

# Agenda



## Special Meeting of Housing and Communities Committee

**Date:** Wednesday, 14 March 2018

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**Time:** 11:00

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**Venue:** Council Chambers, Clydebank Town Hall,  
Clydebank

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**Contact:** Nuala Quinn-Ross, Committee Officer  
Tel: 01389 737210, [nuala.quinn-ross@west-dunbarton.gov.uk](mailto:nuala.quinn-ross@west-dunbarton.gov.uk)

Dear Member

### ITEM TO FOLLOW

I refer to the agenda for the above meeting which was issued on 1 March 2018 and enclose a copy of the undernoted report which was not available for issue at that time.

Yours faithfully

**JOYCE WHITE**

Chief Executive

Note referred to:-

**3 MORE HOMES WEST DUNBARTONSHIRE –  
WEST DUNBARTONSHIRE AFFORDABLE HOUSING  
SUPPLY PROGRAMME**

**(3 - 14)**

Submit report by the Strategic Lead – Housing and Employability seeking approval for the acquisition and disposal of land to support West Dunbartonshire's Affordable Housing Supply Programme (AHSP).

Distribution:-

Councillor Diane Docherty (Chair)  
Councillor Iain McLaren (Vice Chair)  
Councillor Jim Brown  
Councillor Gail Casey  
Councillor Karen Conaghan  
Councillor Ian Dickson  
Councillor Caroline McAllister  
Councillor David McBride  
Councillor Marie McNair  
Councillor John Millar  
Councillor John Mooney  
Councillor Sally Page

All other Councillors for information

Chief Executive  
Strategic Director, Regeneration, Environment & Growth  
Strategic Lead, Housing & Employability  
Strategic Lead, Regeneration

Date of Issue: 9 March 2018

**WEST DUNBARTONSHIRE COUNCIL**

**Report by the Strategic Lead, Housing and Employability**

**Special Housing and Communities Committee: 14 March 2018**

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**Subject: More Homes West Dunbartonshire – West Dunbartonshire  
Affordable Housing Supply Programme**

**1. Purpose**

- 1.1** The purpose of this report is to seek Committee approval for the acquisition development and disposal of land to support West Dunbartonshire's Affordable Housing Supply Programme (AHSP). In West Dunbartonshire the AHSP is delivered through the More Homes West Dunbartonshire strategic approach which is tasked with delivering over 1000 new affordable homes in West Dunbartonshire by 2021. The acquisition would be grant funded from the Scottish Government's Affordable Housing Supply Programme.

**2. Recommendations**

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

- (i) Approve the acquisition of the site at Dumbarton Harbour from Cullross (Dumbarton Harbour) Limited to deliver 45 new Council homes subject to the price being agreed at a level supported by a valuation by the District Valuer in conjunction with the Council's Asset Management Section;
- (ii) Instruct the Strategic Lead for Housing and Employability and the Strategic Lead of Regulatory Services to negotiate and conclude a development agreement which includes meeting the Council's procurement obligations to facilitate the delivery of the new Council homes by March 2020;
- (iii) Authorise the Strategic Lead for Housing and Employability to draw down the Affordable Housing Supply Programme grant to fund the acquisition;
- (iv) Authorise the disposal of the sites at Muir Road, Dumbarton and Talisman Avenue, Dumbarton to Caledonia Housing Association and the Wheatley Group respectively subject to the price being agreed at a level supported by a valuation by the District Valuer in conjunction with the Asset Management Section; and
- (v) Authorise the Strategic Lead of Regulatory Services to conclude the transactions subject to such legal conditions that are considered appropriate.

### **3. Background**

- 3.1** As part of the Council's More Homes West Dunbartonshire programme a target has been set for 1000 new affordable homes to be built over the next five years in West Dunbartonshire between the Council and developing partner Housing Associations. To assist in meeting this target, the Council has ambitious plans which were approved by Council in February 2018 to build over 400 new homes for social rent from 2018–2021.
- 3.2** In addition to the 121 new Council homes delivered to date. Work to develop 40 new units in Second Avenue/Singer Street, Clydebank is currently ongoing and is scheduled to complete in March 2018.
- 3.3** The Strategic Housing Investment Plan (SHIP) 2018-2023, outlining the Council's New Build Programme was approved by the Housing and Communities Committee in November 2017.
- 3.4** The More Homes Delivery Team continues to prioritise the new build projects in order to ensure that West Dunbartonshire Council delivers the new Council homes within the agreed budget and timescales.

