

WEST DUNBARTONSHIRE COUNCIL**Report by the Chief Officer, Housing and Employability****Housing and Communities Committee: 28 February 2024**

Subject: More Homes West Dunbartonshire – West Dunbartonshire Council Affordable Housing Supply Delivery Programme

1. Purpose

- 1.1** This purpose of this report is to provide the Housing and Communities Committee an update on progress with West Dunbartonshire's More Homes Programme which oversees the delivery of the Council's new home building programme.

2. Recommendations

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

- (i) Note the content of the report and the progress made to date in the delivery of the Council's More Homes West Dunbartonshire approach;
- (ii) Note the temporary reduction in the number of homes to be delivered within the Bonhill Gap Site development project, and
- (iii) Authorise the Chief Officer, Housing and Employability to establish two Housing Revenue Account subsidiary organisations in partnership with Scottish Futures Trust Investment (SFTi) and bring back proposed alternative tenure projects to the Committee for authority permission to proceed.

3. Background

- 3.1** In West Dunbartonshire the Affordable Housing Supply Programme (AHSP) is delivered through a More Homes West Dunbartonshire strategic approach which has successfully delivered over 1000 new affordable homes in West Dunbartonshire to date and includes the Council's own ambitious New House Building Programme.
- 3.2** The Council's last practical completion took place at the Queens Quay development in September 2022 delivering 29 new Council homes in a key regeneration area as part of a wider development which has delivered 146 new social rented homes. The homes were the first residential properties to be heated from the Council's Queens Quay District Heating Network. This development has been recognised at recent national housing sector awards winning the following: -

- Best Residential Regeneration Project – Herald Property Awards
- Inside Housing Best Residential Development (Scotland)

- 3.3** These 29 new homes, are in addition to the completion of the Council's first fully dementia designed development at Creveul Court, Alexandria and other exemplar developments in Haldane, Aitkenbar, Bellmsyre, Dumbarton Harbour and St Andrews, Clydebank. The Council have now completed 12 new build developments since 2013 and are the largest developer of social homes in West Dunbartonshire delivering 496 new homes and 122 acquisitions through our buyback scheme to date as outlined in Table 1 below. The 500th new build home in the More Homes West Dunbartonshire delivery programme will be delivered in late Summer 2024 at our Clydebank East development:

Table 1: Completed Council New Build and Acquisitions

Project	No. of Units	Completion Date
Granville Street (Phase 1), Clydebank	24	July 2013
Miller Road, Alexandria	15	October 2013
Granville Street (Phase 2), Clydebank	9	February 2014
Central Bellsmyre, Dumbarton	36	December 2014
Hillstreet Square, Dumbarton	37	August 2015
Second Avenue, Clydebank	40	April 2018
Creveul Court, Alexandria	22	April 2021
Aitkenbar Primary School	55	July 2021
Haldane Primary School	58	August 2021
St Andrews, Clydebank	126	October 2021
Dumbarton Harbour, Dumbarton	45	December 2021
Queens Quay, Site B, Clydebank	29	August 2022
Buyback Acquisitions	122	Ongoing
Totals	618	

- 3.4** The Strategic Housing Investment Plan (SHIP) 2024-2029, outlining West Dunbartonshire's Affordable Housing Supply Programme through the More Homes West Dunbartonshire approach was approved by the Housing and Communities Committee in November 2023. The SHIP outline plans to meet the Council Administration's aim of delivering 2500 new affordable and social rented homes over the next 10 years.

4. Main Issues

More Homes West Dunbartonshire - Delivery Programme

- 4.1** Building new affordable homes has an important role to play in revitalising local economies and assisting with post-pandemic and economic recovery plans, negating the impacts of the current cost of living crisis and combatting poverty including child poverty. It is also clear that the need for affordable homes has and will increase in the current ongoing economic environment.
- 4.2** Our More Homes West Dunbartonshire approach is an ambitious plan that aims to continue the positive momentum of the delivery of much needed

Council homes in West Dunbartonshire and will significantly assist the Council's aim to deliver 2500 new social and affordable homes by 2032.

