

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 4 November 2021

Strategic Housing Investment Plan (SHIP) 2022-27

Executive/routine Wards Council Commitments	Executive All 1
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1. Recommendations

- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee:
 - 1.1.1 Approves the Strategic Housing Investment Plan (SHIP) 2022-27 for submission to the Scottish Government;
 - 1.1.2 Notes this is the largest SHIP ever presented to Committee, with a potential 11,188 affordable homes that could be approved for site start and 10,124 that could complete over the next five years;
 - 1.1.3 Notes the short term impact of the pandemic on approvals and completions both locally and nationally; and
 - 1.1.4 Notes the key challenges to delivering affordable housing at scale are construction industry capacity, construction materials availability and costs, availability of grant funding and the control of sites for development.

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Strategic Housing Investment Plan (SHIP) 2022-27

2. Executive Summary

- 2.1 In 2017 the Council made a commitment to deliver a programme to build at least 10,000 social and affordable homes over the next five years, with a plan to build 20,000 by 2027. By the end of the 2021/22 financial year, it is anticipated that 7,500 homes will have been approved for site start and 5,790 affordable homes completed. In September 2021, there were over 2,100 affordable homes under construction on 34 sites across the city (see Appendix 1 for details).
- 2.2 On 23 March 2020, the UK went into national lockdown in response to the Covid-19 pandemic. The pandemic continues to impact on development and construction of affordable housing across Scotland. The Scottish Government's [Housing statistics quarterly update: September 2021](#) shows that, up to June 2021, affordable housing approvals are down 36% when compared to the same time last year. Affordable housing completions are down 5% on the last year, but when compared to 2019, there is a reduction of over 15%. The Scottish Government has stated that they expect affordable homes delivery to continue to be slower post pandemic and have proposed to use 2021/22 to complete its remaining target from the last parliamentary period of 50,000 affordable homes. It is anticipated that the Council will experience a similar delay and approve 10,000 affordable homes in 2023.
- 2.3 The Strategic Housing Investment Plan (SHIP) sets out a pipeline of 11,188 affordable homes that could be approved for site start and 10,124 potential completions over the next five years through a mix of grant funding, Registered Social Landlords (RSLs) own finance, finance raised by private developers, institutional investment, developer contributions and Housing Revenue Account (HRA) funding.
- 2.4 Almost 7,400 homes could be delivered through the grant funded Affordable Housing Supply Programme (AHSP), with almost 70% of those being social rent, but this would require a significant uplift in Scottish Government grant funding (as indicated in their five-year resource planning assumptions). In the event that grant funding is not available on the scale required, it will be necessary to accelerate delivery of affordable homes through other mechanisms as set out in Section 5 of the SHIP.

- 2.5 The key challenges to delivering affordable housing at scale are construction industry capacity, construction materials availability and costs, availability of grant funding and the control of sites for development.

3. Background

- 3.1 On [24 August 2017](#), the Council agreed the Programme for the Capital - The City of Edinburgh Council Business Plan 2017-22, including a commitment to deliver a programme to build at least 10,000 social and affordable homes over the next five years, with a plan to build 20,000 by 2027.
- 3.2 Local authorities are required to submit an annual SHIP to the Scottish Government. The purpose of the SHIP is to:
- 3.2.1 Set out investment priorities for affordable housing;
 - 3.2.2 Demonstrate how these will be delivered;
 - 3.2.3 Identify the resources required to deliver these priorities; and
 - 3.2.4 Enable the involvement of key partners.
- 3.3 On [14 January 2021](#), Committee agreed the SHIP 2021-26. A programme of over 10,000 homes was noted, although additional finance of around £150 million was required to deliver this programme. In spite of the impact of Covid-19, over 1,200 affordable homes were approved and over 1,000 completed in 2020/21.
- 3.4 Each year, following submission to the Scottish Government, the SHIP is used by the Council to set the Affordable Housing Supply Programme (AHSP), which is the Scottish Government's grant funding programme for new affordable homes.

4. Main report

- 4.1 The SHIP sets out the Council's strategy for delivering new affordable homes. Since 2009, the Council has delivered affordable homes through partnership working with RSLs, the Council's housing companies (Edinburgh Living) and private developers using a variety of funding mechanisms; including Scottish Government grant funding and Council loans and guarantees for mid rent housing. The full SHIP submission is attached at Appendix 3.
- 4.2 The housing market context in which we seek to deliver affordable housing is set out in Section 2 of the report, alongside the role that delivery of new affordable housing can play in supporting a green, sustainable recovery.
- 4.3 The Covid-19 pandemic has impacted on build programmes nationally as, in Scotland, construction work was halted between April and July 2020. Additional health and safety measures (such as physical distancing) remained in place until 9 August 2021. Current guidance seeks to minimise workforce transmission of Covid-19 which is having an impact on overall delivery timescales.

- 4.4 Post-pandemic worldwide construction projects have recommenced resulting in a surge in materials demand and prices in addition to the impacts as a result of Brexit. [The Construction Leadership Council announced in May 2021](#) in their Construction Product Availability Statement that “The Office for National Statistics projects a rise of 7-8% in material prices, with increases for certain materials, such as timber, expected to more than double during the course of the year”. This is impacting on investor and developer confidence in ability to deliver viable projects.
- 4.5 The Scottish Government’s [“Housing statistics quarterly update: September 2021”](#) sets out in June 2021, affordable housing approvals are down 36% when compared to the same time last year. Affordable housing completions are down 5% on the last year, but when compared to 2019, there is a reduction of over 15%.
- 4.6 The [“Report on the work of the 2021 Affordable Housing Investment Benchmarks Working Group”](#) was published by Scottish Government in September 2021. It states “The delivery of affordable homes was hit significantly by the pandemic, initially by the lock down, and then through slower, safer working practices in 2020-21. The Scottish Government therefore expects output to continue to be slower over 2021/22 than at the start of the previous 50,000 affordable homes’ programme, and therefore proposes to use 2021/22 to complete its previous 50,000 target”.
- 4.7 Council officers anticipate that 1,200 new affordable homes will be approved for site start in Edinburgh this financial year (2021/22) and, based on current delivery programmes, an additional 1,218 affordable homes are expected to be completed. That would mean 7,500 new affordable homes would be approved by 31 March 2022 and 5,790 completed. There are 25 projects (1,456 approvals) that have been delayed, primarily as a result of the pandemic. Over 75% (19) of these projects have just slipped into the subsequent year. It is expected that over 10,000 affordable homes will be approved by mid way through 2023, only six months later than the original target.
- 4.8 The programme to deliver 20,000 homes by December 2027 is on track. The SHIP is reviewed annually and will be increased to meet the 20,000 targets, as confidence in the development pipeline grows. In addition to this, Edinburgh’s proposed Local Development Plan (LDP) - City Plan 2030 - was reported to Planning Committee in [September 2021](#). It proposes an increase in the Affordable Housing Policy contribution from 25% to 35%, which could increase the number of affordable homes approved on private sector led sites in the latter years of the SHIP. Table 1 below sets out affordable housing approvals and completions since 2017/18; years six - 10 assume a 25% affordable contribution through the Affordable Housing Policy (AHP):

Table 1: Affordable Housing Delivery

Financial Year	1	2	3	4	5	6	7	8	9	10	Total
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Approvals	1,475	1,626	1,914	1,285	1,200	2,057	1,817	2,804	2,636	1,874	18,688
Completions	966	1,152	1,367	1,087	1,218	1,276	1,864	2,289	2,027	2,668	15,914

4.9 The Scottish Government published “[Affordable Housing: Resource Planning Assumptions \(RPAs\) to Councils 2021-2022 to 2025-2026](#)” in July 2021, which gives local authorities a grant commitment for affordable housing for the five year period. The [total RPAs for the 32 Scottish local authorities](#) was just under £3.221 billion. Edinburgh’s RPAs are £233.8 million, 7.3% of the funding committed. The RPA’s provided by Scottish Government give Edinburgh an average of £46.8 million per year. These are a minimum grant commitment, and as such could be subject to an increase. Due to the strong pipeline, over the last five years Edinburgh has levered in over £36 million in additional grant funding from national underspends.

