

WEST DUNBARTONSHIRE COUNCIL**Report by the Chief Officer, Housing and Employability****Housing and Communities Committee: 1 September 2021**

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 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 full projects at Creveul Court, Aitkenbar and Haldane this year;
- (ii) Note the success of the Council's Creveul Court development being shortlisted for the Scottish Home Awards in the Affordable Housing Development of the Year (social rent) category and also the Homes for Scotland Small Development of the Year category;
- (iii) Approve the delivery of a procurement strategy to appoint a main contractor to deliver the proposed Pappert 25 new home development on the completion of the ongoing feasibility works;
- (iv) Note the proposed new benchmark assumption rates outlined in 6.3 of his report and the Scottish Government's ongoing commitment to maintain a differential between Council and RSLs for the delivery of new housing; and
- (v) Note the current volatility in the construction marketplace because of a range of issues and the potential impacts that could have on the council house delivery programme and request that the Chief Officer, Housing and Employability provides ongoing updates to the Committee on this matter as part of this regular update report to Committee.

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 own ambitious New House Building Programme.
- 3.2 The Council's latest practical completions have taken place at Aitkenbar development in Dumbarton, and the Haldane development within Alexandria delivering in total 113 new homes for social rent. This, is in addition within 2021/22 to the completion of the Council's first fully dementia designed development at Creveul Court, Alexandria which completed in April. The Council have now completed 9 new build developments since 2013 and are the largest developer of social homes in West Dunbartonshire delivering 296 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 Bellsmyre, 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
Totals	296	

- 3.3 The Strategic Housing Investment Plan (SHIP) 2020-2025, 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 2020. A revised SHIP will be presented for approval to the Housing and Communities Committee in November 2021.

4. Main Issues

- 4.1 The Strategic Housing Investment Plan and HRA Capital Plan outlined the plans the Council have for meeting their new build ambitions. The initial plans have been impacted as a result of the pandemic and the revised new build targets for the Council are outlined below:

Table 2: Council New Build

Site/Developer	Number of Units	Est Completion Date
St Andrews	126	September 2021
Dumbarton Harbour	45	October 2021
Queens Quay, Site B/C, Clydebank	29*	March 2022
Clydebank East	89	February 2023
289 units		

Includes 29 units on site at Site B but not projected 31 units at Site C

4.2 Updates for each site are noted below:

St Andrews School:

Of the 126 units, 87 (69%) have been handed over by late July. The remainder will be handed over in a phased manner by late September 2021. There is an estimated 13 week delay to programme principally due to the pandemic restrictions. A demonstration flat continues to be available to assist housing and homelessness staff in familiarising themselves with the various features of the property and provide an area to safely work from when signing tenants up to the properties; this is also providing the opportunity to show tenants any features they are unsure of without the need for any unnecessary visits to their property. This is working extremely well and will continue to be a feature of future council housing developments.

This development also seen the significant milestone of the 200th new council home completed as part of the current new build programme. A photocall took place at the end of June 2021 with the Housing Convener and Vice Convener and a presentation was made to our 200th new tenant.

Dumbarton Harbour:

Currently on-site to provide 45 new council homes. This project has encountered delays caused by the liquidation of the original main contractor. Cullross (Dumbarton Harbour) Ltd, having since taken on the Main Contractor role, managed to resume on site activity following the collapse of the original contractor very quickly, however lockdown occurred immediately after this. Further delays have been faced due to the pandemic and winter weather conditions when brickwork was planned. Handovers are now planned to take place from August 2021 though to October 2021 when the development will fully complete.

Clydebank East:

The demolition of 339 properties was completed in October 2020. Design of 89 new build council properties has been underway with CCG and architects Anderson, Bell and Christie. A consultation event with tenants and residents, Ward Members and Council took place in February 2021. All feedback and questions were extremely helpful and influenced the final design. A Pre Planning Elected Members briefing took place on 30 March 2021 and planning approval is now being sought for this project and will be heard at the September 2021 Planning Committee. It is hoped that the project can go on-

site in January 2022. This will be the Council's first fully zero carbon housing development and marks a significant milestone in our transition to net zero.

Queens Quay, Site B, Clydebank:

A partnership with Wheatley Group and Clydebank Housing Association, the Council will deliver 29 out of the 146 properties currently on-site. It is likely that the Council will take handover of their properties in a phased manner towards the end of 2022, completing in March 2023.

Buy Back Scheme:

Since 2015 the Council has operated a Buy Back Scheme that assists the Housing Team in purchasing properties of formerly Council homes that were sold through the Right to Buy Scheme. Not only does this Scheme assist with tackling homelessness and housing need and some 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. The Scheme continued following lockdown with social distancing and virtual viewings still in place. However the Council did manage to complete 15 purchases in 2020/21 providing new homes to household in housing need. So far this financial year, the Council has purchased 5 properties (as at July 2021). It is anticipated that the use of purchasing properties in the open market to meet our strategic housing objectives will increase over the next few years and this is reflected in the recently published Housing to 2040 strategy by the Scottish Government.