- 4.3** As the biggest affordable housing developer in West Dunbartonshire, the Council has identified several future development sites for new council homes to address existing and new housing need. The design of these homes will further develop, improve and exceed current best practice, providing sustainable homes using innovative technology and delivering on our low carbon ambitions including passivhaus and other net zero carbon opportunities.
- 4.4** The Strategic Housing Investment Plan and HRA Capital Plan outlined the plans the Council have for meeting their new build ambitions. Some of the initial plans were and continue to be impacted as a result of global issues revised new build targets for the Council are outlined below:

Table 2: Council New Build Programme

Site/Developer	Number of Units	Number of Specialist Provision	Est Site Start	Est Completion Date
Clydebank East, Clydebank	88	9	On Site January 2023	Spring 2025 (First handovers – August 2024)
Pappert, Bonhill Alexandria	26	3	February 2024	Spring 2025
Willox Park	17	17	Summer 24	Autumn 2025
Bonhill Gap Sites*	29	4	Autumn 24	Winter 2025
Mount Pleasant	19	19	Spring 24	Spring 2025
Queens Quay Site C	100	10	TBC	TBC
Clydebank Health Centre*	38	22	Spring 25	Spring 2026
Bank Street, Alexandria	22	22	Autumn 24	Autumn 2025
Dennystoun Forge	20	20	TBC	TBC
Clydebank Gap Sites* (Gilmour Avenue)	50	10	Summer 24	Summer 2025
Silverton Regeneration	tbc	Tbc	tbc	Tbc

Buyback Scheme (60 per year)	300	36	2023/24	2027/28
	709 units	172 units		

*Current Planning figures

4.5 Updates for each site are noted below:

Clydebank East:

This development will deliver 88 new homes and has been designed to meet the housing need within the wider West Dunbartonshire area. The table below shows the housing mix:

House Type	Sustainability Standard	Number of New Homes
Wheelchair Bungalow 3bed/4person	Net Zero	3
House 3bed/5person	Net Zero	15
House 4 bed/7person	Net Zero	12
House 5 bed/8 person	Net Zero	8
Cottage Flat 1 bed/2 person	Net Zero	4
Cottage Flat 2 bed/3 person	Net Zero	4
Flat 1 bed/2person	Net Zero	16
Flat 2 bed/4 person	Net Zero	24
Wheelchair Flat 1 bed/2person	Net Zero	2

Works commenced on this development in January 2023 and the first homes are scheduled to be handed over in August 2024.

All houses are designed to the Housing for Various Needs Standard (HfVN). There will be 9 fully Wheelchair (WCH) accessible properties. The 4 and 5 bedroom homes will all have ground floor double bedrooms.

The development at Clydebank East will see the completion of a major housing led regeneration of a key priority regeneration area identified in the Local Housing Strategy and will be the first fully zero carbon housing development in West Dunbartonshire and marks a significant milestone in our transition to net zero new homes approved at the August 2022 meeting of the Housing and Communities Committee. Plans are being developed to mark the significance of the net zero element of the development and the development will see the 600th new home delivered through the More Homes West Dunbartonshire approach.

We are still currently engaged with the Scottish Government in terms of finalising the grant award, as reported previously we have sought above benchmark grant and our submission continues to be assessed by the Scottish Government's technical team. Our request is proportionate based on the high levels of remediation costs but in terms of context our ask is

comparable with the grant awards made to the 2 housing association who partnered the Council in the delivery of the new housing at Queens Quay.

