

DATA LABEL: PUBLIC



HOUSING SERVICES POLICY DEVELOPMENT AND SCRUTINY PANEL

QUARTER 2 2024/25 PERFORMANCE - AFFORDABLE HOUSING PROGRAMME

REPORT BY HEAD OF HOUSING, CUSTOMER AND BUILDING SERVICES

A. PURPOSE OF REPORT

The purpose of this report is to update the Panel with the Quarter 2 2024/25 performance for the Affordable Housing Programme in West Lothian.

B. RECOMMENDATION

It is recommended that the Panel:

1. Notes the anticipated outcomes of the Affordable Housing Programme to 2027/28;
2. Notes the updated Scottish Government Resource Planning Assumptions (RPAs) for West Lothian have reduced by net 11% since 2023/24 and;
3. Notes the progress to end of Quarter 2 2024/25 on delivering the Affordable Housing Programme in West Lothian over the five year period to 2027/28.

C. SUMMARY OF IMPLICATIONS

I Council Values	<ul style="list-style-type: none"> • Caring and Compassionate • Open, Honest and Accountable • Collaborate, Inclusive and Adaptive
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 communities.</p> <p>We make the most efficient use of our resources by minimising our impacts on the built and natural environment.</p>

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| VI Resources - (Financial, Staffing and Property) | <p>A revised four year Housing Capital Investment Programme with a total of £31.436 million for the New Housing Supply Programme was approved by Council Executive on 26 June 2024.</p> <p>Scottish Government grant of £13.676 million is available to support the delivery of affordable housing across West Lothian in 2024/25.</p> |
| VII Consideration at PDSP | <p>Housing Services PDSP considered a report on Q1 affordable housing delivery on 15 August 2024.</p> |
| VIII Other consultations | <p>Finance and Property Services; Corporate Services; Planning & Transportation</p> |
- D. TERMS OF REPORT**
- D.1 Background**
- The approved West Lothian Local Housing Strategy (LHS) 2023-2028 has identified both affordable and market housing supply targets for West Lothian based on Housing Need and Demand Assessment (HNDA3). These targets are 316 affordable homes per annum (1,580 over five years) and 401 market homes per annum based on the average over a 20 year period to 2040. Housing supply targets will be reviewed and monitored during the course of the LHS.
- D.2 Affordable Housing Programme 2023 - 2028**
- The West Lothian Affordable Housing Programme to 2027/28 includes sites for the development of a minimum 1,621 homes, including 383 additional council homes and 1,238 homes delivered by Registered Social Landlord (RSL) partners.
- Significant resources continue to be invested in the creation and acquisition of new council homes, commencing with an initial five-year new build programme, approved as part of the Housing Capital Investment Programme 2023/24 to 2027/28 on 7 February 2023.
- Details on all council and indicative RSL developments is provided in Appendix 1.
- D.3 Progress towards meeting the Affordable Homes target**
- Since the start of financial year 2022/23 to the end of Quarter 2 2024/25, 1,127 affordable homes have been completed and/or acquired. This is an increase of 129 since the end of Quarter 1.
- A breakdown is provided in table 1 overleaf and includes the total number of completed units on the overall programme at 30 September 2024 along with those committed or under construction projected to 2027/28:

Table 1

	Completed (end of Q4 2023/24)	Under Construction/ committed to 2027/28	Total
Existing Council Programme:			
New build projects	193	16	209
Open Market Acquisitions	34	-	34
New Council Programme:			
Houston Road, Livingston	-	33	33
Simpson Parkway, Livingston	-	34	34
Almondvale Cres, Livingston (HRA)	-	20	20
Deanburn, Linlithgow	-	15	15
Open Market Acquisitions	38	0	38
WLC Sub Total	265	118	383
RSL:			
New build	860	381	1,241
Open Market Acquisitions	2	8	10
RSL Sub Total	862	389	1,251
Total	1,127	507	1,634

Current approved sites within the programme of council and RSL housing developments will deliver a total of 1,634 additional homes. This remains above the minimum target of 1,621 but is 114 units less than the estimated programme at the end of Quarter 4 2023/24 and reflects the reduction in approvals as a result of less grant funding being available.

D.4 House Completions in Quarter 2 2024/25

The new build affordable housing completions logged during Quarter 1 2024/25 are shown in Table 2 below:

Table 2

Site	Housing Provider	No. of Units
Livingston, Crusader Rise	Ark HA	20
East Calder, Raw Holdings	Link	25
Longridge, Fauldhouse Road	Cairn HA	26
Wilkieston, Bonnington Place	Places for People	12
Winchburgh, Site O2A	Homegroup	22
Livingston, Deans South Ph1	Wheatley Homes East	17
Total		122

In addition, there were 7 open market purchases completed by the council.

