



**East Lothian Council**  
**Strategic Housing Investment Plan**  
**2025/26– 2029/30**

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# 1. Introduction

East Lothian Council's Strategic Housing Investment Plan (SHIP) covers a five-year period from 2025/29 to 2029/30 and has been prepared in accordance with revised Scottish Government Guidance for All Local Authorities on Preparing Strategic Housing Investment Plans (June 2024). This SHIP details how affordable housing tenures will be delivered to achieve the outcomes of the Local Housing Strategy (LHS) 2024-2029.

The purpose of the SHIP is to set out East Lothian's strategic housing investment priorities over a 5-year period, specifically affordable housing, and Gypsy/Traveller accommodation. It aligns with the Council's adopted Local Housing Strategy 2024-29 and the most up to date Housing Land Audit, demonstrating how investment in affordable housing will be targeted. It is reviewed and updated yearly. It is the key document for identifying the strategic housing projects, which will also help to inform the preparation of Council budgets, RSL borrowing and funding support through the Scottish Government's Strategic Local Programme Agreement.

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

- Reflect and align with the Local Housing Strategy
- Reinforce the role of the local authority as the strategic housing authority.
- Inform Scottish Government investment decisions.
- Inform the preparation of a Strategic Local Programme Agreement for all providers.

## 2. Summary

This year's SHIP has been prepared in yet another challenging year, with construction costs rising, local and national budgets constrained along with the highest demand for affordable housing as a Housing Emergency was declared by the Scottish Government.

The development of this SHIP included a review of the existing SHIP, taking account those projects already committed by partners and the Scottish Government. This review also acknowledged the current challenges and constraints, including the reduction in future investment. The Council has received a resource allocation of just over £37m for the period 2023/4-2027/28, averaging just over £7m per annum. If we compare with the previous last 5 years allocation of £60m, averaging £12m a year, together with last years Charitable Bond funding, the reduction has been severe. Whilst we acknowledge and welcome previous years allocations, in particular last year which resulted in record levels of investment, the reduction cannot be ignored. Last year i.e. 2023/24, East Lothian achieved 452 completions, which is the highest level of completions since the programme began. ***In comparison, East Lothian will deliver less than we delivered in the last year than we will over the next 5 years.***

East Lothian Council is in quite a unique position with significant growth. As a result of the previous levels of investment, Developers have been doing all they can to accelerate the delivery of affordable housing. The timing and reduction of the investment has been severe. Up until December last year, the team were pushing ahead to maximise opportunities for affordable housing delivery, which has resulted in a number of developments ready to start on site but with no funds to enter into contractual arrangements. This puts East Lothian Council's Affordable Housing programme at high risk, even more so in the context of the Housing Emergency. Whilst East Lothian Council will continue to work closely with the Scottish Government to support and maximise the delivery of new affordable housing, there is no doubt that this will result in a permanent loss of units.

The SHIP has been developed to be ambitious and outlines the potential start of 1,493 new affordable homes starting on site over the coming 5-year period. The SHIP also estimates that a total of 1,566 units could complete over the period of the SHIP if £124m of funding were available; a further 36 units are planned to be delivered unsubsidised through the Council's Mid-Market arm's length company, East Lothian Mid-Market Homes LLP. The Council understands that £124m of investment is not realistic and will continue to work with the Scottish Government to explore new solutions to maximise delivery.

The Council also understands that the ability to deliver this ambitious programme is dependent on a number of other factors such as:

- Scottish Government's The Cost of Living (Tenant Protection) (Scotland) Act 2022 and any further caps on increasing rent within the private sector which will affect the Mid-Market Rent tenures longevity.
- Prevailing interest rates and their impact on current borrowing
- New Building Regulations
- The Housing Bill
- Shortages in labour and material markets
- Site constraints

An exercise was carried out to understand those sites without constraints that could realistically be delivered over this period. The result of this exercise projects that if funding of £80m were available it could realistically deliver 1041 completions over the next five years.

The team then carried out a further prioritisation exercise which projects that £55.122 million of Scottish Government subsidy will be required to allow 589 site starts with 719 completions (shown in appendix G High Priority sites), which have been prioritised using the priority methodology set out in chapter 4.

A further appraisal was carried out to understand what is realistically deliverable based on the resource allocation received to 2028. The result of this appraisal is set out in table 1C of the SHIP highlighting 281 site starts and 340 completions are deliverable through the Scottish Government's Affordable Housing Supply Programme (this includes a 27% slippage).

The impact of the recent reduction is significant with the ***potential loss of 1,266 units*** over the period of this SHIP. We are at risk of losing 793 units based on those unconstrained sites that could realistically come forward and based on the high priority sites alone, the risk is a loss of 470 units.

East Lothian Council have developed an action plan in response to the National Housing Emergency and have achieved many positive outcomes to date to mitigate the current crisis as far as possible, however homeless applications and housing need continue to be at risk and it is clear that despite all of the positive outcomes, the reduction in new supply will begin to reverse our numbers and increase these challenges even more so.

As noted earlier, the council is 100% committed to maximising the supply of new affordable housing and will continue to work with partners and the Scottish Government to try and mitigate the loss as far as possible. This will include a suite of options such as securing serviced land, swapping sites, delivering through innovative finance models as well as exploring creative use of other funds. However due to the current status of several sites, the Council will have no option but to take a commuted sum resulting in the permanent loss of much needed affordable housing. While the Council will explore innovative ways to maximise these commuted sums, this will not allow the Council to deliver the same number of units as could have been delivered on site and within this parliamentary period.

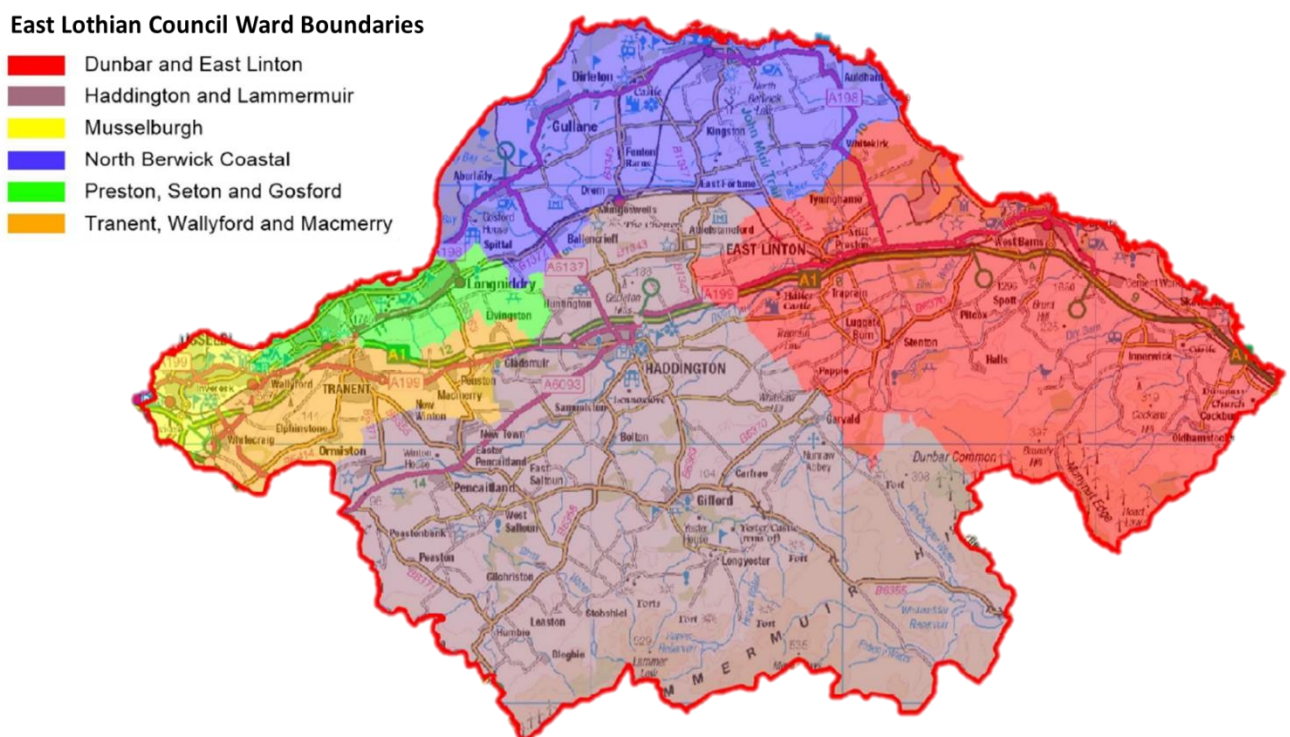
At the time of writing, this SHIP has been shared with the Cabinet Spokesperson for Housing. The SHIP will however be submitted to East Lothian Council’s Members Library in due course and will be publicly available and published on the Council’s website once approved.

