

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Officer, Housing and Employability

Housing and Communities Committee: 23 November 2022

**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 including the practical completion and handover of the latest development project at Queens Quay (Site B); and
- (ii) Approves the undertaking to conduct all necessary procurement exercises for the new identified sites within the Future New Build – West Dunbartonshire Affordable Housing Supply Programme identified in section 4.3 of this report to deliver new council homes: and
- (iii) Approve the acquisition of the former Clydebank Health Centre site at the cost of £707,400 from NHS Greater Glasgow and Clyde for the delivery of new Council homes.

3. Background

- 3.1** In West Dunbartonshire the Affordable Housing Supply Programme (AHSP) is delivered through a More Homes West Dunbartonshire strategic approach which was initially tasked and has successfully delivered over 1000 new affordable homes in West Dunbartonshire by 2022 and includes the Council's own ambitious New House Building Programme.
- 3.2** The Council's latest practical completion took place at the Queens Quay development in September this year delivering 29 new Council homes in a key regeneration area as part of a wider development which has delivered

146 new social rented homes. These are first residential properties to be heated from the Council's Queens Quay District Heating Network.

- 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 to date 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 Bellmsyre, 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
Totals	496	

- 3.4** The Strategic Housing Investment Plan (SHIP) 2022-2026, 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 2021. A new SHIP is being prepared and will be presented to the November 2022 meeting of the Housing and Communities Committee covering the period 2023-2027. The new SHIP will outline plans to meet the new 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 recovery plans. It is also clear that the need for affordable homes has and will increase in the current economic environment. 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.
- 4.2** As the biggest affordable housing developer in West Dunbartonshire, the Council has identified a number of 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.

- 4.3** 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	January 2023	Spring 2025
Pappert, Bonhill Alexandria	27	3	March 2023	Summer 2024
Mount Pleasant	25	25	March 2023	Summer 2024
Dennystoun Forge	20	20	April 2024	Summer 2024
Willox Park	17	17	June 2023	Summer 2024
Bonhill Gap Sites*	35	4	July 2023	Winter 2024/25
Bank Street, Alexandria	20	20	Autumn 2023	Winter 2024/25
Queens Quay Site C	100	10	Autumn 2023	Spring 2025
Clydebank Health Centre*	38	5	Autumn 2023	Spring 2025
Clydebank Gap Sites*	50	10	Spring 2024	Summer 2025
Buyback Scheme (50 per year)	250	25	2023/24	2027/28
670 units		148 units		

*Current Planning figures

- 4.4** Updates for each site are noted below:

Clydebank East:

Following the Housing and Communities Committee decision in November 2015 to fully demolish the 336 homes in Clydebank East and regenerate the area, the demolitions were completed in October 2019. Design of 88 new build council properties has been underway with architects Anderson, Bell and Christie. The project was heard at the October 2021 Planning Committee. However, Planning was continued as committee were concerned at the parking provision provided.

The Planning was approved in June 2022, with an extended parking scheme, 125%, and the inclusion of electric charging points and future proofing of all parking spaces for the provision of EVs.

This delay has caused considerable financial increases estimated to be in region of 25%, caused by global construction inflation and the Ukraine invasion in February, which has resulted in additional pressures on the supply chain and increased costs.

We are now working through the revised planning conditions. Following additional and more detailed site investigations we were also looking at very significant additional costs of an estimated £11m to deliver the ground remediation strategy.

These additional costs placed the development at risk due to affordability issues. However, we have over the last couple of months carried out a value engineering exercise to deliver the most cost effective method of delivering the required remediation strategy. This has resulted in an extension of the construction period but has reduced the costs from the projected £11m to a cost of £4.796m. It should be noted that in discussions with the Council's Land Contamination Team that remediation works would be necessary regardless of the intention to build new Council homes on the site.

The value engineering exercise undertaken has resulted in a significant cash saving of £6.204m to the project and having been assessed within the HRA Business Plan is within the affordability threshold and we plan to commence the remediation works in January 2023. This will avoid the requirement to return £1.511m to the Scottish Government in Affordable Housing Supply Funding that has been drawn down on the project to date.

While the current Affordable Housing Supply Grant benchmarks are not due to be reviewed and uprated based on inflation until April, it is our intention to seek grant above current benchmark levels and have already opened dialogue with the Scottish Government on this in advance of submission of our grant application before the end of this calendar year.

The development at Clydebank East will see the completion of a major housing led regeneration of a key priority area identified in the Local Housing Strategy and will be the Council's first fully zero carbon housing development and marks a significant milestone in our transition to net zero approved at the August 2022 meeting of the Housing and Communities Committee.

Pappert, Bonhill

The development of 27 new homes comprises 7 Passivhaus homes and 20 homes meeting the net zero ready standard.

House Type	Sustainability Standard	Number of New Homes
House 3bed/4 person	Passivhaus	4
House 3bed/5 person	Passivhaus	3
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

We have commenced preplanning consultation in advance of submitting a formal planning application within the next few weeks. This development is also subject to a funding application to the Scottish Government's Vacant and Derelict Land Fund.

