

West Dunbartonshire Council**Report by Strategic Lead Housing and Employability****Housing and Communities Committee: 06 November 2019**

Subject: More Homes West Dunbartonshire Strategic Housing Investment Plan 2020/21– 2024/25

1. Purpose

- 1.1** The purpose of this report is to seek retrospective approval of the More Homes West Dunbartonshire Strategic Housing Investment Plan (SHIP) for 2020/21– 2024/25 which required to be submitted to the Scottish Government by 25th October 2019.

2. Recommendation

- 2.1** It is recommended that the Housing and Communities Committee:

- i) Approve the draft SHIP 2020/21 - 2024/25 as appended to this report, designed to continue the delivery of the ambitious programme of over 1,000 new affordable homes as introduced in the West Dunbartonshire Local Housing Strategy (LHS)..
- ii) Request that the Strategic Lead, Housing and Employability, in consultation with the Convenor of Housing and Communities Committee, ensure the implementation of the Strategic Housing Investment Plan in partnership with all relevant stakeholders inclusive of Scottish Government, Registered Social Landlords and our communities..

3. Background

- 3.1** The Scottish Government required local authorities to submit a Strategic Housing Investment Plan (SHIP) by 31st October 2019. The core purpose of the SHIP is to set out the strategic investment priorities for affordable housing over a five year period designed to achieve the overarching outcomes contained in the Local Housing Strategy.
- 3.2** The SHIP focuses on the delivery of affordable housing by location, type and tenure and indicates how the programme will be resourced, particularly through the Scottish Government's Affordable Housing Supply Programme(AHSP) funding and its Council House Building Programme (CHB) component.

- 3.3** This new Strategic Housing Investment Plan (SHIP) sets out the funding priorities for new affordable housing in West Dunbartonshire for the next five years, 2020/21 – 2024/25. It complements the new West Dunbartonshire Local Housing Strategy approved by Council. It also details how the Council will continue to support the Scottish Government’s commitment to provide new affordable housing, including meeting the 50,000 new homes target by 2021 set by the *More Homes Scotland* initiative. Most of this SHIP period extends beyond 2021 and into a period of funding unknowns. However, because of evidenced need we will continue with the key aim to deliver over 1,000 new affordable homes in West Dunbartonshire during the timeframe of this SHIP.
- 3.4** To assist in advance planning of housing investment, the Scottish Government advises local authorities annually of their minimum Resource Planning Assumptions (RPA). This would normally cover the five years of the plan. This year there is uncertainty over future funding and only the funding for 2020/21 is known with any confidence. In the absence funding details beyond March 2021, in discussion with Scottish Government officials we have planned based on existing minimum RPA levels. Similarly, the project grant levels have been estimated on the basis of current guidance with the West Dunbartonshire base line of £72K for Housing Association schemes and £59K for Council ones. The Table below shows estimated RPA to 2024/25 on this basis:

West Dunbartonshire Resource Planning Assumption 2021/22-2024/25

Year	Resource Planning Assumption at 13 June 2018
2020 – 2021	£11.128m
2021 – 2022	£11.128m*
2022 - 2023	£11.128m*
2023 - 2024	£11.128m*
2024 - 2025	£11.128m*
Total	£55.64m*

*Estimated

- 3.5** The Scottish Government recommends preparing a programme which significantly exceeds the RPA figure. This SHIP has taken account of this advice and “over-programmed” on projects listed in the schedules. The funding required to deliver the priority projects listed in the programme amounts to around £77M. Further discussion will take place with the Scottish Government’s More Homes Division over resourcing this SHIP programme within the context of the approach to housing supply beyond 2021 and consideration of future grant award levels.

4. Main Issues

4.1 The purpose of the SHIP is to set out the strategic investment priorities for new affordable housing over a 5 year period to achieve the outcomes contained in the LHS. This SHIP sets out the planned housing investment programme for 5 years, covering the period 2020/21 – 2024/25.

4.2 The funding for the projects will be from two principal sources:

- the allocation from the Scottish Government's Affordable Housing Supply Programme
- the remainder of the required funding will require to be found from the developing organisations' own borrowing resources.

4.3 The SHIP contains tables which detail the projects included in the proposed programme. The position on the programme broadly reflects the prioritisation and estimated deliverability of the projects. It must be stressed that inclusion in the SHIP does not guarantee scheme approval, as each proposal will require to go through a further detailed strategic housing assessment before funding is committed. This assessment is undertaken within the Council's Housing Development Team fulfilling their statutory role as the strategic housing authority.