### 3. The East Lothian Context

#### 3.1 Overview

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

Figure 1: East Lothian Council Ward Boundaries



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

### 3.1.1 Demographic Context

East Lothian currently has a population of 112,284<sup>1</sup>, there has been a 12.6% increase since the last census in 2011 in comparison to 2.7% growth across Scotland<sup>2</sup>. Between 2018 and 2030, the population of East Lothian is projected to increase by 8.5%, which compares to a projected increase of 2% for Scotland as a whole. The county is projected to have the 2nd highest percentage change in population size out of the 32 Council areas in Scotland<sup>3</sup>.

East Lothian had an estimated 49,902 households, a 13.9% increase between 2013 and 2023, in comparison to the Scottish average of 5.9%. East Lothian's household growth has been more than double the Scottish average. Between 2018 and 2028, the number of households in East Lothian is projected to increase by 10.5%, which compares to a projected increase of 4.9% for Scotland as a whole. From 2018-2043, it is estimated that East Lothian will see an increase in household numbers of 37%.

This growth in the number of households within East Lothian can be explained by the increased number of dwellings and population growth, whilst the household sizes have decreased. It is estimated that East Lothian had 52,327 dwellings in 2023<sup>4</sup>, a 29% increase since 2003, whilst the national average lies at 15.5%. East Lothian's households are predominantly two person (35.8%), followed by one person households (31%). Three person (15%) and four person (13.4%) make up smaller proportions. The proportions are largely similar to that of Scotland, especially for households with 5+ members.<sup>5</sup> There is projected to be an increase of 29.1% of single person households, an overall increase of 4,254 households or 185 per annum. This compares with a 14.9% increase projected across Scotland.<sup>6</sup>

In terms of age, the largest increase in household numbers is projected for those headed by people aged 75 and over. East Lothian is projected to have the third largest increase across Scotland at 86.2% by 2040 compared with a 64.7% increase nationally. By 2040, 45.8% of households in East Lothian are projected to be headed by a person aged 60 and over.<sup>7</sup> Nationally the figure is expected to be 42.6%. It is projected that by 2040 only 18.1% of households in East Lothian will be headed by someone under the age of 40, a fall from 21% in 2018.

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

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<sup>1</sup> Scotland's Census 2022

<sup>2</sup> Scotland's Census 2022: Population change, 2011 - 2022, council areas, Scotland

<sup>3</sup> [Downloads | Improvement Service](#)

<sup>4</sup> NRS Households and Dwellings in Scotland (2022)

<sup>5</sup> Census Scotland, 2022

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

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



in particular to cater for the large increase in older households, and a proportionally higher older population than the majority of Scotland.

### 3.1.2 Housing Stock Profile

As of March 2024, East Lothian Council’s housing stock consist of 9,353 properties<sup>8</sup>. In September 2024 the local authority’s housing list had 4,480 households waiting for a property. Despite significant levels of investment in affordable housing and an increase in supply in recent years, the number of applicants for Council and RSL properties remains high.

A breakdown of East Lothian Council Housing stock set out in Table 1 shows the largest proportion of social housing is held in Tranent, Wallyford & Macmerry (23.6%), followed by Musselburgh (23.2%), which combined contain almost 50% of the East Lothian Council housing stock. There is also a significant proportion of stock (20.4%) in Preston, Seton and Gosford. This means that 66.8% of Council Stock is within the west of East Lothian.

<b>Table 1: Location of Council Stock in East Lothian by ward</b>		
<b>Ward</b>	<b>Total Council Stock</b>	<b>Percentage (%)</b>
Dunbar and East Linton	975	10.5%
Haddington and Lammermuir	1,422	15.3%
Musselburgh	2,152	23.2%
North Berwick Coastal	637	6.9%
Preston, Seton and Gosford	1,893	20.4%
Tranent, Wallyford and Macmerry	2,191	23.6%
<b>Total</b>	<b>9,270</b>	<b>100%</b>
Source: East Lothian Council, 2023		

Two-bedroom properties account for 50.2% of East Lothian Council’s housing, the next highest proportion is three-bedroom properties accounting for 25.4% of stock. There are no 5+ bedroom properties provided in the North Berwick ward by East Lothian Council, but a small amount is provided by RSLs.

<b>Table 2: East Lothian Council Social Housing Stock by ward and number of bedrooms</b>						
<b>Ward</b>	<b>Number of Bedrooms</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5+</b>	
<b>Dunbar and East Linton</b>	149	513	286	25	2	975
<b>Haddington and Lammermuir</b>	363	635	378	44	2	1422
<b>Musselburgh</b>	557	1,064	467	62	2	2152
<b>North Berwick Coastal</b>	142	333	145	17	0	637
<b>Preston, Seton and Gosford</b>	382	952	492	64	3	1893
<b>Tranent, Wallyford and Macmerry</b>	389	1,154	591	55	2	2191

<sup>8</sup> Scottish Housing Regulator 2023/24 Stock Data

<b>Total</b>	1,982	4,651	2,359	267	11	9270
<b>Percentage (%)</b>	21.4%	50.2%	25.4%	2.9%	0.1%	100%
Source: East Lothian Council, 2023						

The highest demand of those on the housing list is for one-bedroom properties, account for just over 50% of all applicants. This is followed by 2-bedroom properties, accounting for almost 30%. While the demand for the number of 4+ bedroom homes is smaller, this has been increasing over recent years. With some families increasingly needing larger properties for multiple people with disabilities.

<b>Table 3: Applicants by Area and Bedroom Size (including transfer and housing list)</b>							
<b>Ward</b>	<b>Number of Bedrooms</b>						<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	
<b>Dunbar and East Linton</b>	618	356	149	34	-	-	1157
<b>Haddington and Lammermuir</b>	821	474	158	35	2	1	1491
<b>Musselburgh</b>	1501	736	341	92	2	-	2672
<b>North Berwick Coastal</b>	644	389	135	27	-	-	1195
<b>Preston, Seton and Gosford</b>	1271	745	317	70	3	-	2406
<b>Tranent, Wallyford and Macmerry</b>	1064	628	228	52	2	1	1975
<b>Total</b>	2352	1340	647	133	6	2	4480
<b>Percentage (%)</b>	52.5%	29.91%	14.44%	2.97%	0.13%	0.04%	
Source: East Lothian Council, 2023							

### 3.2 National & Regional Policy Context

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

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

Housing to 2040 (H2040), continues the More Homes Scotland policy approach first introduced in 2016, and commits to a long-term ambition on the completion of the existing 50,000 affordable homes target and a further 110,000 affordable homes over the following ten years up to 2032. At least 70% of these homes will be for social rent and 10% will be delivered in remote, rural and island communities. H2040 also sets out plans to pursue a range of innovative approaches to delivering affordable housing tenures such as Open Market Shared Equity and Mid-Market Rent options. Other aspects that H2040 seeks to achieve are better quality and energy efficient homes across tenures; more accessible and adaptable

homes as well as improving the spaces around homes. This is hugely challenging to delivery now.

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

The Edinburgh and South East Scotland City Region Deal reflects the joint commitment of city region partners and the Scottish Government to deliver the regional housing programme, transforming regional housing supply and driving economic and inclusive growth across Scotland. The regional housing programme aims to accelerate the delivery of affordable housing and housing across all tenures, enable the development of seven major strategic housing sites and drive efficiencies across the public sector estate.

### 3.3 Local Policy Context

#### 3.3.1 East Lothian Council Plan

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

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

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

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

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

In 2024, East Lothian Council approved an update to the East Lothian Council Plan, to consider the significant pressures faced by the local authority. Three new corporate priorities were set out as follows:

1. Ensure financial sustainability by delivering approved savings and transforming service delivery.
2. Prioritise statutory services and focus on high-risk areas.
3. Deliver infrastructure, economic development, and environmentally sustainable projects.

### 3.3.2 Statement of alignment with LHS

The Local Housing Strategy (LHS) underpins the alignment between housing and planning authorities and encourages local authorities to demonstrate how they are supporting new and existing neighbourhoods based on Place-Making principles. The LHS promotes housing's role in the building of successful sustainable places. The LHS sets out the strategic approach of the local authority and its partners in delivering high quality housing and housing related services across all tenures, to meet identified need, with the LHS directly informing the SHIP.

The 2024-2029 LHS was adopted in April 2024 and informs this version of the SHIP.

East Lothian Council's vision for housing in the LHS 2024-29 is that:

**“People in East Lothian have access to warm, high quality, affordable homes which meet their needs and enables them to live in communities with the support and services they require.”**

To achieve this vision and mitigate some of the impacts contemporary events have had on East Lothian, five priority outcomes were developed.

- Communities are supported to flourish, be distinctive and well connected.
- Housing Supply is accessible, affordable and provides a range of choices to meet the needs of households across East Lothian.
- Homelessness is prevented as far as possible, where unavoidable a rapid response with appropriate accommodation and support is provided.
- Housing and support services are effective, accessible to, and will meet the needs of those most vulnerable in the community.
- All homes within East Lothian are maintained to a high standard, are energy efficient and contribute to meeting East Lothian's climate change targets.