- 4.3** As noted above, a large number of the new homes are completed within a short timeframe culminating in late Summer/early Autumn. The Housing Service has developed a strategic approach to deal with this and at the same time taking into consideration the way that the pandemic has changed how we deal with viewings, sign ups, and house moves, in liaison with HSCP. This has required significant resource across the Housing Development and Homelessness Team and the Housing Operations Team.
- 4.4** Our recently completed development at Creveul Court has been named as a finalist in the Scottish Home Awards in the Affordable Housing Development of the Year (social rent) category and the Homes for Scotland Small Development of the Year category. These awards recognise excellence in the creation of new homes and place-making across the country with finalists and winners chosen by an independent judging panel. The 22 homes at Creveul Court have been designed to make independent living easier for tenants with dementia.

Future New Build – West Dunbartonshire

- 4.5** 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. *Future New Build – West Dunbartonshire* is an ambitious plan that aims to continue the positive momentum of the More Homes West Dunbartonshire programme.

- 4.6** As the biggest affordable housing developer in West Dunbartonshire, the Council has identified potential future 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. We have identified the Pappert development site as the optimum site to develop our planned Passivhaus pilot.
- 4.7** The ongoing pandemic has highlighted that housing and health outcomes are interconnected. We must build on our recent progress if we are to address health inequalities within our communities. As early adopters of the Dementia Framework at Creveul Court, West Dunbartonshire Council are at the forefront of Dementia Design best practice. The fundamentals of Dementia Design have been embedded in West Dunbartonshire's Design Standard as a further commitment to respond to the varying housing needs of our residents.
- 4.8** Our Design Standard already incorporates the following elements which the Scottish Government are now planning on making mandatory conditions of any future grant from the Affordable Housing Supply Programme
- all new homes will offer a private or communal outdoor space (this could include a private garden, patio, roof terrace or balcony, or a communal shared garden or courtyard);
 - all new homes will space for home working or study (this could be located in a circulation space and could occupy a room by itself or could form part of another room);
 - all new homes to be digitally-enabled (when a tenant gets the keys to their home this would mean that they are able to arrange for an internet connection to 'go live' with any internet service provider available in the area without the internet service provider having to provide additional cabling either within the premises, or as importantly, to the premises from the relevant Cabinet); we are currently looking at opportunities to further improve this and ensure future new homes are fully connected;
 - The installation of automatic fire suppression systems in new homes; and
 - The installation of zero emissions heating systems in all new homes ahead of the 2024 regulations coming into force.
- 4.9** One of the ambitions through the future new build plan is to address housing inequalities, tackle fuel poverty and improve health outcomes for future generations within West Dunbartonshire.
- 4.10** In order to contribute to future new build, the Housing Development team have been working on investigating potential sites that affordable housing can be developed on. In addition to investigating the increased provision of social housing at Clydebank East, which will also be the first zero carbon social

housing development, the following sites are currently being looked at as future affordable new build sites:

Pappert, Bonhill

The Housing and Communities Committee in May 2021 approved proceeding with Pappert as the Council's Passivhaus pilot project inclusive of the additional costs highlighted in the report to the May committee. The design team are developing the proposals and the proposed development will provide 25 new homes that include 7 Passivhaus units and 18 net zero units. Work is also ongoing on developing a Sustainable Drainage System (SuDS) strategy with the Council's Biodiversity Officer and discussions with the Roads Department. Once all feasibility works are complete, the development will be consulted upon more widely and a procurement strategy will be finalised to appoint a main contractor. We are also seeking additional funding to assist this project through the Scottish Government's Vacant and Derelict Land Investment Funding and have made it through to Stage 2 in the funding process.

Queens Quay, Site C, Clydebank

The Council is currently developing a design to deliver a projected 30 family type homes 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.

Willox Park, Doveholm, Dumbarton

This site was transferred in March 2021 to the Housing Revenue Account to deliver new council homes for £220k after being approved by the Housing and Communities Committee in November 2020. The acquisition was fully funded by additional grant funding from the Scottish Government.

Further and more detailed discussions with HSCP is now taking place and the design of the project will be progressed.

Bank Street, Alexandria

This site has now been transferred to the Housing Revenue Account from the General Services account at a cost of £194k; the acquisition was supported by an additional £150k of grant funding from the Scottish Government. There are a number of constraints within the site and the costs of remediating these issues will be shared by both the General Services and Housing Revenue Capital budgets. Work on designing the site will now progress and be fed back to a future Housing and Communities Committee.

Mount Pleasant, Old Kilpatrick

This site was also purchased along with Bank Street and Willox Park at the end of the financial year.

A number of surveys have been instructed prior to the planned demolition of the existing building. While planning in terms of this development is at an early stage we would seek to deliver a similar development to the recent Creveul Court development this is supported by a housing needs assessment.

Dennystoun Forge

We have engaged with the existing Gypsy Travellers community at Dennystoun Forge seeking to provide additional accommodation to meet the current and future needs of the existing residents. Our initial plans have formed an application to the recently introduced Scottish Government funding opportunity through the Gypsy Travellers Accommodation Fund.