4.10 Section 4 of the SHIP sets out a pipeline of 11,188 affordable homes which could be approved for site start and 10,124 anticipated completions between 2022 and 2027. An estimated 7,399 social and mid rent homes could be delivered through the AHSP. Including existing financial commitments, this would require £329.6 million in grant funding over the SHIP period, or £65.9 million per year on average, based on current benchmarks (£19.2 million above current RPAs), or a 29% required annual increase. The total AHSP programme in Edinburgh has a value of £1.269 billion.

4.11 The “[Report on the work of the 2021 Affordable Housing Investment Benchmarks Working Group](#)” was published on 10 September 2021 and acknowledges that “unit costs had risen significantly over time and it was recognised that the benchmarks therefore needed to be increased”. The benchmarks inform the amount of grant funding that can be approved for an affordable housing development. Increased benchmark grant levels for affordable housing have been recommended in the report (summarised in Appendix 2) and are needed to support delivery of the programme. The benchmarks proposed for ministerial approval would provide increased grant funding for both RSL and Council social rented homes and introduce a grant to support Councils to deliver mid rent homes. This could support delivery of the Edinburgh Living mid rent pipeline.

4.12 The proposed new benchmarks would increase the overall AHSP grant requirement to £558.6 million over the SHIP period, or £111.7 million per year on average (£64.9 million above current RPAs) or a 58% required annual increase. Affordable housing developers in Edinburgh have a strong track record in delivering affordable housing on or below benchmark levels. The Council will continue to work with RSL partners to stretch available grant funding as far as

possible to maximise the number of social rented homes that can be delivered with available grant funding.

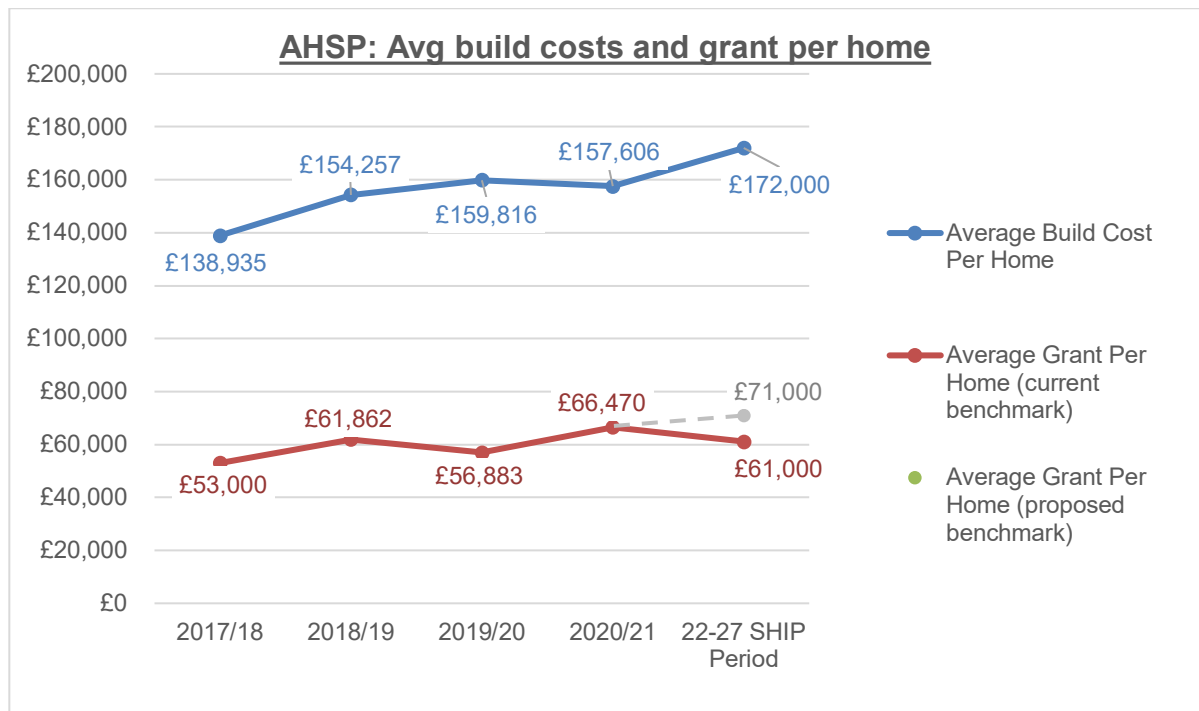
- 4.13 The SHIP 22-27 also includes 3,789 affordable home approvals that will be delivered through innovative funding schemes that require little or no grant. This includes Edinburgh Living, and private sector led Build to Rent (BTR). In the event that grant funding levels remain static or decrease over the SHIP period, it will be necessary to increase the proportion of homes delivered through other mechanisms to sustain overall delivery.
- 4.14 Section 5 of the SHIP set out the means and key challenges to delivering affordable housing at scale, including construction industry capacity, construction materials availability and costs, availability of grant funding and the control of sites for development. Land remains one of the key risks to the delivery of 20,000 affordable homes. The RSL programme is almost entirely dependent upon private developers bringing forward sites for development through the AHP. A separate report to this Committee, 'Land Strategy Update and Invitation to Market', provides an update on the progress of the land strategy for Council-led housing developments and sets out a rationale for seeking to supplement the current pipeline with private sector opportunities to be progressed through a market engagement exercise.

5. Next Steps

- 5.1 Following Committee approval, the SHIP 2022-2027 will be submitted to Scottish Government.

6. Financial Impact

- 6.1 Average estimated development costs for the 2022-27 AHSP programme are £172,000 per unit (a 4% increase since last year's SHIP). These are working estimates of costs and are likely to be subject to change when development construction works are tendered. This year's SHIP requires £51.8 million more of investment than last year's SHIP but is projected to deliver more homes over a five-year period.
- 6.2 The average build costs since the beginning of the Council's 20,000 affordable homes commitment are set out in the graph below. The average grant amount is also set out below and accounts for between 35-40% of the total cost. Over the SHIP period the average grant funding requirement per home is £61,000 based on current benchmarks or £71,000 based on the newly proposed benchmarks. It is important to note that most grant funded affordable housing costs do not include land value, as land is transferred to RSLs at nil cost through the AHP.



- 6.3 There are various sources of funding to support the affordable housing programme. The delivery of the 7,399 new homes identified through the AHSP will cost £1.269 billion in total, of which £939.4 million is RSL and Council own funding; a mixture of up-front capital (i.e. reserves and bond finance), and private finance (borrowing repaid by rental income).
- 6.4 The Council's affordable house building is principally funded through HRA borrowing. The HRA Budget Strategy 2021 approved by the Council on [18 February 2021](#) includes a draft five-year investment programme of over £1.2 billion for building new homes and improving existing homes and estates. The Updated HRA Capital Programme was presented to Housing, Homeless and Fair Work Committee on [3 June 2021](#), which includes £814 million to support the Council's new build programme (including the upfront capital costs for Edinburgh Living's mid-market and affordable market homes, which will be repaid to the HRA upon completions) over the five year period.
- 6.5 Over 550 affordable private sector BTR homes have been approved with no grant requirement. A further 108 are expected to be considered by the end of this financial year. The same number of social rented homes would require over £47 million of grant subsidy.

