

ITEM No ...4.....

REPORT TO: NEIGHBOURHOOD SERVICES COMMITTEE - 16 NOVEMBER 2020

REPORT ON: DUNDEE STRATEGIC HOUSING INVESTMENT PLAN

REPORT BY: EXECUTIVE DIRECTOR NEIGHBOURHOOD SERVICES

REPORT NO: 277-2020

1. PURPOSE OF REPORT

1.1 To seek approval of the Strategic Housing Investment Plan (SHIP) 2021-2026. (see: Appendix I).

2. RECOMMENDATION

2.1 It is recommended that Dundee City Council, Neighbourhood Services Committee approves the:

2.1.1 Content of the Strategic Housing Investment Plan, 2021-2026, and

2.1.2 Its submission to the Scottish Government by 31st December, 2020.

3. FINANCIAL IMPLICATIONS

3.1 At the time of writing this report the Scottish Government has not issued Resource Planning Assumptions at local authority level for the Affordable Housing Investment Programme for 2021-2026. However, allocations at national level have been indicated at circa £300 million. The Council has been advised by the Scottish Government's More Homes North and East Division to plan for similar levels of investment that the city has received in recent years; over £37 million was available in 2019/20-2020/21.

4. BACKGROUND

4.1 The Strategic Housing Investment Plan (SHIP) is the key statement of affordable housing development priorities within local authority areas. The Scottish Government Affordable Housing Investment Programme Resource Planning Assumption for the City made almost £70.5 million available from 2016/17 to 2021. As outline at para 3.1, the Scottish Government has not officially issued Resource Planning Assumptions at local authority level for the Affordable Housing Investment Programme for 2021-2026. However, allocations at national level have been indicated. In this respect, the Council has been advised by the Government to plan for similar levels of investment that it received in recent years. Over £37 million was made available to the City for the 2019/20-2020/21 period.

Impact of COVID-19

4.2 The Scottish Government has recognised that due to the strain of the COVID-19 pandemic on the country's public services, local authorities may have experienced some difficulty in preparing their annual Strategic Housing Investment Plan (SHIP) within the normal submission timescale; therefore, by 31st October, 2020. In recognition of this difficulty, the Government has asked all Scottish local authorities to prepare a 'light' SHIP, 2021-26 document for their respective areas; recommending that they contain the following key information:

4.2.1 A short narrative summarising any revisions/changes to existing SHIP priorities due to the impact of COVID-19. This should include information on any contingency plans that are currently in place or will be introduced over the period of the SHIP, and set

out clearly how these plans support the priorities and objectives of the Local Housing Strategy.

4.2.2 Update SHIP Tables to show planned investment priorities for the period 2021–2026.

4.3 These Scottish Government recommendations are reflected in the Dundee SHIP, 2021-2026. (See Attached Document: Appendix I)

Delivering the Housing Development Programme

4.4 To promote the delivery of the SHIP 2021-2026 programme, Dundee City Council (DCC) Neighbourhood Services will continue to work in partnership with: DCC City Development; Scottish Government; Registered Social Landlords; and the Private Housing Sector to explore all possible housing development options that will help maximise the delivery programme.

4.5 Dundee City Council has identified the scope to borrow a further £6 million to develop new social rented housing. As these plans are developed, requirements for affordable housing grant will need to be reflected in future iterations of the SHIP. It is the Council's preference to develop new housing and we will investigate opportunities for partnership working with housing associations and private developers. The availability of suitable land to develop on is critical element of this process and therefore this will require to be prioritised to ensure the effective delivery of this major investment. Though it is not our preference, we may also consider purchasing houses on the open market but only where they meet explicit and strategic housing needs.

4.6 An example of this successful, partnership collaboration can be observed at Table 1, which demonstrates a significant number of affordable rented new-build houses that are currently on site or due to start onsite this financial year. This achievement is a direct result of the aforementioned SHIP partnership working arrangement. The houses were delivered through the previous Strategic Housing Investment Plan, 2020-2025.