Pappert, Bonhill

Following the review of the design proposals for the Pappert development the housing mix is as follows: -

House Type	Sustainability Standard	Number of New Homes
House 3bed/5 person	Passivhaus	6
House 3bed/5 person	Net Zero	6
House 4bed/6person	Net Zero	4
House 4bed/7person	Net Zero	1
Flat 2bed/3person w/c	Net Zero	3
Flat 1 bed/2person	Net Zero	6

Planning permission for this development was granted at the Planning Committee of 20th September 2023, enabling a site start in February 2024 if planning conditions are discharged. These are currently being finalised and are working towards the start date of 26th February 2024 to begin the 53-week contract.

Willox Park, Doveholm, Dumbarton

The development of seventeen new homes to be delivered at the former care home site continues within the design phase and planning has been submitted by Housing Officers. A decision is expected, via delegated authority, at the end of February.

Tender documentation is being prepared and will be ready at the end of January. This will be advertised via the SPA framework and the tender return period will be 10 weeks. We are working towards the appointment of a contractor at the June 2024 tendering committee.

The net zero heat strategy will be delivered by ground source heat pump, as it was felt that this solution to be preferable than an air source heat pump for each home. The development will also utilise PV (Photovoltaic) panels and a MVHR (Mechanical Ventilation with Heat Recovery) system.

There has been positive dialogue in terms of the current plans with both the Willox Park residents and planning officers. Ongoing engagement will be maintained with the current Willox Park residents throughout the delivery process and the development will be tied to the wider regeneration plans for the Willox Park Sheltered Housing Complex.

Bonhill Gap Site Strategy

The pre-planning application process has commenced on the development of the 2/3 separate gap sites which are contained within this wider development.

We have now procured engineering consultants as we move closer to a full planning application. We are hoping to submit planning at the end of April.

We have temporarily removed the O'Hare gap site (5x 3-bedroom terraced homes) at the moment due to the exceptionally high projected development costs for developing in this area. We are currently exploring a design alternative which will deliver high quality homes within a prudent cost envelope.

We have altered some of the initial design plans to incorporate two adaptable 6/7 bed homes within the development to meet identified housing need for larger families who are experiencing overcrowding.

Bank Street, Alexandria

The Council is currently developing a proposal for 22 sheltered/amenity housing units in partnership with the HSCP. This will include an options appraisal in terms of the existing provision within the local area.

Engineering works will be starting in January. The delay in appointing engineering consultants has pushed back the anticipated timescales of a planning application being submitted in May 2024. We are looking to appoint a contractor after May with an anticipated site start date in November 2024

Mount Pleasant, Old Kilpatrick

This is a 19-unit complex which is designed for elderly residents and will deliver high quality amenity housing. CCG have been appointed as the main contractor following the Tendering Committee in September, having been directly appointed from the Scotland Excel Framework. The site start date is subject to prestart planning conditions, but estimated to be on 15th April 2024 and construction will last approximately one year.

Queens Quay, Site C, Clydebank

The Council has been developing a design to deliver a projected 20 units on this site to complement the housing mix within sites A and B. This development will also be designed to meet low/zero carbon principles and linked to the Queens Quay district heating network.

Pre-planning response was received on the 25 February highlighting concern of the WDC development proceeding in isolation. We have adopted a proactive response to this issue and have developed masterplan diagrams incorporating the surrounding sites and have conducted valuations on the adjacent site to Queens Quay C with a view to purchasing additional land to deliver more affordable housing in the Queens Quay regeneration site. If this is achieved, we would seek to develop a mixed tenure approach to any expanded development site delivering one hundred new affordable homes. We are seeking discussion with CRL (Clydeside Regeneration Limited) to

progress the possibility of acquiring this additional land and will be able to draw down Scottish Government grant to enable this.

Clydebank Health Centre

Our appointed design team are doing some feasibility work based on a housing mix of 20 units of sheltered housing and 18 units to be a mix of family housing and cottage flats within the development site. The aim of the 20 units of sheltered housing is to introduce the potential; to re-provision existing sheltered housing currently provided at Young Street, therefore strategically improving the provision of sheltered accommodation within Clydebank.