### **4. Main Issues**

- 4.1** The Scottish Government has a key national target to deliver a minimum of 50,000 new supply affordable homes in Scotland by March 2021 supported by over £3bn of investment. All local authorities have a significant role in terms of the delivery of Strategic Housing Investment Plans (SHIPs) to assist in meeting the 50,000 target. In West Dunbartonshire, our More Homes Better Homes West Dunbartonshire approach outlines the local target for a minimum 1000 new affordable homes to be built by 2021 in West Dunbartonshire between the Council and developing strategic partnering Housing Associations.
- 4.2** On February 19<sup>th</sup> 2018, the Minister for Local Government and Housing wrote to all Scottish Local Authorities reminding them of their responsibilities to accelerate and ensure the delivery of the Affordable Housing Supply Programme; the key recommendations within this report strongly support such an aim.
- 4.3** The approved HRA Capital Plan and SHIP 2018-2023 outlined the plans the Council and its partnering Housing Associations have for meeting their targets and this can be seen in the following tables:

**Table 1: Future Council New Build**

Start Year	Project	No. of New Houses	Total Cost Est	Grant Required
2017	Second Ave/Singer Street, Clydebank	40	£4.88m	£2.36m
2018/19	St Andrews School, Clydebank	126	£18.412m	£12.442m
2018/19	Dumbarton Harbour	45	£6.235m	£2.655m
2018/19	Alexandria Town Centre, Alexandria	15	£3m	£1.18m
2019/20	Bellsmyre Regeneration (Aitkenbar), Dumbarton	60	£9m	£3.54m
2019/20	Haldane PS, Alexandria	81	£12.15m	£4.779m
2019/20	Clydebank East, Clydebank	50	£6.5m	£2.95m

**Table 2: Future Housing Association New Build**

Wheatley Group/Cube Housing Association	
St Andrew's High School, Clydebank	60
Westcliff, Dumbarton	50
Stirling Road, Bonhill	8 (off the shelf)
Dumbain Road/Carrochan Road, Haldane (2 sites)	35
Queens Quay, Clydebank	139
292 units	
Clydebank Housing Association	
Queens Quay, Clydebank	50
Dumbarton Road, Clydebank	36
86 units	
Link Housing Association	
Littlemill, Dumbarton Road, Bowling	33
33 units	
Dunbritton Housing Association	
Dumbarton Harbour	150
Golfhill Drive, Dalmonach	7
Cottage Hospital, Dumbarton	10
167 units	
Caledonia Housing Association	
Bellsmyre Regeneration Phase 1&2	60
Bellsmyre Regeneration Phase 1&2	20 Shared Equity
Dalquhurn, Renton Phase 4	20
Dalquhurn, Renton Phase 5	10

Dalquhurn, Renton Phase 5	10 Shared Equity
Dalquhurn, Renton Phase 6	20
Dalquhurn, Renton Phase 6	10 Shared Equity
Mitchell Way, Alexandria	24
Muir Road, Bellsmyre	25
Hill Street, Alexandria	18
Highdykes, Alexandria	25
<b>242 units</b>	

### **Potential Sites – Acquisition**

- 4.4** The SHIP is a flexible document and potential projects that arise during the period of the document can be included if they fit with the Council's priorities. This also ensures that there is a positive supply of sites should any existing sites encounter problems.
- 4.5** The following site has been brought to the attention of the Council. The site is currently within private ownership.

#### **Dumbarton Harbour, Phase 3**

The re-development of Dumbarton Harbour is already under way with Dunbritton Housing Association building around 150 new social housing properties and a new office facility under phase 1 and 2. Re-development will also include a medium sized store and other commercial units. The Council has an opportunity to acquire the 3<sup>rd</sup> and final phase of affordable housing development by Cullross Dumbarton Harbour Limited (Cullross DH) and enter into a development agreement to secure the delivery of 45 new Council homes, the development agreement with Cullross Dumbarton Harbour Limited (Cullross DH) will include the appointment of a main contractor and will be subject to an element of competition.

- 4.6** Phase 3 has planning consent for 45 residential housing units with a mix of 1 and 2 bed flats and 3 and 4 bed houses. All properties would meet the West Dunbartonshire Affordable Housing Design Standard which incorporates Housing for Varying Needs (HfVN). Cullross DH own the site and have liaised with the Council as the strategic authority over the first 2 phases.
- 4.7** The District Valuer has been commissioned to complete a valuation of the Phase 3 site. However in advance of an agreed acquisition cost Cullross DH have proposed to undertake the development of 45 new Council homes at an estimated fixed cost of £6.235m (including land acquisition) subject to some final costs being clarified. This development value has been verified by the District Valuer and also falls within the average cost per unit of the previous Council new build schemes that have been completed and future planned Council developments.

