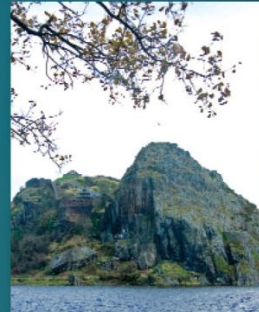


Housing Environment and Economic Development

West Dunbartonshire Council

Draft Strategic Housing Investment Plan 2013 – 2018

28th June 2013



West Dunbartonshire Council

Strategic Housing Investment Plan 2013 – 2018

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Annexe A Completed SHIP SLP Templates

Annexe B Completed Scoring Matrix

1. Introduction

- 1.1 All local authorities are required to submit a Strategic Housing Investment Plan (SHIP) which sets out how resources will be used over the following 5 year period to deliver affordable housing priorities highlighted within their Local Housing Strategies
- 1.2 This is West Dunbartonshire's Strategic Housing Investment Plan 2013/14-2017/18 and sets out the funding priorities for affordable housing in West Dunbartonshire for the next five years and replaces the SHIP 2012/13 - 2014/15. The SHIP has been prepared in light of the guidance HSGN 2013/02 issued in April 2013.¹
- 1.3 This SHIP incorporates the Strategic Local Programme (SLP) detailing how projects will be supported with the funds available. Previously the SLP was prepared and submitted to the Scottish Government as a separate document. This SHIP also recaps on the projects contained in the Strategic Local Programme (SLP) 2012 – 2015² and reports on progress.
- 1.4 This SHIP indicates the priority status of each project with a focus on deliverability.³ The SHIP again lists projects by the 3 sub-areas of Clydebank, Dumbarton and Vale of Leven. This is consistent with previous practice
- 1.5 The Council published its five year Local Housing Strategy 2011 -2016 in November 2011⁴ and the first annual progress report in February 2013⁵.
- 1.6 The main focus of the SHIP is the targeting of the Scottish Government's Affordable Housing Supply Programme Funding (AHSP) and its Council House Building Programme (CHB) component and indicates how the Council will assist in the commitment to deliver at least 30,000 new affordable homes during this Parliament.
- 1.7 The new SHIP reflects the further development of a strategic, resource planning approach to housing investment and a move away from previous arrangements which were annual or challenge fund based. To assist in advance planning of housing investment the Scottish Government has provided local authorities with annual minimum resource planning assumptions to 2017/18⁶. Accordingly, the SLP attached to the SHIP as well as detailing the projects in the agreed programme till 2014/15 includes projects planned in 2015/16, 2016/17 and 2017/18.

¹ Scottish Government Housing Supply Division Guidance Note HSGN 2013/02

Guidance on the Preparation of the Strategic Housing Investment Plans and Strategic Local Programmes

² West Dunbartonshire Strategic Local Programme 2012 - 2015 Report to the Environment and Economic Development Committee: 15 August 2012

³ Scottish Government Housing Supply Division Guidance Note

Guidance on Preparing Strategic Housing Investment Plans HSGN 2012/03 Published January 2012.

⁴ West Dunbartonshire Council Local Housing Strategy 2011 – 2016 November 2011

<http://www.west-dunbarton.gov.uk/housing/local-housing-strategy/>

⁵ West Dunbartonshire Local Housing Strategy 2011 -2016 Annual Progress Report 2012 Report to Housing, Environment and Economic Development Committee 13 February 2013

⁶ Affordable Housing Supply Programme SG letter to WDC dated 5 March 2013

- 1.8 The Scottish Government advised local authorities of their minimum Resource Planning Assumptions in March 2013. For West Dunbartonshire these are as follows:

2012 - 2015	£6.726M
2015 - 2016	£3.117M
2016 - 2017	£2.002M
2017 - 2018	£1.111M
Total	£12.956M

- 1.9 Funding shown in this document is an indication only of the spending plans and does not guarantee that these sums will be made available. Each proposal will require to go through a further detailed assessment before funding is committed.

2. Partnerships

- 2.1 The preparation of the SHIP has been a corporate task, involving all relevant departments of the Council and the West Dunbartonshire Community Health and Care partnership (CHCP). Consultation has taken place with the RSLs operating in West Dunbartonshire. The Scottish Government Housing Supply Division (SGHSD) has also assisted in the preparation of this SHIP.

