

WEST DUNBARTONSHIRE COUNCIL**Report by the Strategic Lead, Housing and Employability****Housing and Communities Committee: 6 November 2019**

Subject: More Homes West Dunbartonshire – West Dunbartonshire Council House New Supply Programme

1. Purpose

- 1.1** The purpose of this report is to provide the Housing and Communities Committee an update on progress with West Dunbartonshire's Council House New Supply Programme and approve the refreshed Buy Back policy which is a key strand of the More Homes West Dunbartonshire approach.

2. Recommendations

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

- (i) Note the content of the report;
- (ii) Approve the amended Buy Back Scheme Policy attached as Appendix 1 of this report.

3. Background

- 3.1** In West Dunbartonshire the Affordable Housing Supply Programme (AHSP) is delivered through the More Homes West Dunbartonshire strategic approach which was initially tasked with delivering over 1000 new affordable homes in West Dunbartonshire by 2021 and includes the Council's ambitious New House Building Programme.
- 3.2** As part of the Council's More Homes West Dunbartonshire programme a target has been set for 1000 new affordable homes to be built within a 5 year period up to March 2021 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 around 400 (this figure is inclusive of buy back properties) new homes for social rent from 2018–2021, the first of which were delivered in Spring 2018 in Second Avenue, Clydebank. Partner Housing Associations have a combined target of over 800.

- 3.3** The Council have now delivered 161 new council homes as outlined in Table 1 below:

Table 1: Completed Council New Build

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
Totals	161	

- 3.4** The Strategic Housing Investment Plan (SHIP) 2018-2023, 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 2018.
- 3.5** The updated Strategic Housing Investment Plan covering the period 2019-2024 is also being presented to the Housing and Communities Committee in November 2019 and will update members on current and future new build plans for both the Council and developing Housing Associations.
- 3.6** 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 19th 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 Council's More Homes West Dunbartonshire approach strongly supports such an aim. This has been strengthened through the formation of a More Homes West Dunbartonshire Project Board chaired by the Strategic Lead for Housing and Employability which will provide strong governance and leadership to ensure the ambitions are achieved.

- 4.3** The Strategic Housing Investment Plan and HRA Capital Plan outlined the plans the Council have for meeting their targets. These revised new build targets for the Council are outlined below:

Table 2: Council New Build

Site/Developer	Number of Units
St Andrews High School, Clydebank	126
Dumbarton Harbour	45
Creveul Court, Alexandria	22
Haldane Primary School	58
Aitkenbar Primary, Bellsmyre	55
Clydebank East ex MSF site	50
Queens Quay, Site B/C, Clydebank	60*
416 units	

*Includes 29 units at Site b and a projected 31 units at Site C

- 4.4** The Housing and Communities Committee in February 2019 approved the addition of Queens Quay, Site C to the Council's new build programme, although it should be noted that this site would not complete before 2021 target; however it is consistent with the Council's stated intention to continue new build development for the foreseeable future. The site would only be taken forward if a financially viable project that meets housing need can be developed and would be funded from the future projects element prescribed within the HRA Capital Plan and therefore not requiring any additional budget provision.
- 4.5** The Council's new build programme has achieved a number of notable milestones since the last update provided to the Housing and Communities Committee, including having 262 new homes at construction stage at present, progress on each of the Council new build projects is outlined below:-

St Andrews School Update

This development will provide 126 units in total. This site will now fully be developed by the Council and all units used for council housing.

This project is now on site as of 3rd June 2019 and is anticipated to complete in March 2021.

Due to unforeseen ground conditions and the requirement for a detailed remediation strategy, the costs for this project are anticipated to be above budget. This issue is noted at 6.3 in more detail.

Aitkenbar Primary School

The project is now on-site as of 14 October 2019. Ongoing progress will continue to be reported to a future Housing and Communities Committees.

Committee will be aware that the Council is working with 2 community organisations who are still utilising the Longcraggs facility located within the development site. The arrangements are now in place for each of these

groups to move into agreed alternative accommodation with modifications and adaptations in both cases being funded by WDC. These works are progressing to ensure the new accommodation is ready. However this process has taken longer than expected.

To alleviate the impacts the Council and its appointed contractor devised a Health and Safety Plan and short term amendment to the programme to work around the Longcrags facility still being in operation this provides an additional 3 week period for the works to the community organisations new accommodation to be concluded.