Mount Pleasant, Old Kilpatrick

The demolition of the former care home at the site commenced on Monday 31st October with a completion date of 2 February 2023.

We have had an initial consultation with the Old Kilpatrick Community Council where we presented our concept of providing between 25 units of housing in a similar style to Creveul Court, one and 2 bedroom flats and terraced 1 / 2 bedroom terraced cottages with private gardens.

Dennystoun Forge Gypsy/Traveller Site

A submission has been 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. This proposal has made it to the final round of the bidding process and following a positive presentation to the Scottish Government in October 2022 we await a decision if funding will be granted before the end of this calendar year.

Willox Park, Doveholm, Dumbarton

As we prepare to submit a formal planning application before the end of this year, we have appointed a Landscaping consultant to design a scheme for the planning application. In addition we are in the process of appointing a civil engineer to prepare a flood plain analysis, which will form part of the planning permission.

During the consultation, tenants and adjacent owners have highlighted parking and vehicle movement as a concern, we instructed a parking survey, which concluded that the existing car parking provision, had a maximum capacity of 30% at different times of the day during the survey period.

All demolition works are now complete with Practical Completion Certificate issued to contractor. The site has been secured in anticipation of the construction phase of the development.

Bonhill Gap Site Strategy

We are currently progressing design drawings for each of the gap sites and await an estimated cost for the projects by end of November following the acquisition of the additional site from the Council's General Fund.

In response to families facing overcrowding, it is the intention to deliver a proportion of larger homes within the gap site developments.

Bank Street, Alexandria

The council is currently developing a proposal for 20 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.

There are a number of infrastructure constraints within the site including a main sewer which may affect the viability of the site. We are currently working on pre-planning drawings for submission in early 2023 based on the conclusion of the discussions with HSCP.

Queens Quay, Site C, Clydebank

The Council is currently 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 25th 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 instructed the District Valuer to value these 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.

Clydebank Health Centre

The Council are continuously looking for opportunities to provide additional new build council homes and this includes through the Scottish Government's trawl process which seeks to utilise public sector land sales for the delivery of key national ambitions which includes the delivery of new homes. The former Clydebank Health Centre in Kilbowie Road, Clydebank was identified through

this process and approval is sought to acquire the site from NHS Greater Glasgow and Clyde to West Dunbartonshire Council.

The transfer will be carried out using the process set out in the Scottish Public Finance Manual - Guidelines for the Transfer of Property within the Scottish Public Sector.

A plan of the area is included as Appendix 1 to this report and has a gross site area which extends to 0.98 ha (2.43 acres). A valuation carried out by the District Valuer in October 2022 placed a valuation of £1.6m for the site. Tripartite discussions involving the Scottish Government, NHS Greater Glasgow and Clyde have reached agreement on a financial assessment on the levels of abnormal costs within the site resulting in an offer of £707,400 subject to Committee approval.

Therefore approval is sought within this report for West Dunbartonshire Council's Housing Revenue Account to acquire the Clydebank Health Centre site for the sum of £707,400.

The acquisition costs will be met in full from acquisition grant from the Scottish Government's Affordable housing Supply Programme budget. On the successful completion of the acquisition it would be the Council's intention to demolish the existing property as a matter of urgency.

- 4.5** 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 are no people implications from this report.

6. Financial and Procurement Implications

Financial

- 6.1** In March 2022 Council approved the Housing Capital Programme 2022-2027 which saw significant resources committed to the delivery of new council homes in West Dunbartonshire. An expenditure budget of £83.393m for the affordable housing supply programme is factored into the HRA Capital Programme. The additionality in the costs highlighted for the Clydebank East development can be met from this existing budget; however we would anticipate additional grant funding would be made. As it currently stands, it is anticipated that this programme will complete on project life budget.
- 6.2** Influenced by Brexit, the current Covid-19 pandemic, Ukraine and other global issues, the emergence of supply issues and subsequent cost increases has begun to be felt across Scotland and the UK. Whilst the impact of these is still

being examined, it is prudent to mention this as early as possible in order to provide more detailed information at a future Committee when new tender prices are known.

- 6.3** We are likely to see this impact on all our future development sites. Housing Development Officers and Finance will continue to assess the impacts in the context of affordability of developments.

Procurement

- 6.3** All new development sites will be subject to new detailed procurement strategies and the opportunities highlighted with 4.4 of this report will continue to be prioritised.
- 6.4** Where the contract award is less than £50,000, 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.

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. 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 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. 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. Having considered all the Council's strategic priorities, this report and the provision of new supply social housing for rent contributes greatly to all strategic priorities.

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Date: 8 November 2022

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Appendices: 1. Clydebank Health Centre site plan

Background Papers: West Dunbartonshire Council's Local Housing Strategy

Local Housing Strategy, Health Inequalities Impact Assessment

DVS Valuation Report Development Site: Clydebank Health Centre

Wards Affected: All