### 3.3.3 Housing Need and Demand

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

East Lothian is one of the six local authorities along with the City of Edinburgh, Fife (West & Central), Midlothian, the Scottish Borders and West Lothian who come together to produce the South-East Scotland HNDA. The most recent HNDA carried out across the South-East Scotland area is HNDA3, approved by the Scottish Government as 'robust and credible' and subsequently published in July 2022. HNDA3 uses the Scottish Government HNDA tool to calculate housing estimates for South-East Scotland, adjustments to the calculation can be made to reflect different growth scenarios.

On the basis of the above, a project team was established through the SESHOF (South East of Scotland Housing Forum) representing the six local authorities, to research, analyse and deliver the core outputs of HNDA3. The project team reported progress to the Edinburgh and Southeast Scotland City Deal Regional Housing Partners and consulted with the Edinburgh and South East Scotland City Deal Regional Housing Board and the SESplan Board.

A wider housing market partnership was also established, allowing the project team to draw on the expertise of other housing, planning, economic development, health, and regeneration partners, linking to specialist housing providers, letting agents, tenant organisations, house builders, etc.

HNDA3 determined that a total of 476 new homes per annum are required within East Lothian over a 20-year period, of which 66% i.e. 314 should be affordable and 34% market housing.

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

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

The LHS 2024-29 set an affordable housing supply target of 891 homes over the five-year plan, with a market housing supply target of 3,563 units. This represents a shift from the annual figure used in the previous LHS. The figure provides a benchmark for monitoring performance against the overall target over the five-year period, allowing for longer term planning and recognising that no two years will be the same.

The last LHS (2018-23) identified 40 units for the Health and Social Care over its lifetime. This number was exceeded and a new target of up to 60 units has been set under the Housing Supply Target within the current LHS, this will be used to inform this year's SHIP. Delivery is dependent on both the AHSP and funding from H&SCP to provide care and support within the properties.

In line with this, the SHIP aims to support all groups as defined within section 10 of the LHS guidance. Therefore, a variety of sizes and types of housing should be provided. However, it is likely that this target will be further reviewed and updated in light of this SHIP and available future resources. This is likely to result in a reduced 5-year target.

## Wheelchair and Accessible Housing

East Lothian Council supports the delivery of more wheelchair accessible housing. A Strategic Needs Assessment for Wheelchair and Specialist Housing in East Lothian was carried out in September 2021. To meet current unmet need and existing demand for social rented wheelchair accessible housing, the LHS commits to 10% of the total supply of new affordable housing being wheelchair accessible, with a minimum of at least 100 units to be delivered over the five years. This will ensure the SHIP takes account of a variety of specialist housing needs by including the delivery of housing for people who are ambulant disabled, people who require wheelchair housing and housing to meet the needs of an ageing population.

This SHIP proposes to provide 151 accessible units over the next 5 years which equates to 21% of all high priority completions. This increase is due to several Town Centre developments providing accommodation for older persons. The reduction in Scottish Government Investment will result in a reduction of 100 wheelchair units.

There is currently no mechanism to record the number of private homes which are wheelchair accessible. New build properties are not built to Housing for Varying Needs Standards or wheelchair accessible standards. As a result, any accessibility provisions found in private sector homes are often the result of the owner adapting the property. The proposed changes to Building Standards and guidance in 2025/26 through the all-tenure Scottish Accessible Homes Standard will ensure a new minimum standard in private homes.

The Council intends through LDP2, to establish mechanisms to ensure a target of 5% of new build market housing is built to wheelchair accessible standards.

### 3.4 Achievements

Over the past five years, a total of 825 new affordable homes have been delivered by East Lothian Council in the social rented sector. Of these 88 were either wheelchair accessible housing or ambulant disabled (Table 4). This represents just over 10% of all new build social housing provided. Tables 3 provides an overview of the number of affordable units of social housing delivered within East Lothian of the past five financial years. This also includes core & cluster housing for specialist needs, provided for Health and Social Care Partnership.

<b>Table 4: Number of New Build Wheelchair and Ambulant Disabled Units by Town</b>				
<b>Year</b>	<b>Town</b>	<b>Total units</b>	<b>Wheelchair</b>	<b>Ambulant disabled</b>
<b>2019/20</b>	OMAs various	21	0	0
	Prestonpans	28	2	0
	Gullane	12	0	2
	Musselburgh	14	0	4
	Dunbar	10	0	0
	North Berwick	6	2	0
	Aberlady	14	2	2

	<b>Total</b>	<b>105</b>	<b>6</b>	<b>8</b>
<b>2020/21</b>	OMAs Various	13	0	0
	Dunbar	7	0	0
	Haddington	43	2	2
	Musselburgh	12	0	4
	Tranent	12	0	0
	Ormiston	30	0	0
	Prestonpans	6	3	2
	<b>Total</b>	<b>123</b>	<b>5</b>	<b>8</b>
<b>2021/22</b>	OMAs Various	20	0	0
	Longniddry	39	0	0
	Ormiston	37	2	4
	Musselburgh	18	0	4
	<b>Total</b>	<b>114</b>	<b>2</b>	<b>8</b>
<b>2022/23</b>	OMAs Various	23	0	2
	Tranent	60	4	0
	Musselburgh	16	0	0
	Macmerry	26	2	0
	North Berwick	23	0	3
	Blindwells	60	0	4
	Haddington	25	0	0
	Macmerry	26	2	2
	Wallyford	15	0	0
	<b>Total</b>	<b>274</b>	<b>8</b>	<b>11</b>
<b>2023/24</b>	<b>OMAs Various</b>	<b>25</b>	<b>25</b>	<b>0</b>
	Haddington	37	1	4
	East Linton	28	3	5
	Haddington	17	0	4
	Musselburgh	48	2	4
	Tranent	49	1	4
	Pencaitland	30	0	4
	<b>Total</b>	<b>209</b>	<b>7</b>	<b>25</b>
Source: East Lothian Council, 2024				

### 3.5 Gypsy/Travellers

Appropriate housing is critical to the health, education and employment opportunities of Gypsy/Travellers. Gypsy/Travellers are a distinct ethnic group and were included as such for the first time in the 2011 Census. Of the 3,343 individuals identifying as Gypsy/Travellers in Scotland, 61 were living in East Lothian<sup>9</sup>. Notwithstanding the size of this relatively small community, which fluctuates with the seasons, formally assessing and subsequently addressing the accommodation needs of Gypsy/Travellers remains important.

<sup>9</sup> Scotland's Census 2022

Up until 2020, East Lothian and Midlothian Council shared a Gypsy/Traveller Site on the border between East and Midlothian. A reduction in the number of tenants on site to zero, followed by extreme vandalism including fire raising, resulted in the site being closed.

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

At present, there has been little evidence of need and demand for the site in East or Mid Lothian, with most need being met through City of Edinburgh's site and two private sites in East Lothian. Nevertheless, East Lothian Council continues to monitor the situation and engage with Gypsy/Traveller families where possible to ensure their needs are met locally. For these reasons, East Lothian has not applied to the Gypsy/Traveller Accommodation Fund but does intend to work closely with the Scottish Government over the coming months to find a resolution for the current site. A Needs Assessment on the Gypsy/Traveller Site was completed in 2024 and is currently being considered by Senior Managers before further action is taken.

### 3.5.1 Local Development Plan and NPF4

The Local Development Plan 2018 (LDP) is East Lothian Council's land use plan, setting out a development strategy for the future of East Lothian to 2024 and beyond as well as a detailed policy framework for guiding development. It sets out where development should and should not occur, including housing, education, economic and retail development, new transport links and other infrastructure. It sets the current policy position for East Lothian and decisions on planning application will be made in accordance with this Plan. The LDP also seeks to ensure that an adequate 5-year housing land supply is maintained within East Lothian. The next LDP2 is currently being developed and is in the evidence reporting stage which will align the policy approaches being proposed through National Planning Framework 4 and other National Strategies.

National Planning Framework 4 replaces NPF3 and Scottish Planning Policy and will cover Scotland's long term strategy to 2045.

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

The LDP is also concerned with the design of development and a development's influence on sustainability and place making. In line with this, the LHS 2024-29 builds upon this with the priority outcome "Communities are supported to flourish, be distinctive and well connected."



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

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

### 3.5.2 Rapid Rehousing Transition Plans

The rapid rehousing approach requires that homeless households are provided with appropriate settled housing as quickly as possible, moving away from the use of temporary accommodation as an automatic first response to homelessness.

RRTP is interlinked with the LHS 2018-2023 particularly in relation to outcome 3 of the LHS which seeks to prevent homelessness as far as possible (a revised RRTP is due in December 2024 which will align with the latest LHS 2024-29). The RRTP highlights that it is an integral part of the SHIP and projects that 10 Housing First Tenancies will be created per annum, alongside a planned programme of tenancy conversions.

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

Homelessness in East Lothian remains a structural issue, with a lack of affordable housing supply across the county, limited land supply and substantial costs required for infrastructure. East Lothian Council currently has approximately 4,480 applicants on the housing list with a turnover of around 500 units per annum.

