

Business Bulletin

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 23 June 2022

Housing, Homelessness and Fair Work Committee

Convener:	Members:	Contact:
<p>Convener: Councillor Jane Meagher</p> 	<p>Councillor Graeme Bruce Councillor Jack Caldwell Councillor Kate Campbell Councillor Stuart Dobbin Councillor Pauline Flannery Councillor Simita Kumar Councillor Ben Parker Councillor Iain Whyte</p>	<p>Jamie Macrae Committee Officer Tel: 0131 553 8242</p>

Affordable Housing Supply - update

The Council manages grant funding for affordable housing on behalf of Scottish Government. The budget for 2021/22 was £52.418 million and, despite ongoing challenges with supply of materials and labour, the Council and Registered Social Landlords (RSL) spent the budget in full by the end of the financial year. Overall, 1,251 new affordable homes were approved for site start for social rent, mid-market rent and low-cost home ownership (51 more than estimated in the Strategic Housing Investment Plan (SHIP) [2022-27 report](#)). A total of 1,041 homes completed (estimate was 1,218 homes). Delays were due to market conditions; however, it is expected that the majority of these homes will complete in the early part of 2022/23.

The Scottish Government's new grant subsidy benchmarks were confirmed in October 2021, with all applications awarded in the last quarter of 2021/22 at the higher benchmark levels or above due to increases in development and construction costs. The new benchmark levels are between £71,500 and £94,800 for social rented homes. The average cost of developing a new affordable home in 2021/22 was £190,000.

Just over 60% of the grant funded approvals were for social rent; with 40% for mid-market rent. The Council is now able to access grant funding to support development of mid rent homes by Edinburgh Living (the Council's Limited Liability Partnership). 186 Edinburgh Living mid-market rent homes benefited from this change in grant funding arrangements.

Resource Planning Assumptions for the Affordable Housing Supply Programme are in place for the following three years. The 2022/23 Affordable Housing Supply Programme grant funding allocation is £45.182m rising to £45.960m in 2025/26.

A full briefing on the Affordable Housing will be arranged for Committee members in advance of the annual report on the SHIP (which is due to be presented to Committee later in the year).

Contact:

[Lisa Mallon](#), Enabling & Partnerships Operations Manager

Council Housing Acquisitions and Disposals

Around half of the Council's homes are in mixed tenure blocks where the Council shares responsibility with other owners for common repairs. Owner agreement is required to take forward essential repairs and maintenance to common areas with owners responsible for meeting their share of the costs. Since 2018, the Council has been seeking to consolidate ownership within blocks to improve the quality of mixed tenure housing blocks. Housing, Homelessness and Fair Work Committee approved an Acquisitions and Disposals policy to enable officers to purchase homes that become available on the market to achieve majority or full ownership in a block.

Alongside this, approval is in place to dispose of flats where the Council is a minority owner in the block. The strategy aims to increase the overall supply of Council homes and reduce ongoing management and maintenance costs by consolidating Housing Revenue Account assets. Proceeds from the sale of homes are used to purchase additional homes. Scottish Government grant funding is also levered in to support the purchase of homes for social rent.

Since its implementation, 175 homes have been purchased and 107 homes have been sold. This has led to 51 blocks becoming fully Council owned, 82 blocks where the Council has divested its interest and 114 blocks where the Council has further consolidated its majority ownership. The strategy is being taken forward in partnership with Homelessness Services and Registered Social Landlords. The purchase of homes is helping to address demand for temporary accommodation and permanent housing with 22 homes that were identified for disposal to Link Housing Association to provide temporary accommodation.

Contact:

[Lisa Mallon](#), Enabling & Partnerships Operations Manager