

West Dunbartonshire Council

Report by Chief Officer, Housing and Employability

Housing and Communities Committee: 23 November 2022

Subject: Strategic Housing Investment Plan 2023/24 – 2027/28 More Homes West Dunbartonshire

1. Purpose

- 1.1** This report seeks approval for the More Homes West Dunbartonshire Strategic Housing Investment Plan (SHIP) for 2023/24– 2027/28 which requires to be submitted to the Scottish Government.

2. Recommendation

- 2.1** It is recommended that the Council:

- i) Agree the draft SHIP 2023/24 - 2027/28 as appended to this report, designed to assist in the delivery of an ambitious programme of new affordable homes as supported by the new West Dunbartonshire Local Housing Strategy 2022 -27;
- ii) Invite the Chief Officer, Housing and Employability to successfully implement the Strategic Housing Investment Plan (SHIP) in partnership with relevant stakeholders.

3. Background

- 3.1** The Scottish Government requires local authorities to submit a Strategic Housing Investment Plan (SHIP) in November 2022. 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, 2023/24 – 2027/28 It complements the West Dunbartonshire Local

Housing Strategy 2022 – 2027 approved by Housing and Communities Committee on 3rd November 2021.

- 3.4** This SHIP sets out to address housing priorities in West Dunbartonshire and to support Scottish Government's target of delivering 110,000 new affordable 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 1160 new homes being delivered 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). WDC have been issued with a 5-year RPA to 2025/26 of £55.829m. 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. Discussions will continue to take place with our Scottish Government colleagues over the possibility of additional funding as the programme is developed. The SHIP is showing a minimum total SG grant spend of £72.857m, including £12.5m on the Buy Back programme. It should be noted that that this figure presents only around 40% of the total cost, with the main contribution coming from Council and developing RSL sources.
- 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 benchmark levels have been agreed, there remains concern that RSL and Council projects seeking the same level of grant funding remain subject to different scrutiny levels. For the purpose of this SHIP, it has been assumed that per unit grants of £85K (WDC) and £90K (RSLs) will apply though this will be variable across the sites depending on the nature of the development. An announcement is expected from the Scottish Government on an uplift on the benchmark levels before March 2023. However we anticipate because of increased costs all new build projects will have to be delivered above benchmark 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. However this SHIP comes at a time of extremely high inflation and economic uncertainty which may put some projects at risk. Build costs per unit are upwards of £200K and rising, and close financial monitoring will require to be ongoing to ensure the future affordability of the programme.

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 2023/24 – 2027/28.
- 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. 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 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
 - Referencing the energy efficient Scotland route map
 - Investing in renewable energy infrastructure
 - Focus on creating 20 minute neighbourhoods
 - Supporting people with housing costs & stopping homelessness
 - Equalities and inclusion
 - Affordability and accessibility
 - Digital access

4.6 SHIP 2023/24– 2027/8: Priority Projects

The priority projects for the period of this SHIP 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 2023/4- 2027/8: Priority Projects by Developer*

Site/Developer	Number of Units
West Dunbartonshire Council	
Clydebank East (ex MSF site)	88
Queens Quay Site C**	100
Pappert	27
Bank St	23
Clydebank Health Centre	38
Mount Pleasant	25
Willox Park	17
Bonhill Gap Sites	31
349 units	
Clydebank Housing Association	
Stanford St, Clydebank**	88
88 units	
Knowes HA	
Faifley Bowling Club	15
15 units	
Dunbritton Housing Association	
Golfhill Drive, Dalmonach	8
Cottage Hospital, Dumbarton	10
18 units	
Caledonia Housing Association	
Bellsmyre Regeneration Phase, 1,2,3	140
Dalquhurn, Renton Phase 4,5,	50 (inc 25 Shared Equity)
190 units	
TOTAL PRIORITY PROJECTS	660

* All homes are social rented unless otherwise stated

** Subject to agreement on housing mix and design.

- 4.7** Table 1 above shows a total of 660 new homes in priority projects which are sufficiently progressed to give us confidence on their deliverability within the timeframe of the SHIP.
- 4.8** In addition, there are currently 230 homes being developed across West Dunbartonshire that have either completed or will complete in 2022/23. Including these properties and 270 buybacks/ROTS purchases to be completed over the timeframe of the SHIP it is projected that this would deliver a minimum 1160 new affordable homes in West Dunbartonshire.
- 4.9** The SHIP also lists a number of future projects which are less well advanced at this point in time but will continue to be progressed and assessed as part of our wider programme delivery and within the timeframe of the SHIP. The delivery of this ambitious plan will depend upon the support of our developing RSL partners and appropriate funding from the Scottish Government. Housing Development will continue to pursue opportunities to acquire sites for affordable both those in Council ownership and in the private sector, and encourage developing RSLs to do likewise.
- 4.10** The SHIP seeks funding from the Affordable Housing Supply Programme to support the popular Buyback programme of ex- local authority and RSL housing stock. It is proposed that 250 units are acquired over the five years. This may be augmented by new build acquisitions through the ROTS scheme.
- 4.11** The funding required to deliver this programme is estimated to be around £72.857m. While this figure is significantly higher than estimated Resource Planning Target of £55.829m for the period to 2027/28, the Scottish Government suggest over-programming to allow for the possibility of additional funding becoming available.
- 4.12** 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 Renton. The Council is also giving consideration to alternative tenures in its future projects notably Queens Quay.
- 4.13** 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, More Homes Project Board, Housing Performance Improvement Board and programme review meetings with the Scottish Government.
- 4.14** 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, and 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. 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 Scottish Government More Homes colleagues to address any concerns of this nature.
- 7.3** Concerns are beginning to arise over supply and labour issues linked to global factors and particularly over inflationary pressures, potentially putting a strain on the building industry's capacity to deliver on the scale required and the affordability of the programme going forward.
- 7.4** Monitoring of progress will be carried out through the Council's Pentana performance management system and key structures such as the Housing Providers Forum, the Housing Improvement Board, the More Homes Project Board Group and programme review meetings with the Scottish Government. A new SHIP will be submitted annually to the Scottish Government and will be the subject of a report to the Housing and Communities Committee.

8. Equalities Impact Assessment (EIA)

- 8.1** An integrated impact assessment has been carried out which predicted that the plan 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 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. Where an interest has been shown, detailed discussions have taken place with the prospective developer on how the proposal meets identified needs and how the project could be accommodated in the programme.
- 9.2** A briefing was made on the proposed SHIP was made to the West Dunbartonshire Tenants and Residents Organisation (WDTRO) in October 2022 and the ambition around new build was strongly supported by tenant representatives.
- 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. It also supports the Council's wider key strategic priorities

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Date: 8 November 2022

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Appendix:	Appendix 1: Draft Strategic Housing Investment Plan 2023/24 - 2027/28 including Annex A
Background Papers:	West Dunbartonshire Council's Draft Local Housing Strategy 2022-2027 West Dunbartonshire Strategic Housing Investment Plan 2023-2028 Equalities Impact Assessment, October 2022
Wards Affected:	All Wards