The ability of the Council to meet the extended Order is premised largely on increasing the supply of affordable housing, and it is unlikely to make a significant impact in respect of

homelessness pressures and wider housing demand. East Lothian Council new build properties accounted for 22.6% of homeless allocations made by the Council in the last financial year. The recent reduction to the affordable housing supply programme by the Scottish Government will have considerable impact on delivery in the future. The Council is, therefore, fundamentally reliant on voids, within a challenging context of East Lothian Council having high tenancy sustainment rates and low void turnover rates.

Notwithstanding a wide range of mitigating actions in recent years, the level of demand from homeless applicants for temporary accommodation in East Lothian remains high and the balance between supply and demand is such that the Council, even with a significant pool of around 330 temporary units continues to use unsuitable accommodation. Approximately 10% of temporary accommodation is deemed unsuitable as per the extended Order. In April 2024, the Scottish Housing Regulator named eight local authorities as being at heightened risk of systemic failure regarding the delivery of homelessness services. It is recognised that some local authorities are now at, or are approaching, the limits of their capacity to do more, and the demands on some local authorities could shortly exceed their capacity to respond. East Lothian Council is one of the local authorities named, with a particular focus on high levels of breaches in respect of the Unsuitable Accommodation Order and use of temporary accommodation.

Despite high levels of housing allocations to homeless households, waiting times for rehousing can be significant depending on individual requirements. Single homeless applicants can spend lengthy periods in temporary accommodation (average length of time in temporary accommodation by single homeless households was 383 days in 2023/24<sup>10</sup>, compared with the Scottish average of 204 days) impacting upon flow through the system.

East Lothian had the third highest average total time spent in temporary accommodation for closed cases in Scotland.

<b>Table 5: Average total time (days) spent in temporary accommodation for cases that closed</b>							
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
<b>East Lothian</b>	347	346	345	339	391	423	342
<b>Scotland</b>	175	183	187	204	207	223	226
Source: Homelessness in Scotland 2023/24							

The Council and key partners are committed to transforming the way we prevent and tackle homelessness and work towards a rapid rehousing approach. Despite some rapid rehousing actions being realised, the Council’s planned response to homelessness and rapid rehousing has been placed under pressure in recent years, as a result of a combination of factors including the pandemic; Ukraine crisis and a raft of legislative change in respect of

<sup>10</sup> Table 39. Homelessness in Scotland 2023-2024. Scottish Government Statistics

homelessness. Notwithstanding ongoing challenges, a reduction in temporary accommodation stock, and in particular 'unsuitable accommodation' will continue to be prioritised in 2024/25 and beyond.

### 3.5.3 Refugees and Asylum Seekers

The UK and Scottish Government have committed to a range of resettlement schemes to enable refugee and asylum seekers to be accommodated safely in the UK, including the Asylum Dispersal Scheme; Afghan Refugee Scheme; Homes for Ukraine; Super Sponsor Scheme; Family Visa Scheme and Homes for Ukraine Extension Scheme. At the time of writing the SHIP, circa 150 Ukraine households had been accommodated in East Lothian via local authority facilitated schemes and it is estimated up to a further 500 Ukraine households could be living across the county.

There have been several positive outcomes for displaced people from Ukraine i.e. over 50 households have been assisted to obtain settled housing in the private rented sector; circa 150 host placements have been facilitated and zero households have presented as homeless via local authority facilitated schemes. A small number have obtained Council and mid-market tenancies. However, this increased need and demand for housing and related services from Ukraine households continues to place pressure on the housing system. There are concerns regarding the Council's ability to accommodate the potential growth in demand from refugees and asylum seekers more broadly, i.e. additional households anticipated via the Asylum Dispersal Scheme/Afghan Refugee Scheme in 2024/25 and beyond. Furthermore, while use of the private rented sector has been positive in preventing homelessness for Ukraine households and providing sustainable housing outcomes, this has severely limited housing options for homeless households and local residents more generally.

The focus to date has been on meeting the immediate accommodation needs of displaced people from Ukraine, in accordance with the 'Warm Scots Welcome', however going forward, a longer-term focus is required on wider integration and sustainable housing options, to enable refugees and asylum seekers to live full and independent lives. The move to a 'Warm Scots Future' is challenging, within the context of a shortage of affordable housing and competing priorities in respect of other vulnerable groups. In accordance with the Warm Scots Future, an application for grant funding was successfully made to the Ukraine Longer-Term Resettlement Fund (ULTRF) for financial assistance regarding the refurbishment of seven properties in Haddington. The properties were previously used as temporary homeless provision for over a decade and required extensive works, however with assistance from ULTRF, these newly refurbished properties have been brought back into use from mid-2024 for seven single female households from Ukraine.

## 3.6 Child Poverty (Scotland) Act 2017

The role of housing is critical in helping to reduce child poverty. As part of the Child Poverty (Scotland) Act 2017, local authorities and NHS Boards must jointly report annually on the activity they are taking and will take to reduce child poverty. Best Start, Bright Future published by Scottish Government highlights that affordable housing is a major contributor

towards tackling child poverty. However, with the rising inflation and current economic uncertainty, it is likely that child poverty will rise again after seeing a drop in recent years. As part of this, the AHSP should strengthen to focus on housing needs by size and location to ensure larger family homes are being delivered.

A Joint Strategic Needs Assessment with Children's Services on the housing and support needs of children and young people including, looked after children, children at risk of homeless, children experiencing homelessness, young carers and disabled children was completed for the current LHS 2024-29. Detailed actions on young people can be found in the LHS and include a review of all supported accommodation for young people. The LHS 2024-29 included a Children's Rights and Wellbeing Impact Assessment. The LHS also aligns with key outcomes of government policy such as increasing the supply of affordable housing, reducing homelessness, improving standards of gypsy traveller accommodation, support people with disabilities to maintain their independence, and reducing fuel poverty are all indicators within the action plan to help reduce child poverty.

The East Lothian Poverty Plan 2024-28 incorporates East Lothian's Child Poverty Action Plan ensuring there is a co-ordinated and strategic approach to tackling child poverty. The Plan sets out a wide range of actions to reduce poverty within the county. It states that 21% of children in East Lothian live in relative poverty and that 393 households including 150 children were in temporary accommodation during 2022-23.

The key outcomes of the plan are: good quality jobs that pay fairly, enough money from benefits, a good life with access to the essentials, and climate change ready.

### 3.7 Economy

Economic conditions in Scotland remain challenging as inflation and interest rates continue to impact economic performance. In recent months inflation has fallen but this has been a slower than expected decrease.

Although East Lothian is the second fastest growing authority, the demographics of the population is also changing with the highest growth in both older population and younger population. This brings its own challenges with higher support needs and higher needs for more accessible homes. The working age population is however decreasing as a result of high house prices, high rents and lack of affordable housing resulting in those 'keyworkers' having to move out with the area.

Challenges in delivering our affordable housing programme are greater than they have ever been with less investment together with the continuing increase in construction costs, constrained HRA budgets and increasing standards across the sector.

With updates to Building Regulations and the requirement to decarbonise new build properties along with provide fire suppression and Electrical Vehicle charging points, this additional cost increases pressures on already tight budgets and allocated grants along with

pressures on infrastructure potentially putting developments under further constraints to deliver.

In terms of the effects of the economy on tenants, the Cost of Living crisis and in particular the sharp increase in food and energy prices will have had a significant effect on tenants and any disposable income they may have, having to stretch it further.

## 4. Affordable Housing Supply Programme

The focus of the SHIP is to deliver the outcomes set out in the LHS and maximise the use of the Scottish Government's Affordable Housing Supply Programme (AHSP) resources. As a result of the reduced investment, the affordable housing programme is currently over committed and will not be in a position to deliver all units through the SG programme. The Council will however continue to examine other alternative opportunities with its RSL partners and the Scottish Government to ensure as many units are delivered as possible. The SHIP identifies a shadow programme in the first year and will continue to do so for future years, which will provide future opportunities should projects be delayed during the period of the programme. These shadow developments will be made up of some high priority sites which may be accelerated and those medium priority sites, should opportunities arise to accelerate them.

The programme also takes account of:

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

We would like the SHIP to deliver a minimum of 719 completed affordable units over the next 5 years with a further 36 unsubsidised units (outlined in Table 4 in Section 4.4 below). This number is based on those high priority projects highlighted in Appendix G that could start on site during the period 2025/26 – 2029/30. However, if all projects are included, i.e. if we include all projects prioritised as high, medium and low, then the SHIP shows that East Lothian could potentially see a total of 1,493 completions (excluding 36 unsubsidised).

The reality however is that the current resource allocation will only allow us to deliver 340 units over the next five years. It is therefore critical that we explore and collaborate to identify new innovative ways to maximise the delivery of much needed affordable housing to prevent the potential loss of 1,226 units over the next 5 years.

### 4.1 Site Prioritisation Methodology

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

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

All projects have been prioritised to reflect deliverability in terms of strategic priorities, local need (including specialist housing), site availability / constraints, statutory consents as well as funding availability both from affordable housing providers programmes and private housing developers own financial capacity. It will be essential to ensure close collaboration continues between the Council and its RSL partners to mitigate any potential knock on effects.