Strategic Housing Investment Plan

We are currently preparing our new Strategic Housing Investment Plan which will include the above housing development opportunities. In addition, housing development officers are investigating other additional opportunities which could increase the provision of new affordable housing in West Dunbartonshire.

- 4.11** The provision of much needed new housing has contributed to positively regenerating local communities. In addition, other initiatives through our Better Homes 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.

5. People Implications

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

6. Financial and Procurement Implications

Financial

- 6.1** In March 2021 Council approved the Housing Capital Programme 2021-2026 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 Pappert development can be met from this existing budget; however we would anticipate additional grant funding would be made.
- 6.2** Between March and August 2021 a review of the Affordable Housing Investment Benchmarks has been carried out by a cross-sector working group chaired jointly by the Scottish Government and COSLA. This was in recognition of increased and rising costs to provide affordable housing and the discussion also included the disparity in grant between RSLs and Local Authorities.
- 6.3** Having considered the evidence, the Scottish Government is proposing to increase the existing affordable housing benchmark assumption from £57,000 to £71,500 for new council home development and also increase the benchmark assumptions for additional quality measures from the current £2,000 to £13,300 for houses and £17,300 for flats. Whilst this is welcomed, the Scottish Government is proposing to retain a differential between the benchmark assumptions for housing developments between RSLs and

Councils albeit reduced. In the discussions the Scottish Government officials expressed a view that complete removal of the differential is not justified given their view that Councils operate in a more advantageous financial position, despite requests to the Scottish Government to provide evidence to support their view this has not been forthcoming. Local Government representatives involved in these discussions have expressed their disappointment at this position and the final report is expected to be discussed at a COSLA leaders meeting in August. Below is a summary of the existing and proposed new levels of grant (WDC is classed fully as a city and urban area):

Table 3: Existing and Proposed new levels of grant

	West Highland, Island authorities, and remote/ rural Argyll		Other rural		City and urban	
	Current	Proposed	Current	Proposed	Current	Proposed
RSL social rent	£82,000 (3 person equivalent)	£95,500 (3 person equivalent)	£72,000 (3 person equivalent)	£83,000 (3 person equivalent)	£70,000 (3 person equivalent)	£78,000 (3 person equivalent)
Council social rent	£57,000 (flat rate per unit)	£83,000 (3 person equivalent)	£57,000 (flat rate per unit)	£75,500 (3 person equivalent)	£57,000 (flat rate per unit)	£71,500 (3 person equivalent)
RSL mid-market rent	£44,000 (3 person equivalent)	£58,500 (3 person equivalent)	£44,000 (3 person equivalent)	£56,500 (3 person equivalent)	£44,000 (3 person equivalent)	£53,500 (3 person equivalent)
Council mid-market rent	N/A	£53,000 (3 person equivalent)	N/A	£51,500 (3 person equivalent)	N/A	£49,000 (3 person equivalent)

- 6.4** The proposed new benchmark assumptions are presently not budgeted, so if introduced this would have a wider positive impact on the New Build Capital programme element and the delivery of new Council homes.
- 6.5** In light of Brexit and the current pandemic and other issues, the emergence of supply issues and subsequent cost increases has begun to be felt within not only our existing and future sites, but sites 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. It is likely that this will impact our next future site at Clydebank East. Housing Development Officers and Finance will continue to assess the impacts in the context of affordability of developments.

Procurement

- 6.6** Following a robust contract strategy CCG Scotland Ltd were appointed to deliver five of our new build development sites inclusive of enabling and construction works this is inclusive of the Clydebank East development.
- 6.7** Further opportunities to maximise the positive social, economic and environmental impact for the Council through this contract will also be explored.
- 6.8** All new development sites will be subject to new detailed procurement strategies and the opportunities highlighted with 4.10 of this report will continue to be prioritised.

Community Benefits

- 6.9** As part of each project, the contract has incorporated an element of Community Benefits that can support a wide range of social, economic and environmental benefits for communities including jobs, apprenticeships and local charity and community initiatives. A summary of the community benefits achieved through the first phase of the More Homes West Dunbartonshire approach is outlined in the table below:-

Community Benefit Value	Total
Work placement opportunities (16 plus years) – no. individuals	30
Construction Curriculum support activities – no. individuals	16
Graduates - no. individuals	1
Apprenticeship starts - no. individuals	17
Existing Apprenticeships - no. individuals	17
Apprenticeships completed - no. individuals	22
New jobs created on construction project - no. individuals	16
Community Engagement/Investment	£79k

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.
- 7.3** Risk associated with the impact of and ongoing Covid-19 pandemic will be incorporated within the Risk Registers going forward.

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 recent 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. Regular updates on new build development are provided to the West Dunbartonshire Tenants and Residents Organisation at the bi-monthly liaison meetings. As detailed at 6.10 above, each project will have their own element of Community Benefits. This will provide opportunities for the community to become involved and participate whether this is pupils at the local school or interested community members.

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: 18 August 2021

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Appendices: None

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

Wards Affected:

All

