

DATA LABEL: PUBLIC



COUNCIL EXECUTIVE

AFFORDABLE HOUSING DELIVERY UPDATE

REPORT BY INTERIM HEAD OF HOUSING, CUSTOMER AND BUILDING SERVICES

A. PURPOSE OF REPORT

The purpose of this report is to update Council Executive on various initiatives to increase the supply of affordable housing in West Lothian. The report also provides an update on the impact of the COVID-19 Pandemic on both the timescale for delivery & completion of the Council's 3,000 Affordable Houses programme.

B. RECOMMENDATION

It is recommended that Council Executive:

1. Notes the progress being made on delivering 3,000 affordable homes in West Lothian over the period 2012-2022;
2. Notes the impact on the construction of the new build houses due to the COVID 19 Pandemic;
3. Notes projected delivery estimated at 89% of the overall programme by March 2022.

C. SUMMARY OF IMPLICATIONS

I Council Values	<ul style="list-style-type: none"> • Focusing on our customers' needs; • Being honest, open and accountable; • Providing equality of opportunity; • Making best use of our resources; and • Working in partnership.
II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	<p>The policy of supporting the delivery of affordable housing is covered in the West Lothian Local Housing Strategy.</p> <p>Environmental and equality assessments will be carried out as appropriate.</p>
III Implications for Scheme of Delegation to Officers	None.
IV Impact on performance indicators	None.
V Relevance to Single Outcome Agreement	<p>Our economy is diverse and dynamic and West Lothian is an attractive place to do business.</p> <p>We live in resilient, cohesive and safe</p>

communities.

We make the most efficient use of our resources by minimising our impacts on the built and natural environment.

VI Resources - (Financial, Staffing and Property)

The updated Housing Capital Programme 2021/22 to 2022/23 approved by Council Executive on 22 June 2021 includes £53.864 million for the New Build Council Housing Programme

Scottish Government grant of £17.889 million will be available to support the delivery of affordable housing in West Lothian in 2021/22 The Resource Planning Assumptions for years 2022/23 to 2026/27 total £61.906 million.

VII Consideration at PDSP

The Services for the Community PDSP considered a report on affordable housing delivery on 14 December 2021.

VIII Other consultations

Finance and Property Services; Legal Services; Planning & Transportation

D. TERMS OF REPORT

D.1 Background

The approved West Lothian Housing Strategy 2017 - 2022 recognises the need to increase the supply of affordable housing in West Lothian to meet need and demand. Included within the strategy is a target of 3,000 affordable homes being provided in West Lothian over the 10-year period to 2022.

The council's Corporate Plan 2018 to 2023 commits the council to increasing the number of affordable homes through the New Build Council Housing Programme and working in partnership with Registered Social Landlords (RSLs).

D.2 Progress towards meeting the 3,000 affordable homes target

Since the start of 2012/13 to the end of Quarter 2 2021/22, 2,308 affordable homes have been built and/or acquired which represents 77% of the 3,000 target. A breakdown is provided in Table 1 overleaf:

Table1

	Completed	Planned	Total
West Lothian Council:			
Phase 2 New build	535	0	535
Phase 3 New build	896	32	928
Phase 4 New build	47	194	241
Loans Fund New build	20	42	62
Other New Build	33	16	49
Open Market Acquisitions	243	36	279
WLC Sub Total	1,774	320	2,094
RSL:			
New build	514	391	905
Open Market Acquisitions	20	0	20
RSL Sub Total	534	391	925
Overall Total	2,308	711	3,019

Table 1 illustrates that the majority of the affordable homes provided in West Lothian since 2012/13 have been provided by the council. However, the approved West Lothian Housing Strategy 2017-22 highlights the opportunity for other housing providers to make a greater contribution to affordable housing delivery over its five-year period.

Included in the table above are 16 units being delivered at Pumpherston for specialist provision which will attract Scottish Government grant funding and will be additional stock.