The following housing needs are included within any considerations:

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

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

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

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

## 4.2 Housing Tenure

The SHIP projects that in total, based on those high priority sites, a split between the delivery of completed Housing Association social rent and Council projects be around 60/40. The

delivery of all high priority completed affordable tenure projects are split between social rent and intermediate to be 70% social rent with 30% delivering intermediate tenures. In addition to this, it anticipates a mix of 36 MMR delivered without subsidy. Adding these figures to the overall project completions total, a tenure balance of 72% social rent and 28% intermediate will be delivered. Whilst we acknowledge this is in breach of our current affordable housing policy which sets a target of 80% social rent and 20% intermediate tenures, our priority is to deliver units.

Further work to improve our understanding of new financial models and opportunities as well as a reappraisal of our own borrowing capacity, may result in a change to the balance of housing delivered between the Council and RSL partners as well as a change in the tenures delivered. The provision of a range and choice of good quality housing plays an important role in promoting quality and opportunity and sustainable communities. It also helps to enhance the environment and its positive impact on health and general wellbeing is recognised. While the current priority is the delivery of social rented housing, it is anticipated that the majority of alternative forms of tenure will come forward as mid-market rent (MMR) or low cost home ownership (LCHO).

#### 4.3 Investment priorities in Town Centres

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

The Dunbar Conservation Area Regeneration (CARS) scheme runs from 2022-2027 with funding of £2.58m of which £1.11m is from Historic Environment Scotland which work commenced in April 2023. 20% of the budget will be put towards training for traditional training skills in collaboration with East Lothian Works and the Ridge. The scheme includes support for five priority buildings identified in the town centre, support for 20 buildings through general repairs fund, funding major roof repairs, which will bring spaces back into use and ensure others continue to be habitable along with bringing commercial space brought back into use. Small public realm improvements will be made along with heritage education for the community.

Most recently, developments have centred on Tranent town centre, where a successful CARS project was also established with 19 Building repair projects funded by the scheme (including 7 shopfront repairs). A successful CARS project was also secured in Cockenzie which concluded in April 2023.

To compliment the work of the CARS project, the Council also acquired a brownfield site with in the area with plans to deliver housing. The project is well underway with the completion of 28 units (8 of which were designed with H&SC colleagues) expected early 2025.

Hillcrest Housing Association also acquired another brownfield site in the same area which will deliver a further 24 new apartment flats to come forward in future years. These sites will



contribute to the wider regeneration of the town centre, bringing much needed town centre accommodation to the area.

The Council have also acquired a site off Haddington High Street which has been unoccupied for a number of years. This would provide approximately 9 affordable units including an accessible flat enhancing an area which has been used as a town centre car park for a number of years.

#### 4.4 Affordable Housing Delivery Profile

The anticipated funding levels are based on those sites that have a prospect of achieving tender approval in the timescales stated. The Council and its partner Registered Social Landlords (RSLs) have been through a process of considering a number of sites and eliminating others, particularly in the case of Affordable Housing Policy sites, where there has been no recent contact with the developer.

It is important to note that private developers and RSLs are both expressing concern due to the rise in costs and shortage of labour along with the requirement to provide additional elements for building regulation updates such as decarbonised heating systems, electric vehicle points, sprinkler systems along with looking to the future for a growing aging population and possible changes to the Housing for Varying Needs standards. We find that the sites that come to planning with affordable housing, the mix and house types are fitted within the developers house types and don't necessarily reflect the mix and house type that is required in East Lothian. This is where pre planning discussions have been vital in securing properties which our RSL partners and Council development team are happy to accept to ensure that these fit the requirements for grant funding.

Windfall projects come forward from time to time throughout the term of this SHIP and the Council will continue to work with its partners to identify opportunities to secure as many units for affordable housing as possible.

Additional funding was provided in 2024/25 for purchasing off the shelf properties specifically to be used to reduce the number of people within temporary accommodation.

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

Table 6 below outlines that over the next 5 years, the development of 589 affordable homes are to be started and 719 are to be completed, with an additional 36 are planned to be unsubsidised. The reduced number of site starts and completions in the latter years of the SHIP are due to reduced land allocation as the new Local Development Plan (LDP) 2 will be complete in 2026.

**Table 6: Summary of High Priority Site Starts and Completions**

Year	Site Starts	Completions	Unsubsidised starts	Unsubsidised completions
2025/26	214	110	0	36
2026/27	219	178	0	0
2027/28	138	274	0	0
2028/29	10	96	0	0
2029/30	8	61	0	0
<b>Total</b>	<b>589</b>	<b>719</b>	<b>0</b>	<b>36</b>

In terms of tenure and supplier mix for high priority starts, (see Table 7) 201 dwellings are to be developed by Housing Associations and 208 by East Lothian Council. Furthermore, 180 MMR properties are planned.

**Table 7: Tenure / Supplier Mix (High Priority Site Starts)**

Year	Housing Association	Local Authority	MMR	LCHO	Total
2025/26	60	32	122	0	214
2026/27	90	95	34	0	219
2027/28	51	63	24	0	138
2028/29	0	10	0	0	10
2029/30	0	8	0	0	8
<b>Total</b>	<b>201</b>	<b>208</b>	<b>180</b>	<b>0</b>	<b>589</b>

In terms of tenure and supplier mix for high priority completions (see Table 8), 222 dwellings are to be completed by Housing Associations and 253 by East Lothian Council. Furthermore, 244 MMR properties are planned to be completed. No low cost home ownership properties are planned.

**Table 8: Tenure / Supplier Mix (High Priority Site Completions)**

Year	Housing Association	Local Authority	MMR	LCHO	Total
2025/26	26	61	23	0	110
2026/27	22	32	124	0	178
2027/28	96	105	73	0	274
2028/29	56	23	17	0	96
2029/30	22	32	7	0	61
<b>Total</b>	<b>222</b>	<b>253</b>	<b>244</b>	<b>0</b>	<b>719</b>

Notably, the focus of housing delivery lies with projects of highest priority. However, when considering sites of various priority, the SHIP aims to start the development of 1,493 dwelling over the next 5 years and to complete 1,566 units, as is shown in Table 9 below. This table also highlights the difference in the number of completions with a comparison to the number

of units that could be completed with our available Resource assumptions over the next 5 years.

Table 9: Summary of all Site Starts and Completions with comparison to Resource Assumptions						
Year	Site Starts	ASHP Resource Site starts	Site Completions	ASHP Resource Completions	Unsubsidised starts	Unsubsidised completions
2025/26	441	113	110	59	0	36
2026/27	414	80	395	65	0	0
2027/28	380	88	480	93	0	0
2028/29	134	0	336	82	0	0
2029/30	124	0	245	41	0	0
<b>TOTAL</b>	<b>1,493</b>	<b>281</b>	<b>1,566</b>	<b>340</b>	<b>0</b>	<b>36</b>

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

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

The SHIP will inform next year's programme. Importantly, the SHIP is fluid and the programme will require to adopt a flexible approach in order to address any potential slippage. The Scottish Government have suggested a minimum slippage factor of 25% is applied on an annual basis to the AHSP element of the SHIP. Appendix F provides ample opportunity to include for slippage and hopefully ensure that advantage can be taken of any additional resources that may become available, with more than sufficient slippage included within the programme in East Lothian.

Table 10 below shows that there is ample opportunity for a healthy, ambitious shadow programme well above the 25% slippage factor at 49% over 5 years if all of the medium priority sites were to be delivered. Many of these medium priority sites are within our large strategic sites which are able to deliver a significant number of affordable units. The programme is oversubscribed, with lower grant available there is the potential to lose units if on site delivery is not possible which would in turn require the local authority taking a commuted sum. With the demand in East Lothian is at a precedence that is unique to other areas of Scotland this is a concern.

**Table 10: Summary of Medium Priority Site Starts and Completions**

<b>Year</b>	<b>Site Starts</b>	<b>Completions</b>	<b>Unsubsidised starts</b>	<b>Unsubsidised completions</b>
<b>2025/26</b>	227	0	0	0
<b>2026/27</b>	148	217	0	0
<b>2027/28</b>	279	209	0	0
<b>2028/29</b>	124	160	0	0
<b>2029/30</b>	116	184	0	0
<b>Total</b>	894	770	0	0

The appended SHIP spreadsheets have been checked against the draft Housing Land Audit (HLA) to ensure consistency. Anomalies can arise due to information being presented in different ways. The HLA is based on the land available as of September 2023.

## 5. Resources and Funding

### 5.1 Resource Planning Assumptions

To support strategic planning, the Scottish Government have provided our Resource Planning Assumption (RPA) for the period between 2023/24 to 2026/27. A total of £44.879 has been allocated for East Lothian, as shown in Table 5.1. However, we do not have any resource planning assumptions beyond 2026/27, therefore have used similar allocations for the next 5 years to help with our planning assumptions.

Financial Year	2023/24	2024/25	2025/26	2026/27	2027/28
RPA	£12.865m	£8.908m	£7.126m	£5.345m	£3.138m

We have based the remainder of the SHIP period on a reduced RPA with an additional 25% slippage built in. The SHIP will ensure AHSP funding is allocated to support the LHS and ensure the Council has a realistic and practical plan for delivering investment priorities.