This is in advance of the demolition of the buildings within the site which is currently scheduled to start in March 2024.

Dennystoun Forge Gypsy/Traveller Site

A submission was made to the Scottish Government for support funding from their Gypsy/Traveller Accommodation Fund for significant improvements to the Dennystoun Forge site, including new energy efficient chalet type accommodation following a consultation exercise with site residents.

However, we were notified that this submission was unsuccessful at this point. We have since engaged the Scottish Government following the outcome of this and have provided additional information to the Scottish Government in support of the application.

In another positive development the Council's Housing Development Team has been providing support to the tenants within the Dennystoun Forge site to establish a registered tenants association, the absence of a recognised tenants group and ongoing site presence was seen as a relative weakness in terms of the initial submission.

We anticipate that following the new information provided to support our application for funding Scottish Government officials will reassess the application before the end of 2023/24.

Queen Mary Avenue, Clydebank (Clydebank Gap Sites)

The transfer of the site at Queen Mary Avenue, Clydebank with vacant possession at the cost of £140,000 from the Council's General Fund to the Housing Revenue Account for the delivery of new Council homes was approved at the February meeting of the Housing and Communities Committee and has now been concluded.

The Council is preparing a demolition programme to allow the site to be cleared as soon as possible following the recent departure of Council staff teams who were using the premises.

A feasibility study is being undertaken to inform how best to develop the site, taking into consideration housing need and demand for the area. This programme is running parallel with the pre-demolition works.

Gilmour Avenue, Hardgate (Clydebank Gap Sites)

As part of the wider development of our Clydebank Gap Site strategy we identified a Housing Revenue Account site in the Hardgate area at Gilmour Avenue. The site was previously the location of timber garages on concrete bases. These have long since been demolished and the site has been beset with fly tipping issues for several years. The proposed development would see two three bed semi-detached homes to be delivered utilising modular construction methods. A planning application was submitted in early February 2024, and we await approval.

Silverton Regeneration

The 2 identified sites in Smollett Road and Dumbuie Avenue are progressing towards demolition and building warrants for demolition in place. We are currently undertaking a feasibility development study to assess the suitability and potential capacity for the delivery of new homes within these sites.

Buyback Programme

The Council's buyback programme which incorporates the Mortgage to Rent Scheme purchased 16 new homes in 2022/23. In 2023/24 we anticipate purchasing around 44 new homes at an average purchase cost of £100,000.

In 2023/24 and following approval of the Strategic Housing Investment Plan by the Housing and Communities Committee in November 2022 and subsequently the decision by West Dunbartonshire Council in March 2023 to deliver an enhanced Housing Capital Investment Programme including additional funding for buyback purchases we are now scaling up ambition around our buyback programme. In 2024/25 and in each of the subsequent years up to and including 2027/28 we plan to deliver 60 new homes each year meaning a minimum of 300 new Council homes to meet identified need will be added to the Council housing stock.

Alternative affordable housing models

- 4.6** Affordable housing includes housing for social rent provided by registered social landlords (RSLs) and Councils, housing for affordable home ownership such as the HOME model developed by Scottish Futures Trust (SFT) and mid-market rented housing (i.e., housing above social rent levels but below market rent levels).
- 4.7** Previously local authorities could only access grants to build new homes for social rent. Recent changes to the grant system mean that local authorities can now access financial support to deliver mid-market rent homes, albeit at a lower grant entitlement rate. Offering alternative affordable tenures would

represent an opportunity to deliver additional affordable homes in West Dunbartonshire rather than reduce from our existing programme as set out in the SHIP.