Table 2 illustrates the likely number of completed units on the overall programme by March 2022:

Table 2

	Completed (end of Q2 2021/22)	Scheduled to complete by March 2022	Total
West Lothian Council:			
Phase 2 New build	535	0	535
Phase 3 New build	896	9	905
Phase 4 New build	47	75	122
Loans Fund New build	20	12	32
Other New Build	33	0	33
Open Market Acquisitions	243	36	279
WLC Sub Total	1,774	132	1,906
RSL:			
New build	514	243	757
Open Market Acquisitions	20	0	20
RSL Sub Total	534	243	777
Total	2,308	375	2,683

Whilst the 3,000 units are expected to either be completed, under construction or have contracts awarded, the impact of the COVID-19 pandemic has affected the timescales for affordable housing delivery throughout Scotland and the above table illustrates the scale of the shortfall. At present, West Lothian Council is projected to complete approximately 91% of the original portion of the overall total (1,906 from 2,094) with the RSL community delivering 84% of its share. The overall programme is projected to complete 89% of the target 3,000 units by March 2022, with the remaining 11% complete by Summer 2023.

Additional financial challenges, in terms of construction price inflation and supply chain may also impact on overall project affordability. Tender cost inflation has been accommodated within the current budgets but the long-term effects are difficult to measure at present.

D.3 Affordable homes currently under construction

Affordable homes are currently under construction at fourteen sites across West Lothian. Eight of the sites are part of the council's new build programme and the remaining six are being developed by RSL's. A total of 532 houses are under construction. All sites ceased operations 23 March 2020, on account of emergency legislation to safeguard the UK against the spread of the COVID-19 Pandemic. However, all developments have recommenced and revised completion dates have been identified.

A breakdown of the sites is provided in Table 3:

Table 3

Site	Housing Provider	No. of Units	Est. Compl.
Bathville Cross, Armadale	WLC	3	2021/22
Standhill, Bathgate	WLC	22	2021/22
Jarvey Street, Bathgate	West Lothian Housing Partnership (WLHP)	42	2021/22
Almondvale, Livingston	WLHP	146	2022/23
Blackness Road, Linlithgow	WLHP	16	2021/22
Winchburgh CDA – Plot 'O'	WLHP	20	2021/22
Calderwood, East Calder	Home Group	69	2022/23
Hopetoun Street, Bathgate	WLC	4	2021/22
Eagle Brae	WLC	29	2022/23
Deans South	WLC	29	2022/23
Mossend	WLC	69	2022/23
Wellhead, Murieston	WLC	42	2022/23
Polbeth Farm, Polbeth	West Lothian Strategic Alliance	25	2021/22
Cawburn Rd, Pumpherston	WLC	16	2022/23
Total		532	

D.4 Other sites programmed to commence in 2021/22

Four affordable housing sites, totalling 237 houses, are expected to commence during 2021/22. A breakdown of these sites is provided in Table 4 below:

Table 4

Site	Housing Provider	No. of Units	Est. Compl.
Former Swimming Pool, Bathgate	WLC	5	Mar 2023
Former Community Centre, Bathgate	WLC	6	Mar 2023
Craiginn Terrace, Blackridge	Cairn Housing Association	26	April 2023
Wellhead, Murieston	Places for People	28	Mar 2023
Calderwood	Places for People	172	TBC
Total		237	

In November 2020, Council Executive approved three additional sites in Bathgate to replace the Guidiehaugh project. Two of the sites, at the former swimming pool & community centre have been submitted for planning approval. The third replacement site, at Wester Inch, has undergone additional investigation works to determine the infrastructure challenges in order for development timescales to be established.

The above list is indicative and subject to change. The council is also planning to acquire 52 additional former council houses via the Open Market Acquisition Scheme (OMAS) within 2021/22.

Sites have inevitably been affected, in terms of delivery timescales, by the impact of the COVID-19 Pandemic. Current estimates suggest that the impact across all programmes of work has resulted in delay of between six and twelve months due to a range of issues, namely the initial lockdown of sites, furloughed staff, supply chain and ongoing restrictions to site operations.