4.4 All homes built through the SHIP will require to meet high quality design, space and energy efficiency requirements inclusive with the Council's Design Standard for Affordable Housing, which was updated in February 2019. We will continue to encourage innovation in design including consideration of zero/low carbon construction and *Passivhaus* principles. Notably, there are a couple of developments included within the SHIP that will pioneer these approaches within West Dunbartonshire and inform future delivery..

4.5 Progress on the previous SHIP's Priority Projects

The following table shows progress on existing projects and notes future ones identified in the SHIP:

Projects Completed 2019/20			
Project	Units	Status	Developer
Bonhill Primary School, Alexandria	44	Completed July 2019	Cube HA.
Dumbain Road/Carrochan Road, Alexandria	35	Completed October 2019.	Cube HA
Stirling Road, Alexandria	8	Completed October 2019	Cube HA
TOTAL	87		

Projects Currently On-Site/Due on Site 2019/20			
Project	Units	Status	Developer
Dumbarton Harbour	150	On-site. Due to complete between May/June 2020	Dunbritton HA
Dumbarton Harbour	45	On site November: due to complete October 2020	WDC
Westcliff, Dumbarton	46	On site: due to complete March 2020.	Cube HA
St Andrew's High School, Clydebank	126	Work commenced May 2019: due to complete in March 2021.	WDC
Queens Quay, Clydebank	177 (WDC 60/ Cube 80/ Clydebank HA 37)	Due to commence November 2019 and initial phase complete March 2021.	WDC, Cube HA and Clydebank.
Haldane Primary School,	58	On site October 2019. Due complete: February 2021	WDC
Aitkenbar Primary School, Bellsmyre	55	On site: October 2019 Due complete: February 2021	WDC
Creveul Court, Alexandria	22	On site: November 2019 Due complete: October 2020	WDC
Muir Road, Bellsmyre	66	Due on site: late 2019 Due complete: mid-2021	Caledonia HA
Highdykes, Bonhill	49	Site start achievable late 2019. Completed by March 2021.	Caledonia HA
Dalquhurn Phases 4,5,6	75	Site Start possible late 2019. Initial handovers March 2021	Caledonia HA

Faifley Bowling Club, Clydebank	15	Possible Site start early 2020 with completion March 2021.	Knowes HA
140 Dumbarton Road, Old Kilpatrick	40	Site start early 2020 with completion March 2021	Link HA
Dalton Avenue, Clydebank	25	Site start March 2020 with completion March 2021	Clydebank HA
TOTAL	949		

Future Sites Identified in SHIP*

Project	Comments
Clydebank East	WDC are masterplanning a multi-tenure project on the site of the former MSF blocks which is anticipated to include around 50 social rented homes as part of a mixed tenure development.
Pappert, Alexandria	WDC are considering a 30 unit development on this former demolition site.
Cottage Hospital, Dumbarton	Dunbritton Housing Association are currently looking at the possibility of developing 10 units of social housing on the site. This project has been delayed due to ongoing title issues.
Golfhill Drive, Alexandria	Dunbritton Housing Association are investigating the possibility of developing 7 social housing units. It is anticipated that development costs will be very high on this small site. There may be an option to accelerate this project through Scottish Government Bond funding.
Boquhanran Road, Dalmuir	Clydebank HA is in early stage discussion with a / # developer to build up to 70 units here.
Glebe, Old Kilpatrick	Trust HA is interested in developing 22 units on this site and is developing proposals to deliver these new homes.
Clydebank /Hardgate Health Centre Sites	There is interest from more than one developer in these sites which may become available in the future.
OLSP School, Dumbarton	Cube HA looking at 40 unit development within this proposed development site.

*A number of other projects are listed/noted in the SHIP: these may be brought forward once more information on them is available.

- 4.6** In total the wider SHIP shows the development of more than 1300 new affordable homes over the 5-year plan period. This level of development, averaging more than 200 per year, continues the recent huge growth in the new affordable house building programme which until recently had an annual target of 80 units. The delivery of this ambitious plan will depend upon the support of our developing RSL partners and ongoing strong funding availability from the Scottish Government.
- 4.7** The SHIP in addition seeks funding from the Affordable Housing Supply Programme to support the successful Buyback programme of ex- local authority and RSL housing stock. Approval of this approach is being sought from the Scottish Government. It is proposed that a minimum additional 100 units are acquired over the five year period of the SHIP.
- 4.8** The funding required to deliver the three years of from 2020/21 to 2024/25 is estimated to be around £66.5M. This compares with an estimated Resource Planning Target of £55.64M for the same period. Further discussion will be required with the Scottish Government's More Homes Division over resourcing such an ambitious programme within the context wider consideration of the approach to housing supply beyond 2021.
- 4.9** In preparing the SHIP, developers have been encouraged to consider diversity of tenure. While most projects are for social rent, there are a small number proposed for shared equity by Caledonia HA in Bellsmyre and Renton. The Council is also giving consideration and developing other alternative affordable tenures in some of its future projects to meet evidenced need.
- 4.10** Due to uncertainties over details of some of the proposed projects in the SHIP and the availability of funding, the SHIP will require to demonstrate flexibility and will be subject to continual monitoring and evaluation. Monitoring of progress will be carried out through the Council's performance management system and through key structures such as the Strategic Housing Providers Forum and programme review meetings with the Scottish Government.
- 4.11** The Council has carried out an analysis of potential projects against an objective Prioritisation Scoring Matrix and scored them accordingly. A number of factors are taken into account including availability of land, type of housing being proposed, compliance with LHS objectives, deliverability and value for money. This analysis has informed this SHIP and such projects will be further assessed prior to being included within any future development programme.