East Lothian delivered exceptional results in 22/23 and 23/24 with more than double the number of unit approvals and site starts than was targeted and spend was 141% higher than the published RPA with East Lothian Council contributing £13.914 million. It is likely that with similar high targets and reduced RPA's, spend will be required to deliver all of the high priority sites within East Lothian's 25/26-29/30 SHIP.

### Developer Contributions

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

The Supplementary Planning Guidance (SPG) for Affordable Housing, approved in February 2019, provides a framework for the implementation of East Lothian Council's Affordable Housing Policy and outlines the mechanisms by which affordable housing can be delivered within a broader economic context. Notably, alongside the forthcoming LDP2 there will be a full revision of the SPG. In the meantime, the appendices of the SPG will be reviewed with approval in 2025.

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

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

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

Commuted Sums are obtained through the Council's land use policy for Affordable Housing, when on site provision cannot be achieved. These sums contribute towards the provision of affordable housing within East Lothian. It is likely the Council will have to secure more commuted sums as a result of reduced funding to deliver onsite. The Council will use this fund to help deliver affordable housing on other sites where possible. The Council currently has around £0.524m within this fund, the majority of which is in the North Berwick area. Within 24/25, 28 units have been assisted with the use of commuted sums to enable affordable housing.

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

As at July 2024, the Council had accumulated around £1.624m additional monies for affordable housing from the higher level of Council Tax applied to second homes and properties which are empty for a long term. Local authorities may continue to use this income themselves and have flexibility to disburse these funds to other organisations and individuals including RSLs. This income can be used by local authorities to support revenue and capital expenditure related to a range of affordable housing activity including (but not limited to):

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

To date, this fund will use £508,000 to enable developments in Dirleton and Wallyford between our RSL partners and Council developments.

The Council will explore how this fund could be used to help maximise over all funding to help deliver affordable homes.

## 5.3 Empty homes

Figures from Council Tax shows that in September 2024, 779 properties were granted empty property relief in East Lothian. In East Lothian, different discounts apply for furnished and unfurnished properties, however after 12 months, unoccupied properties stop receiving

discount and instead a 50% additional charge is applied after 24 months and a 100% premium is applied. In September 2024, Council Tax figures show that 1,015 homes were vacant in East Lothian, including long term empty homes which no longer receive relief. The number of long term empty homes within East Lothian as of September 2024 stood at 420.

East Lothian Council no longer have a dedicated Empty Homes Officer. The remit is now part of the Housing Enabler's role, who continues to work closely with Shelter Scotland and the Empty Homes Partnership to provide advice and assistance to owners and neighbours of empty properties.

East Lothian Council renegotiated the terms of its Empty Homes Loan with the Scottish Government to ensure maximum uptake. The Loan is due to be paid back to the Scottish Government, however, the funds have not been utilised.

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

Local Authorities are in a position, where appropriate, to make additional funding for housing investment available through the Prudential Borrowing Regime. The Council took a decision in 2004 to commence its own new build programme and to March 2024, has delivered 1,403 units. HRA's are however becoming more constrained and East Lothian Council are close to breaching their financial strategy which is to ensure the debt to income ratio remains below 40%. To enable the Council to carry on delivering new affordable housing as well as ensuring existing stock meets current standards, it is likely that rents will need to increase more than budgeted for last year. Modelling work is currently being undertaken with a consultation planned with our tenants in November.

#### **5.6 Innovative Financing Models**

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

To date East Lothian Mid Market Homes LLP has a total of 60 properties with a further 36 properties being delivered through this mechanism at Hallhill North, Dunbar in approximately 2025/26.

We continue to explore innovative financial models to assist with delivering more affordable housing in East Lothian.

## 5.7 Open Market Acquisitions

East Lothian Council does not distinguish between Open Market Acquisitions (OMAs) and Buy Backs from general new build; all additions to stock are recorded as New Supply. Over a five year period, between 2019/21 and 2024/25, 204 open market purchases for social rent were carried out across the local authority.

The Council has made good use of this delivery mechanism to provide social housing. With the recent allocation of £440,000 for 2024/25, the Council hope to acquire a further 6 units this financial year. This is dependant on borrowing capacity as these units were not part of the budget development work.

## 5.8 Discounted Housing for Sale

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

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

To date, the Council has approved and delivered 109 units and have continued to retain these units as affordable housing through recent resales. The Council were not intending to deliver any more LCHO until a full analysis had been carried out, however this may be considered as an option on some sites, rather than taking a commuted sum.

## 5.9 Other available funds

### 5.9.1 Charitable Bonds

Charitable bonds funding will be required in lieu of grant to deliver a number of RSL projects which will be for social rent. The use of bonds will enable East Lothian Council to deliver its extensive programme. Charitable bonds enabled delivery of 101 social rented units in 2023/24 with an additional fund totally £11.592m.

### 5.9.2 Housing Infrastructure Fund

As part of Housing to 2040 strategy the Housing Infrastructure Fund (HIF) will run to at least the end of the parliamentary period to March 2026. The fund helps support the delivery of housing through loans and grants. Priority will be given to those projects delivering affordable



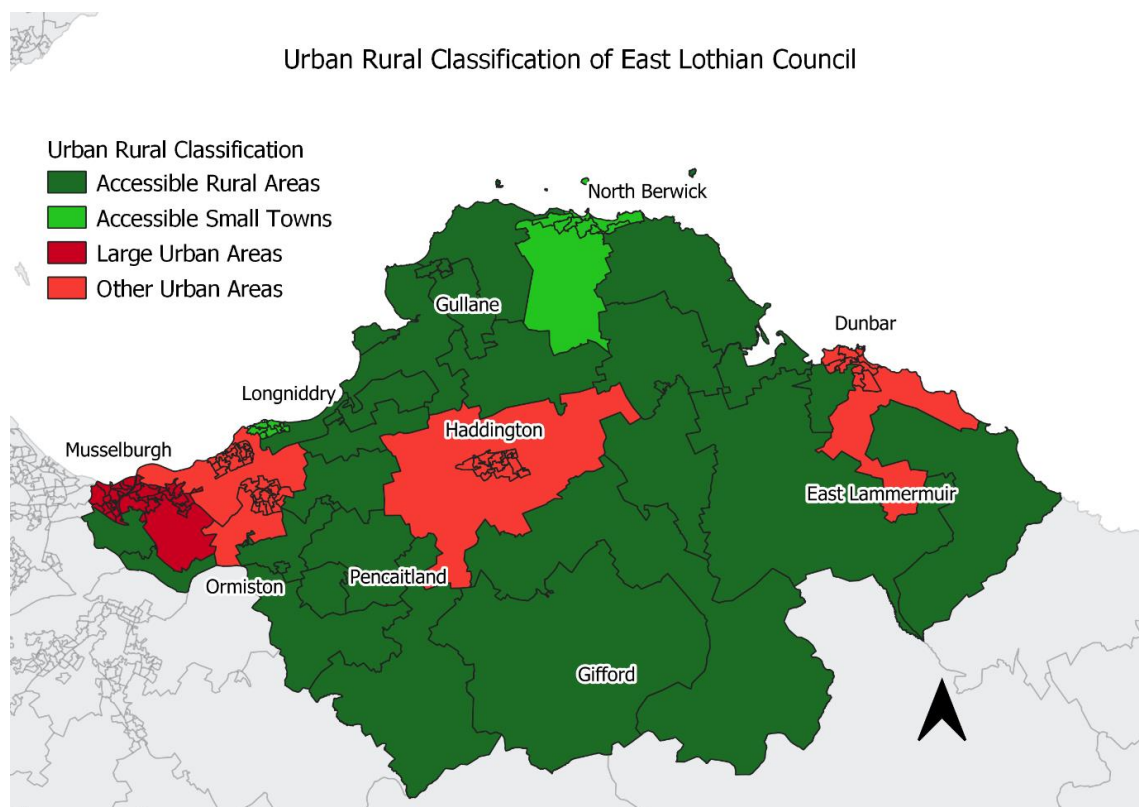
housing which cannot proceed or have stalled due to exceptional infrastructure works to unlock these sites for delivery.

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

### 5.9.3 Rural Housing Fund

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

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



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

The fund has two components. The main one offers capital support (grant and loan) to enable the direct provision of new affordable housing and refurbishment of existing empty properties. A second, smaller component provides a contribution to feasibility studies. So far, no opportunities have arisen in East Lothian to use the fund, but the Council will continue liaising with stakeholders.

In October 2023 the Scottish Government has published a Rural and Island Housing Action Plan which includes a commitment to work with local authorities to deliver the Rural affordable Homes for Key Workers Fund to ensure that there is effective local engagement with local employers and RSL partners to support the identification of additional homes for key workers. East Lothian Council is currently undertaking a Key Workers needs assessment to define the term 'key workers' in East Lothian.