3. Purpose of the Strategic Housing Investment Plan

- 3.1 The SHIP is the financial adjunct to the Local Housing Strategy. This SHIP sets out the planned housing investment programme for 5 years, covering the period 2012/13 – 2017/18 and extends two years beyond LHS timeframe.

- 3.2 Key investment priorities on a site by site basis are set out in the templates attached to this plan. The templates give information on the following:

- Housing priorities (projects not yet approved or on site)
- Estimated start and completion dates
- Projected funding sources
- The number of units to be provided (by tenure)
- Funding requirements of Committed Projects

4. Key Objectives

- 4.1 The principal objective of the SHIP is to help deliver on the Council's key housing priorities as contained in the current LHS⁷, and subsequent housing policy developments, in particular by directing investment to the agreed regeneration areas and on increasing the supply of new affordable housing across West Dunbartonshire. The LHS sets an annual Housing Supply Target of 320, 70 of which are for Social Rent. Within the timeframe of this SHIP there is a target of building 350 houses for rent.

⁷ West Dunbartonshire Council Local Housing Strategy 2004 – 2009 April 2004 and subsequent Annual Updates.

4.2 The Council has recently adopted a strategic objective of ensuring that 5,000 new houses across all tenures are built over the next ten years and has identified a number of strategic disposal sites to assist the delivery of this objective⁸.

5. Strategic Context

5.1 The LHS details the policy backdrop to the SHIP. The Scottish Government continues to work with COSLA, the SFHA and other partners to identify alternative funding models to help increase the supply of affordable housing as set out in *Homes Fit for the 21st Century*.⁹ The Scottish Government aims to deliver at least 30,000 affordable homes over the lifetime of this parliament, of which at least 20,000 will be for social rent, including 5,000 council homes

5.2 In particular, the government's strategy for housing focuses on:

- Investigating new ways of generating investment in affordable housing
- Making better use of existing housing stock
- How people are supported in the market
- Reducing carbon emissions.

5.3 Given the continuing challenging economic situation, the Government expects Local Authorities to assist in the process of identifying and providing new resources where this would help stimulate the development of affordable housing.

5.4 Welfare reform will undoubtedly have an impact on the HRA and the financial resources available to deliver all our objectives. An estimate of £540,000 has been made in the 2013 -14 bad debt provision. In particular the so-called "bedroom tax" has the potential to have detrimental impact on landlords' income stream while at the same time putting pressure on homelessness services. The LHS identifies a shortfall in 1-bedroom properties; the introduction of the bedroom tax will serve to exacerbate this shortfall as people in larger sized properties seek to downsize.

6. Local Housing Strategy

6.1 While there is an emphasis on regeneration in the Local Housing Strategy, reflecting the recognition of the need to improve many of our neighbourhoods and to provide housing which meets the changing requirements of our communities, the Council is keen to encourage an increase the housing supply more generally across West Dunbartonshire.

⁸ West Dunbartonshire Council's Refreshed Economic Development Strategy 2013 -2016 May 2013

⁹ Homes Fit for the 21st Century The Scottish Government's Strategy and Action Plan for Housing in the Next Decade: 2011 – 2020.