7. Stakeholder/Community Impact

- 7.1 All developing RSLs have been involved in producing the SHIP and will be prominent in delivering the housing projects contained within.
- 7.2 Local Authorities working across the Edinburgh and South East Scotland City Region all produce SHIPs which outline the collaborative measures being undertaken to accelerate new housing delivery. This includes working together

to identify and to unlock sites suitable for affordable housing development to address the housing crisis facing the region.

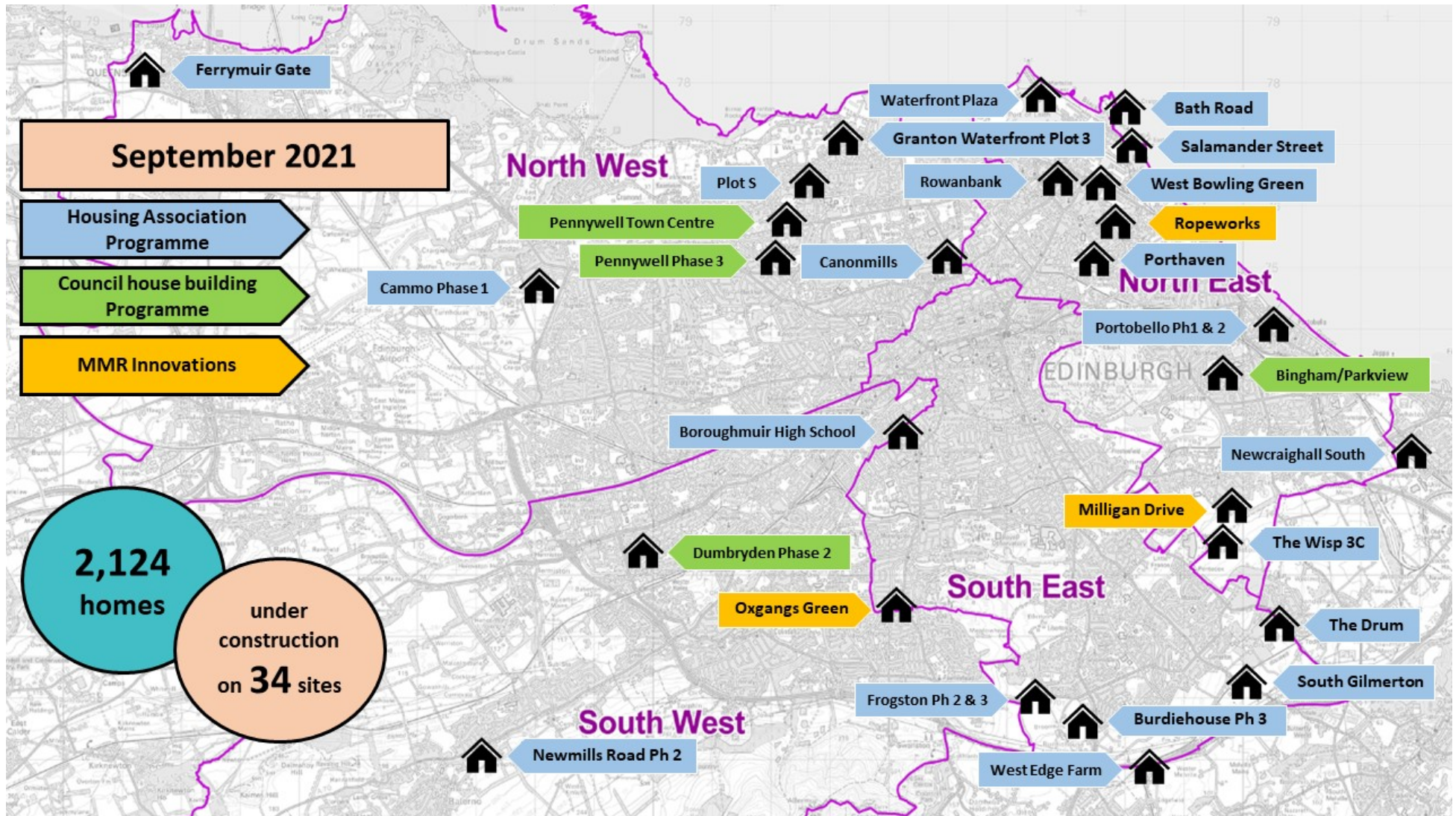
8. Background reading/external references

- 8.1 [ESES City Region Deal Heads of Terms Agreement – July 2018](#)
- 8.2 [Delivering Land for Affordable Housing March 2018](#)
- 8.3 [Strategic Housing Investment Plan 2021-26, 14 January 2021](#)
- 8.4 [Affordable Housing Policy Update May 2021](#)
- 8.5 [Strategic Housing Investment Plan: Guidance Note, June 2021](#)

9. Appendices

- 9.1 Appendix 1 – Affordable homes under construction.
- 9.2 Appendix 2 – Changes in Affordable Housing Supply Programme Benchmarks.
- 9.3 Appendix 3 – Strategic Housing Investment Plan 2022/23– 2026/27.

Appendix 1 – Affordable homes under construction



Appendix 2 - Changes in AHSP grant benchmarks

A review of Affordable Housing Investment Benchmarks was undertaken between March - June 2021. The review was carried out by a cross-sector working group of officials and was jointly chaired by the Scottish Government and COSLA. The findings were published on 10 September 2021.

Tenure	City and urban (3 person equivalent)	
	Current	Proposed
RSL social rent	£70,000	£78,000
Council social rent	£57,000	£71,500
RSL mid-market rent	£44,000	£53,500
Council mid-market rent	N/A	£49,000

In addition to the increased baseline assumptions set out above, Scottish Government are also proposing that additional grant funding could be applied to each home based on additional quality measures, rising by the following:

Additional Measure	Grant (3 person equivalent)
Delivering homes to Section 7, Silver Level, of the 2019 Building Regulations in respect of Energy for Space Heating (i.e. full Bronze Level plus Aspect 2 of Silver Level).	£2,000
Provision of balconies within flatted developments where private or communal outdoor space cannot otherwise be accommodated.	£4,000
Provision of space for home working or study.	£3,500
Digitally-enabled – when a tenant gets the keys to their home this would mean that they are able to arrange for an internet connection to 'go live'	£300
Infrastructure for electric vehicle charge point connectors	£500
Automatic fire suppression systems	£3,000
Heating systems which produce zero direct emissions at the point of use	£4,000

**Strategic Housing Investment Plan
2022/23 – 2026/27**

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1. Summary

- 1.1 The Strategic Housing Investment Plan (SHIP) sets out the approach by the City of Edinburgh Council and our Registered Social Landlord (RSLs) partners to investing in affordable housing in the city over a five-year period.
- 1.2 This SHIP is the largest programme ever set out by the City of Edinburgh Council. It outlines a programme which would see 11,188 affordable homes approved for site start and 10,124 homes complete over the next five years. Of these, there are around 7,400 homes which requires around £330m of grant funding through the Scottish Government's Affordable Housing Supply Programme (AHSP). The remaining homes are being delivered through innovative funding schemes which either do not require grant or do so at significantly reduced levels.