Table 1. Dundee SHIP Commissioned New-Build Affordable Rented Housing

Name of Development	Tenure	Number of Houses
Derby Street	SR	163
Seagate	MMR	28
Pitkerro Road	SR	30
Ellengowan Drive	SR/MMR	130
South Victoria Dock Road	MMR	119
Former Charleston Primary School	SR	44
Haddington Avenue	SR	24
Candle Lane	SR	24
Langlands Street	SR	16
Former St Vincents Primary School	SR	21
Total	-	599
Tenure SR: Social Rented		
Tenure MMR: Mid-Market Rent		
N.B. Table 1: Developments are currently on site or are due to start on site this financial year		
Data as at October 2020		

4.7 The DCC Neighbourhood Services Committee's approval of the SHIP 2021-2026 will ensure that the city continues to successfully deliver new-build affordable housing rental options for the citizens of Dundee. Thereby, positively contributing to one of the key outcomes of the City's Local Housing Strategy: to meet housing need and demand.

5. POLICY IMPLICATIONS

- 5.1 This report has been subject to an assessment of any impacts on Equality & Diversity, Fairness & Poverty, Environment and Corporate Risk. A copy of the Impact Assessment is available on the Council's website at www.dundee.gov.uk/ia.

6. CONSULTATIONS

- 6.1 The Council Management Team has been consulted in the preparation of this report and agree with its content.

7. BACKGROUND PAPERS

- 7.1 None

Elaine Zwirlein
Executive Director of Neighbourhood Services

David Simpson
Head of Housing & Communities

26 October 2020

Appendix I

DUNDEE

STRATEGIC HOUSING INVESTMENT PLAN 2021 – 2026

Introduction

Dundee's Strategic Housing Investment Plan (SHIP) 2021-26 sets out the priorities of the Council and its partners for the expenditure of the Scottish Government's Affordable Housing Supply Programme funding. The SHIP is a rolling plan/programme covering a period of five years. It delivers the affordable Housing priorities set out in the Local Housing Strategy (LHS) and the Local Development Plan.

The SHIP is embedded in Dundee's Community Partnership Planning Framework. As such, it reflects the affordable housing priorities within the city's eight, Local Community Planning Partnership areas, and multi member ward boundaries.

Changes to existing SHIP priorities due to the impact of COVID-19.

There are not any significant changes to the priorities within the SHIP owing to the impacts of Covid-19. There have been some delays to site development owing to the closure of sites between March and July 2020 but all developments are now back on site.

The Council has agreed a Recovery Plan which includes the following actions to assist regeneration and construction in the city:

- Restart £25m worth of suspended DCC construction sites within 3 weeks of construction moratorium being lifted and finalise plans for £20m of capital investment at MSIP.
- Update overall strategy for development at the Waterfront.
- Conclude leases on Earl Grey House (EGH), Slessor Gardens Pavilion, and a retail unit at Dundee's train station.
- Develop new Discover Work Strategy which will take cognisance of COVID-19 and outline the Partnership's medium to long-term response and activity.
- Targeted engagement of all developer and company interests to assess, identify and accelerate priority investment opportunities.
- Restart £34m Housing Capital Programme, financial governance and monitoring meetings with a priority focus on requirements of projects already on site.

Risks to programme delivery

The main delivery risk to the City's Affordable Housing Supply (AHS) Programme is the availability and ownership of land suitable for the development of new housing. Negotiations are underway between Registered Social Landlords (RSLs) and owners of land in private ownership, but ultimately land values must be capable of being supported by the finance available to deliver affordable, new-build housing within Scottish Government's development benchmark costs.

Additional risks to the City's AHS delivery programme relate to issues regarding the disposal of surface drainage water in new housing developments. This sometimes involves the development of very, expensive site drainage infrastructure design. As a result, these additional costs are presenting challenges to the viability of some SHIP development sites. Dialogue is underway with Scottish Water and the Scottish Government to address these issues. However, it is anticipated that owing to the infrastructure and highly urbanised nature of all sites in the city, surface water drainage will continue to cause difficulty and additional costs for many of the City's SHIP development sites.

