

**ITEM No ...4.....**

**REPORT TO: NEIGHBOURHOOD SERVICES COMMITTEE – 26 SEPTEMBER 2022**

**REPORT ON: DUNDEE STRATEGIC HOUSING INVESTMENT PLAN 2023-2028**

**REPORT BY: EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES**

**REPORT NO: 245-2022**

**1. PURPOSE OF REPORT**

1.1 To seek approval of the Strategic Housing Investment Plan (SHIP) 2023-2028.(See Appendix I).

**2. RECOMMENDATION**

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

2.1.1 The content of the Strategic Housing Investment Plan 2023-2028.

2.1.2 Submission to the Scottish Government.

**3. FINANCIAL IMPLICATIONS**

3.1 Scottish Government have issued Resource Planning Assumptions at local authority level for the Affordable Housing Investment Programme to 2025/2026, these are detailed in the table below:

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Grant (Millions)	19.977	17.219	17.170	17.230	17.516	89.112

**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 outlined in the table above the Scottish Government has outlined an additional £89.112 million Resource Planning Assumptions at local authority level for the Affordable Housing Investment Programme to 2026.

4.2 To promote the delivery of the SHIP and the Affordable Housing Investment Resource Planning for 2021-2026, 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. In addition, the SHIP looks to support the delivery of the City Centre Strategic Plan through the investment and development of social housing within the city centre.

4.3 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 during 2022/23. Appendix II displays examples of recent completed sites and sites currently under construction.

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

<b>Name of Development</b>	<b>Tenure</b>	<b>Number of Houses</b>	<b>Estimated Completion</b>
Derby Street	SR	162	June 2023
Seagate	MMR	28	August 2023
Pitkerro Road	SR	29	March 2023
Ellengowan Drive	SR/MMR	130	December 2024
South Victoria Dock Road	MMR	119	January 2023
Coldside Road	SR	30	June 2023
Haddington Avenue	SR	24	September 2022
Candle Lane	SR	24	November 2022
Langlands Street	SR	16	October 2022
Former Rosebank PS	SR	30	August 2023
<b>Total</b>	<b>-</b>	<b>592</b>	
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 September 2022			

4.4 The DCC Neighbourhood Services Committee's approval of the SHIP 2023-2028 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.

The SHIP has been developed with assistance from staff within City Development and is consistent with the Local Development Plan. The SHIP will assist with expediting plans and policies contained within the Local Development Plan for the development of housing in the City and re-using brownfield sites.

A key element of the Councils emerging Community Wealth Building approach is to ensure that the land and property are used in a way which brings benefits to local communities. The Strategic Housing Investment Plan will be an important part of that. This will include the inclusion of Community Benefit requirements which encourage engagement of local companies and employment of local people; commitment to Fair Work Practice on all projects including the commitment to pay the Real Living Wage. This programme provides a forum to work with Anchor partners to ensure we achieve better outcomes for people of Dundee.

To ensure that housing is built that is of high quality 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 will meet the Energy Efficiency Standard for Social Housing post 2020 (ESSH2). Additionally, energy efficiency measures such as insulation, solar energy, wind power or other suitable measures will be integrated where possible. This will assist in reducing carbon emissions, address fuel poverty and ensure that tenants live in warm, affordable homes.

## **MARKET CHALLENGES**

- 4.5 It is important to recognise that, while we remain ambitious in our plans and are committed to delivering an increase in the supply of affordable housing in the city, there are some significant challenges, particularly in the construction market, that will continue to affect the delivery of new build programmes.

The global supply chain for sourcing materials has been significantly affected by the Covid-19 pandemic and latterly by Brexit and the war in Ukraine, leading to a shortage of raw materials and increased market demand. Overall costs continue to rise significantly, driven by rising material costs, pressure in the labour market combined with increased demand within the construction sector. This is as a combined result of deferred work from the pandemic, economic instability and pressure, continued delivery of investment across the sector and longer-term regulatory changes around building safety, Housing 2040, EESSH2, Net Zero and decarbonisation efforts. Meanwhile, reduced manufacturing capacity, freight delays, Brexit legislation, and fragmented global supply chains are pushing up costs and tightening supply chains in both the short and longer term.

