

ITEM No ...4.....

REPORT TO: NEIGHBOURHOOD SERVICES COMMITTEE – 22 NOVEMBER 2021
REPORT ON: DUNDEE STRATEGIC HOUSING INVESTMENT PLAN
REPORT BY: EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES
REPORT NO: 302-2021

1. PURPOSE OF REPORT

1.1 To seek approval of the Strategic Housing Investment Plan (SHIP) 2022-2027. (See Appendix I).

2. RECOMMENDATION

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

1. The content of the Strategic Housing Investment Plan, 2022-2027.
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 Dundee City Council and its partners remain ambitious in our plans to increase the supply of affordable housing across the city. These plans link closely to housing need, including those with particular needs, in the city and are designed to ensure that affordable new build housing meets the highest possible standards in terms of energy efficiency while reducing the impact of residential accommodation on the climate. New build social rented accommodation fully complies with 'Net Zero' guidance in terms of improved energy efficiency and the decarbonisation of residential accommodation through the use of alternatives to fossil fuel for heating.

New build plans include both mainstream housing and housing suitable for those with particular needs and it is acknowledged that the latter are more expensive to deliver as they often provide bespoke accommodation to meet the needs of the individual or family.

4.3 Market Challenges

- 4.3.1 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 affect the delivery of new build programmes.
- 4.3.2 The global supply chain for sourcing materials has been significantly affected by the Covid-19 pandemic and latterly by Brexit, leading to a shortage of raw materials and increased market demand as economies look to rebuild. Overall costs continue to rise, 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, 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.
- 4.3.3 In addition to the local and global construction market challenges, it should be noted that the Dundee City Council generally develops 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 that costs are potentially higher to develop in comparison to greenfield developments.

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 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.
- 4.6 This achievement is a direct result of the aforementioned SHIP partnership working arrangement. The houses were delivered through the previous Strategic Housing Investment Plan, 2021-2026.

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 September 2021		

- 4.7 The DCC Neighbourhood Services Committee`s approval of the SHIP, 2021-2027 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

26 October 2021

Appendix I

DUNDEE STRATEGIC HOUSING INVESTMENT PLAN 2022 – 2027

Introduction

Dundee's Strategic Housing Investment Plan (SHIP) 2022-27 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. It reflects the affordable housing priorities within the city's eight Local Community Planning Partnership areas and multi member ward boundaries.

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. The Scottish Government Affordable Housing Investment Programme Resource Planning Assumption for the City made almost £70.5 million available from 2016/17 to 2021. Scottish Government has outlined an additional £89.112 million Resource Planning Assumptions at local authority level for the Affordable Housing Investment Programme to 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

Additionally, the Council has identified an additional £6 million of borrowing in 2021/22 to expedite building additional Council Housing.

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 has been integrated within the Council's Service Plans.

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 caused by Covid and exiting from the European Union. 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.

Completions

The Council has set itself a challenging target of 200 social rented house completions per annum within the Local Housing Strategy and Council Plan. These targets have not been met in recent years (see table below).

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
108	138	62	161	58	27

Increases in completions are expected in 2021/22 being close to or possibly exceeding the target though difficulties with supply chains and labour may yet have an impact. However, we have a healthy pipeline of projects and developments on site which should result in improved outcomes.

Photographs of recently completed and some ongoing development sites can be seen at Appendix 2.

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 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). 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 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.

Housing for Particular Needs

Currently we aim to achieve a minimum of ten wheelchair standard houses per annum.

As part of Dundee City Council's contribution, we have developed 47 new build wheelchair accessible properties. In addition, Dundee City Council has also ensured that a further 16 of our new build social housing properties have included a ground floor bedroom and level access shower room thereby making them suitable for applicants with medical needs since 2007.

Additionally, other particular needs housing will be incorporated in SHIP developments taking into account the needs identified in the Dundee Health and Social Care Partnership's Strategic Needs Assessment and Strategic Plan.

Child Poverty Action Report

The city is setting itself 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.

This work is progressing against the backdrop of the current situation in Dundee, where the rate of children in relative low-income households after housing costs at the end of March 2020 was 27%.

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.

Housing plays a significant role in addressing child poverty – the delivery of affordable housing and tackling homelessness throughout Rapid Rehousing Transition Plan are core to achieving the City’s outcomes for child poverty

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 2022/2023 to 2023/24. 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.

Table 2: Identifies pipeline projects for 2024 to 2027. Where appropriate, projects may be brought forward should funding be available.

