-style-type: none"> <li>May need to reconsider/re-profile development programme to maximise grant on schemes</li> <li>Consider opportunities to deploy Second Homes Council Tac funding and Commuted Sums where required</li> </ul>	ELC/RSLs
Economic impacts of potential UK Government/HM Treasury and Bank of England policy changes	3	3	9	<ul style="list-style-type: none"> <li>May need to reconsider/re-profile development programme</li> <li>Consider opportunities to deploy Second Homes Council Tac funding and Commuted Sums where required</li> </ul>	ELC/RSLs

Educational capacity is insufficient.	3	3	9	<ul style="list-style-type: none"> <li>• Discuss with Education service interim measures to increase capacity to avoid risk of delays.</li> <li>• Continue to engage with developers regarding funding infrastructure</li> </ul>	ELC
Transportation capacity i.e. road networks.	3	3	9	<ul style="list-style-type: none"> <li>• Secure funds through the Scottish Government's Infrastructure Fund</li> <li>• Continue to engage with developers</li> </ul>	ELC
Sewerage capacity is insufficient.	3	2	6	<ul style="list-style-type: none"> <li>• Continue to engage with developers regarding funding infrastructure</li> <li>• Meet with Scottish Water to identify and plan for issues with water capacity.</li> </ul>	ELC
Changes in funding regimes.	3	2	6	<ul style="list-style-type: none"> <li>• Identify innovative and more cost effective development solutions</li> </ul>	ELC/RSLs

**\*Probability:** 3 high, 2 medium, 1 low

**\*\*Impact:** 3 high, 2 medium, 1 low

## Appendix C – Prioritisation Tool

### Method for Calculating Priority

#### *Housing Need*

High [3] - Little opportunity & Highest demand  
Medium [2] - High Demand  
Low [1] - High Demand, but a lot of opportunity

#### *Project Deliverability*

High (3) – No constraints and consents in place  
Medium (2) – No major constraints, but need consents  
Low (1) – Constraints and no consents

**Priority = Housing Need x Deliverability**

3	6	9
2	4	6
1	2	3

## Appendix D – Prioritisation Exercise for Sites

PROJECT NAME:

Criterion	Sub elements and Comments	Weighting		Score
1. Housing Need	Area Current and future development	20 5	25	
2. Deliverability	Constraints Confidence regarding delivery	5 5	10	
3. Value for Money	Cost/m2 / unit as 3p equivalent s.75 contributions	15 10	25	
4. Environment	Location Surroundings	5 5	10	
5. Status	Planning Consent LDP Allocation	10 10	20	
6. Time / Resources to date	Discussions with Developers	5	5	
7. Ownership	Site in ELC ownership	5	5	
Comments				
Total			100	

Approved by \_\_\_\_\_

Date \_\_\_\_\_

## Appendix E – Breakdown of High and Medium Priority Sites

Project	Sub-Area	Constraints	Housing Need	Deliverability	Priority
Letham (site 4)	Haddington	3	3	3	High
Letham (site 5)	Haddington	3	3	3	High
Letham (site 6) - SR	Haddington	1	3	1	Medium
Letham (site 6) - MMR	Haddington	1	3	1	Medium
Letham M&M Ph 3	Haddington	2	3	3	High
Courier Building 2	Haddington	3	3	3	High
Herdmanflat 1	Haddington	3	3	2	High
Herdmanflat 2	Haddington	3	3	2	High
Brown Street	Haddington	2	3	2	High
Castlemains	Dirleton	3	3	3	High
Saltcoats - Phase 1	Gullane	2	3	2	High
Saltcoats - Phase 1	Gullane	2	3	2	High
Saltcoats Phase 2	Gullane	2	3	2	High
Levenhall	Musselburgh	3	3	3	High
Levenhall Nursery	Musselburgh	2	3	1	Medium
Mall Avenue	Musselburgh	3	3	3	High
Craighall Phase 4 – SR	Musselburgh	3	2	2	High

Craighall Phase 4 - MMR	Musselburgh	3	2	2	High
Craighall QMU Ph 2/3	Musselburgh	3	3	3	High
Craighall - Oldcraighall Ph 1	Musselburgh	3	3	1	Medium
Craighall - Oldcraighall Ph 2	Musselburgh	3	3	1	Medium
Craighall - Whitehill Ph 1	Musselburgh	3	3	1	Medium
Wallyford - Area 1	Wallyford	3	3	2	High
Wallyford - Area 7 – SR	Wallyford	3	3	2	High
Wallyford- Area 7 - MMR	Wallyford	3	3	2	High
Wallyford - Area 6	Wallyford	3	3	1	Medium
Wallyford - Area 5a	Wallyford	3	3	3	High
Wallyford - Area 5b	Wallyford	3	3	3	High
Dolphinstone Ph 1	Wallyford	2	3	2	High
Dolphinstone Ph 2	Wallyford	2	3	2	High
Wallace Park	Wallyford	3	3	3	High
Wallyford Primary School	Wallyford	1	3	1	Medium
Whitecraig South - MMR	Whitecraig	2	3	2	High
Whitecraig South - SR	Whitecraig	2	3	1	Medium
Whitecraig North Phase 1 – SR	Whitecraig	2	3	2	High

Whitecraig North Phase 1 - MMR	Whitecraig	2	3	2	High
Whitecraig North Phase 2	Whitecraig	2	3	2	High
Whitecraig - Main Street	Whitecraig	1	3	1	Medium
Fa'side Lodge	Tranent	2	3	2	High
Church Street	Tranent	1	3	2	High
Church Street Ph 2	Tranent	1	3	2	High
Windygoul South – SR	Tranent	2	3	2	High
Windygoul South - SR	Tranent	1	3	1	Medium
Windygoul South - MMR	Tranent	1	3	1	Medium
Tranent site	Tranent	1	3	1	Medium
Lempockwells	Pencaitland	3	3	3	High
Elphinstone West Phase 1	Elphinstone	2	3	3	High
Elphinstone West Phase 2	Elphinstone	2	3	3	High
Macmerry North (Balfour)	Macmerry	3	3	3	High
Blindwells ph 3	Blindwells	2	3	2	High
Blindwells area 11	Blindwells	2	3	2	High
Blindwells Area 5 ph 1 - SR	Blindwells	2	3	2	High
Blindwells Area 5 ph 1 - MMR	Blindwells	2	3	2	High

Blindwells Area 5 - ph2 – SR	Blindwells	2	3	2	High
Blindwells Area ph 2 - MMR	Blindwells	2	3	2	High
Blindwells Town Centre	Blindwells	2	3	2	High
Blindwells area 4a	Blindwells	2	3	1	Medium
Blindwells area 6	Blindwells	2	3	1	Medium
Blindwells area 7	Blindwells	2	3	1	Medium
Blindwells area 8	Blindwells	2	3	1	Medium
Blindwells area 10	Blindwells	2	3	1	Medium
Longniddry South	Longniddry	3	3	2	High
Longniddry South Ph 2	Longniddry	3	3	2	High
Newtonlees	Dunbar	3	3	3	High
Bayswell Road ph 2	Dunbar	2	3	3	High
Hallhill North	Dunbar	2	3	2	High
OMPs	East Lothian wide	3	3	3	High