Completions over each quarter will vary and are dependent on the stages of

construction projects. Whilst there were no council completions in Quarter 2, work is progressing well on the development of the council house building programme with updates on each project contained in section D.5, and completions are anticipated from Quarter 4 2024/25.

D.5 Affordable homes currently under construction

Affordable homes are currently under construction at ten sites across West Lothian. One site is being developed by the council, which is the Almondvale Crescent site, and nine sites are being developed by RSL's. A total of 467 houses are under construction. A breakdown of the sites currently under construction is provided in Table 3 below

Table 3

Site	Housing Provider	Total no. of Units	Est. Compl.
East Calder, Raw Holdings	Link Group	75	2024/25
Livingston, Deans South Ph 1A	Wheatley Homes East	6	2024/25
Livingston, Deans South Ph 1B	Wheatley Homes East	46	2024/25
Winchburgh, Site BB	Wheatley Homes East	81	2024/25
Livingston, Almondvale Cres	West Lothian Council (see note*)	48*	2025/26
Bathgate, Sibbalds Brae	Wheatley Homes East	29	2025/26
Livingston, Sydney Street	Link	49	2025/26
Blackburn, Mill Centre	Almond HA	20	2025/26
Winchburgh CC-FF	Homegroup	19	2025/26
Armada, Standhill North	Places for People	94	2026/27
Total		467	

Note* 48 units in total - 36 are counted within the programme for grant funding

D.6 Update & commentary on the council's new affordable housing programme

Of the approved projects included within the council new supply programme, updates on the progress at each site is detailed below. The council will also acquire a minimum of 38 additional former council houses via the Open Market Acquisition Scheme (OMAS) over the five year period of the programme. The target 38 has been met and further open market acquisitions will be purchased should there be available budget within housing capital investment budget.

D.6.1 Houston Road, Livingston (33 units) - Estimated completions 2025/26

Negotiations on Heads of Terms are progressing well with Barratt Developments Ltd for the direct purchase of the completed affordable housing units. Work has already commenced on the wider site, and completions are programmed for the council houses during 2025/26.

The number of units on this site is 33, however officers are exploring options to purchase two additional units on the site to ensure the overall programme delivery

remains at 383 additional council houses across the programme due to the corresponding reduction in units as outlined in D.6.2.

D.6.2 Simpson Parkway, Livingston (32 units) - Estimated completion 2025/26

Heads of Terms are nearing conclusion with Persimmon Homes for the direct purchase of the completed affordable housing units. The number of units has decreased from 34 to 32 as a result of design development and Heads of Terms are progressing well. The housing mix is reflective of that suggested by council officers and the opportunity to promote both amenity and wheelchair bungalows has been incorporated into the proposal. Work is progressing well on site for the wider development with the affordable units programmed for handover in 2025/26.

D.6.3 Deanburn, Linlithgow (15 units) – Estimated completion 2025/26

Negotiations are almost concluded with Cala Homes for the direct purchase of the completed affordable housing units at the Deanburn development in Linlithgow, which will provide much needed council houses in an area of high demand. The mix is reflective of demand with some amenity bungalows incorporated into the development. Heads of Terms are progressing well, and it is estimated work will start on site in January 2025, with completions early in 2026.

D.6.4 Almondvale Crescent, Livingston (20 units plus 28 as part of Supported Housing for Young People) - Estimated completion 2024/25

The development at Almondvale Crescent is progressing well, with a mix of two and three bed houses (20 in total) on site alongside 16 one bed flats designed to be flexible for future use as mainstream housing, and 12 supported flats for young people. Four of the flats will be accessible, and the development has been designed using modular construction which ensures a high quality factory designed product, whilst reducing on site times, which has reduced the overall programme of work.

Work commenced on site in June 2024 with phased completions commencing March 2025. The completion of the supported housing for young people has been prioritised on the programme to ensure those most in need have access to the development as soon as it is ready for occupation.

D.7 RISKS

As a result of the reduction to the Affordable Housing Supply Programme for 2024/25 by Scottish Government, the Resource Planning Assumption (RPA) for West Lothian for affordable housing has been reduced.

The confirmed budget for grant funding in 2024/25 is £11.674 million, a reduction of £3.576 million from a previous RPA of £15.430 million. In September, the council was advised of an uplift to funding of £2.002m for 2024/25 resulting in an updated RPA of £13.676million, which reflects a net reduction of over 11%. This additional funding is to be directed towards helping address temporary accommodation pressures, with a focus on acquisitions and bringing void properties back into use. Officers are considering the options to maximise use of this resource for acquisitions and acceleration of void property returns in 2024/25.