Table 1. SHIP Housing Programme 2022/23 - 2023/24								
Project Name	Housing Developer	Number of Units	Tenure	Total Grant (£million)	Estimated Spend 2022-2023	Estimated Spend 2023-2024	Site Start	Completion
Former St Lukes & St Matthews Primary School / Longhaugh Primary School sites	Angus HA	74	SR	5.328	1.000	0.000	Jan' 2021	May 2023
Whitfield Drive/Lothian Crescent Phase 1	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	0.889	April 2023	March 2024
Buttars Road/Brownhill Street, Charleston	Blackwood HA	21	SR	1.875	0.715	0.800	2021	2023
Brownhill Place/Gourdie Place/Invercraig	Blackwood HA	45	SR	3.983	1.573	1.900	2021	2023

Place, Charleston								
Coldside Road, Coldside	Caledonia HA	30	SR	2.552	1.052	0.000	Oct 2021	March 2023
Morgan Street, Stobswell	Caledonia HA	37	SR	2.179	1.679	0.000	Jan' 2022	June 2023
Project Name	Housing Developer	Unit s	Ten ure	Total Grant (£M's)	Spend 22/23	Spend 23/24	Start	Comple tion
Former Rosebank Primary School site, Hilltown	Caledonia HA	30	SR	2.482	1.482	0.000	Nov' 2021	Oct' 2022
Raglan Street, Stobswell	Hillcrest HA	16	SR	1.330	1.000	0.000	Aug' 2022	March 2024
Former St Mary's Primary School, Lochee	Hillcrest HA	28	SR	1.728	1.328	0.000	Oct' 2022	March 2024
Pitkerro Road, Midmill	Home HA	29	SR	2.700	0.350	2.350	Jan' 2022	Sept' 2023
Mill O' Mains (Phase 4), Mill O` Mains	Home HA	45	SR	3.240	1.933	1.307	April 2022	July 2023
Murrayfield Terrace, Whitfield	DCC	43	SR	2.537	2.000	0.537	April 2022	July 2023
Gellatly Street, City Centre	Hillcrest HA	38- 49	SR	3.760	1.100	2.000	July 2022	Jan' 2024
Burnside Mill, Lochee	Hillcrest HA	54	SR	4.430	1.730	2.000	Oct' 2022	March 2024
High Street, Lochee	Hillcrest HA	20	SR	1.800	1.000	0.800	April 2022	Sept' 2023
Former Maryfield House Site , Mains Loan, Stobswell	Sanctuary HA	40	SR	3.310	0.000	1.510	April 2023	April 2024
Ballindean Road, Douglas	Caledonia	73	SR	5.256	1.500	3.756	June 2022	Dec' 2023

Project Name	Housing Developer	Units	Tenure	Total Grant (£M's)	Spend 22/23	Spend 23/24	Start	Completion
Former Gowriehill Primary School site, Menzieshill	Angus HA	35	SR	2.867	0.000	1.250	April 2023	Dec' 2024
Blackness Road, West End	DCC	26	SR	1.274	1.000	0.274	June 2022	July 2023
Former Park Hotel, Coupar Angus Road	Hillcrest	18	SR	1.530	1.030	0.000	Feb' 2022	Oct' 2023
Aberdour Place	Hillcrest	22	SR	1.738	0.400	1.338	Jan' 2023	Aug' 2024
Murraygate	Hillcrest	31	SR	2.460	1.460	0.000	Sept' 2021	March 2023
Buchanan St	Hillcrest	12	SR	0.936	0.936	0	Aug 21	Jan 23
Ellengowan Ph2	Hillcrest	61	SR	3.800	1.000	2.800	July 22	Oct 24
Grand Total		896		67.56	26.727	25.698		
HA: Housing Association DCC: Dundee City Council TBC: To be confirmed Tenure: SR - Social Rented, MMR – Mid market rent								

Table 2. SHIP Housing Programme: Pipeline Projects, 2025 – 2027

Project Name	Housing Developer	Number of Units	Tenure	Total Grant (£million)	Tender Submission
Former Mossgiel Primary School, Linlathen	Abertay HA	44	SR	TBC	TBC
St Mary's Place, Lochee	Hillcrest HA	16	SR	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
Bank Street, Lochee	Hillcrest HA	16	TBC	TBC	TBC
Francis Street	Hillcrest	12	SR	TBC	TBC
North Lindsay Street	Hillcrest	29	SR	TBC	TBC
Trades Lane / Former Stagecoach	Hillcrest	TBC	SR/MR	TBC	TBC
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
	Total	283	-	-	-
HA: Housing Association DCC: Dundee City Council TBC: To be confirmed					

Appendix 1 – Recent Affordable Housing Completions and Sites under Development



Caledonia HA – former I.B. Connex site

Mawelltown



Angus HA Former Charleston Primary School



Ongoing development at Derby Street (Hillcrest HA).



Ellangowan Drive - Hillcrest



Benzie Road - Hillcrest