D.5 Update & commentary on the council's current affordable housing programme

The majority of construction operations re-convened in July 2020, after the initial impact of COVID-19 restrictions. Whilst construction operations have avoided total shutdown in the most recent national lockdown, a number of companies in the supply chain had extended their furlough schemes and is reflected in the rate of progress on development sites.

- **Standhill, Bathgate (22 units)**

Hadden Construction were awarded the contract via the Scottish Procurement Alliance Framework Agreement and commenced work in January 2020. This site has been delayed as a result of the COVID-19 closure and the anticipated completion is January 2022.

- **Hopetoun Street, Bathgate (4 units)**

Works commenced on site in May 2021 with completion projected in January 2022.

- **Eagle Brae, Livingston (29 units)**

A contractor has been appointed, and work commenced on site in April 2021 with a projected completion in May 2022.

- **Deans South, Livingston (29 units)**

A contractor has been appointed, and work commenced on site in May 2021 with a projected completion in May 2022.

- **Mossend, West Calder (69 units)**

Negotiations have been completed with Springfield Developments Ltd for the direct purchase of the completed affordable housing units. The site commenced construction in June 2021 with development completing in summer 2022.

- **Former Swimming Pool site, Mid Street (5 units)**

All design and site investigation works have been completed, which reflects local housing demand for family homes. A planning submission has been made for the site be developed to accommodate 5 units in two rows of terraced/semi-detached houses. The project is programmed to complete in 2022/23.

- **Former Community Centre, Marjoribanks Street (6 units)**

Site investigation work and designs have been completed, which reflects housing demand for family housing, has recommended that the site be developed to accommodate 6 units in two rows of terraced houses and a planning submission has been submitted. The project is programmed to complete in 2022/23.

- **Wellhead, Murieston (42 units)**

Bellway Homes will deliver 42 completed units for West Lothian Council and 28 completed units for Places for People Housing Association, as part of their affordable housing obligations through the planning process.

Negotiations have been concluded with the developer for the direct purchase of completed affordable housing units and the project has commenced on site. The first homes are due for handover by early 2022 and the full development completing in January 2023.

- **H-BA 23 - Wester Inch (59 units, proposed)**

Feasibility work has been undertaken after a flood & capacity study work was completed by AECOM Engineers & suggests that the site could accommodate approx. 100-150 units. Invasive site investigation work has now been instructed. Site access & infrastructure works are challenging but the greater site should accommodate significantly more units than the current programme demands. More detailed design is taking place along with engagement with stakeholders and statutory authorities to establish the most pragmatic solution to commence and phase the development. An initial anticipated completion date of 2022/23 will depend on several factors, which include establishing site access, servicing and final site investigations.

E. CONCLUSION

The council's target is to facilitate the delivery of 3,000 affordable homes over a 10-year period to 2022. Since the start of 2012/13, 2,308 affordable homes have been delivered and a further 516 are currently under construction. 253 units are planned for site start during 2021/22 including a number of sites for new build council housing, RSL developments and open market purchases.

Whilst the 3,000 units are expected to either be completed, under construction or have contracts awarded, the impact of the COVID-19 Pandemic and subsequent

supplies and resources issues has affected the timescales for affordable housing delivery throughout Scotland. It is estimated that the impact across all programmes of work is likely to be twelve months or more due to a range of issues, namely the initial lockdown of sites, furloughed staff and ongoing issues with supply of materials and labour to site operations.

At present, the overall programme is projected to complete 89% of the target 3,000 units by March 2022, with the remaining 11% complete by late summer 2023.

F. BACKGROUND REFERENCES

Several reports to Council Executive and Services for the Community PDSP from 7 February 2012 to 14 December 2021

Housing Capital Investment Programme 2019/20 – 2022/23 – Report to West Lothian Council 16 February 2021

Housing Capital 2020/21 Outturn and Updated 2021/22 to 2022/23 Budget - Report to Council Executive on 22 June 2021

Appendices/Attachments: None

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