## **Potential Sites – Disposal**

- 4.8** As the strategic authority, West Dunbartonshire Council takes an overview of all affordable new build projects in the authority area including those from Housing Associations. On occasion it is suitable to dispose of HRA council land to Housing Associations with conditions attached for them to develop social housing on it rather than the Council carrying this out. There will be clear strategic and financial reasons for this.

### **Muir Road, Glenside, Dumbarton**

The Council completed the demolition of surplus properties in Glenside in early 2017. Historically there have been no plans for the Council to re-develop this area. Disposing of this land to Caledonia Housing Association would greatly assist with their wider Masterplan for the area of Bellsmyre.

West Dunbartonshire Council has previously developed 36 new council homes in the area and has plans to develop around a further 60 new council homes on the Aitkenbar Primary School site within the current West Dunbartonshire Affordable Housing Supply Programme.

Caledonia Housing Association instructed the District Valuer to undertake a valuation of the site at Glenside which confirmed a gross value of £400,000. However any abnormal costs would be deducted from this amount.

### **Talisman Avenue and Westcliff, Dumbarton**

The 72 properties on this site have been surplus to requirements since 2014 and the tenants have all now been re-housed or decanted. As part of the Strategic Partnership with the Wheatley Group, it was agreed that once all properties were vacant, the properties and land would be transferred to the Wheatley Group for demolition and new build of around 46 social housing properties.

As the Wheatley Group will undertake the demolition of the properties on the site and the density of the development is limited by the topography of the ground it is anticipated that the receipt generated for the sale of the site will be low. This will be confirmed by a valuation to be undertaken by the District Valuer and verified by the Asset Management Section prior to conclusion.

### **Regeneration**

- 4.9** All new build Council projects to date have taken place in one of the Council's 10 Priority Regeneration Areas as outlined in the West Dunbartonshire Local Housing Strategy (LHS) 2011-2016.
- 4.10** The LHS 2017-2022 was presented to the Housing and Communities Committee in November 2016. It identified the 10 regeneration areas going forward and these will be continued to be prioritised in affordable new build planning.

- 4.11** The provision of new housing that is the right type and size and that which is needed in accordance with our housing demand lists has contributed to positively regenerating these areas. In addition, the provision of new council housing for rent, along with other housing service led initiatives through our Better Homes West Dunbartonshire approach, such as the implementation of the Housing Asset Management Strategy, housing management initiatives and the HRA Capital Programme carrying out significant works on existing stock have all contributed positively to the overall regeneration of these priority areas.
- 4.12** As part of our strategic housing approach, tenant satisfaction levels and other contributing indicators to analyse the impact of housing regeneration activities will continue to be tracked and be reported to the Housing and Communities Committee. It will be closely monitored through the Housing Improvement Board, as part of the Housing Services Performance Management Framework.
- 4.13** In addition to its direct role as a developer of new housing, the Council's Housing Service plays a key enabler role through its statutory position as the Strategic Housing Authority.

## **5. People Implications**

- 5.1** There are no significant people implications other than the resources required by Asset Management, Housing, Corporate Procurement Unit and Legal Services to conclude the transfer and complete the development.

## **6. Financial and Procurement Implications**

### Financial

- 6.1** The impacts and ambition of the Council's New Build Programme of this report has been reviewed and assessed through the Council's HRA Business Plan Model and is affordable with no negative impact to the future viability of the HRA. In February 2018 Council approved the Housing Capital Programme 2018-2023 which has net profile spend of £52.145m on council new build housing over the 5 year period. This includes the development of the Dumbarton Harbour site.
- 6.2** The Dumbarton Harbour site acquisition will be funded from the Scottish Government's Affordable Housing Supply Programme in 2017/18. The future development of the site will also be subject to Scottish Government grant funding. It should be noted that the acquisition funding will be netted off future grant award with the expectation that a minimum of £59k per unit will be available in grant funding. In terms of the Muir Road disposal there is an expected receipt to the HRA of £400,000 subject to the deduction of any agreed abnormal costs.
- 6.3** The potential positive impacts that the recommendations contained within this report include the formation of around 91 new households in West Dunbartonshire and subsequent additional Council tax revenue. In addition



there will be a positive impact to the Housing Revenue Account (HRA) through an additional 45 new homes of around £180k in rental income on an annual basis.

- 6.4** The development opportunities have all been identified within the Strategic Housing Investment Plan and will generate additional grant funding into West Dunbartonshire in financial year 2017/18 through the acquisition funding.
- 6.5** The future Council new build plan outlined at 4.3 will see over £60million of investment to deliver the Affordable Housing Supply Programme Funding.