- 4.8** These alternative tenures require less, or no, grant support but still deliver additional affordable homes. This may be a positive strategy for providing affordable homes in West Dunbartonshire considering the recently announced reduction on the Affordable Housing Supply Programme national funding highlighted in Section 6 of this report.
- 4.9** However, to access the grant funding and deliver alternative affordable tenure homes, West Dunbartonshire Council Housing Revenue Account requires to establish two subsidiary companies. The first would be a Limited Liability Partnership (LLP) with SFTi (Scottish Futures Trust Investment) and would allow us to develop homes to provide Home Ownership Made Easy (HOME) shared ownership properties for older households. These types of homes could help us accommodate our growing older population which is forecast to increase to 25% of households by 2030 and this would also increase this group's housing options. It also does not qualify for any Scottish Government grant funding.
- 4.10** The second would be another LLP to allow us to develop mid-market rent homes and offer private residential tenancies (PRTs) which we cannot currently offer due to the limitations placed on social landlords. It is proposed SFTi would be our LLP partner. These types of homes would help us accommodate demands from a variety of households who may struggle to access other types of housing such as the private rented sector or owner occupation. We can access grant for these homes, albeit at a lower rate within the wider Affordable Housing Supply Programme funding.
- 4.11** The establishment of these two entities would be complimentary and owned entirely by the West Dunbartonshire Council's HRA thus protecting all our current, and future, tenants/ co-owners.
- 4.12** The Housing Development Team are continuously looking for opportunities to provide additional new build council homes and will bring any potential site to the Housing and Communities Committee with as much information as possible as part of the regular More Homes update paper.

5. People Implications

- 5.1** There is now a Full Time Officer in place with sole responsibility for the Buy Back Scheme within the Housing Development & Homelessness team funded from the Housing Capital Investment Programme.
- 5.2** Staff resource is required from Housing Development and Legal Services primarily to establish the proposed Housing Revenue Account subsidiary organisations in partnership with Scottish Futures Trust Investment (SFTi).

6. Financial and Procurement Implications

Financial

- 6.1** On 1 March 2023 Council approved the Housing Capital Programme 2023-2028 which saw significant resources committed to the delivery of new council homes in West Dunbartonshire. An expenditure budget of £155m for the affordable housing supply programme is factored into the HRA Capital Programme this will be updated to reflect the income and expenditure highlighted within this report. As it currently stands, it is anticipated that this programme will complete on project life budget.
- 6.2** Housing and Finance Officers will continue to assess the ongoing affordability of future developments within the context of the Housing Revenue Account Business Plan.
- 6.3** In December 2023, the Deputy First Minister and Cabinet Secretary for Finance set out the Scottish Government's proposed spending and tax plans for the Scottish Budget 2024/2025. The announcement revealed that the Scottish Government was proposing a reduction in the overall Housing and Buildings Standards budget from £738m this year to £533m next. This represents a cut of around £200m or 26%.
- 6.4** The More Homes budget, which provides grant aid for affordable new homes, is shown to reduce from £564.6m this year to £375.8m next year. While the capital funding side of this budget which supports the delivery of Strategic Housing Investment Plans is potentially protected with a smaller reduction of £75m or 14%, there is still likely to be a significant negative impact on new social housing delivery.
- 6.5** The current West Dunbartonshire Council Annual Resource Planning Assumption (RPA) from the Scottish Government to help the delivery of the Council's Strategic Housing Investment Plan (SHIP) and subsequently the Council's own new build programme is £10.795m. Our SHIP 2024/25 – 2028/29 uses this projected budget to plan the wider development programme. We are in ongoing discussion with our colleagues in the Scottish Government's More Homes Division over what the reduction in funding will mean for our programme and await a revised RPA which will cover 2024/25.
- 6.6** In advance of the revised RPA we have projected a 15% reduction in the 2024/25 RPA this may have the following impacts: -
- A reduced RPA allocation of around £1.6m to £9.2m in 2024/25.
 - 15 less homes being delivered on an annual basis in West Dunbartonshire as a result of the reduction in funding (75 within the lifecycle of the current Strategic Housing Investment Plan)

