

West Dunbartonshire Council

Report by Chief Officer, Housing and Employability

Housing and Communities Committee: 3 November 2021

Subject: More Homes West Dunbartonshire Strategic Housing Investment Plan 2022/23 – 2026/27 Update Report

1. Purpose

- 1.1** This report seeks approval for the More Homes West Dunbartonshire Strategic Housing Investment Plan (SHIP) for 2022/23– 2026/27 which requires to be submitted to the Scottish Government.

2. Recommendation

- 2.1** It is recommended that the Council:

- i) Agree the draft SHIP 2022/23 - 2026/27 as appended to this report, designed to assist in the delivery of an ambitious programme of new affordable homes as contained in the new West Dunbartonshire Local Housing Strategy 2022 -27;
- ii) Invite the Chief Officer, Housing and Employability to fully implement the investment plan in partnership with relevant stakeholders notably the Scottish Government.

3. Background

- 3.1** The Scottish Government requires local authorities to submit a Strategic Housing Investment Plan (SHIP) by November 2021. 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, 2022/23 – 2026/27 It complements the West Dunbartonshire Local Housing Strategy 2022 – 2027 which is being presented to Housing and

Communities Committee on 3rd November 2021 for approval.

- 3.4** This SHIP is the first setting out a programme linked to the new LHS and embracing the Scottish Government's target of delivering 110,000 new homes by 2032, a minimum of 70% of which will be social rented housing as outlined in Programme for Government in September 2021.
- 3.5** This SHIP sets out proposals for a continuation of high levels of new affordable housing delivery within West Dunbartonshire, with around 870 planned during the course of Plan.
- 3.6** To assist in advance planning of housing investment, the Scottish Government advises local authorities annually of their minimum Resource Planning Assumptions (RPA). The West Dunbartonshire RPA for 2021/22 was £11.128m. However, West Dunbartonshire Council was able to secure additional funding which took our total to £12.515m. Over the last few years we have been able to exceed our initial funding allocation, reflecting the Scottish Government's confidence in WDC's ability to deliver on the AHSP. WDC have been issued with a 5-year RPA to 2025/26 of £55.829m. Discussions will continue to take place with our Scottish Government colleagues over the possibility of additional funding as the programme is developed.
- 3.7** A review of the Affordable Housing Investment Benchmarks was undertaken between March and July 2021. The review was carried out by a cross-sector working group jointly chaired by the Scottish Government and COSLA. While higher grant levels have been agreed, there remains concern that RSL and Council projects seeking the same level of grant funding would be subject to different scrutiny levels.
- 3.8** This SHIP has at its heart the idea that house building will play a vital part in the economic and social recovery from the pandemic. The Scottish Government recognises this positive role and has committed to providing 110,000 new affordable homes in the period to 2032, of which 70% will be for social rent.

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 2022/23 – 2026/27.
- 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 submission to the Scottish Government 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. It must 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. We will continue to encourage innovation in design including options to provide zero carbon homes.

4.5 The Scottish Government's housing policy places a significant focus on health and well-being. This is echoed in the Council's draft LHS and key areas which impact on the SHIP include:

- Housing to 2040: vision & route map
- Funding for new build homes
- Design of new homes
- Review of adaptations system
- Referencing the energy efficient Scotland route map
- Investing in renewable energy infrastructure
- Focus on creating 20 minute neighbourhoods
- Digital strategy for planning supporting people with housing costs & stopping homelessness
- Equalities and inclusion
- Digital access

4.6 SHIP 2022/3 – 2026/7: 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 2022/23- 2026/27: Priority Projects by Developer*

<i>Site/Developer</i>	<i>Number of Units</i>
West Dunbartonshire Council	
<i>Clydebank East (ex MSF site)</i>	<i>88</i>
<i>Queens Quay Site C</i>	<i>20</i>
<i>Pappert</i>	<i>27</i>
<i>Lilac Ave</i>	<i>30</i>
<i>Bank St</i>	<i>30</i>

<i>Clydebank Health Centre</i>	60
<i>Mount Pleasant</i>	20
<i>Willox Park Ph 1</i>	13
<i>Buyback Scheme</i>	100
388 units	
Clydebank Housing Association	
<i>Stanford St, Clydebank</i>	88
<i>Clydebank Bowling Club</i>	18
<i>Boquhanran, Clydebank</i>	90
196 units	
Knowes HA	
<i>Faifley Bowling Club</i>	15
15 units	
Dunbritton Housing Association	
<i>Golfhill Drive, Dalmonach</i>	7
<i>Cottage Hospital, Dumbarton</i>	10
<i>Dumbain Road PH2</i>	39
56 units	
Caledonia Housing Association	
<i>Bellsmyre Regeneration Phase 1,2,3</i>	140
<i>Dalquhurn, Renton Phase 4,5,6</i>	75 (inc 25 Shared Equity)
215 units	
TOTAL PRIORITY PROJECTS	870

** All homes are social rented unless otherwise stated.*

- 4.7** 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 significant 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 appropriate funding from the Scottish Government.
- 4.8** 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 a minimum 100 units are acquired over the five years.

- 4.9** The funding required to deliver this programme is estimated to be around £75.6m. While this figure is outwith the estimated Resource Planning Target of £55.829m for the period to 2025/26, the Scottish Government suggest over-programming to allow for the possibility of additional funding becoming available.
- 4.10** In preparing the SHIP, developers have been encouraged to consider diversity of tenure. While most projects are for social rent, there are a small number proposed for shared equity by Caledonia HA in Bellsmyre and Renton. The Council will also give consideration to alternative tenures in its future projects.
- 4.11** 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 More Homes Project Board, Strategic Housing Providers Forum and quarterly programme review meetings with the Scottish Government.
- 4.12** 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 including support for discharge of homelessness duties and climate change/energy efficiency measures, deliverability, and value for money.

5. People Implications

- 5.1** While there are no direct people implications. Staff resourcing issues are considered in an ongoing basis at the More Homes Project Board.

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. However in recent years WDC has demonstrated an ability to spend its allocated funding and as a result has been able to attract significant extra Scottish Government funding to West Dunbartonshire, over the last 5 years this additional investment is around £30m. 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 and potential impacts on affordability.

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** Concerns are beginning to arise over supply and labour issues linked to a number of issues, potentially putting a strain on the building industry's capacity to deliver on the scale required.
- 7.4** Monitoring of progress will be carried out through the Council's Pentana performance management system and key structures such as the Strategic Housing Providers Forum, the Housing Improvement Board, the More Homes Project Board 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 Equalities 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 requires 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. WDC welcomes the continuing development interest from RSLs arising from the increase in grant subsidy levels.

9.2 Presentations were made to the West Dunbartonshire Tenants and Residents Organisation (WDTRO) on the proposed SHIP in June and October 2022, and tenants are supportive of the continued ambitions in delivering new homes throughout West Dunbartonshire.

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 supports all the Council's key strategic priorities.

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Date: 20 October 2021

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Appendix: Appendix 1: Strategic Housing Investment Plan 2022/23 - 2026/27 and Annexes

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

WDC Strategic Housing Investment Plan EIA

SHIP Scoring Criteria and Assessment

Wards Affected: All Wards