#### Procurement

- 6.6** All procurement activity carried out by the Council in excess of £50,000 is subject to a contract strategy. The contract strategy for the Council's New Build Housing programme is developed by the Corporate Procurement Unit in conjunction with Housing Development. 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.
- 6.7** The Council's New Build Housing programme will contribute to delivery of the Council strategic priorities through the development of a robust contract strategy which will explore the inclusion of possible community benefits which improve economic growth and employability or life chances for children and young people.
- 6.8** Further opportunities to maximise the positive social, economic and environmental impact for the Council through the contract will also be explored.

### **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.
- 7.3** There is a risk that the abnormal costs associated with the Muir Road disposal could potentially be higher than the valuation. To mitigate this risk and protect the Housing Revenue Account the sale agreement would include a clause that once the abnormals are clarified any clawback would equate to the value of the ground and could not exceed this figure.

**7.4** There is an additional risk around the complexities within the acquisition, development agreement and disposals that final agreement cannot be resolved prior to the end of the financial year, while the Council will mitigate this risk by appropriately resourcing it may be that the external parties fail to provide adequate resource to deliver within the timescales. This could potentially result in the loss of the delivery of around 150 new homes and adversely impact on the More Homes West Dunbartonshire approach to deliver 1000 new homes in West Dunbartonshire by 2021.

**7.5** The Council's procurement obligations will be met to minimise any potential procurement risk in terms of the delivery of 45 new Council homes.

## **8. Equalities Impact Assessment (EIA)**

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

## **9. Consultation**

**9.1** As part of our rent consultation exercise (January 2017), 92% of respondents indicated their support for the Council's ambitious plans to deliver the Housing Revenue Account (HRA) new council house build programme.

**9.2** 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 five strategic priorities.

**Peter Barry**  
**Strategic Lead, Housing and Employability**  
**Date: 9 March 2018**

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**Person to Contact:** John Kerr – Housing Development and Homelessness Manager, Housing and Employability, Garshake Road, Dumbarton, G82 3PU, telephone: 01389 737889, email: [john.kerr@west-dunbarton.gov.uk](mailto:john.kerr@west-dunbarton.gov.uk)

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**Appendices:**

Site Plans

- 1) Dumbarton Harbour
- 2) Muir Road, Bellsmyre, Dumbarton
- 3) Talisman Avenue, Westcliff, Dumbarton

**Background Papers:**

Valuation Report, Dumbarton Harbour, February 2018

Valuation Report, Muir Road, February 2018

Letter to all Scottish Local Authority Chief Executives,  
Minister of Local Government and Housing, February  
2018

West Dunbartonshire Council's Local Housing Strategy  
2017-2022

[http://www.west-  
dunbarton.gov.uk/media/4311723/housing-strategy-2017-  
2022-final.pdf](http://www.west-dunbarton.gov.uk/media/4311723/housing-strategy-2017-2022-final.pdf)

Local Housing Strategy, Equalities Impact Assessment,  
November 2016

[http://www.west-  
dunbarton.gov.uk/media/716927/lhs\\_eia\\_sept\\_2011-  
revised.pdf](http://www.west-dunbarton.gov.uk/media/716927/lhs_eia_sept_2011-revised.pdf)