The reduction in funding may impact on the delivery of projects in the programme, however the aim is to prioritise the new build council housing projects, and all council new supply projects have been included in the 2024/2025 approved

strategic local programme.

Uncertainty of future years grant funding remains a key risk as the majority of house building projects span multiple years, requiring an indication of likely future grant funding to ensure deliverability. Officers will continue to work closely with Scottish Government to ensure funding is maximised for the West Lothian programme, however there is a real risk affordable housing projects may slow or stop completely.

E. CONCLUSION

The council's target is to facilitate the delivery of a minimum 1,621 new affordable homes over the next five years in line with the Local Housing Strategy 2023 – 2028 and the Housing Need and Demand Assessment (HNDA3), including 383 additional council homes and a minimum of 1,238 additional homes delivered through Registered Social Landlords (RSLs).

Current approved sites within the programme of council and RSL housing developments will deliver a total of 1,634 additional homes. This remains above the minimum target of 1,621 but is 114 units less than the estimated programme at the end of Quarter 4 2023/24 and reflects the reduction in approvals as a result of less grant funding being available.

The proposed sites identified for development by the council and RSL's within the five year period to 2027/28 are provided in Appendix 1, and good progress is being made in delivery of the programme across the active sites, with 1,127 units completed to the end of Quarter 2 2024/25, representing 69.5% of the overall Affordable Housing Programme minimum target of 1,621.

However, there is a continuing risk to the programme, in particular new approvals due to the reduction of grant funding for 2024/25 and uncertainty of funding for future years. It is likely that the council will see a slow down of affordable housing approvals and subsequent completions in future years as a result of this.

F. BACKGROUND REFERENCES

Housing Capital Investment Programme 2024/25 to 2027/28 – Report to Council Executive on 26 June 2024

Several reports to Council Executive and Housing Services PDSP from August 2022 to 15 August 2024

Appendices/Attachments: One

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APPENDIX 1
AFFORDABLE HOUSING NEW SUPPLY LIST

WLC New Supply Approved Programme	TOTAL
Deans South, Livingston (complete)	29
Eagle Brae, Livingston (complete)	29
Mossend, West Calder (complete)	69
Standhill, Bathgate (complete)	4
Wellhead Farm, Livingston (complete)	42
Social Policy, Pumpherston (complete)	16
Hopetoun Street, Bathgate (complete)	4
Almondvale Crescent, Livingston (Supported flats)	16
OMAS 2022-23 (target 31, achieved 34 within budget)	34
Houston Road, Livingston (Barratt)	33 (+2)
Simpson Parkway, Livingston (Persimmon)	32
Deanburn, Linlithgow (Cala)	15
Almondvale Crescent, Livingston (mainstream)	20
OMAS (balancing figure)	38
Total WLC Five Year Programme	383

Appendix 1 Contd.

RSL New Build - Approved Strategic Local Programme Agreement (SLPA)	TOTAL
Almondvale, Livingston (Wheatley Homes East)	146
Wellhead Farm, Livingston (Places for People)	28
Springfield, Linlithgow (Wheatley Homes East)	14
Calderwood, East Calder (Homegroup)	69
Calderwood, East Calder (Places for People)	74
Craiginn Terrace, Blackridge (Cairn HA)	27
Crusader Rise, Livingston (Ark)	20
Hunter Road, Livingston (Places for People)	28
Polbeth Farm, West Calder (Almond HA)	25
Fauldhouse Road, Longridge (Cairn HA)	52
Calderwood Phase 2, East Calder CWC+OSD (Places for People)	41
Calderwood Phase 3, East Calder LKG (Places for People)	57
Gregory Road, Livingston (Places for People)	53
Raw Holdings, East Calder (Link)	75
Raw Holdings, East Calder (Wheatley Group)	63
Site O2A, Winchburgh (Homegroup)	55
RSL OMAS / Buy Backs (Almond HA)	10
Drumshoreland Road, Pumpherston (Cairn HA)	20
Deans South Phase 1A, Livingston (Wheatley Homes East)	6
Deans South Phase 1B, Livingston (Wheatley Homes East)	46
Deans South Phase 2, Livingston (Wheatley Homes East)	38
Site 'BB', Winchburgh (Wheatley Group)	81
Sibbald's Brae, Bathgate (Wheatley Homes East)	29
Sydney Street, Livingston (Link)	49
Mill centre, Blackburn (Almond HA)	20
Lindean Terrace, Wilkieston (Places for People)	12
Winchburgh, CC-FF (Homegroup)	19
Armada, Standhill North - (Places for People)	94
RSL New Supply - Approved	1,251