#### **5.9.4 Vacant and Derelict Land Investment Programme**

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

#### **5.9.5 Individual and organisational support**

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

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

#### **5.9.6 Risk Management**

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

East Lothian Council has had a clear long-term strategy in place to increase the delivery of affordable housing in the county. Much of this delivery is dependent on funding and the Local

Development Plan, which specifies that 25% of new housing should be affordable. Through ongoing programme meetings with Housing Associations and East Lothian Council's new build team project meetings, the main risks to the SHIP programme are monitored and consideration given to mitigate against them.

Securing sites has never been so challenging, particularly when the majority of sites are in the control of the private sector through S75 obligations. The nature of the sites and the large sums of money associated with infrastructure works often results in complex discussions around delivery, as a result of record levels of funding and high growth, the Council were in a unique position whereby a number of sites were ready to begin over the next two to three years. The reduction in funding as resulted in a real negative impact on the delivery of affordable housing with no funding to secure those site starts, with a high risk of losing units to commuted sums. The Council is maintaining open dialogue with developers looking for solutions and opportunities they may have to secure as many affordable housing units as possible.

In addition to these, the Cost of Living (Tenant Protection) (Scotland) Act 2022, provided temporary powers to cap social and private rents and introduce an eviction ban until March 2024. The Housing (Scotland) Bill was introduced to Parliament in March 2024 which will develop a Rented Sector Strategy to improve accessibility, affordability choices and standards within the whole rented sector. The Council, RSLs and Mid-Market Providers have all expressed concern about the knock-on effects of their new build program as a result of this legislation, in addition to the existing risks within the housing and economic market conditions. We continue to work in partnership and explore alternative financial mechanisms to deliver affordable housing in East Lothian without grant funding.

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

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

- Cost of Living (Tenant Protection)(Scotland) Act 2022 – specifically the cap on rents resulting in uncertainty for providers and the possibility of a reduced private rented sector;
- Long term rent controls for the Private Sector;
- Financial capacity of all providers as a result of the inflation, and volatile market;
- Fluctuating interest rates;
- Insufficient land in control of affordable housing providers;
- Development Constraints such as infrastructure requirements and educational capacity;

- Financial assumptions - insufficient Prudential Borrowing capacity to fund the Council's programme;
- Continuing challenges for first time buyers to secure a mortgage and deposit;
- Legal and procurement constraints;
- Planning constraints;
- Land constraints such as wayleaves and drainage;
- Scottish Water constraints;
- Ground conditions and constraints.

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

## 6. Offsite construction, procurement and energy efficiency

### 6.1 Offsite Construction and Procurement

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

On larger sites where there is likely to be more than one affordable housing provider, the Council appreciates that collaborative working and sharing services is likely to be a more efficient way of achieving best value and best practice through the delivery process and will continue to work closely with our partners to consider all opportunities.

East Lothian has also recently joined the Edinburgh Home Demonstrator Programme, a collaborative business model for the construction of affordable housing in partnership with the South East Scotland's Local Authorities, Scottish Government and other academia and industry partners. The aim is to develop 1,000 homes which are as close to net zero as possible, right across the SES region, using modern collaborative procurement models. The homes funded by EHD are centred on modern methods of construction and would be constructed off site. The first pilot project will be delivered in Edinburgh at the Granton Waterfront with homes utilising zero emissions heating and being zero carbon.<sup>11</sup>

East Lothian's New Build Team is working closely with partners and have identified a site in East Lothian to develop housing under this programme to deliver approximately 60 units. These homes will be delivered to a lifetime home standard and some of them will be made fully wheelchair accessible. This project is currently at the feasibility stage and procurement options stage. This project has also been identified as high risk as there are no funds to deliver this.

### 6.2 Climate change and energy efficiency

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

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

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<sup>11</sup> <https://www.be-st.build/media/fp3n5ik1/edinburgh-home-demonstrator-clf.pdf>

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

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

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

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

Energy Efficiency Standard for Social Housing (EESH) aims to improve the energy efficiency of social housing in Scotland. It will help to reduce energy consumption, fuel poverty and the emission of greenhouse gases. It is based on the minimum Energy Performance Certificate rating (EPC). The EESH2 was recently published and sets out a new target for social housing properties to improve their EPC rating to B by 2032. All new affordable housing developed by Registered Social Landlords or by East Lothian Council will be built in accordance with those targets. Furthermore all existing social housing stock will be undergoing retrofitting where feasible to meet these targets. Further minimum criteria for energy efficiency are also set out within building standards regulations by the Scottish Government which are also adhered to when it comes to the development of affordable housing.

To further decarbonise buildings, the Scottish Government has instructed all Local Authorities to produce a Local Heat and Energy Efficiency Strategy (LHEES) and Delivery Plan. The aim of an LHEES is to set out a long-term plan for how each local authority will decarbonise the heat supply in buildings and improve their energy efficiency across the entire local authority area. East Lothian Council approved the draft report in October 2023. The expected final delivery

plan will be at Committee in October 2024. All of this will result in added financial pressure to HRA budgets, limiting the delivery of new supply.

### **6.3 Existing Projects**

The Council is continuing to explore project opportunities to improve the energy efficiency of existing stock across all domestic tenures through measures such as external wall insulation, cavity wall insulation as mentioned above. The Council is also offering solar PV & batteries to households in fuel poor areas.

The improvement of private housing stock is delivered by the Scottish Government Energy Efficiency: Area Based Scheme (EES:ABS) fund. East Lothian Council received just over £1m of in funding in 2023/24 and delivered 65 Solar PV & battery systems and four battery-only installations to private sector homes. In addition, installations of cavity wall insulation in mixed tenure properties resulted in improved energy efficiency.

An application has been made for £1.1m of funding for the financial year of 2024/25 which would allow ELC to continue work to reduce fuel poverty within East Lothian. This funding has yet to be approved by the Scottish Government. The current financial uncertainty surrounding the allocation of funds has had an impact on future planning and the Council's ability to progress works.

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

East Lothian Council is also currently in discussions with energy suppliers on the potential schemes which could be delivered across the county. Unfortunately, the new ECO4 schemes does not allow for the blending of EES:ABS and ECO anymore, which will pose administrative challenges. RSL and PRS landlords may be eligible under ECO4 for funding if they meet the criteria.

## 7. Consultation and collaboration

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

The draft SHIP was circulated to the following:

- Places for People
- Wheatley Housing Association
- East Lothian Housing Association
- Hillcrest Housing Association
- LAR
- Development Team, East Lothian Council
- East Lothian Health & Social Care Partnership
- Children Services
- Community Housing & Homelessness, East Lothian Council
- Planning, East Lothian Council

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

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



## 8. Equalities

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

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

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

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

An integrated impact assessment covering equalities, human rights and sustainability has been carried out on the LHS 2018-2023<sup>12</sup>, reflecting SHIP guidance.

A Health Impact Assessment Screening Exercise has also been carried out on the draft LHS 2018-23, with the Council working in partnership with NHS Lothian to facilitate this exercise across Housing, Health and Social Care.<sup>13</sup>

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<sup>12</sup> The full assessment can be found at the following link:

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

<sup>13</sup> The full assessment can be found at the following link:

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

## 9. Strategic Environmental Assessments

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

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

## 10. Monitoring

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

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

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

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

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

## 11. Conclusion

Census data from 2022 shows that East Lothian currently has a population of 112,284, this is an increase of 12.6% from the last Census in 2011. Projections show that the trend of an increasing population is expected to continue<sup>14</sup>.

The increase in population is mirrored by increasing house prices. House prices within East Lothian are some of the highest in Scotland, with a median house price of £283,611 in 2023 making it the second most expensive Council area in which to purchase property.

This increase in population and house prices demonstrates the desirability of East Lothian as a place to live, but also places significant demands on infrastructure and affordable housing.

Significant inequalities exist both within and between communities and pockets of deprivation are evident, particularly in the west of East Lothian. Increasing the supply of affordable housing is critical to addressing these inequalities and alleviating poverty across the county.

This year's SHIP outlines the potential start of 1,493 new affordable homes over the coming 5 year period. It is also estimated that 1,566 affordable homes across East Lothian will be completed over the period of the plan. 36 units are planned on top of the above mentioned units and will be delivered unsubsidised through innovative funding schemes.

