

Council housing budget halved say opposition

According to opposition councillors, Edinburgh Council's budget for building new council homes has been "almost cut in half," sparking calls for officials to be "honest and upfront" about the scale of the city's housing crisis. But the claims are countered by the Labour administration.

A three per cent rent increase for council tenants agreed last month resulted in the 10-year housing budget slashed from £2.9billion to £1.7billion.

This means the authority now only has the capacity to build 2,400 council-owned social rent homes in the next decade, down from the previous commitment of 5,000 – and below the 25,000 pledged by Labour during last year's local election, which now appears to have been watered-down.

This is what the Edinburgh Labour manifesto said: "Build at least 25,000 council owned homes within 10 years".

Housing and Our Communities

Our city has an acute shortage of homes that people can afford to buy or rent, homes need upgraded to meet the climate emergency and we want to create thriving mixed communities.

Building Homes that People can Afford

Edinburgh is the least affordable city in Scotland in which to buy a home, leaving many trapped in a private rental market that is out of control. Only 14% of housing in the city is for social rent compared with a Scottish average of 23%. Bold action is required from all layers of government.

Edinburgh Labour will:

- Start a programme to build at least 25,000 council owned homes within 10 years, including enough accessible and larger family homes to meet need. We call on the Scottish Government to match fund the investment coming from tenants' rents.
- Establish a directly employed council construction team to build and fit out new council homes.
- Use all suitable unused council land for building council homes, together with appropriate community facilities.
- Work with partners to secure other public land to use in a similar way.
- Require 35% of housing on development sites to be for council or housing association homes, with a target of 70% of these being for social rent.

Tackling the Climate Emergency

The climate emergency is one of the biggest issues we face. Our city has many older homes which present particular challenges.

Edinburgh Labour will:

- Implement planning policies to ensure new developments are carbon neutral.
- Establish a 'Tenement Taskforce' to give residents and owners information and support to speed up insulation and energy efficiency renovations.
- Put pressure on the Scottish Government to use the landlord registration and licensing systems (for HMOs and short term lets) to place obligations on landlords to upgrade energy efficiency.
- Push both Scottish and UK governments to provide financial assistance to low income owner occupiers to help them to carry out energy efficiency work.
- Upgrade council homes to keep them warm and help reduce fuel bills, using organisations like the Edinburgh Solar Co-op and supply from renewable sources where possible. We will press the Scottish Government to match fund the investment being put in from rents.



Creating Thriving and Balanced Communities

The growth in short term lets has reduced the number of homes available for purchase or rent by long term tenants and pushed up prices and rents to levels that local people can't afford. The Scottish Government has failed to take speedy and effective action. Planning policies can help create thriving mixed communities, but too often community views are overridden on appeal.

Edinburgh Labour will:

- Make Edinburgh a short term letting control zone to limit the numbers of short term lets,

The administration said “no sites or homes” have been removed from the programme and that its ability to construct new houses is heavily dependent on additional funding from The Scottish Government.

SNP Councillor Kate Campbell, who was formerly Housing

Convener in the last administration, said it was important officers were honest about the impact of the budget on housebuilding targets "if we are to have any hope of making the case for more funding for council housing in Edinburgh".

A difficult budget setting meeting for councillors settled on the "modest rent rise" put forward by the Labour administration. However, a report before members said following a two-year freeze to rates, rents would have to be increased by 7.8 per cent each year for the next five years "in order to be able to deliver on current commitments".

Costs of building new homes have also risen.

The report said the delivery of new council homes is under further pressure due to a "28 per cent increase in assumed council housebuilding build cost".

It added: "The impact of the increasing costs...as well as the reduction in income as a result of two consecutive rent freezes, means that the business plan has a lot less money to spend on capital investment."

Questioned on the matter in a question submitted by Cllr Kate Campbell at the full council meeting last week, housing convener Cllr Jane Meagher said: "No sites or homes have been taken out of the programme.

"Officers are continuing to progress the housebuilding programme on the sites already identified and will continue to identify new opportunities.

"The Housing Revenue Account Business Plan is reviewed annually. The Draft 10 year capital investment plan is indicative and subject to change to take account of inflation, borrowing rates, additional income from grant funding, increasing rents etc."

Cllr Campbell pointed out the latest figure of 2,400 new council homes in the next 10 years is less than 10 per cent of the target set out in Labour's Edinburgh council manifesto

last year, which said: “Edinburgh Labour will start a programme to build at least 25,000 council owned homes within 10 years.”

That pledge has now been changed to commit to delivering “affordable homes” rather than council-owned homes, meaning new builds by private developers and housing associations can be counted as progress toward meeting the target.

After being voted in as council leader last June, Cammy Day called on officers to draw up a draft business plan including “a target to build 25,000 council owned homes over the next 10 years”.

The wording in the council’s final 2023-2027 business plan, which was agreed by councillors last week, reads: “We will increase supply of affordable housing with an ambition to reach 25,000 new affordable homes.”

Cllr Kate Campbell said: “The first budget this Labour administration passed for the Housing Revenue Account cut the ten year investment almost in half from £2.9billion down to £1.7billion and cut the number of homes in the council programme by more than half.

“But what worries me the most is that Labour councillors are still talking about their programme to build 25,000 council homes over ten years when it’s plain as day their current plan delivers less than 10% of their target.

“We need to be honest and upfront about the scale of the challenge facing the city if we are to have any hope of making the case for more funding for council housing in Edinburgh.”

COUNCIL OFFICERS

Paul Lawrence, Edinburgh City Council’s director of place, said the scale of the capital’s housing crisis “is not matched by the current resources available to the council”.

However, he said keeping up with council housebuilding targets is “entirely dependent on the ability of this council to work with partners to deliver additional resource from The Scottish Government and others”.

Mr Lawrence added housing officers have been successful at “hoovering up” unspent Scottish Government funding. “It’s critically important to keep that pipeline going,” he said.



Cllr Jane Meagher, Labour. Photo: © 2022, Martin P. McAdam
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Cllr Jane Meagher Housing, Homelessness and Fair Work Convener said: “There has been no reduction in the number of overall council homes planned and work on our new ambitious build programme continues at pace and has a strong pipeline of projects. There are currently over 600 Council homes under construction on sites across the city and over 1,000 in design or pre-construction.

“We’re under enormous pressure as a lot has happened over the last few years and we’re working hard to respond to the needs of our current and future tenants, whilst keeping rents affordable. The ongoing impact of Brexit and the pandemic combined with a cost of living crisis and the Ukraine war has meant that our budgets are under pressure and tough decisions

need to be taken about where expenditure should be focused.

“There is no short term impact on delivery rates and if rents are increased by more in future years, costs reduce, or we receive much needed additional grant funding from Scottish Government then we will be able to increase our new build programme year on year. The budget is reviewed on annual basis and this gives us the ability to make adjustments as we move forward.”

The council approved the business plan which is an overarching guide to what the council intends to achieve in the next four years:



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by Donald Turvill Local Democracy Reporter

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