2. Strategic Context

- 2.1 Edinburgh is a growing city and one of the most highly pressured housing markets in the country. The latest Housing Need and Demand Assessment (HNDA2) states there is demand for between 38,000 and 46,000 new homes in Edinburgh over ten years; over 60% of these homes need to be affordable.
- 2.2 Significant demographic changes are expected which further impact on housing needs. It is anticipated that the number of older people who require intensive levels of support will increase by 60% by 2032. More people will be living with long-term conditions, disabilities and complex needs. The number of people living with dementia is also projected to increase by almost 62% over the same period ([Joint Strategic Needs Assessment 2015](#)).
- 2.3 These factors impact households in a variety of ways, for those on low incomes, the shortage of affordable accommodation is a contributing factor towards homelessness in the city. This effects not only Edinburgh but also neighbouring local authorities as rising inequality and cost of living impacts on households in other parts of the region.
- 2.4 The Scottish Federation of Housing Associations, The Chartered Institute of Housing and Shelter Scotland recently commissioned research to look at Scotland's affordable housing need over the next five years¹. The report highlights that building affordable housing should be a key part of Scotland's recovery out of the recession caused by the pandemic. The research also found that nearly 60% of the total annual affordable homes requirement for Scotland is needed in the Capital region (Edinburgh, Lothians, Fife and Borders), which is three times the need of the West Central area.
- 2.5 Social rented homes account for only 14% of the housing stock in Edinburgh, compared to the Scottish average of 23%. There is a high demand for social

¹ Affordable Housing Need in Scotland Post-2021 (March 2020, revised May 2020) – SFHA, CIH Scotland, Shelter Scotland

rented housing with an average of around 200 households bidding for every social rented home that becomes available for let in 2020/21.

- 2.6 Edinburgh lets more social homes than any other local authority to homeless households (77% of Council homes and 50% of RSL Partner homes). There are on average 3,130 additional households every year to whom the Council has a statutory duty to provide settled accommodation, compared to an annual average of approximately 2,500 available social lets. This demonstrates the need for a continued focus on both prevention and increasing access to settled accommodation. The Council is working with RSL partners to make mid market rent more accessible for people in work, presenting as homeless. These measures include tailored housing option advice and improved information around the availability of mid rent homes, including homes in development.
- 2.7 The average advertised monthly private rent in Edinburgh was over £1,100 in the second quarter of 2021, compared to a national average and the next highest city, Glasgow, average of £880. The average house price is 6.8 times the average gross annual earnings in the city, making it the least affordable city in Scotland to buy a home.
- 2.8 The average mid market rent (MMR) for a two-bedroom home in the city is around £630 a month, almost half the average private rent. The tenure of MMR is aimed at people who cannot afford home ownership but would not usually be eligible for social housing. The introduction of mid market since 2010 has aided the Council in driving more value for every pound of Scottish Government grant provided. Homes receiving help from Scottish Government either through grant or rental guarantees have their rents restricted to the mid-point of market rent levels for the property sizes in the relevant Broad Rental Market Area (BRMA). This guarantees the long term affordability for tenants.
- 2.9 Affordable build to Rent (BTR) or Intermediate rent, is capped at BRMA 30% percentile (the lowest priced third of the rental market in an area), provides homes for those people who are in housing need, who cannot afford to access accommodation through the regular functioning of the housing market and earn below average household income. Build to Rent can deliver rented accommodation at pace and scale and is not dependent on house sales or grant funding.
- 2.10 It is estimated that there has been a loss of around 10% of private rented homes to short term lets (STL) in recent years. The rapid growth in STLs is creating further pressure on supply, rent levels and house prices in some areas. The [Short Term Let Control Area](#) report states that there was a substantial rise in the number of entire properties and rooms registered with Airbnb between 2016 and 2019. In 2019, 31% of all Airbnb listings in Scotland were in the city of Edinburgh. While the pandemic has seen the number of Airbnb registrations in Edinburgh decline between March 2020 and April 2021, it is not known what the longer term impact is likely to be. With the high demand for UK staycations and

Edinburgh being a popular destination for visitors, the pressure for STLs has the potential to continue.

- 2.11 The Council is currently carrying out a consultation on designating the entire Council area as a STL Control Area. This aims to help manage high concentrations of secondary letting; restrict or prevent short-term lets in places or types of building where it is not appropriate; and ensure that homes are used to best effect in their areas.
- 2.12 In August 2018, the South East Scotland City Region Deal was signed. This includes a range of measures to support the delivery of new homes, including support for local authorities on a risk sharing basis to deliver infrastructure for strategic housing sites. Consent was also granted to Edinburgh to on-lend up to £248m and an additional one-off £16m capital grant to enable the Council to establish a new partnership to deliver 1,500 homes for mid market and market rent.
- 2.13 On 1 March 2019, the [South East Scotland City Region Deal](#) Joint Committee approved the establishment of a Regional Housing Board. On 3 September 2019 the [City Region Deal Joint Committee](#) approved an ambitious regional housing work programme, that aims to accelerate the delivery of affordable housing, enable the development of seven major strategic housing sites and drive efficiencies across the public sector estate.
- 2.14 On 3 September 2021, Joint Committee approved the [Regional Prosperity Framework](#) which sets out an ambitious 20 year blueprint for the regional economy. Housing is an integral part of the Framework to support inclusive growth and transition to a net zero economy.
- 2.15 On average, over the last five years Edinburgh has delivered homes requiring grant at least 8% below benchmark on average across the whole programme. Most social rented housing in the city is delivered alongside other tenures. This creates opportunities for cross subsidy, as well as, supporting development of sustainable, mixed tenure communities.
- 2.16 The Scottish Government published "[Affordable Housing: Resource Planning Assumptions to Councils 2021-2022 to 2025-2026](#)" in July 2021. The total Resource Planning Assumptions (RPAs) for the 32 Scottish local authorities was just under £3.221 billion. Edinburgh's RPAs are £233.8 million, 7.3% of the funding committed. Due to the strong pipeline, over the last five years Edinburgh has levered in over £36m in additional grant funding from national underspends.
- 2.17 Post-pandemic worldwide construction projects have recommenced resulting in a surge in materials demand and prices, in addition to, the impacts as a result of Brexit. The Construction Leadership Council announced in May 2021 in their Construction Product Availability Statement that "*The Office for National Statistics projects a rise of 7-8% in material prices, with increases for certain materials, such as timber, expected to more than double during the course of the year*".

- 2.18 The [“Report on the work of the 2021 Affordable Housing Investment Benchmarks Working Group”](#) was published on 10 September 2021 and acknowledges that “unit costs had risen significantly over time and it was recognised that the benchmarks therefore needed to be increased”. The benchmarks proposed for ministerial approval would provide increased grant funding for both RSL and Council social rented homes and introduce a grant to support Councils to deliver mid rent homes. This could support delivery of the Edinburgh Living mid rent pipeline.

3. Current delivery

- 3.1 Each year, following submission to the Scottish Government, the SHIP is used by the Council to set the AHSP which is the Scottish Government’s grant funding programme for new affordable homes.
- 3.2 The Covid-19 pandemic has impacted on build programmes nationally as, in Scotland, construction work was halted between April and July 2020. Additional health and safety measures (such as physical distancing) remained in place until 9 August 2021. Current guidance seeks to minimise workforce transmission of Covid-19 which is having an impact on overall delivery timescales.
- 3.3 The Scottish Government’s “Housing statistics quarterly update: September 2021” sets out in June 2021, affordable housing approvals are down 36% when compared to the same time last year. Affordable housing completions are down 5% on the last year, but when compared to 2019, there is a reduction of over 15%.
- 3.4 The “Report on the work of the 2021 Affordable Housing Investment Benchmarks Working Group” was published by Scottish Government in September 2021. It states “The delivery of affordable homes was hit significantly by the pandemic, initially by the lock down, and then through slower, safer working practices in 2020-21. The Scottish Government therefore expects output to continue to be slower over 2021-22 than at the start of the previous 50,000 affordable homes’ programme, and therefore proposes to use 2021-22 to complete its previous 50,000 target”.
- 3.5 It is anticipated that 1,200 new affordable homes will be approved for site start this financial year (2021/22) and based on current delivery programmes an additional 1,218 affordable homes are expected to be completed. That would mean 7,500 new affordable homes would be approved by 31 March 2022 and 5,790 completed. There are 25 projects (1,456 approvals) that have been delayed, primarily as a result of the pandemic. Over 75% (19) of these projects have just slipped into the subsequent year. It is expected that over 10,000 affordable homes will be approved mid way through 2023, only six months later than the original target. There are currently over 2,100 homes currently under construction on 34 sites across the city.
- 3.6 The programme to deliver 20,000 homes by December 2027 is on track. The SHIP is reviewed annually and will be increased to meet the 20,000 targets, as

confidence in the development pipeline grows. In addition to this, Edinburgh’s latest Local Development Plan (LDP) City Plan 2030 was considered at Planning Committee in September 2021. The plan is now in a period of public representation before being submitted to Government. If approved, there would be an increase in the Affordable Housing Policy contribution from 25% to 35%, which could increase the number of affordable homes approved on private sector led sites in the latter years of the SHIP. Table 1 below sets out affordable housing approvals and completions to date and estimates until 2026/27:

Table 1: Approvals and Completions

Financial Year	1	2	3	4	5	6	7	8	9	10	Total
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Approvals	1,475	1,626	1,914	1,285	1,200	2,057	1,817	2,804	2,636	1,874	18,688
Completions	966	1,152	1,367	1,087	1,218	1,276	1,864	2,289	2,027	2,668	15,914

3.7 This strong performance is due to work with housing delivery partners that has taken place over several years to acquire sites, develop new investment models and deliver cost efficiencies. An extensive pipeline programme underpins the annual programme enabling sites to be brought forward. Due to the strength of the pipeline programme, the Council has secured an additional £36.3m in grant funding over the last four years from national underspends. Officers will continue to maximise opportunities to secure additional funding.

4. Key Outputs of the SHIP

- 4.1 The core purpose of the SHIP is to set out strategic investment priorities for affordable housing over a five-year period. The SHIP provides the basis for the development of agreed Strategic Local Programme Agreements (SLPA) between local authorities and the Scottish Government. The SLPAs set out the programme of housing projects that will be funded over the next three years. This is reviewed and updated annually to ensure delivery remains on track.
- 4.2 Each year, following submission to the Scottish Government, the SHIP is used by the Council to draft SLPAs in partnership with all local delivery partners and for final agreement with the Scottish Government. These individual programmes will combine to form the grant funded AHSP for the city.
- 4.3 Projects selected for inclusion to the SHIP align with the Council’s Local Development Plan and support the delivery of key strategic priorities of the Council; including the Rapid Rehousing Transition Plan and the Edinburgh Integration Joint Board (EIJB) Strategic Plan for 2019-22. RSLs are requested to submit proposals for the SHIP each year; projects are selected and prioritised within the SHIP based on deliverability, value for money, housing need and strategic fit.

- 4.4 During each year, SHIP projects may change and can be brought forward or deferred depending upon changing circumstances as part of an ongoing process of communication between the Council and delivery partners.

Key Outputs

- 4.5 The SHIP 2022-2027 has identified a pipeline of 11,188 affordable homes that could be approved for site start and 10,124 potential completions. The SHIP is reviewed annually and will be increased to meet the 20,000 targets, as confidence in the development pipeline grows. The approvals are split into two categories:
- 4.5.1 7,399 homes delivered through AHSP; and
- 4.5.2 3,789 homes delivered through innovative funding mechanisms, requiring little or no grant funding.
- 4.6 The 7,399 homes that have been identified to be approved through the AHSP require grant of £329.6m over the SHIP period, or £65.954m per year on average, based on current benchmarks. With proposed new benchmarks overall grant required estimated to rise to £558.6m over period, or £111.7m per year on average.
- 4.7 The majority of the AHSP approvals are for social rent, with most of the remaining homes being for mid-market rent. This is broadly in line with the Scottish Government's 70% social rent target. Guidance is being sought from Scottish Government officials on arrangements for securing grant funding for mid rent housing. The SHIP includes provision for grant funding for Edinburgh Living MMR LLP.
- 4.8 The table below provides a summary of the projected outputs and funding requirements of the AHSP projects identified in the SHIP. The five-year Resource Planning Assumptions published in July 2021 are set out below. Table 2 identifies a shortfall of £102m in grant funding based on current benchmarks over five years. This rises to a shortfall of £330m if the proposed new benchmarks are applied.

Table 2: Summary – AHSP

YEAR	HOMES APPROVED	HOMES STARTED	HOMES COMPLETED	GRANT REQUIREMENT at Current benchmark (£M)	SG RESOURCE PLANNING ASSUMPTIONS (£M)
2022/23	1,559	1,177	718	58.820	45.182
2023/24	1,088	1,310	1,296	55.093	45.053
2024/25	1,950	1,492	1,757	79.804	45.211
2025/26	1,782	1,628	1,011	60.932	45.96
2026/27	1,020	1,363	1,905	75.034	45.96*
TOTAL	7,399	6,970	6,687	329.683	227.366

**RPAs only known to 2025/26; This assumes grant funding remains static in 2026/27*

- 4.9 The remaining 3,789 homes will be delivered through innovative funding schemes that require little or no grant. This includes the Private Sector led BTR,

LAR Housing Trust and The Scottish Government' MMR Invitation. A more comprehensive breakdown of innovative funding mechanisms is set out in 5.5 below.

- 4.10 A total of 124 sites are included in the SHIP. Over a quarter of the sites identified in the SHIP are being delivered by the Council's own house building programme. Most of the sites taken forward by RSL partners are in the control of the private sector as they are being delivered through the AHP.

5. Means of Delivery

Funding Delivery of 20,000 Homes

- 5.1 The Scottish Government announced long term resource planning assumptions in July 2021. Edinburgh's [Resource Planning Assumptions \(RPAs\)](#) are £233.8 million (7.3% of the total funding committed). Due to the strong pipeline, over the last five years Edinburgh has levered in over £36m in additional grant funding from national underspends.
- 5.2 Edinburgh's carry forward commitment is around £88m, a similar level of carry forward as in previous years and is based on a high number of approvals over the past few years. Project approvals require grant payments to be provided in stages over two or three years.
- 5.3 It is, therefore, essential to continue the work initiated through City Region Deal, to secure an uplift in grant funding and greater certainty in future years. The region has a five-year affordable housing pipeline of 14,000 affordable homes, which with the right investment could be accelerated. It is also essential to continue work on delivering affordable mid rent and below market rent housing without grant funding. An Investment Subgroup has been established under the auspices of the Regional Housing Board. This group; which includes Scottish Government and Scottish Futures Trust, will consider options for securing additional investment to support the regional affordable housing pipeline.

Innovative funding mechanisms

- 5.4 Affordable MMR housing for people on low to moderate incomes is being developed on several sites across the city. In some instances, this is supported through the grant funding programme. The introduction of MMR housing since 2010 has aided the Council in driving more value for money of grant funding.
- 5.5 The Council works with partners to identify opportunities for innovation to deliver affordable housing without using funding provided through the AHSP. Further detail on each of these innovative projects is provided below:
- 5.5.1 **Housing Delivery Partnership (Edinburgh Living)** – A unique collaboration between the Council, Scottish Futures Trust (SFT) and Scottish Government has led to the Council establishing two new LLPs. Edinburgh Living will deliver around 1,500 homes for mid-market and market rent, meeting housing needs of key workers and those on low to

middle incomes who cannot access home ownership and are not a priority for social rent. Edinburgh Living has a strong pipeline of planned housing acquisitions from the Council's housebuilding programme and by July 2021 had purchased 315 new homes for MMR. The ["Report on the work of the 2021 Affordable Housing Investment Benchmarks Working Group"](#) published on 10 September 2021 included an option for Council's and their subsidiaries to claim grant funding for Mid Market Rent homes. Council officers are also exploring options for Edinburgh Living to acquire or lease homes from the private sector; creating potential for partnerships with institutional investors.