- 4.6 In addition to the local and global construction market challenges, it should be noted that Dundee City Council generally develop on what is known as brownfield sites across the city. To clarify, a brownfield site refers to 'land which has previously been developed on, which is or was occupied by a permanent structure'. It is recognised that there are often challenges when developing on brownfield sites which means the site itself is challenging to develop on and costs are potentially higher to develop in comparison to greenfield developments.

#### **OPEN MARKET ACQUISITION STRATEGY**

- 4.7 Under Article III of the minute of meeting of this Committee of 22 August 2022, the Neighbourhood Services Committee approved the Open Market Acquisition Strategy which looks to increase the supply of housing for social rent through the purchase of suitable properties on the open market, to complement the existing new build Council housing programme and the activities of our Strategic Housing Investment Plan (SHIP) partners in the local social housing sector.
- 4.8 At this time, the HRA budget and Capital Plan is still under review and will be reported to Policy and Resources Committee later this year. This review will inform the allocation of spend to deliver this strategy in addition to our new build programme.
- 4.9 Committee will be updated on the outturn of the strategy within the annual reporting of the Strategic Housing Investment Plan.

#### **5. POLICY IMPLICATIONS**

- 5.1 The content of this report was previously considered in report (302-2021) and remains valid. The original report was subject to an Integrated Impact Assessment. An appropriate senior manager has checked and agreed with this assessment. For follow-ups relating to initial reports agreed prior to 22/8/22 a copy of the Integrated Impact Assessment is available on the Council's website at [www.dundee.gov.uk/ia](http://www.dundee.gov.uk/ia). For follow-ups relating to initial reports created after this date, a copy of the Integrated Impact Assessment is included as an Appendix to that initial report.

#### **6. CONSULTATIONS**

- 6.1 The Council Leadership Team has been consulted in the preparation of this report and agrees with its contents.

#### **7. BACKGROUND PAPERS**

7.1 None.

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30 August 2022

# Appendix I

## DUNDEE STRATEGIC HOUSING INVESTMENT PLAN 2023 – 2028





## Introduction

Dundee's Strategic Housing Investment Plan (SHIP) 2023-28 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) the City Centre Strategic Investment Plan and the Local Development Plan.

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

In addition, it is aligned with Dundee Health and Social Care Partnership's Strategic housing requirements, City Centre Strategic Plan and the city's Rapid Rehousing Transition Plan, and Child Poverty Action Report.

## Resources to Deliver the SHIP Programme

The Strategic Housing Investment Plan (SHIP) is the key statement of affordable housing development priorities within local authority areas. Scottish Government has outlined Resource Planning Assumptions at local authority level for the Affordable Housing Investment Programme to 2026. These are detailed in the Table 1 below.

**Table 1. Scottish Government Resource Planning Assumptions**

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Grant (£Millions)	19.977	17.219	17.170	17.230	17.516	89.112





## **Risks to programme delivery**

The main delivery risk to the City's Affordable Housing Supply (AHS) Programme is inflation in costs of building materials and disruption to supply chains in the aftermath of Covid-19, exiting from the European Union, the war in Ukraine and the prospect of a global recession. These factors are also causing difficulties in contracting labour and site managers. Further to these headwinds 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 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. The Council continues to work closely 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.

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 Strategic Investment Plan
- 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 complemented by formal discussions with representatives from individual RSLs; DCC Neighbourhood Services; and Dundee Health and Social Care Partnership.

The area team of Scottish Government's More Homes Division regularly meets with the Council to discuss current issues and progress with the delivery of the Affordable Housing Supply Programme. Prior to the pandemic, the council would lead on bi-

monthly meetings with representatives from all the developing RSLs, Dundee City Council City Development, Scottish Government, Scottish Water and Dundee City Council Planning representatives. These meetings have been well-attended and a useful forum for driving forward delivery of the Affordable Housing Supply Programme. These meetings have continued over the period of the Pandemic through Microsoft Teams Meetings and there is the prospect of face to face or hybrid meetings continuing in the future.

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). This plan will identify opportunities for housing development within the City Centre. As such, we will prioritise development opportunities for the Affordable Housing Investment Plan in future years.