If the works are not concluded by the revised date of 14th November so that the Longcrags facility can be vacated there is a risk that the Council may have to stop on-site and as a result could face delay charges which will have to be met by the HRA. Interim arrangements to avoid this are being developed for both of the affected groups.

A verbal update on the progress of works will be provided to the Housing and Communities Committee.

Aitkenbar Primary School

The project is now on-site as of 14 October 2019. Ongoing progress will continue to be reported to a future Housing and Communities Committees.

Committee will be aware that the Council is working with 2 community organisations who are still utilising the Longcrags facility located within the development site. The arrangements are now in place for them to move into agreed alternative accommodation and works are progressing to ensure the new accommodation is ready; this process has taken longer than expected and is now impacting on the delivery programme for the new homes.

To alleviate the impacts the Council and its appointed contractor devised a Health and Safety Plan and short term amendment to the programme to work around the Longcrags facility still being in operation this provides an additional 3 week period for the works to the community organisations new accommodation to be concluded. If the works are not concluded by the revised date of 14th November the Council may have to stop on-site and delay charges will have to be met by HRA.

A verbal update on the progress of works will be provided to the Housing and Communities Committee.

Haldane Development

The project is now on-site as of 21 October 2019. Progress will be reported to future Housing and Communities Committees.

The costs for the Haldane development because of siteworks issues are now above the allocated budget by £189,772. To mitigate the increase in costs we have requested additional Scottish Government grant, we will also work

closely with the contractor to drive further efficiencies within this development without any dilution of quality. We anticipate that we would know the outcome of our request for additional grant subsidy from the Scottish Government in early November.

Dumbarton Harbour

The Housing Development Team are engaged with Turner Townsend and have agreed the design specification for the delivery of the 45 units. An element of enabling works has already commenced and full planning permission is already secured. A recent issue with site levels across this site and neighbouring projects was identified and has now been resolved. However, the impact had has delayed the site start which will now be November 2019.

Creveul Court, Alexandria Town Centre

Creveul Court development will see a 22 unit development of flats with lifts and bungalows a key principle for the design is to build on the housing need already satisfied through the adjacent Caledonia/Dunbritton Housing Association's Kippen Dairy development and meet any unmet need particularly in relation to older person's accommodation.

The development is planned to go on site in early November 2019.

Clydebank East

A masterplanning design approach is being developed which could oversee the development of around 140 new homes within this site. While we have previously reported a minimum of 50 new Council homes within this site, we are currently researching opportunities to introduce alternative tenures within the wider regeneration approach. The research will conclude before the end of the year with a view to bring proposals to a Housing and Communities Committee within 2019/20.

The demolition company is now onsite and the demolition is underway and will take around a year, completing next May 2020. Following this the Council will be on-site to develop the social housing element of the site. A briefing in relation to the Clydebank East demolitions was provided to members in October 2019.

Queens Quay, Site B, Clydebank

A Planning Application for Site A and B comprising of a total of 146 flatted units (29 WDC units included within this) was made in December 2018 and planning approval was received from the March 2019 Planning Committee.

Council, at the 26 June 2019 meeting approved the use of the Council's General Services capital Regeneration Fund to fund the construction of the four commercial units within the affordable housing development to assist with the delivery of this project.

The Council is working collaboratively with our housing association partners to ensure a site start before the end of 2019.

Queens Quay, Site C, Clydebank

The Council is currently developing a design to deliver a projected 31 family type homes on this site to complement the housing mix within sites A and B. It is anticipated more detail will be available for the next meeting of the Housing and Communities Committee. We have ambitions within this development to look at a low/zero carbon house type.

Buy Back Scheme

Since 2015 the Council has operated a Buy Back Scheme that assists the Housing Team in purchasing properties of former Council homes that were sold through the Right to Buy Scheme. Not only does this Scheme assist with housing need and accelerating common capital works, it also contributes towards the More Homes agenda by adding additional stock to the Council's portfolio that is the right type and size and in the right location.

To date 27 new homes have been purchased through the scheme at an overall cost of £2,245,370. It should be noted that these costs are inclusive of all works to bring the home up to SHQS and EESSH standard.

We continue to monitor the policy and the West Dunbartonshire More Homes Project Board recently approved slight amendments to this Policy. This was to extend the scheme to allow the Housing Department to purchase under certain circumstances properties from the market that are not former RTB properties. This would only be for certain limited situations where existing stock or proposed new build stock cannot meet a specific applicant's need. The revised policy is included as Appendix 1 of this report and seeks Committee approval to make this minor amendment to add greater flexibility to the scheme to assist in meeting housing need.