5. People Implications

- 5.1** There are no direct people implications related to this report.

6. Financial Implications

- 6.1** There is a danger that future resource allocation could suffer if the SHIP fails to deliver on the programme contained in this SHIP. In respect of the Council House Build element, financial modelling demonstrates that the new council house building programme is beneficial to the HRA. However, care requires to be taken to ensure that the prudential borrowing required is financially sustainable especially given rising unit costs. To mitigate the impact of rising costs, the Council is seeking higher grant levels from the Scottish Government for a number of projects in the current programme.

7. Risk Analysis

- 7.1** The absence of a RPA beyond 2020/21 presents the risk that the sum of £55.64M shown for the period of the plan will not be available resulting in the programme being diluted, however having a bold and ambitious plan in place will allow West Dunbartonshire to be best placed to secure funding opportunities..
- 7.2** Inevitably, with such a varied programme of projects there are risks that the ambitious outputs set out in the SHIP will not be met. A number of the projects are at an early stage with site investigations not having been carried out or infrastructural constraints fully known.
- 7.3** There is a risk that AHSP funding will be reallocated to other Council areas if the Council is unable to spend within any financial year. West Dunbartonshire have responded positively in the face of such challenges to date, including this year where we have benefited from an additional £7m funding to West Dunbartonshire to allow our new build ambitions to be realised.
- 7.4** Concern has been expressed that both locally and nationally, the More Homes targets will put a strain on the building industry's capacity to deliver on the scale required. This should also be considered in the context of Brexit.
- 7.5** Monitoring of progress will be carried out through the Council's Pentana performance management system and through key structures such as the Strategic Housing Providers Forum, the Housing Improvement Board, the More Homes Delivery Group and programme review meetings with the Scottish Government. A new SHIP will be submitted annually to the Scottish Government each October and will be the subject of a report to the Housing and Communities Committee.

8. Equalities Impact Assessment (EIA)

- 8.1** An integrated impact assessment has been carried out on the parent strategy, the Local Housing Strategy 2017 - 2022 which predicted that the strategy would have an overwhelmingly positive impact.
- 8.2** All new housing supported through the programme will be compliant with the West Dunbartonshire Design Standard and will meet the Housing for Varying Needs requirements. The West Dunbartonshire Design Standard requires developers in the programme to provide higher standards than those required by statute and are of particular benefit to those with mobility issues. The SHIP supports the delivery of specialist housing provision and generally allows for a minimum 10% element in each project.

9. Consultation

- 9.1** The SHIP was drawn up in consultation with potential RSL partners and the Scottish Government More Homes Division. Where an interest has been shown, detailed discussions have taken place with the prospective developer on how the project could be accommodated in the programme.
- 9.2** The preparation of the SHIP has been a corporate task, involving all relevant departments of the Council and has been carried out in collaboration with colleagues in the Scottish Government More Homes Division.
- 9.3** As part of our wider regular engagement with tenant representatives, the delivery of new housing is a standard agenda item at each liaison meeting with the WDTRO, in addition to this a full presentation of the SHIP was made to the WDTRO on 24th October 2019.

10. Strategic Assessment

- 10.1** This Strategic Housing Investment Plan presents the priorities for affordable and deliverable housing development for the next five years as set out in the LHS and supports all the Council's key strategic priorities to:

Peter Barry, Strategic Lead, Housing and Employability

Date: 23 October 2019

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Appendix:

Appendix 1: Strategic Housing Investment Plan
2020/21 - 2024/25 plus Annexes

Background Papers:

West Dunbartonshire Council's Local Housing Strategy 2017-2022 <http://www.west-dunbarton.gov.uk/media/4311723/housing-strategy-2017-2022-final.pdf>

Wards Affected:

All Wards