- 5.5.2 **Scottish Government Mid-Market Rent Invitation (MMR Invitation)** – Council officers have been working in partnership with landowners, developers and Scottish Government to support the delivery of mid-rent homes on private sector sites through the Scottish Government MMR invitation. Places for People (PfP) have been successful in securing £47.5m in loan funding through the scheme and lever in additional private finance. The project is expected to deliver around 500 new affordable homes across four sites. One site already completed (136 affordable homes on Seacole Square) and the remaining sites are all due to complete by the end of 2022.
- 5.5.3 **Local Affordable Rented (LAR) Housing Trust** – LAR is a Scottish Charity set up in 2015 to provide long-term, MMR housing in Scotland. LAR launched with a £55m loan from the Scottish Government and has initial plans to build around 1,000 MMR homes across Scotland. Almost 700 homes have now been completed to date. Two developments have been completed in Edinburgh on Gorgie Road (87 MMR homes). A further six units have also been also completed for lease by the Council in Niddrie working with the Health and Social Care Partnership. In March 2021, 89 homes in the National Housing Trust Telford North LLP were purchased by LAR following Finance and Resources committee approval in October 2020. Under the terms of the sale tenants wishing to become owners will be given enhanced timescales to maximise their ability to purchase and those tenants who are unable to purchase will be able to remain in their MMR homes, with rent increases capped at CPI.
- 5.5.4 **Build to Rent (BTR)** - On 20 January 2020 Housing, Homelessness and Fair Work Committee received the report 'Support for Build To Rent'. The report highlighted that BTR developments can accelerate housing development, regeneration and placemaking. BTR can bring institutional investment to the city and can deliver 25% affordable housing without the need for grant subsidy. Committee agreed the approach to securing affordable housing within these developments.
- 5.5.5 Seven planning applications which include over 660 affordable BTR homes have been approved. In total more than 3,000 private sector led

BTR homes have had planning consent or will be considered by the end of the financial year. These include 253 homes at Freer Street, Fountainbridge, 338 homes at Skyliner in Leith, 476 homes at Springside in Fountainbridge, 1,180 homes at Edinburgh Park, 318 BTR homes at New Town Quarter, Dundas Street, and 464 homes at Bonnington Road Lane. Affordable BTR homes will be targeted at people on moderate incomes, with rents being set at 30% of BRMA, secured by Section 75 Agreement as affordable housing for a minimum of 25 years. The same number of social rented homes would require over £47 million of grant subsidy.

Maximising land supply

- 5.6 The scale and ambition of achieving the 20,000 homes should not be underestimated. In order to reach the 20,000 homes target a wider strategic partnership approach needs to be adopted that looks at a range of issues. One of the key risks to the delivery of 20,000 affordable is failure to secure suitable land for development.

Affordable Housing Policy (AHP)

- 5.7 The AHP is a planning policy which ensures that 25% of homes on all housing sites with 12 homes or more, are required to be affordable. This is an important delivery mechanism and contributes 62% of AHSP sites in Edinburgh funded through the SHIP. The Council's own house building programme uses land secured either from its own assets or by acquisition on the open market. For RSLs, the AHP is vital to ensuring land supply, with around 80% of their programme being delivered on AHP land. Onsite provision of affordable housing is the highest priority for the AHP. Since January 2013, affordable housing has been provided in nine out of ten planning applications for sites with at least 20 homes.
- 5.8 The AHP will also deliver a number of homes for low cost ownership, which will be negotiated on a site by site basis. These are a lower priority tenure for Edinburgh, as the greatest housing need is for affordable rented homes. Low cost home ownership is negotiated on a site by site basis as part of the planning process and is a relatively small proportion (3%) of the total affordable housing proposed within the SHIP.
- 5.9 Edinburgh's latest LDP, City Plan 2030, was approved for the statutory period of representation by Planning Committee in September 2021. A suite of options were presented, including the option to increase the percentage of new affordable housing required from new developments from 25% to 35%. The plan has been published for a period of public representation and, should there be unresolved representations, the plan would be submitted to Scottish Government for examination thereafter.
- 5.10 The AHP can go some way to securing land for affordable homes. However, the timing of sites coming forward for development is dependent upon individual

private developer assessment of demand and ultimately the price that households will be willing and able to pay to purchase a home. There is, therefore, a need for affordable housing developers to secure greater control over sites. Delivery of brownfield land will require intervention from the Council and the public sector working in partnership with landowners and developers.

- 5.11 A separate report to this Committee, “Land Strategy Update and Invitation to Market”, provides an update on the progress of the land strategy for Council-led housing developments and sets out a rationale for seeking to supplement the current pipeline with private sector opportunities to be progressed through a market engagement exercise.
- 5.12 Work is underway on greater collaboration at a national, regional and sub-regional levels through the City Region Deal. The Place Based Opportunities Board (PBOB) chaired by Council’s Chief Executive has provided a forum for partners to come together to develop a more joined up and place-based approach to creating and disposing of assets.
- 5.13 The Council is progressing with the strategic acquisition of land at the Liberton hospital site from NHS Lothian and its partners. Opportunities for Further public sector land acquisitions and/or partnerships and collaboration with the NHS and other public sector partners will continue to be explored. Affordable housing will be delivered through the Affordable Housing Planning policy on former public sector owned sites where direct acquisition or partnerships are not possible. .
- 5.14 Investment through the HRA and the AHSP can act as a real catalyst for change. Using the resourcing model for Granton, with a dedicated cross Council team working together to deliver, coordinated regeneration at scale, officers are exploring similar approaches across West and South East Edinburgh to focus on existing as well as new homes. To create and improve new places, continue to drive forward brownfield regeneration and meet the demand for new affordable homes, acquiring land through partnership and joint working with public and private sector partners is essential.
- 5.15 An outline business case for the Granton Waterfront regeneration programme was presented to the Policy and Sustainability Committee on 5 October seeking approval to proceed to the next stage of development and produce a final business case for the first phase of regeneration - ‘Heart of Granton’. This stage of business case development will run from October 2021 to June 2023 and will include a pre-development period on appointment of a development partner with key activities on the critical path to include developing business cases for a low carbon heat network and securing funding to address a funding shortfall.
- 5.16 The current cost plan and financial model assumes a minimum of 35% of the homes within the overall Granton Waterfront development will be affordable and delivered through Council and RSL partners. As further business case development takes place, the aim will be to maximise this as much as possible.

- 5.17 In parallel with the final business case, early action projects within Granton Waterfront will continue to progress with the aim of accelerating affordable housing provision. Three housing developments will deliver around 661 Council led net zero carbon homes over the next five years, of which around 455 (69%) will be affordable. Homes will be delivered alongside commercial and creative workspace and high-quality public realm and active travel infrastructure. In addition to the Council led homes, RSL partners have recently completed or have under development around 864 homes on Granton Harbour and Waterfront Avenue. Over 700 of these homes are for affordable rent.