- 4.6** 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.
- 4.7** 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 More Homes Project Board.

- 4.8 In addition to its direct role as a developer of new housing, the Council's Housing Development Team plays a key enabler role through its statutory position as the Strategic Housing Authority.

5. People Implications

- 5.1 There are no people implications from this report.

6. Financial and Procurement Implications

Financial

- 6.1 The impacts and ambition of the Council's New Build Programme has been reviewed and assessed, together with the revised target cost, increased abnormal element and inclusion of the development of Queens Quay Site C, through the Council's HRA Business Plan Model and is affordable with no negative impact to the future viability of the HRA.
- 6.2 We are now at the stage where final tender costs are known for St Andrews, Aitkenbar, Haldane and Creveul Court projects. Table 3 below outlines the final cost against the estimated budget cost for these 4 projects:

Table 3: Final Tender Costs*

Project	Anticipated Budget	Actual Cost	Variance	Comment
St Andrews	£20,704,750	22,121,767	-1,417,017	Over Budget
Aitkenbar	£10,140,000	9,567,154	572,846	Under Budget
Haldane	£10,740,000	10,929,772	-189,772	Over Budget
Creveul	£3,825,000	3,633,833	191,167	Under Budget

*Not Whole Programme

- 6.3 As reported at previous Housing and Communities Committee, due to the emergence of detrimental site conditions and the piling solution to resolve this, the costs for St Andrews are over budget and we now know this will be by £1.4m. Whilst costs for Haldane are unexpectedly over budget due to additionality in the extent of the siteworks required, this is somewhat offset by Aitkenbar and Creveul Court being under budget.
- 6.4 In order to realign the affordable housing supply budget, a number of actions will be taken. The Council have met and discussed with Scottish Government officials and have requested additional grant of £3000 per unit for the Haldane and Aitkenbar developments, which when approved will provide additional grant income of £339,000 to the Affordable Housing Supply Programme budget. The Council team will also work on securing additional grant for the project at Queens Quay site C and Clydebank East at the appropriate time.
- 6.5 There are still a number of projects within the current programme that we do not have final costs for. Once received and costing exercises and the overall analysis of projects that have underspent or overspent have taken place it

may be necessary to seek Council permission to to accelerate funds from planned future years spend within the AHSP. Updates to this position will be reported to future Housing and Communities Committees.

- 6.6** The Housing Development Team will continue to work with the Scottish Government, colleagues in Consultancy Services, our current main contractor CCG and any future contractors to ensure that the loss of budget to the current and future new build programmes is minimal.
- 6.7** In February 2019 Council approved the Housing Capital Programme 2019-2024 which has gross profile spend of £96.924m on council new build housing over that 5 year period year period. This includes some £8m per annum from 21/22 provision for future new build projects. The Housing team has already commenced developing the feasibility of future development and these will be included in the draft Strategic Housing Investment Plan reported to the Housing and Communities Committee in November 2019. As highlighted in 4.4 of this report the first future project identified is the development of new homes within Queens Quay Site C.
- 6.8** The introduction of the West Dunbartonshire Affordable Housing Design Standard approved by the Housing and Communities Committee in November 2015 and updated in February 2019 will ensure all new affordable housing developments in West Dunbartonshire will be eligible for the higher 'greener' subsidy levels of £72k (RSL) and £59k (Council). This enables the leverage of an additional £2k of grant funding per unit of affordable housing in West Dunbartonshire.

Procurement

- 6.9** As highlighted in section 3.7 of this report, a robust contract strategy resulted in the appointment of CCG Scotland Ltd to deliver five of our new build development sites inclusive of enabling and construction works.
- 6.10** Further opportunities to maximise the positive social, economic and environmental impact for the Council through this 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.

8. Equalities Impact Assessment (EIA)

8.1 An Equalities, Health and Human Rights Impact Assessment screening was carried out on the revised Buyback Policy and found no substantive negative impacts. The assessment is available as a background paper to this report.

9. Consultation

9.1 As part of our previous 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.

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.

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Date: 24 October 2019

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Appendices: 1. Buyback Policy, October 2019

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>

Local Housing Strategy, Equalities Impact Assessment, November 2016
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