- 6.2** It is clear from the consultation exercise that few community based RSLs intend to be housing developers under the current funding arrangements. There is a risk that for some sites, regeneration may take longer to achieve than initially anticipated, and this is more likely to be the case where the site in question is not in Council ownership. This represents a shift from previous patterns of housing investment, with the Council now having a bigger role to play through the council housing building programme and with more emphasis on innovative forms of provision.
- 6.3** The Council will continue to work with those RSLs who wish to continue as developers. It is likely that national or regional associations will be those most interested in continuing in this role. The Council is actively seeking a strategic partner/s to assist in the provision of new affordable housing and is looking at what incentives it can offer to develop this proposal and this is reflected in the Strategic Housing Investment Plan.
- 6.4** One of the key themes highlighted in the LHS is that of addressing particular housing needs. There is an awareness that the ambition to providing an adequate supply of housing for particular needs is not lost in a period when development activity is very difficult for many. Significant progress has been made in or the Council's Care Homes facilities referred to in the last SHIP: in November 2012 a decision was made to develop two new and fit-for-purpose older people's care homes to replace all of the authority's six existing care homes by 2015¹⁰ There is a possibility that some of the existing sites will become available for affordable housing as "windfall sites".
- 6.5** Accessibility to housing for people with a mobility issue is a concern in West Dunbartonshire. We wish to continue to encourage developers to meet the needs of people with mobility issues and which satisfy Housing for Varying Needs (HfVN) criteria. We also wish to improve the supply of housing suitable for wheelchair users.
- 6.6** The Local Housing Strategy notes the likelihood of the intermediate housing sector playing a greater role in the West Dunbartonshire housing market in the future. It is known that two RSLs have given consideration to developing mid-market rent (MMR) projects during the last year but both have decided against progressing the proposal. A further Clydebank based association is planning to market some flats as MMR. The results of this initiative may provide evidence of the demand for this sector of the market in West Dunbartonshire.
- 6.7** The SHIP contains a schedule indicating the proposed spend on housing Aids and Adaptations by the Council over the period of the plan.

¹⁰ The Modernisation of Council Older People's Care Home and Day Care Provision Report to the West Dunbartonshire Community Health and Care Partnership 21 November 2012

7. Project Assessment Methodology

7.1 Projects considered for inclusion in the SHIP are subject to a matrix based scoring analysis to rationalise their relative merits. Various criteria are employed in assessing and prioritising the projects. These are:

- the strategic priorities of the Council
- the Housing Needs and Demand Assessment together with expressed need through the housing lists
- meeting regeneration objectives
- affordability
- deliverability including site constraints and the ability of the developer to access the necessary finance
- level of subsidy required.

The results of the exercise are contained in **Annexe B Scoring Matrix**.

7.2 The matrix results have been colour coded Green, Amber and Red corresponding to high, medium and low priority. This gives an indication of their current priority/deliverability status. Some projects with known financial or site constraints have not been coded.

7.3 Full information on a number of the projects is not yet available and the Programme therefore will be subject to amendment. The scoring matrix will be updated as more information becomes available.

8. Funding

8.1 The Funding for the projects will be from two principal sources:

- the allocation from the Affordable Housing Supply Programme as detailed in the Resource Planning Assumption table at 1.8 above totaling at least **£12.956M** and
- it is assumed that the grant will amount to around one third of the cost of the new housing. The resources from the housing providers own sources, primarily borrowing, will amount to further investment of around **£25M**.

8.2 It has been assumed that RSLs projects will be seeking the current benchmark support figure of £42K per unit (3 person equivalent) and that the Council equivalent will be £30K. It is estimated that the unit cost for a new build house will be around £110K.

8.3 Where a Council House build project is proposed on a Housing Revenue Account site, it is assumed that there will be no acquisition costs to the project.

8.4 A number of RSLs operating in West Dunbartonshire hold reserves which may be released to support the new build programme. It is our intention, in partnership with the SD HSD, to discuss with the RSLs how these funds can be brought to bear in supporting the provision of affordable housing in West

Dunbartonshire.

9 Progress on Strategic Local Programme 2012 - 15

9.1 The SLP 2012 -2015 contained six projects. Progress on these projects can be summarised as follows:

Council House Programme

- **Granville Street, Radnor Park, Clydebank Phase 2:** 9 Social Rented units. Site start is due in August 2013. Planning Consent was received on 1st May 2013. This project will follow on directly from the completion of Phase 1 and no delays are expected.
- **Hill Street, Brucehill, Dumbarton:** 38 Social Rented units. Site start is due in November 2013 and design work is at an early stage.

RSL Projects

- **Lomondgate, Dumbarton: 33 Social Rented units.** Site start was achieved in May 2013 and is due to complete in April 2014.
- **Auld Street, Dalmuir: 16 Social Rented units planned.** Dalmuir Park HA decided not to proceed with this project. This project is no longer contained within the SLP, although both the Council and the SG wish to find another developer for this site.
- **Old Mill Garage, Hardgate: 25 Intermediate rent.** Knowes HA decided not to proceed with this project.
- **Alexandria Town Centre, Vale of Leven: 40 Social Rented units.** No progress has been made with this project. Discussions are underway with the principal owner, Cordale HA, and other potential development partners on how this priority project can be taken forward.