Construction Industry Capacity

- 5.18 There are several factors impacting upon construction industry capacity and in turn the ability to deliver affordable homes at the pace and scale required over the next five to ten years, these include challenges with supply chain and increasing costs of building materials and skills shortages and market uncertainties as a result of Brexit uncertainties and the overall impact of the pandemic.
- 5.19 [The Construction Leadership Council announced in May 2021](#) in their Construction Product Availability Statement that “The Office for National Statistics projects a rise of 7-8% in material prices, with increases for certain materials, such as timber, expected to more than double during the course of the year”. This is impacting on investor and developer confidence in ability to deliver viable projects.
- 5.20 Actions to address the strategic challenge set out above have been identified through the ESESCR. The £5.8m City Region Deal funded, HCI Skills Gateway, project takes an integrated regional approach to work with schools, colleges, universities and employers to enable disadvantaged groups to enter into the sector. This includes new short courses, upskilling and new programmes to meet skills and jobs needs.
- 5.21 Housing construction skills remain a priority area for the Scottish Government, who plan to develop and agree an accord between Government and the construction industry. Supporting a focus on skills the Programme for Government also outlines a commitment to dedicate £100m over the next five years to a Green Jobs Fund. Invested alongside businesses and organisations to support new and increased opportunities for green job creation. A £60m Youth Guarantee is also committed so that every young person aged between 16 and 24 will be guaranteed an opportunity at University or college, an apprentice programme or employment including work experience.
- 5.22 Combined with current skills shortages, the climate emergency and rising development costs it is becoming increasingly clear that innovation is required to develop alternative approaches to finance and build new, sustainable homes. The scale and pipeline of housing development across the region presents a unique opportunity for innovation.

- 5.23 The Council is working alongside a number of partner organisations (Scottish Government, SFT, Construction Scotland Innovation Centre, Edinburgh Napier University, and Offsite Solutions Scotland) on a proposal which will develop net zero carbon housing through greater use of offsite construction. This Edinburgh Homes Demonstrator (EHD) project will test a new housing delivery model, specifically a method of design, construction and delivery that is based on off-site construction and disrupts the traditional linear delivery model of housing design and construction. The ambition is that the model will deliver a blueprint for UK wide public sector procurement of affordable housing.
- 5.24 The Scottish Government also plans to develop guidance this year to help support greater use of offsite construction for new social housing. This has the potential to speed up delivery of affordable homes, reduce waste and achieve the quality of construction needed to support zero emissions homes, and it offers opportunities to improve productivity and attract a more diverse workforce.
- 5.25 The Programme for Government 2021-22 sets out an overall investment in decarbonising heat worth more than £1.8 billion over the next parliament to make homes greener and easier to heat. This will help to drive skills and innovation in the construction sector with the focus on low and zero carbon technologies to replace traditional heating sources such as gas. Scottish Government has committed to decarbonising one million homes by 2030.

6. Specialist Housing, Including Wheelchair Accessible Homes

Delivery of Specialist Housing in the Affordable Sector

- 6.1 The Edinburgh Integration Joint Board (EIJB) Strategic Plan for 2019-22 was approved by the EIJB on 20 August 2019. The Housing Contribution Statement which supports the Strategic Plan highlights the importance of housing in relation to health and well-being and provides clear commitments to support health and social care priorities. A new EIJB Strategic Plan for 2022-25 is currently being prepared, to be finalised by March 2022. Housing partners are working with Health and Social Care partners to develop the housing contribution statement to support the Plan.
- 6.2 The Council and its RSL partners remain committed to ensuring that 4,500 of the 20,000 new affordable homes planned for the city over the next ten years will support health and social care priorities. Key sites, such as Liberton Hospital (due to be sold to the Council), provide opportunities for housing and health and social care to develop innovative solutions to meet specific needs. The Health and Social Care Partnership's Transformation Programme includes a workstream on housing. The Housing Service has commissioned a study on accessible housing which will feed into this workstream and the Joint Strategic Needs Assessment being developed by the Health and Social Care Partnership. The study is due to complete by the end of the year and has been informed by partners, stakeholders and telephone and online surveys to provide a greater

understanding of the need for accessible and adapted homes across the city now and in the future.

- 6.3 Around 11% of the homes to be approved in the SHIP are specifically designed for specialist housing, including amenity, supported and fully wheelchair accessible homes. Housing and Health and Social Care partners will continue to work together to ensure the homes are meeting identified need across the city, integrating with services at a local level, and the results of the Accessible Housing Study will help to inform future provision.
- 6.4 The findings of the Accessible Housing Study can also feed into the Scottish Government review of the Housing for Varying Needs standard. The majority of new build properties funded through the AHSP are designed to meet the Housing for Varying Needs Standard (HFVN) which was published in 1998 and sets out good practice on the design of housing to achieve flexibility and suitability for people of all abilities. For example, ensuring ground floor properties have step free access, wider doors, accessible height switches and electrical sockets and reinforced joists for future hoist installation.
- 6.5 Many properties delivered through the AHSP are therefore accessible for people of limited mobility, meaning particular needs housing requirements can often be met through allocation of a standard general need's property.
- 6.6 In August 2019 Scottish Government issued revised guidance for the SHIP. The guidance requires local authorities to set targets across all tenures for the delivery of wheelchair accessible homes and to report annually on progress. The City of Edinburgh Council was one of the first local authorities to have a Wheelchair Accessible Homes target; with 10% of all social rented homes being wheelchair accessible. The Edinburgh Design Planning Guidance includes Lifetime Homes as the standard sought for older peoples and particular needs housing within the city. The Accessible Study will be used to inform targets for delivery of wheelchair accessible housing.

Adaptations

- 6.7 In addition to building new homes to meet changing and varying needs, the SHIP includes grant funding for RSLs to carry out adaptations to homes. This enables people to remain in their own homes and live independently. Adaptations will continue to be a strategic housing investment priority. Each year a budget in excess of £700,000 supports in the region of 300 adaptations within RSL homes. Adaptations to Council homes are funded from the Housing Revenue Account.

7. Carbon Emissions and Energy Efficiency

- 7.1 On the [14 May 2019](#), the Corporate Policy and Strategy Committee approved the Council's Sustainability Approach, which included Edinburgh working towards a net zero carbon target by 2030, with a hard target of 2037. On [20 January 2020](#), the Housing, Homelessness and Fair Work Committee approved the Housing Sustainability approach, which outlined the future approach to reducing

emissions across existing homes and the new build housing programme. A further update on progress was provided to the Housing, Homelessness and Fair Work Committee on [5 November 2020](#) and on [3 June 2021](#).

- 7.2 The Council's declaration of a Climate Emergency has placed sustainability and climate change at the centre of strategic and policy discussions. Energy efficiency standards are already in place for new affordable housing in Scotland. All new developments are required to meet minimum Building Regulations, which contain stringent targets for meeting certain energy efficiency standards. The Council's own house building programme is leading by example in terms of sustainable development. A design brief has been produced that will ensure all new build homes are designed to achieve net zero carbon. The net zero carbon design brief has been in place since November 2020 and follows a fabric first approach, allowing the design and construction to be tailored to meet the requirements of the site and to select the most appropriate low carbon heating solution.
- 7.3 Council and RSL house building partners are working to sustainability principles which promote local material sourcing, recycling, insulation standards, and renewable energy. The environmental impact of individual projects is currently assessed through the planning process.

8. Rapid Rehousing Transition Plan (RRTP)

- 8.1 The second iteration of the RRTP was agreed by the Housing, Homelessness & Fair Work Committee on 18 September 2020 and submitted to Scottish Government. The annual update on progress was subsequently agreed at Committee on 3 June 2021.
- 8.2 The RRTP is aligned around four key objectives, focusing on both prevention and increasing accommodation options (both temporary and settled):
- 8.2.1 preventing homelessness in the first place;
 - 8.2.2 where temporary accommodation is required this will meet the needs of the household;
 - 8.2.3 supporting people to access settled accommodation as quickly as possible; and
 - 8.2.4 reducing the number of people sleeping rough.
- 8.3 Renting from a private landlord is the only available housing option for many people but rents in Edinburgh are high. In response to a rise in the number of households presenting as homeless from the Private Rented Sector (PRS) the Council established a PRS Team to support households at risk of homelessness from the sector and support homeless households to access PRS tenancies. To reduce the pressure on the housing market, as well as providing housing for households on low to moderate incomes, a commitment to increase affordable housing supply is key in addressing these challenges.