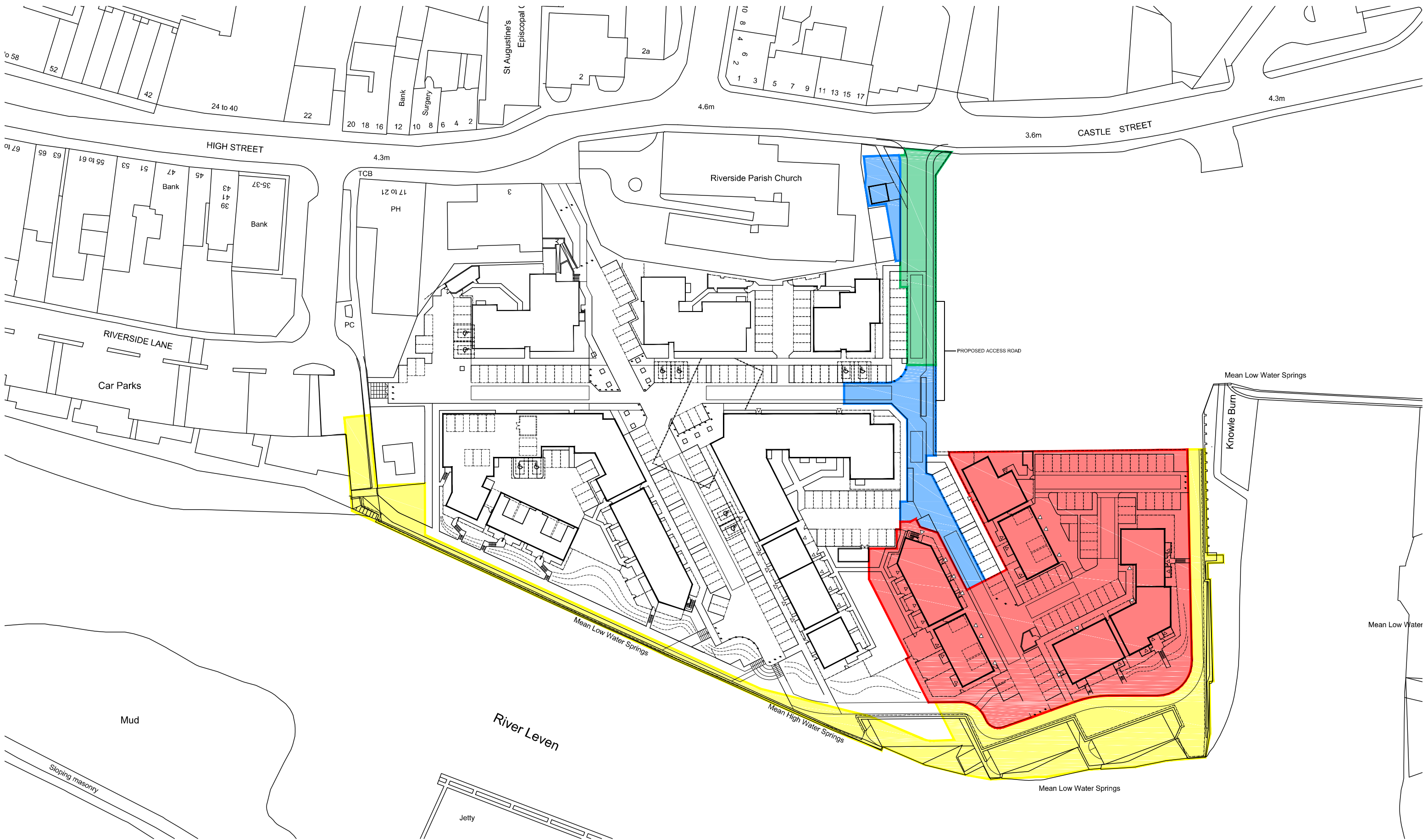
More Homes, Better Homes West Dunbartonshire  
Strategic Housing Investment Plan, Housing  
Development, November 2017

Affordable Housing in West Dunbartonshire, Housing  
Strategy and Development, July 2015

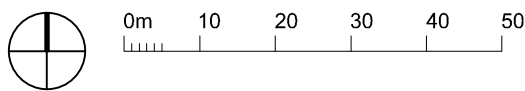
[http://www.west-  
dunbarton.gov.uk/media/4308583/brochure-final-website-  
version.pdf](http://www.west-dunbarton.gov.uk/media/4308583/brochure-final-website-version.pdf)

**Wards Affected:**

All



H	WALKWAY AREAS ADDED. HATCH COLOUR REVISED	05.03.2017	JL	SG
G	BOUNDARY TO WATERFRONT WALKWAY REVISED	14.02.2018	JL	SG
F	PHASE 3 BOUNDARY REVISED	28.09.2017	JL	SG
E	PHASE 3 BOUNDARY REVISED	13.09.2017	JL	SG
D	PHASE 3 BOUNDARY REVISED TO EXCLUDE WALKWAY	12.09.2017	JL	SG
C	PHASE 3 BOUNDARY & COMMON AREAS REVISED	11.09.2017	JL	SG
B	BOUNDARIES REVISED TO MATCH CURRENT PROPOSALS.			
A	PHASE 2 BOUNDARY LINE TYPE & COLOUR REVISED	13.12.2016	JL	-
	PHASE 2 COLOUR HATCH REVISED	18.11.2016	NS	JL
REV	DESCRIPTION	DATE	DRWN BY	CHKD BY



PROJECT	DUMBARTON HARBOUR	JOB No	5990	DRAWING No	5033	REVISION	G
TITLE	PHASE 3 TITLE PLAN	SCALE	1:1000 @ A3	DRAWN BY	NS	CHECKED BY	JL
CLIENT	CULLROSS LTD	STATUS	-	DATE	OCTOBER 2016		

**DRAFT - NOT YET ISSUED**

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