Identification/Prioritisation of Sites

At the centre of the identification/prioritisation of SHIP development sites is DCC Council / Registered Social Landlord (RSL) strategic planning framework. Within this framework, RSLs submit details of their proposed SHIP developments on an annual basis. DCC Neighbourhood Services (NS) also follows this process for sites that it has identified. RSL and DCC NS submissions primarily focus on the following housing development aspects:

- Location of Development
- Name of Developer
- Number of proposed units to be developed
- Number of general needs units to be developed
- Number of particular needs units to be developed
- Level of Scottish Government Grant funding required for development.

Dundee City Council has identified the scope to borrow a further £6 million to develop new social rented housing. As these plans are developed, requirements for affordable housing grant will need to be reflected in future iterations of the SHIP. It is the Council's preference to develop new housing and we will investigate opportunities for partnership working with housing associations and private developers. The availability of suitable land to develop on is critical element of this process and therefore this will require to be prioritised to ensure the effective delivery of this major investment. Though it is not our preference, we may also consider purchasing houses on the open market but only where they meet explicit and strategic housing needs.

Submitted development sites are reviewed collectively by DCC: Neighbourhood Services (Housing); City Development (Planning); and City Development (Property). Prioritisation assessment criteria is used to rank each site. Ranking order ranges from high, medium or low priority. The categories used within the assessment criteria are as follows:

- Sites within regeneration areas, including the city centre
- Sites identified within the previous SHIP
- Site prioritisation in the Local Development Plan
- Improving housing and tenure balance in the area
- Provide an appropriate mix of property types and sizes
- Meet affordable housing need in the area
- Sustaining existing stable neighbourhoods; mitigating further deterioration and deprivation in these communities
- Innovation and Sustainability
- Provide housing for particular needs housing groups
- Land Ownership
- Deliverability.

Furthermore, the prioritisation process is complimented by formal discussions with representatives of: individual RSLs; DCC Neighbourhood Services; and Dundee Health and Social Care Partnership.

All developments supported by the prioritisation assessment criteria are included and prioritised in the SHIP.

Those developments with a higher priority will attract funding first. When a higher priority development starts on site, subject to agreement with the Scottish

Government, it will continue to receive SHIP funding until the development is complete.

Future Priorities: Increasing Housing Options in the City

Dundee City Council is accelerating the preparation of a long-term City Centre Strategic Investment Plan (CCSIP) options paper. The Options Paper will identify opportunities for housing development within the City Centre. As such, this could impact on development priorities for the Affordable Housing Investment Plan in future years.

In addition, the Council will consider the purchase of suitable, open-market properties to meet the City's general social housing needs, which includes the housing requirements of extended families, and people with particular needs. This option will also be considered in the delivery of Dundee's Rapid Rehousing Transition Plan.

Sustainability

The Council will work with partners to ensure that all new build properties constructed within the investment programme will meet or surpass the current building regulations and that energy efficiency measures such as insulation, solar energy, wind power or other suitable measures are integrated. This will assist in reducing carbon emissions, address fuel poverty and ensure that tenants live in warm, affordable homes.

Equalities

All procurement strategies and contracts will be screened and where appropriate undergo an Equalities Impact Assessment screening to ensure that actions associated with this strategy support the equalities agenda of the government, council and its partners.

A specific aim of this strategy is to deliver affordable and good quality housing for:

- Ethnic Minorities including economic migrants
- Particular Needs Housing Groups
- Gypsy / Travellers
- Homeless people.

An increase of appropriate provision for these groups will be encouraged over the period of plan.

In addition, it should be noted that the accommodation needs of individuals with particular needs requiring new-build supported, adapted or wheelchair housing have been taken account of within the SHIP. Discussions on the appropriate models of accommodation, number of houses, locations, and funding for these types of housing over the period of the SHIP are currently ongoing with commissioners. A summary of the particular needs housing targets over the period of the SHIP is outlined at Table 3.

Strategic Housing Investment Plan – Programme 2021-2026

The details of the programme are outlined at Tables 1 and 2.