In addition, the Council will consider the purchase of suitable, open-market or off the shelf properties to meet the City's social housing needs, which includes the housing requirements of extended families, and people with particular needs.

### **Housing for Particular Needs**

The SHIP aims to achieve a minimum of ten social rented wheelchair standard houses per annum. In addition, other particular-needs housing will be incorporated into developments to meet the needs identified in the Dundee Health and Social Care Partnership's Strategic Needs Assessment and Strategic Plan, an additional 14 units to meet the needs of learning disabilities and mental health have been planned for 2023/24. This will contribute to the tenure neutral wheelchair housing new-build target for the City.

### **Gypsy/Traveller Site: Capital Works**

Dundee City Council (DCC) has one Gypsy / Traveller site. The site has 14 pitches, and is situated in Balmuir Wood by Tealing, Angus. DCC has a leasing agreement with Angus Council, but is responsible for delivering all site management services. Residents provide their own accommodation. Each pitch has a kitchen and bathroom amenity block.

There is a site office and a dedicated Council Liaison Officer, who is based at the local housing office.

## **Child Poverty Action Report**

The city is committed to the priorities set out in the Scottish Government's Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022 to 2026, and has set the ambitious goal of matching the Scottish Government's overall national target of reducing child poverty to less than 10% of children living in relative poverty.

The Council's combined Fairness and Local Child Poverty report outlines how the experience of people living in poverty is absolutely crucial in taking forward policies, and how local solutions are being developed to tackle poverty in city neighbourhoods.

The action plan highlights work that is ongoing across the city including the Cost of the School Day project, the Dundee Food Insecurity Network, the Discover Work service, digital inclusion and the Alcohol and Drug Partnership's action plan for change following the report of the Dundee Drug Commission.

Dundee's affordable housing programme plays a significant role in addressing child poverty at local and national levels through the delivery of family housing and is inextricably linked to a variety of housing related services; including the city's Rapid Rehousing Transition Plan and housing support provision.

## **Sustainability**

In June 2019, the Council declared a Climate Emergency, recognising the serious and accelerating environmental, social and economic challenges faced by climate change.

To respond to this challenge, a partnership Climate Action Plan has been prepared which has been the culmination of collaborative work, led by Dundee City Council and co-designed with public, private and community organisations, recognising that a concerted city-wide effort is required. It represents the first set of actions in a long-term pathway to first surpass the Covenant of Mayors target of 40% reduction in greenhouse gas emissions by 2030 and then to achieve net-zero greenhouse gas emissions by 2045 or sooner.

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.





## **Strategic Housing Investment Plan – Programme 2021-2026**

The details of the programme are outlined at Tables 2 and 3.

**Table 2:** Details the development programme for 2023/2024 to 2024/25. 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 2024/25. Note that start dates relate to draw down of grant (which may cover costs such as site acquisition, architects or other fees etc) and not necessarily physical building on site.

**Table 3:** Identifies pipeline projects for 2025 to 2028. Where appropriate, projects may be brought forward should funding be available.



**Table 2. SHIP Housing Programme 2023/24 - 2024/25**

<b>Project Name</b>	<b>Housing Developer</b>	<b>Number of Units</b>	<b>Tenure</b>	<b>Total Grant (£million)</b>	<b>Estimated Spend 2023-2024</b>	<b>Estimated Spend 2024-2025</b>	<b>Site Start</b>	<b>Completion</b>
Whitfield Drive/Lothian Crescent Phase1	Angus HA	18	SR	1.474	0.474	1.000	Jan' 2022	Sept' 2023
Former St Vincents Primary School site, Pitkerro Road	Angus HA	21	SR	1.512	0.985	0.527	Jan' 2022	April 2023
Balgowan Square Kirkton	Angus HA	8	SR	0.660	0.000	0.660	April 2023	March 2024
Balmuir Road Kirkton	Angus HA	10	SR	0.819	0.000	0.819	April 2023	March 2024
Buttars Road/Brownhill Street, Charleston	Blackwood HA	21	SR	3.900	2.000	1.900	Sept 2022	March 2024
Brownhill Place/Gourdie Place/Invercraig Place, Charleston	Blackwood HA	45	SR	7.700	4.000	3.700	Sept 2022	March 2024
Morgan Street, Stobswell	Caledonia HA	37	SR	2.179	1.679	0.000	April 2023	October 2024