- 8.4 Social housing providers play a key role in both preventing homelessness and delivering more social rented homes. People are much less likely to become homeless again if they move into social housing rather than private rented housing. This has resulted in the provision of social rented accommodation becoming a key priority of the SHIP.
- 8.5 MMR also plays an important role as a housing option for working homeless households; with just over 20% of homeless households being in employment. The PRS team continue to support homeless households to access MMR properties. Going forward the team are looking at working with families in overcrowded accommodation and are ready to begin a pilot working with these families to move into suitable accommodation via the PRS /MMR. Work is underway to improve the information available on MMR to customers seeking to access this type of housing. The Council webpages set out eligibility criteria, an MMR factsheet and links to other landlords who provide MMR homes. Work is ongoing to set up a dedicated MMR portal in partnership with other providers.
- 8.6 Officers will continue to engage with stakeholders and service users to develop the RRTP. Annual updates on progress will be provided to both Committee and Scottish Government.

9. Child Poverty

- 9.1 In August 2019, Education, Children and Families Committee approved the [Local Child Poverty Action Report](#). The report noted that when asked by the Edinburgh Poverty Commission about the things that cost too much in the city, people on low incomes cited the cost of housing as a primary issue.
- 9.2 The Scottish Government's Tackling Child Poverty Delivery Plan for 2018-22 sets out policies and proposals to help make progress towards their targets on reducing child poverty by 2030. Actions, with partners, across a range of housing policies include working with the social housing sector to agree the best ways to keep rents affordable and ensuring that future affordable housing supply decisions support their objective to achieve a real and sustained impact on child poverty.
- 9.3 The Edinburgh Poverty Commission published its final report, '*A Just Capital: Actions to End Poverty in Edinburgh*', in September 2020. The Commission estimates that almost 78,000 people in Edinburgh are living in relative poverty, representing some 15% of the population and as many as 1 in 5 children. The Commission's report highlights that the majority of people living in poverty in Edinburgh are of working age, in employment, living in rental accommodation, with the highest rates experienced by families with children. Almost one in three of the city's households in poverty are only there due to high housing costs, compared with one in eight households in poverty across Scotland.
- 9.4 One of the main conclusions from the Poverty Commission's work is that there is no solution to poverty in Edinburgh without resolving the city's housing and homelessness crisis. The Commission is calling on the Scottish Government, as

an urgent priority, to ensure the city has the right funding and support to meet its social housing expansion needs. The SHIP sets out the grant funding needed to deliver social rented housing at scale in Edinburgh.

- 9.5 The first annual review of progress towards meeting Edinburgh Poverty Commission calls to action covers the period from October 2020 to the end of September 2021 and includes the ongoing response to the Covid-19 pandemic, which has been significant in informing current and future actions.
- 9.6 In line with recommendations made by the Poverty Commission and with statutory guidance, the report incorporates actions underway in Edinburgh to meet Scottish Government child poverty targets for 2030.
- 9.7 Within each of the seven calls for action made by the Edinburgh Poverty Commission, the report highlights specific actions tailored to improving outcomes for families, children and young people. These include:
 - 9.7.1 Action to improve employment outcomes for young people and school leavers through Young Person's Guarantee Team, Modern Apprenticeships, and employability support for parents
 - 9.7.2 Action to improve income security and reduce living costs, through family focused advice and services such as Maximise, as well as provision of key supports for families such as free school meal payments and school uniform grants.
 - 9.7.3 Action to improve support for children and families in temporary accommodation
 - 9.7.4 Action to improve education outcomes and prospects, through the Edinburgh Learns for Life programme, Youth work partnerships and establishment of the learning communities' approach, and
 - 9.7.5 Action to improve wellbeing for families experiencing poverty, through family focused programmes such as Discover!

10. Gypsy Travellers sites

- 10.1 The Council currently owns and manages one site in Edinburgh, known as the North Cairntow Travellers Site on the south east side of the city. The site was created in 1984 and consists of 20 pitches serviced by 10 semi-detached utility block. A community facility was installed in 2016. This was achieved in partnership with the NHS and other voluntary providers.
- 10.2 The Housing Service has been working with the residents of the North Cairntow Travelling Peoples Site to improve the site since 2017. This has taken the form of a comprehensive programme of community engagement to co-design site improvements in partnership with the community, addressing fuel poverty, mainstreaming equalities and harnessing lived experience of tenants, culminating in an improved understanding of the needs of the community.

- 10.3 The final design of the redevelopment of the site was agreed with residents last year. A contractor for the re-development was appointed following the approval by Finance and Resources Committee on [4 March 2021](#). The total contract value is estimated to be over £3.8m, which forms part of the Housing Revenue Account Capital Investment Programme. The redevelopment has received £90,660 of Scottish Government funding as part of the joint action plan '[Improving the lives of Gypsy/Travellers: 2019-2021](#)' by the Scottish Government and Convention of Scottish Local Authorities (COSLA).
- 10.4 Relevant planning permission and building warrants are now in place, with the redevelopment expected to commence in March 2021 for a period of up to 18 months in order to align the timescale of manufacturing and delivery of the chalets.

11. Consultation and engagement

- 11.1 There is a strong partnership approach to delivering new build affordable housing in the city. This is evidenced by the joint and ambitious commitment to develop a programme to deliver 20,000 homes by December 2027. To ensure delivery of this pipeline of projects the SHIP is kept under constant review through continuous discussion with partners at regular meetings, working groups and forums.
- 11.2 Regular meetings are held with RSL development directors and chief executives to ensure the efficient and effective delivery of the programme and alignment of strategic objectives.
- 11.3 The Edinburgh Affordable Housing Partnership has a health and social care subgroup and the Chair of this subgroup is the housing representative on the Strategic Planning Group.

12. Integrated impact Assessment

- 12.1 The Integrated Impact Assessment (IIA) concludes that the SHIP should have a positive impact on tackling inequality through investment in new affordable homes for people on low to medium incomes.
- 12.2 The SHIP contributes to the public sector equality duty and advances equality of opportunity. It will increase access to affordable housing and well-designed, safer and cleaner communities. It will contribute to improved health by increasing the supply of good quality homes, reducing fuel poverty and providing homes which are physically accessible.

13. Conclusion

- 13.1 There is a significant shortfall of affordable housing in Edinburgh and that is why the Council and RSLs are working in partnership to significantly increase the number of new affordable homes in the city.

- 13.2 It is anticipated that 1,200 new affordable homes will be approved for site start this financial year (2021/22) and based on current delivery programmes an additional 1,218 affordable homes are expected to be completed. That would mean 7,500 new affordable homes would be approved by 31 March 2022 and 5,790 completed. There are 25 projects (1,456 approvals) that have been delayed, primarily as a result of the pandemic. Over 75% (19) of these projects have just slipped into the subsequent year. It is expected that over 10,000 affordable homes will be approved mid way through 2023, only six months later than the original target. There are currently over 2,100 homes under construction on 34 sites across the city.
- 13.3 The SHIP 2022-2027 has identified a pipeline of 11,118 affordable homes that could be approved for site start and 10,124 potential completions. Nearly 70% of the grant funded Affordable Housing Supply Programme (AHSP) is for social rent, with the remainder being for mid-market rent and low-cost home ownership.
- 13.4 The programme to deliver 20,000 homes by December 2027 is on track. The SHIP is reviewed annually and will be increased to meet the 20,000 target, as confidence in the development pipeline grows.
- 13.5 The Edinburgh housing market has remained resilient throughout the pandemic, however the full impact of lockdown and the continuation of restrictions, combined with Brexit, on the wider economy and the job market is not fully known. Those on low incomes will continue to be the greatest affected and therefore affordable housing needs to play a key role in a green and sustainable recovery.