An overview summary of the Tables:

Table 1: Details the development programme for 2021/2022 to 2022/23. This includes sites which have existing commitment; but where all funding has not yet been drawn down (carry forward). It also contains new sites where DCC Neighbourhood Services expects there to be approvals and grant claims prior to the end of financial year 2023.

Table 2: Identifies pipeline projects for 2023 to 2026. Where appropriate, projects may be brought forward should funding be available.

The attached appendices show pictures of some of the latest housing developments at Alexander Street and Derby Street.

Table 1. SHIP Housing Programme 2021/22 - 2022/23

Project Name	Housing Developer	Number of Units	Tenure	Total Grant (£million)	Estimated Spend 2021-2022	Estimated Spend 2022-2023	Site Start	Completion
Former Charleston Primary School site , Charleston	Abertay HA	43	SR	3.547	1.000	0.775	20/09/2020	09/12/2021
Former St Lukes & St Matthews Primary School / Longhaugh Primary School sites, Whitfield	Angus HA	74	SR	5.328	1.750	2.000	20/01/2021	25/01/2023
Lothian Crescent Phase 1, Whitfield	Angus HA	18	SR	1.296	0.616	0.000	01/04/2021	31/05/2022
Whitfield Drive, Phase 2, Whitfield	Angus HA	14	SR	0.980	0.000	0.980	01/06/2022	15/07/2023
Former St Vincents Primary School site, Pitkerro Road, Linlathen	Angus HA	21	SR	1.512	0.985	0.000	01/01/2021	17/04/2022

Tenure SR: Social Rented

Table 1. SHIP Housing Programme 2021/22 - 2022/23 Continued

Project Name	Housing Developer	Number of Units	Tenure	Total Grant (£million)	Estimated Spend 2021-2022	Estimated Spend 2022-2023	Site Start	Completion
Buttars Road/Brownhill Street, Charleston	Blackwood HA	21	SR	1.875	0.715	0.800	01/06/2021	01/02/2023
Brownhill Place/Gourdie Place/Invercraig Place, Charleston	Blackwood HA	45	SR	3.983	1.573	1.900	15/03/2021	01/02/2023
Coldside Road, Coldside	Caledonia HA	30	SR	2.552	0.637	0.000	30/01/2021	31/03/2022
Morgan Street, Stobswell	Caledonia HA	37	SR	2.179	0.765	0.000	10/01/2021	30/03/2022
Former Rosebank Primary School site, Hilltown	Caledonia HA	30	SR	2.482	0.750	0.250	12/02/2021	30/05/2022
Candle Lane, City Centre	Hillcrest HA	24	SR	1.884	0.825	0.000	06/01/2020	21/02/2021
South Victoria Dock, City Quay, City Centre	Hillcrest HA	53	SR	4.195	1.243	0.000	31/10/2020	22/10/2021

HA: Housing Association
Tenure SR: Social Rented

Table 1. SHIP Housing Programme 2021/22 - 2022/23 Continued

Project Name	Housing developer	Number of Units	Tenure	Total Grant (£million)	Estimated Spend 2021-2022	Estimated Spend 2022-2023	Site Start Date	Completion
South Victoria Dock, City Quay, City Centre	Hillcrest HA	66	MMR	3.610	0.430	0.000	31/10/2021	22/10/2023
Ellengowan Drive, East End	Hillcrest HA	50	SR	4.513	2.000	0.000	06/07/2020	31/10/2024
Ellengowan Drive, East End	Hillcrest HA	20	MMR	1.269	0.514	0.000	06/07/2020	31/10/2024
Raglan Street, Stobswell	Hillcrest HA	16	SR	1.226	1.226	0.000	07/02/2022	29/01/2023
Former St Mary's Primary School Annex, Lochee	Hillcrest HA	28	SR	1.728	0.600	1.128	01/03/2021	01/03/2022
Pitkerro Road, Midmill	Home HA	29	SR	2.698	0.350	0.000	28/02/2021	28/03/2022
Haddington Ave/Dunbar Park, Whitfield	Home HA	24	SR	1.951	0.074	0.000	02/10/2019	01/07/2021
HA: Housing Association Tenure SR: Social Rented Tenure MMR: Mid-Market Rent								