**Table 2. SHIP Housing Programme 2023/24 - 2024/25 Continued**

<b>Project Name</b>	<b>Housing Developer</b>	<b>Units</b>	<b>Tenure</b>	<b>Total Grant (£M's)</b>	<b>Spend 23/24</b>	<b>Spend 24/25</b>	<b>Start</b>	<b>Completion</b>
Raglan Street, Stobswell	Hillcrest HA	16	SR	1.633	0.133	0.000	Jul' 2022	Aug' 2023
Mill O' Mains (Phase 4), Mill O' Mains	Home HA	41	SR	5.000	3.000	1.423	April 2023	Sept' 2024
Murrayfield Terrace, Whitfield	DCC	41	SR	2.932	2.000	0.932	April 2023	Sept' 2024
Gellatly Street, City Centre	Hillcrest HA	49	SR	3.8	2.200	0	November 2022	July 2024
Burnside Mill, Lochee	Hillcrest HA	54	SR	4.430	1.730	2.000	Jan 2024	2025/26
High Street, Lochee	Hillcrest HA	14	SR	1.800	0.250	1.550	Oct 2023	2024/25
Former Maryfield House Site , Mains Loan, Stobswell	Sanctuary HA	40	SR	3.310	0.000	1.510	April 2024	2025/26
Ballindean Road, Douglas	Caledonia	73	SR	5.256	3.756	0.200	Aug' 2022	Mar' 2024

**Table 2. SHIP Housing Programme 2023/24 - 2024/25 Continued**

Project Name	Housing Developer	Units	Tenure	Total Grant (£M's)	Spend 23/24	Spend 24/25	Start	Completion
Former Gowriehill Primary School site, Menzieshill	Angus HA	35	SR	2.867	0.000	1.250	December 2023	June 2025
Blackness Road, West End	DCC	24	SR	1.716	1.000	0.716	Oct' 2022	April 2024
Former Park Hotel, Coupar Angus Road	Hillcrest	18	SR	1.569	0.569	0.000	Apr' 2022	Nov' 2023
Aberdour Place	Hillcrest	19	SR	1.738	0.400	1.338	Dec' 23	2024/5
Murraygate	Hillcrest	31	SR	2.460	2.000	0.460	2022 /23	2024/25
Buchanan St	Hillcrest	14	SR	1.000	1.000	0	Aug' 2022	2024/25
Ellengowan P2	Hillcrest	14 46	SR MMR	3.800	0.400	3.400	Oct' 22	Dec' 24
Former Mossgiel Primary School, Linlathen	Abertay HA	44	SR	3.400	2.400	1.000	Apr' 23	July '24
Former playing fields, Clepington Road	Abertay HA	32	SR	2.500	2,500	0.000	Apr '23	Mar' 24
Murrayfield Gardens Whitfield	Abertay HA	10	SR	0.620	0.250	0.370	Jan' 2024	Sept'24
<b>Grand Total</b>		<b>761</b>			<b>32.726</b>	<b>24.755</b>		

