

West Dunbartonshire Council

Report by Executive Director of Housing, Environmental and Economic Development

Council: 26 November 2008

**Subject: West Dunbartonshire Strategic Housing Investment Plan 2009/10 -
2013/14**

1. Purpose

- 1.1** This report presents to Council the proposed West Dunbartonshire Strategic Housing Investment Plan (SHIP) for 2009/10 - 2014 and seeks agreement to submit it to the Scottish Government by the due date of 28 November 2008.

2. Background

- 2.1** Strategic Housing Investment Programmes are part of the Strategic Housing Investment Framework (SHIF), which is intended to assist the Government in targeting its Affordable Housing Investment Programme (AHIP) and balancing competing claims on these resources. The SHIP is viewed as an annexe to the Local Housing Strategy (LHS).
- 2.2** Firm Foundations set out a clear expectation that local authorities should play a greater role in the housing systems in their areas through their Local Housing Strategies. Strategic Housing Investment Plans are required in order to set out how investment in affordable housing will be targeted.
- 2.3** The Scottish Government requires local authorities to submit a Strategic Housing Investment Plans by 28 November 2008, indicating how investment in affordable housing will be directed over a 5 year period with a view to achieving Local Housing Strategy outcomes.

3. Main Issues

- 3.1** The Strategic Housing Investment Plan focuses on the delivery of affordable housing by location, type and tenure and indicates how the programme will be resourced. This SHIP has been broken down by the three sub-areas of Clydebank, Dumbarton and the Vale of Leven.
- 3.2** Projects in the SHIP are prioritised on the basis of information from the recently conducted Housing Needs and Supply Study (HNSS) and other work being carried out in preparing the Council's Standard Delivery Plan.

- 3.3** In consultation with our partners in the Scottish Government Housing Investment Division (SG HID) and housing associations, it has been agreed that this year's SHIP would be based on the existing 5-year investment plan produced by the Scottish Government Housing Investment Division, and before that their predecessor Communities Scotland. The draft SHIP 2009/10 - 2013/14 is attached as appendix 1.
- 3.4** In preparing their Strategic Housing Investment Plans local authorities are asked to include information on other funding sources such as housing association private finance borrowing, local authority contributions, and public funding from alternative sources including the NHS.
- 3.5** The focus of previous Communities Scotland investment in West Dunbartonshire has been in regeneration priority areas agreed with the Council and with other partners. While this again is the focus, the link to the Standard Delivery Plan agenda has been developed in this plan and will become more important in coming years. The planned expenditure has two principal themes:
- The continuation of projects already agreed in consultation with partners in pursuit of regeneration objectives
 - New funding targeted at regeneration areas arising from the Standard Delivery Plan/Asset Management Plan work including re-provisioning investment.
- 3.6** In the absence of an Affordable Housing Investment Programme allocation, the plan assumes an annual figure of £10M, or £50M over the period of the plan. This figure is based on the latest available Scottish Government Housing Investment Division investment projections which are contained in the latest 5 year plan, and on recent annual allocations. It should also be noted that the 5 year Strategic Housing Investment Plan is a working document and is subject to regular amendment and updating as the funding position changes.
- 3.7** The plan shows an estimated 870 units provided over the 5 year period from the Affordable Housing Investment Programme. It should be noted that the Scottish Government requires a standard methodology to be applied for the financial return within the Plan.

- 3.8** The main spending projects which show spend of £1 million or more, excluding Regeneration Projects may be summarised by year, as follows:

2009/10

Queens Quay, Clydebank
Cart Street, Clydebank
Miller Road/Cook Road, Haldane
Beardmore, Dalmuir
Valeview Terrace, Bellsmyre
Dalquhurn, Renton

2010/11

Queens Quay, Clydebank
Cart Street, Clydebank
Miller Road/Cook Road, Haldane
Dalquhurn

2011/12

Methlan Park, Dumbarton
Ballantynes, Bield, Dumbarton

2012/13

Ballantynes, Bield, Dumbarton

- 3.9** A re-provisioning opportunity has arisen at Queens Quay, Clydebank following an approach from the current developer. It is proposed that 62 rented units will be provided over years 2009/10 and 2010/11 through Clydebank Housing Association. With the exception of this project at Queens Quay, a part of the Clydebank Riverside regeneration area, none of the new funding for regeneration projects has been detailed at this stage. The detail of these projects will be agreed with partners when the priorities for work arising from the Standard Delivery Plan have been decided.
- 3.10** Individual schemes in the programme will require to undergo a financial assessment by the Scottish Government Housing Investment Division, and it is possible that some may not proceed if they fail to meet the necessary criteria.
- 3.11** The difficulty in planning for the latter stages of this investment period has been recognised, given the funding uncertainties and ongoing considerations in respect of the SDP.

3.12 The SHIP lists possible constraints which may impede delivery of the planned programme, including

- Future skill shortages in the construction industry
- Lending becoming less available and more expensive
- Reduction in the Scottish Government Housing Investment Division budget
- Housing association existing debt levels restricting their ability to borrow further
- Less easily available mortgages

These issues may also impact upon the Government's intention to increase the annual rate of new build housing from 25,000 to 35,000 by the middle of the next decade.

3.13 The Government has announced the acceleration of the Affordable Housing Investment Programme by £100M to years 2008/09 and 2009/10, principally to allow purchase of unsold private sector new build by housing associations. Further details are awaited from the Scottish Government but opportunities arising under this initiative will be considered in consultation with our partners, within the strategic assessment context.

3.14 It is the Government's intention that in future, the SHIP submission will be brought together with that of the Local Housing Strategy and will become more clearly an annexe to that document.

4. Personnel Issues

4.1 There are no personnel issues.

5. Financial Implications

5.1 There are no direct financial implications however there is a danger that future resource allocation could suffer as a result of deficiencies in the SHIP.

6. Risk Analysis

6.1 There is a risk that the key outcomes and targets set out in the LHS will not be met and the constraints listed at 3.11 above should be noted.

7. Conclusion

7.1 This Strategic Housing Investment Plan presents the current proposals on how the affordable housing investment programme can be best provided.

- 7.2** There are a number of uncertainties, particularly around the decisions to be made over the Standard Delivery Plan, and constraints to the delivery of the programme which make this document of a provisional nature and subject to ongoing development.
- 7.3** From 2011, the Strategic Housing Investment Plan will be fully integrated with the expanded Local Housing Strategy scheduled to be submitted on that date. The SHIP will be subject to annual update.

8. Recommendation

8.1 It is recommended that the Council:

(i) Agree the proposals for the delivery of the SHIP 2009/10 - 2013/14 as contained in this report.

(ii) Acknowledge the constraints and uncertainties which affect both the content and the delivery of the programme.

(iii) Delegate authority to the Executive Director of Housing, Environmental and Economic Development to progress the detail of the investment plans in partnership with relevant stakeholders.

Elaine Melrose
Executive Director of Housing, Environmental and Economic Development
Date: 3 November 2008

Person to Contact: Jeff Stobo - Manager of Strategy, Garshake Road, Dumbarton, G82 3PU, telephone: 01389 737580, e-mail: jeff.stobo@west-dunbarton.gov.uk

Appendix: Draft Strategic Housing Investment Plan 2009/10 - 2013/14

Background Papers: None

Wards Affected: All