Table 1. SHIP Housing Programme 2021/22 - 2022/23 Continued

Project Name	Housing Developer	Number of Units	Tenure	Total Grant (£million)	Estimated Spend 2021-2022	Estimated Spend 2022-2023	Site Start Date	Completion
Mill O' Mains (Phase 4), Mill O` Mains	Home HA	45	SR	3.240	1.933	0.000	14/03/2021	30/06/2022
Murrayfield Terrace, Whitfield	DCC	26	SR	1.534	1.534	0.000	01/04/2021	01/07/2022
Gellatly Street, City Centre	Hillcrest HA	47	SR	3.760	1.100	2.000	01/04/2021	31/03/2022
Burnside Mill, Lochee	Hillcrest HA	54	SR	4.320	1.780	2.000	01/04/2022	31/09/2023
High Street, Lochee	Hillcrest HA	20	SR	1.400	0.150	1.000	01/04/2021	31/09/2022
Former Maryfield House site , Mains Loan, Stobswell	Sanctuary HA	40	SR	3.310	0.000	1.510	01/04/2022	01/04/2023
Ballindean Road, Douglas	TBC	65	SR	5.062	0.000	1.200	01/03/2022	29/03/2023
Former Gowriehill Primary School site, Menzieshill	Angus HA	35	SR	2.450	0.000	1.250	01/09/2022	01/12/2024
Blackness Road, West End	DCC	25	SR	TBC	0.000	1.475	01/04/2022	01/07/2023
Grand Total	-	1,001	-	73.884	22.550	18.268	-	-

HA: Housing Association
DCC: Dundee City Council
TBC: To be confirmed
Tenure SR: Social Rented

Table 2. SHIP Housing Programme: Pipeline Projects, 2024 – 2026

Project Name	Housing Developer	Number of Units	Tenure	Total Grant (£million)	Tender Submission
Former Mossgiel Primary School, Linlathen	Angus HA	44	SR	TBC	TBC
Murraygate, City Centre	Hillcrest HA	31	SR	TBC	TBC
St Mary's Place, Lochee	Hillcrest HA	16	SR	TBC	TBC
Dundee College, Constitution Road, City Centre	TBC	TBC	TBC	TBC	TBC
Angus / Tannadice Works, Neish Street/North Isla Street, Maryfield	Hillcrest HA	95	TBC	TBC	TBC
Rosebank Street, Hilltown	Hillcrest HA	24	TBC	TBC	TBC
Former Park Hotel, Coupar Angus Road, Lochee	Hillcrest HA	18	TBC	TBC	TBC
Bank Street, Lochee	Hillcrest HA	16	TBC	TBC	TBC
Hilltown	DCC	30	SR	TBC	TBC
Balcairn Place	DCC	20	SR	TBC	TBC
	Total	294	-	-	-
HA: Housing Association DCC: Dundee City Council TBC: To be confirmed					

Table 3. SHIP Particular Needs Housing Programme Targets 2021 – 2026							
	Year	2021/22	2022/23	2023/24	2024/25	2025/26	2020-2025
	Service Area	Commissioning Targets	Commissioning Targets	Commissioning Targets	Commissioning Targets	Commissioning Targets	Total
1.	Learning Disability and Autism	6	TBC	TBC	TBC	TBC	6
2.	Mental Health	4	TBC	TBC	TBC	TBC	4
3.	Physical Disability	TBC	TBC	TBC	TBC	TBC	-
4.	Young Persons	TBC	TBC	TBC	TBC	TBC	-
5.	Wheelchair Housing	10	10	10	10	10	50
	Total	20	10	10	10	10	60
1-3	Represents Dundee Health and Social Care Partnership's Supported Housing Priorities						
4	Represents Dundee City Council Children and Families Services Supported Housing Priorities						
5	Represents Dundee's Social Rented Wheelchair Housing Waiting List Priorities						
Year	Reflects the year of commissioning; not completion						
TBC	To be Confirmed						
N.B	Commissioned houses will come from the overall SHIP programme outlined at Tables 1 & 2						

Alexander Street New Build Housing Development





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