10. SHIP 2013/14 – 2017/18 Priority Projects

10.1 The projects in this SHIP have been listed under three timescales;

- **Years 1 & 2 : 2013/14 – 2014/15**
- **Year 3 : 2015/16**
- **Years 4 & 5 : 2016/17 – 2017/18**

The position on the programmes reflects the prioritisation and estimated deliverability of the projects

10.2 Years 1 & 2 2013/14 – 2014/15

The projects shown in this period are Granville Street Phase 2, Hill Street and Lomondgate which are in the current SLP and the following two “slippage projects”:

- **Alexandria Town Centre, Vale of Leven - 60 units.** While Cordale HA are no longer proceeding with this development, it is hoped that an

alternative proposal by Caledonia HA, in partnership with Dunbritton HA, can go ahead. The site includes Susannah Street and the adjacent, disused Leven Cottage.

- **Clydebank College – 33 units.** The Wheatley Group are in discussion with a private developer to acquire units for social rent.

10.3 Year 3 2015/16

There are a larger number of projects shown in this period but some of these are at an early stage of development. The projects are:

- Bonhill Primary School - 60
- Braidfield High School/St Andrews High School/St Eunans PS -90
- Carrick Terrace, Castlehill - 20
- John Street, Renton – 12
- Buyback properties - 10

10.4 Years 4 & 5 2016/17 – 2017/18

Again, a number of the projects in this section are at an early stage. The projects are:

- Second Ave/Singer Street - 40
- Croft St, Bonhill - 12
- Raglan St, Bonhill - 15
- Main St, Renton (refurbishment) - 15
- Beardmore Place - 48
- Creveul Court – 6
- Hardgate - 25
- Buy Back properties - 20

10.5 The large majority of projects shown in the SHIP are for social rent. This is reflective of the local market position. There may be issues for the Council's private sector housing land supply if there is a significant shift in tenure to social rented on these sites.

11. Consultation

11.1 The SHIP was based on ongoing discussions with potential RSL and developer partners and, in addition, all RSLs operating in West Dunbartonshire were approached to gauge interest in participation in development.

11.2 The proposed SLP was the subject of discussion at the Housing Providers Forum on 31st May 2013 and again on 24th June 2013.

11.3 This draft SHIP will be submitted for consideration by the Council's Housing, Environmental and Economic Development Committee in August 2013.

12. Constraints

12.1 The Scottish Government is clear that it wishes SHIPs to have an emphasis on deliverability. In preparing the SHIP, every effort has been made to take account of any constraints that may affect the delivery of the projects.

12.2 Under the *Resources, Capacity and Planning* section of the scoring matrix, consideration is given to the key constraints areas. In addition, when giving projects a priority status of high, medium or low, a judgement has been made on how the constraints, including financial ones, will impact on the deliverability of the project within the period of the plan.

13. Local Authority Assistance in the Delivery of the SHIP

13.1 The Council is committed to assist where possible in the delivery of the SHIP projects. The Council's success in the 2011/2012 Innovation and Investment Fund has created an enthusiasm for developing further the Council House Building Programme to meet identified needs. A number of sites have been identified for the extension of the Council's new build programme, supported by prudential borrowing.

13.2 Vacant sites in the Housing Revenue Account, or areas of surplus stock, will generally be available to support the development of social rented housing. Other, General Services Account, sites may also be made available for this purpose.

13.3 As referred to in 4.2 the Council has identified a number of strategic disposal sites which could also assist the delivery of our housing objectives and as such these sites are included as potential social housing developments.

13.4 The Council is keen to develop strategic housing partnership/s which will respond to the challenges facing the housing sector and can explore innovative and synchronized cross-sector solutions.

13.5 WDC does not have any income available from second/empty to contribute to the funding, nor are there any developer contributions.

14. National Housing Trust Initiative

14.1 West Dunbartonshire Council has not taken part in the National Housing Trust (NHT) initiative¹¹. The Council is looking at the new Council Variant of the National Housing Trust MMR initiative to consider whether it could make a contribution towards the WDC housing objectives. This variant allows for the option of retaining the stock as Council housing after the expiry of a ten year Scottish Government loan guarantee period.

