

West Dunbartonshire Council

Report by Strategic Lead Housing and Employability

Housing and Communities Committee: 04 November 2020

Subject: More Homes West Dunbartonshire Strategic Housing Investment Plan 2021/22 – 2025/26

1. Purpose

- 1.1** This report seeks approval for the More Homes West Dunbartonshire Strategic Housing Investment Plan (SHIP) that cover the period 2021/22– 2025/26 which will be submitted to the Scottish Government. The Strategic Housing Investment Plan sets out how investment in affordable housing will be targeted to meet the objectives of West Dunbartonshire Local Housing Strategy

2. Recommendation

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

- i) Agree the draft SHIP 2021/22 - 2025/26 as appended to this report
- ii) Invite the Strategic Lead, Housing and Employability to implement the investment plan in partnership with relevant key stakeholders.

3. Background

- 3.1** The Scottish Government requires local authorities to submit a Strategic Housing Investment Plan (SHIP) by December 2020. 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 (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, 2021/22 – 2025/26. It complements the West Dunbartonshire Local Housing Strategy 2017 - 2022 approved by Council and submitted to the Scottish Government in November 2016.

- 3.4** This SHIP is the first version going beyond the Scottish Government's *More Homes Scotland* initiative completion date of 31 March 2021, and reflects learning from the Covid-19 pandemic. The ambitious *More Homes Scotland* initiative looks set to fall slightly short of its target due to Covid-19 disruption. However, it is widely acknowledged that it produced significant gains for affordable housing across Scotland, including in West Dunbartonshire.
- 3.5** This SHIP sets out proposals for a continuation of the high levels of new affordable housing delivery achieved in West Dunbartonshire during the *More Homes* period but with the understanding that we are entering a period of greater than usual uncertainty and change.
- 3.6** 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 we are working on the basis of a figure of around £11m per annum grant support from the AHSP, a total of £55m over the course of the plan period. This compares with the following original RPA figures over the last previous five year period.

Year	Resource Planning Assumption
2016 – 2017	£3.77m
2017 – 2018	£2.35m
2018 – 2019	£8.634m
2019 – 2020	£9.768m
2020 - 2021	£10.421m
Total	£38.943m

- 3.7** It is worth noting that over the above period West Dunbartonshire has secured additional funding of over £30m to deliver new homes within the local authority area. We are further reassured by the Draft Infrastructure Investment Plan for Scotland 2021/22 – 2025/26 published by the Scottish Government in September 2020, which shows a proposed increase in development funding for affordable housing in the region of some 16%.
- 3.8** The project grant levels have been estimated on the basis of current guidance with a baseline of £72k for HA schemes and £59k for Council ones. We would hope that this year will see progress on bringing about parity on levels of grant funding which currently place an unfair burden on Council tenants. We are also hopeful that there will be a recognition that improved standards being brought in to the quality of the new housing should be supported by higher grant levels.
- 3.9** There is growing support for the idea that the provision of new social housing across Scotland will be pivotal in growing the post-Covid economy. The Scottish Government recommends preparing a programme that 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 £50m. 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 2021/22 – 2025/26.

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 programmes broadly reflects the prioritisation and estimated deliverability of the projects. However, 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. We will continue to encourage innovation in design including consideration of options to provide zero-carbon homes.

4.5 SHIP 2021/2 – 2025/6: 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 1: SHIP 2021/2- 2025/6: Priority Projects by Developer*

Site/Developer	Number of Units
West Dunbartonshire Council	
St Andrews School	126

Dumbarton Harbour	45
Creveul Court, Alexandria	22
Haldane Primary School	58
Aitkenbar Primary, Bellsmyre	55
Queens Quay Site B	29
Clydebank East (ex MSF site)	60
Queens Quay Site C	31
Pappert	30
Lilac Ave	30
Bank St	30
516 units	
Wheatley Group/Cube	
Queens Quay, Clydebank	80
80 units	
Clydebank Housing Association	
Queens Quay, Clydebank	37
Dalton Ave	24
61 units	
Link Housing Association	
146 Dumbarton Road, Old Kilpatrick	48
48 units	
Dunbritton Housing Association	

Dumbarton Harbour	150
Golfhill Drive, Dalmonach	7
Cottage Hospital, Dumbarton	10
Dumbain Road PH2	39
206 units	
Caledonia Housing Association	
Bellsmyre Regeneration Phase 1&2	66
Dalquhurn, Renton Phase 4,5,6	75 (inc 25SE)
Muir Road, Bellsmyre	66
Highdykes Primary School	49
256 units	
TOTAL PRIORITY PROJECTS	1206

** All homes are social rented unless otherwise stated and include projects currently on-site, some of which will complete before 31 March 2021.*

- 4.6** In total the SHIP shows the development of more than 1,000 new affordable homes over the 5-year plan period including those currently under construction. This level of development, of around 200 per year, continues the recent huge 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 seeks funding from the AHSP to support the popular 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 100 units are acquired over the five year period of the SHIP.
- 4.8** The funding required to deliver this programme is estimated to be around £50.277m. While this figure is within the estimated Resource Planning Target of £55m for the period, we are likely to be entering a period of rising costs and potentially one where specifications are improved in response to climate change and Covid-19 response issues. Further discussion will be required with the

Scottish Government's More Homes Division over resourcing such an ambitious programme within the context of a wider consideration of the approach to the ongoing Housing to 2040 consultation and the response to the Covid-19 crisis.

- 4.9** In preparing the SHIP, developers have been encouraged to consider the diversity of tenure. While most projects are for social rent, there is a small number proposed for shared equity by Caledonia HA in Bellsmyre and Renton. The Council is also giving consideration to alternative tenures in its future projects.
- 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, Housing Performance Improvement Board, More Homes Project 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 the availability of land, type of housing being proposed, compliance with LHS objectives, deliverability, and value for money. This analysis has informed this SHIP but a review will be carried out of the scoring criteria in conjunction with the preparation of the new Local Housing Strategy due to be brought to the Committee in November 2021.

5. People Implications

- 5.1** There are no people implications from this report.

6. Financial and Procurement Implications

- 6.1** The additional investment is affordable within the agreed long-term funding model used. The financial modelling does demonstrate that the new council house building programme is beneficial to the HRA. However, care requires to be taken to ensure that the 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.

Procurement

- 6.2** A robust contract strategy will be developed to ensure the ongoing delivery of new Council housing in West Dunbartonshire to reflect the ambition outlined within the SHIP, This will be inclusive of further opportunities to maximise the positive social, economic and environmental impact for the Council through the delivery of the new homes.

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,
- 7.3** 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 progress towards Brexit.

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 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. The West Dunbartonshire Tenants and Residents Organisation received a presentation on the proposed SHIP in October 2020. The preparation of the SHIP has been a corporate task, involving all relevant service areas 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 as such contributes significantly to all the Council's strategic priorities.

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Date: 22 October 2020

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Appendix: Appendix 1: Strategic Housing Investment Plan
2020/21 - 2024/25 and associated 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