HA: Housing Association

DCC: Dundee City Council

TBC: To be confirmed

Tenure: SR - Social Rented, MMR – Mid market rent



**Table 3. SHIP Housing Programme: Pipeline Projects, 2025 – 2027**

<b>Project Name</b>	<b>Housing Developer</b>	<b>Number of Units</b>	<b>Tenure</b>	<b>Total Grant (£million)</b>	<b>Tender Submission</b>
Angus / Tannadice Works, Neish Street/North Isla Street, Maryfield	Hillcrest HA	95	TBC	7.700	TBC
Rosebank Street, Hilltown	Hillcrest HA	24	TBC	2.000	TBC
Bank Street, Lochee	Hillcrest HA	32	TBC	2.600	TBC
Francis Street	Hillcrest	12	SR	1.000	TBC
North Lindsay Street	Hillcrest	29	SR	2.300	TBC
Trades Lane / Former Stagecoach	Hillcrest	TBC	SR/MMR	TBC	TBC
Main Street Dundee	Hillcrest	121	SR/MMR	TBC	2024
St Lukes Church, Lochee	Hillcrest	21	SR	1.700	2025/26
Former St Mary's PS Lochee	Hillcrest	42	SR	1.728	2025
Whitfield Drive/Lothian Crescent Phase 2	Angus HA	14	SR	1.147	TBC
Haldane Tce	Angus HA	6	SR	0.492	2024
St Marys/St Fillans	Angus HA	17	SR	1.392	2024
Rowantree Crescent, Linlathen	Angus HA	10	SR	0.819	2023
Mill O' Mains Phase 5	Home HA	40	SR	5.000	2025
Hilltown	DCC	30	SR	1.500	2027
Balcairn Place	DCC	19	SR	1.359	2024
<b>HA: Housing Association DCC: Dundee City Council TBC: To be confirmed</b>		<b>512</b>			





**Appendix II. Examples of recent completions and sites under development**



**Caledonia HA: Former I.B. Connex site Maxwelltown**



**Abertay HA: Former Charleston Primary School**



**Hillcrest HA & Dundee City Council: Ongoing development at Derby Street**

Home Housing Association – Pitkerro Road

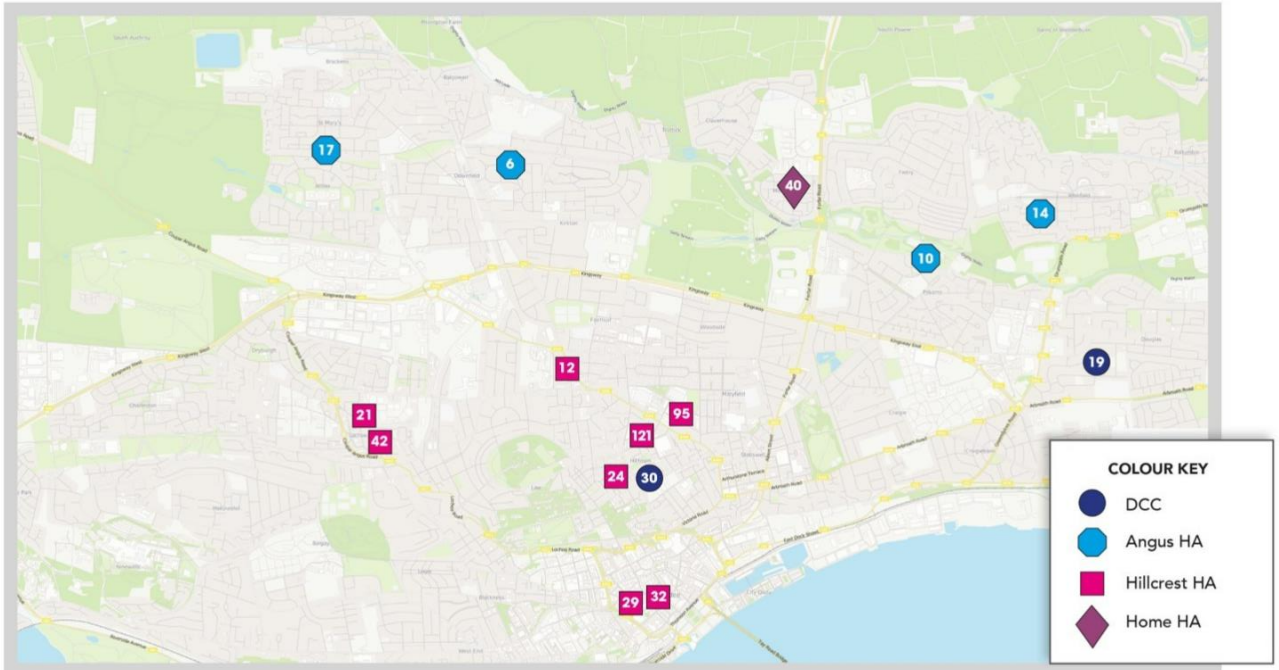


Home Housing Association – Haddington Avenue





SHIP Housing Map | Pipeline Projects 2025 - 2028



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