¹¹ <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/supply-demand/nht>

15 Buy Back Properties

- 15.1** West Dunbartonshire Council has introduced a buyback policy, which allows the Council to purchase former local authority properties where it would assist to meet our strategic housing objectives. We would welcome further discussions with the Scottish Government that this policy could be supported using support funding from the AHSP as it will assist the Council in meeting our affordable housing supply target.
- 15.2** A total of £1.25m has been identified in the HRA for the strategic acquisition of properties over the next 5 years (£250k p.a).
- 15.3** Only properties which meet an identified need would be acquired and agreed criteria has been drawn up. Consideration will need to be given to the number of units in any agreed programme, and to the level of subsidy. However we would propose the level of subsidy be set at £15k per unit and have made provision within the Strategic Local Programme should this proposal be supported.

16 Empty Homes

- 16.1** West Dunbartonshire Council/Renfrewshire Council's Homes Again West partnership has been successful in a bid for £300,000 from the Scottish Government's Empty Homes Loan Fund.
- 16.2** This money will establish an Empty Homes Revolving Loan Fund which enables owners to bring properties up to a lettable standard and then used for affordable housing for rent for a minimum period of five years. The aim of this will be to bring 15 empty properties back into use as affordable housing each year. These numbers will be reviewed on an annual basis depending on the ongoing success of the scheme and availability of funding.

17. Energy Efficiency, Environmental Standards and Sustainability

- 17.1** Local Authorities are among a wide range of public bodies required to meet the duties placed on them by the Climate Change (Scotland) Act 2009.¹² In this context, developments arising from the SHIP must have cognisance of the climate change agenda. New Build developments must contribute to the SOA local outcome commitment to reduce fuel poverty. All partners must show a commitment to this policy agenda even in a period of financial restriction and where this may lead to additional short term costs. New Scottish Building Standards Agency regulations were introduced on 1st October 2010. These include a required 30% reduction in new building CO2 emissions from the previous standard.
- 17.2** None of the projects contained in this SHIP propose to include a district heating network. However, the Council will continue to encourage the development of such systems or other innovative measures which contribute to the climate change agenda.

¹² http://www.opsi.gov.uk/legislation/scotland/acts2009/asp_20090012_en_1

18. Equalities Issues

- 18.1 West Dunbartonshire Council is committed to delivering good quality services which are underpinned by a clear understanding of Equality and Diversity and to promoting and sustaining equality and inclusion, and equality and diversity principles.
- 18.2 An integrated impact assessment was carried out on the LHS in October 2011 which predicted that the strategy would have an overwhelmingly positive impact.¹³

19. Strategic Environmental Assessment (SEA)

- 19.1 A Strategic Environmental Assessment (SEA) screening report has been carried out in respect of the parent Local Housing Strategy. The Council has determined that a SEA is not required in this instance¹⁴.

20. Monitoring

- 20.1 Given the ongoing economic difficulties and the associated funding uncertainties, the investment strategy will require to display flexibility and be subject to continual assessment as circumstances change or more information on projects becomes available.
- 20.2 The Council has a number of key structures in place to ensure the delivery of affordable housing targets in the Local Housing Strategy and the Strategic Housing Investment Plan.

Housing Providers Forum - This group which has representation from all housing providers operating in West Dunbartonshire and assumes the key role in ensuring that the priorities contained within the LHS and SHIP are realised.

Housing Performance Improvement Board – This group consisting of senior officers from Housing and Community Safety ensures that performance against key housing actions and objectives are achieved.

Programme Review Meetings - The Scottish Government Housing Supply Division and WDC's Housing Strategy team meets as required to review the development programme, RSL performance, spend against budget and to discuss any issues of concern.

Community Health and Care Partnership – Housing is represented as a key partner in the CHCP. Senior housing officers are currently part of the Change Plan Implementation Group which monitors progress against objectives and the CHCP is represented on the Housing Providers Forum.

¹³ The report can be found here:

http://www.west-dunbarton.gov.uk/media/753481/lhs_eia_draft_sept_2011.pdf

¹⁴ <http://www.west-dunbarton.gov.uk/housing/local-housing-strategy/strategic-environmental-assessment-screening/>