- 6.8** While the proposed reduction in funding presents a challenge to realising the Council's new housing ambition, it is one that can be managed effectively with strategic planning. The Strategic Housing Investment Plan will be managed through the More Homes Project Board to minimise the impact of the reduction in funding and to maximise delivery of the programme priorities. To mitigate the impact of the cuts it may be necessary to delay some projects and to stretch the programme. It is intended that Council Officers will refresh the Strategic Housing Investment Plan after the revised Resource Planning Assumption is known.
- 6.9** As of 1st April 2024, Local Authorities will exempt from LBTT ADS (Land and Building Tax Additional Dwelling Supplement). At present the Council is liable for the Additional Dwelling Supplement for most home purchases through our buyback scheme. The Council has campaigned strongly for the removal of this requirement and the decision reflects the strong case put forward by West Dunbartonshire Elected Members and Council Officers. In 2023/24 the Council has so far paid over £155k in Additional Dwelling Supplement close to £6k per property purchased through the buyback scheme. With the Additional Dwelling Supplement being no longer applicable to local authorities from the 1st April 2024 this will avoid costs of around £1.8m over the next 5-year period.

Procurement

- 6.10** All new development sites will be subject to new detailed procurement strategies and the opportunities highlighted within 4.5 of this report will continue to be prioritised. Where the contract award is less than £213,000, authority is delegated to the Chief Officer in consultation with the Procurement Manager to instruct the award of contracts for the planned revenue and capital spend detailed in this report to suppliers providing the most economically advantageous offer to the Council.
- 6.11** All procurement activity conducted by the Council more than £2m is subject to a contract strategy. The contract strategy for new housing development within the HRA Capital Programme will be developed by the Corporate Procurement Unit in consultation with Housing Development Officers. The contract strategy will include, but is not limited to; contract scope, service forward plan, the market, procurement model and routes – including existing delivery vehicles, roles and responsibilities, risks, issues and opportunities and on-going contract management. Opportunities to maximise the positive social, economic and environmental impact for the Council through the relevant procurement processes will be developed in line with procurement policy.

7. Risk Analysis

- 7.1** All Council new build projects have their own Risk Register which highlights the risk within and out-with the project team's control. These are maintained and adjusted on an on-going basis.

- 7.2** With any new build project there is a risk that as the projects develop the cost increases beyond the estimated contract cost. Any additional borrowing requirements, or conversely, cost savings will be reported to future meetings of the Housing and Communities Committee. However, this is mitigated through a target cost model approach in our current contract arrangements within the Scottish Procurement Alliance (SPA) framework and Scotland Excel.

8 Environmental Sustainability

- 8.1** The delivery of new homes is within the approved More Homes zero carbon approach. Our current and future approach to strategic housing asset management will continue to prioritise a 'zero carbon' approach to decision making and deliverability and this will be done the aims of the Housing Asset Management Strategy and the Council's Climate Change Strategy.

9. Equalities Impact Assessment (EIA)

- 9.1** The proposal does not alter any existing policy or pattern of service delivery and so is not considered to require an equalities impact assessment.

10. Consultation

- 10.1** As part of a rent consultation exercise, 92% of respondents indicated their support for the Council's ambitious plans to deliver the Housing Revenue Account (HRA) new council house build programme. In addition, there was positive support for the wider delivery of new build housing as part of the recent Local Housing Strategy. Regular updates on new build development are provided to the West Dunbartonshire Tenants and Residents Organisation at the bi-monthly liaison meetings.

10. Strategic Assessment

- 10.1** The Local Housing Strategy is the overarching document setting out the strategic direction for housing across all tenures and informs the future investment in housing and related services across West Dunbartonshire.
- 10.2** Having considered all the Council's strategic priorities, this report and the provision of new supply social housing for rent contributes greatly to all the Council's strategic priorities.

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Date: 13 February 2024

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Appendices:	None
Background Papers:	West Dunbartonshire Council's Local Housing Strategy Local Housing Strategy, Health Inequalities Impact Assessment
Wards Affected:	All