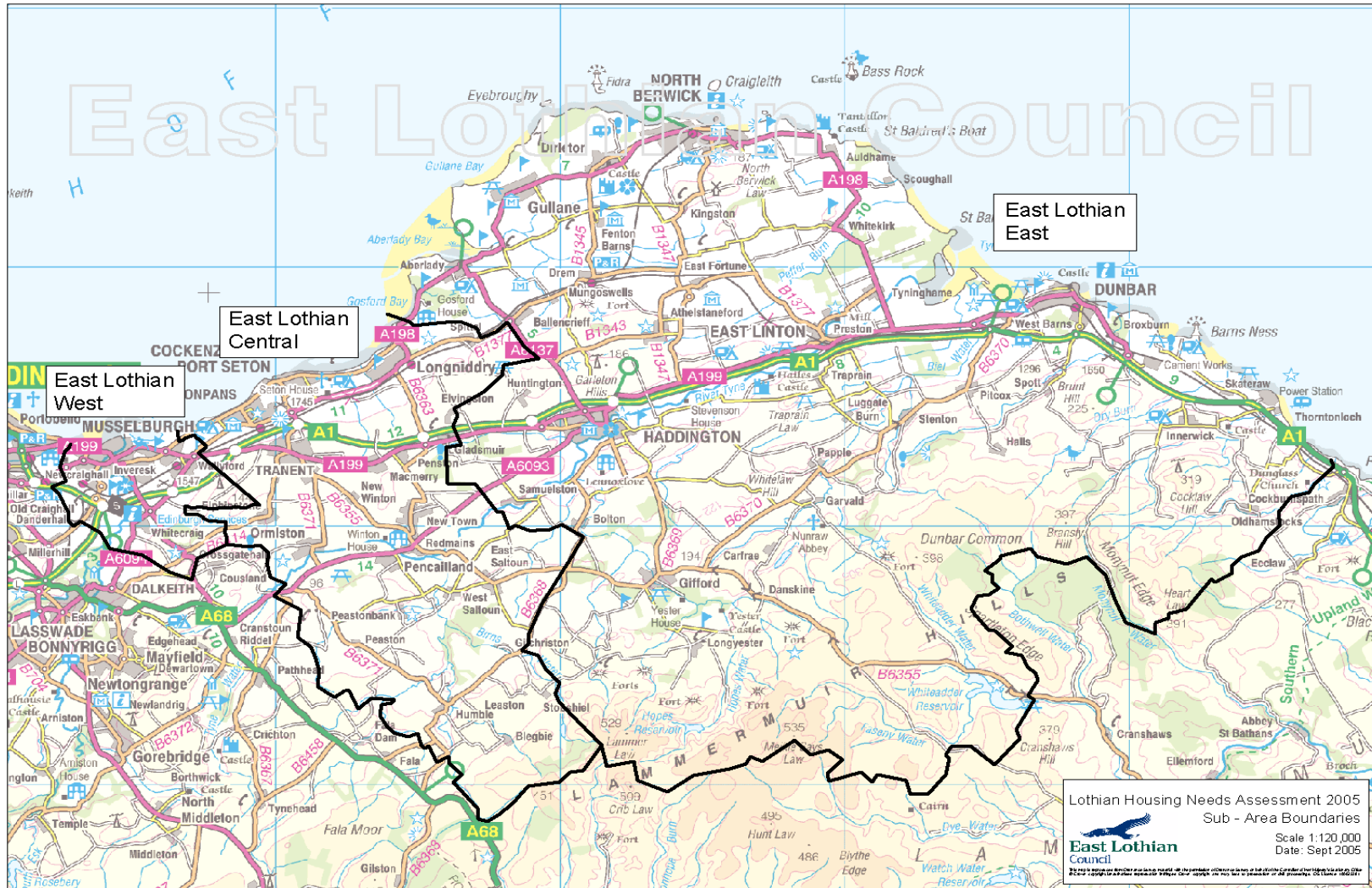
This SHIP requires £55.122m of the Scottish Government's Affordable Housing Program to deliver 719 units plus 32 MMR without subsidy with the highest priority. At this current time, the resources will only allow the delivery of between 248 and 340 units through the AHSP, putting 1266 units at risk of being lost at a time when we find ourselves in the midst of a Housing Crisis. The Council is committed to securing as many units as possible and will continue to work with partners to explore new ways of delivering the remaining 1,226 units.

This SHIP has been prepared in according with the guidance prepared by the Scottish Government More Homes Division issued in June 2024. The SHIP reflects East Lothian Council's Council Plan and the vision of Local Housing Strategy 2024-2029.

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<sup>14</sup> <http://statistics.gov.scot/def/concept/population-projection-variant/principal-projection>

Appendix A – Housing Market Sub-Area Map



Appendix B – Risk Register

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

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

Risk Description	Probability*	Impact**	Risk Score	Mitigating Actions	Process Owner
Land is not available to develop for affordable housing.	2	3	6	<ul style="list-style-type: none"> <li>Sites included in SHIP are sites most likely to be delivered.</li> <li>ELC/RSLs to buy land for development whenever possible.</li> </ul>	ELC/RSLs
Delivery of units, especially through AHSP, dependent on prevailing market conditions and decisions of private developers and lenders in terms of their investment appetite	3	3	9	<ul style="list-style-type: none"> <li>Try and purchase sites at an early stage whenever possible</li> <li>Agree allowance for windfall and AHP sites in future SHIPs</li> </ul>	ELC/RSLs ELC/CS
Potential negative impact of Scottish Government’s Cost of Living (Tenant Protection) Bill in terms of reducing private sector investment in new affordable housing	4	3	12	<ul style="list-style-type: none"> <li>May need to reconsider/re-profile development programme to maximise grant on schemes</li> <li>Consider opportunities to deploy Second Homes Council Tax funding and Commuted Sums where required</li> <li>Consider other means of Private finance to deliver without subsidy</li> </ul>	ELC/RSLs

Economic impacts of potential UK Government/HM Treasury and Bank of England policy changes	3	3	9	<ul style="list-style-type: none"> <li>• May need to reconsider/re-profile development programme</li> <li>• Consider opportunities to deploy Second Homes Council Tax funding and Commuted Sums where required</li> </ul>	ELC/RSLs
Educational capacity is insufficient.	3	3	9	<ul style="list-style-type: none"> <li>• Discuss with Education service interim measures to increase capacity to avoid risk of delays.</li> <li>• Continue to engage with developers regarding funding infrastructure</li> </ul>	ELC
Transportation capacity i.e. road networks.	3	3	9	<ul style="list-style-type: none"> <li>• Secure funds through the Scottish Government's Infrastructure Fund</li> <li>• Continue to engage with developers</li> </ul>	ELC
Sewerage capacity is insufficient.	3	2	6	<ul style="list-style-type: none"> <li>• Continue to engage with developers regarding funding infrastructure</li> <li>• Meet with Scottish Water to identify and plan for issues with water capacity.</li> </ul>	ELC
Changes in funding regimes.	3	2	6	<ul style="list-style-type: none"> <li>• Identify innovative and more cost effective development solutions</li> </ul>	ELC/RSLs

## Appendix C – Prioritisation Tool

### Method for Calculating Priority

#### *Housing Need*

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

#### *Project Deliverability*

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

**Priority = Housing Need x Deliverability**

3	6	9
2	4	6
1	2	3



Appendix D – Prioritisation Exercise for Sites

PROJECT NAME:

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

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

Date \_\_\_\_\_

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

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

Wallyford - Area 1	Wallyford	2	3	2	High
Wallyford - Area 6	Wallyford	2	3	1	Medium
Wallyford - Area 5a	Wallyford	3	3	3	High
Wallyford - Area 5b	Wallyford	3	3	3	High
Dolphinstone Ph 2A	Wallyford	2	3	2	High
Dolphinstone Ph 2B	Wallyford	1	3	1	Medium
Wallyford Primary School	Wallyford	2	3	3	High
Dolphinstone Ph 2C	Wallyford	1	3	1	Medium
Whitecraig South - MMR	Whitecraig	2	2	1	Low
Whitecraig South - SR	Whitecraig	1	2	1	Low
Church Street	Tranent	1	3	2	High
Church Street Ph 2	Tranent	1	3	2	High
Windygoul South – SR Phase 2	Tranent	2	3	1	Medium
Windygoul South – SR Phase 3	Tranent	2	3	1	Medium
Tranent site	Tranent	1	3	1	Medium
<b>Project</b>	<b>Sub-Area</b>	<b>Constraints</b>	<b>Housing Need</b>	<b>Deliverability</b>	<b>Priority</b>
Elphinstone West Phase 2	Elphinstone	2	3	3	High
Blindwells Area 5 ph 1 - SR	Blindwells	2	3	2	High
Blindwells Area 5 ph 1 - MMR	Blindwells	2	3	2	High
Blindwells Area 5 - ph2 – SR	Blindwells	2	3	2	High
Blindwells Area 5 ph 2 - MMR	Blindwells	2	3	2	High

Area 5 additional	Blindwells	2	1	3	Medium
Blindwells Town Centre	Blindwells	2	3	2	High
Blindwells area 4a	Blindwells	2	3	3	High
Blindwells area 6	Blindwells	2	3	1	Medium
Blindwells area 9	Blindwells	2	3	1	Medium
Blindwells area 10	Blindwells	2	3	1	Medium
Longniddry South ELC	Longniddry	3	3	2	High
Longniddry South WHE	Longniddry	3	3	2	High
Longniddry South Ph 2 PfP	Longniddry	3	3	2	High
Bayswell Road ph 2	Dunbar	2	2	1	Medium
<b>Project</b>	<b>Sub-Area</b>	<b>Constraints</b>	<b>Housing Need</b>	<b>Deliverability</b>	<b>Priority</b>
Hallhill North	Dunbar	2	3	2	High
Belhaven Road	Dunbar	2	1	2	Medium
OMPs	East Lothian wide	3	3	3	High