

West Dunbartonshire Council**Report by Chief Officer Housing and Employability****Housing and Communities Committee: 22 November 2023**

Subject: West Dunbartonshire Strategic Housing Investment Plan 2024/25 – 2028/29 – More Homes West Dunbartonshire

1. Purpose

- 1.1** This report seeks approval for the More Homes West Dunbartonshire Strategic Housing Investment Plan (SHIP) for 2024/25 – 2028/29 which requires to be submitted to the Scottish Government.

2. Recommendation

- 2.1** It is recommended that the Council:

- i) Agree the draft SHIP 2024/25 - 2028/29 as appended to this report, designed to continue the delivery of an ambitious programme of new affordable homes in compliance with the West Dunbartonshire Local Housing Strategy 2022 -2027 (Approved November 2021)
- ii) Delegate authority to the Chief Officer, Housing and Employability to implement the investment plan in partnership with relevant stakeholders.

3. Background

- 3.1** The Scottish Government requires local authorities to submit a Strategic Housing Investment Plan (SHIP) each year. The core purpose of the SHIP is to set out the strategic investment priorities for affordable housing over a five year period to achieve the 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 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, 2024/25 – 2028/29. It complements the West Dunbartonshire Local Housing Strategy 2022 - 2027 approved by Council and submitted to the Scottish Government in November 2021.

- 3.4** This SHIP sets out proposals for a continuation of the high levels of new affordable housing delivery achieved in West Dunbartonshire over recent years. It recognises that inflation is impacting on the costs of new build and this brings additional programming difficulties and risks.
- 3.5** To assist in advance planning of housing investment, the Scottish Government advises local authorities annually of their minimum Resource Planning Assumptions (RPA). Our annual Resource Planning Assumption stands at £10.795m plus an expected £3.0m of additional funds. This is a significant level of support from the Scottish Government, providing a platform for a healthy new build programme during the course of the SHIP. While this is very much to be welcomed and highlights an ongoing confidence in West Dunbartonshire to deliver against our clear targets, the programme is overwhelmingly Council driven, and the delivery of our own programme will be key in securing the additional funding.
- 3.6** The project grant levels have been estimated based on current guidance with an estimated £110K per unit being projected for both Council and Housing Association schemes. There remains a discrepancy between Council and HA grant levels but it is anticipated that a higher proportion of larger family homes in the Council programme will attract a higher level of grant to compensate. The Scottish Government have introduced particular quality measures which attract higher grant rates and this is to be welcomed.
- 3.7** The Scottish Government grant funding required to deliver the priority projects listed in the programme amounts to around £62m. 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.

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 2024/25 – 2028/29.
- 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. It should be stressed that inclusion in the SHIP does not guarantee

scheme approval, as each proposal will require to go through a further detailed assessment before funding is committed.

- 4.4** All homes built through the SHIP will require to meet high quality requirements including the Council's Design Standard for Affordable Housing, which was updated in February 2019 and is currently being reviewed with a view to introducing an updated version from financial year 2024/2025.

4.5 SHIP 2024/25 – 2028/29 Priority Projects

The priority projects for this period including those currently on site, are as shown in table 3 below. All units are social rented unless otherwise stated and unit numbers are draft in some cases.

Table 3: SHIP 2024/5- 2028/9: Priority Projects by Developer*

Site/Developer	Number of
West Dunbartonshire Council	
Clydebank East	88
Pappert	26
Willox Park	17
Mount Pleasant, Old Kilpatrick	19
Clydebank Health Centre	38
Bank St, Alexandria	22
Bonhill Gap Sites	34
Gilmour Avenue	2
Acquisition Programme	300
546 units	
Dunbritton Housing Association	
19 Brown St, Haldane	1
Golfhill Drive, Dalmonach	7
8 units	
Caledonia Housing Association	
Bellsmyre Regeneration Phase 1&2	110
Dalquhurn, Renton Phase 4, 5,6	75(25 Shared Equity)
Bellsmyre Regeneration Phase 3	28
213 units	
Knowes Housing Association	
Abbeylands Road, Faifley	27
27 units	
TOTAL PRIORITY PROJECTS	
794	

- 4.6** In total the SHIP shows the development of around 500 new build affordable homes over the 5-year plan period. This level of development continues the ambitious growth in the new affordable house building programme in West Dunbartonshire. The delivery of this ambitious plan will depend upon the support of our developing RSL partners and generous funding from the Scottish Government.
- 4.7** The SHIP will also provide support funding from the AHSP to assist the successful buyback programme of ex- local authority and RSL housing stock, as well as acquisitions from the private sector including of-the-shelf homes from house builders. It is proposed that 300 units are acquired by the Council over the five years of the plan.
- 4.8** The funding required to deliver this programme is estimated to be around £62M. While this figure is within the estimated Resource Planning Target of around £69m for the period, we are experiencing a period of building industry rising costs where budgets may be stretched.
- 4.9** 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. The SHIP lists a series of future projects which we hope will feature in the programme as it progresses. Monitoring of progress will be carried out through the Council's performance management system and through key structures such as the Housing Providers Forum, Housing Performance Improvement Board 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.

5. People Implications

- 5.1** While there are no direct people implications, the increase in the programme has raised resourcing issues in both Housing Development and in Consultancy Services but measures have been taken to address these issues.

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 continuing to lobby for increased grant levels from the Scottish Government and where appropriate apply for above benchmark awards on a project-by-project basis. In particular we recognise the high cost of delivering large family homes and those constructed to passivhaus standard.

7. Risk Analysis

- 7.1** 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.
- 7.2** 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. Housing Development staff will liaise regularly with SG More Homes colleagues to address any concerns of this nature, to maximise spend within West Dunbartonshire.
- 7.3** Monitoring of progress will be carried out 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 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 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 West Dunbartonshire Tenants and Residents Organisation received a presentation on the proposed SHIP in October 2023.
- 9.3** 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.

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 support all the Council's key strategic priorities.

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Date: 8 November 2023

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Appendix: Appendix 1: Strategic Housing Investment Plan
2024/25 - 2028/29

Background Papers: West Dunbartonshire Council's Local Housing Strategy 2022-2027

EIA Assessment, October 2023

Wards Affected: All Wards