

**REPORT TO:** NEIGHBOURHOOD REGENERATION, HOUSING & ESTATE  
MANAGEMENT COMMITTEE – 23 OCTOBER 2023

**REPORT ON:** DUNDEE STRATEGIC HOUSING INVESTMENT PLAN 2024-2029

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

**REPORT NO:** 290-2023

## **1. PURPOSE OF REPORT**

- 1.1 To seek approval of the Strategic Housing Investment Plan (SHIP) 2024-2029. (See Appendix I).

## **2. RECOMMENDATION**

- 2.1 It is recommended that the Neighbourhood Regeneration, Housing & Estate Management Committee approves:

2.1.1 The content of the Strategic Housing Investment Plan 2024-2029.

2.1.2 Submission of the Strategic Housing Investment Plan 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
Affordable Housing Investment Grant (Millions)	19.977	17.219	17.170	17.230	17.516	89.112

- 3.1.1 In a recent Value for Money Report published in August 2023 by Scottish Housing Network, the average unit cost to build social housing ranged from £166,177 to £296,000. The topography of sites in Dundee can add additional cost to some developments.

## **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 2023/4. Appendix II displays examples of recent completed sites and sites currently under construction.

**Table 1. Dundee SHIP Commissioned New-Build Affordable Rented Housing (Wards in Brackets):**

<b>Name of Development</b>	<b>Tenure</b>	<b>Number of Houses</b>	<b>Estimated Completion</b>
Derby Street (Coldside)	SR	162	December 2023
Seagate (Maryfield)	MMR	28	February 2024
Pitkerro Road (East End)	SR	29	September 2023
Ellengowan Drive (Maryfield)	SR/MMR	130	December 2024
South Victoria Dock Road (Maryfield)	MMR	119	November 2023
Buttar's/Brownhill Place/Gourdie Place/Invercraig Place, Charleston (Lochee)	SR	45	March 2024
Murraygate (Maryfield)	SR	31	December 2023
Gellatly Street (Maryfield)	SR	49	February 2025
Balindean Road (East End)	SR/SE	73	March 2024
Buchanan Street (Maryfield)	SR	14	2025
Park Hotel (Lochee)	SR	18	February 2025
Raglan Street (Maryfield)	SR	16	November 2023
<b>Total</b>	<b>-</b>	<b>714</b>	
Tenure SR: Social Rented Tenure MMR: Mid-Market Rent Tenure SE: Shared Equity			
N.B. Table 1: Developments are currently on site or are due to start on site this financial year			
Data as at September 2023			

- 4.4 Committee's approval of the SHIP 2024-2029 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.

To ensure that housing built is of a 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, addressing fuel poverty and will ensure that tenants live in warm, affordable homes.

#### 4.5 MARKET CHALLENGES

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, which will continue to affect the delivery of new build programmes.

The global supply chain for sourcing materials has been significantly affected by world events leading to a shortage of some raw materials, increased costs and increased demand. Overall costs continue to rise significantly, driven by rising material costs with current contractors reporting inflation on Timber increasing by 99%, Insulation 72%, Steel 79% and Fuel 293%. This is as a combined result of deferred work from the pandemic, economic instability 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 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'. Development of brownfield sites can be a challenge for social housing provision owing to financial constraints and grant funding availability for this sector. However, Dundee has a good track record of overcoming the issues associated with brownfield redevelopment. The benefits of brownfield redevelopment to placemaking, climate change, biodiversity enhancement and health and well-being are fundamental aims of NPF4, our LDP and the Council's overall priorities

#### 4.7 OPEN MARKET ACQUISITION STRATEGY

Under Article III of the minute of meeting of the Neighbourhood Services Committee of 22 August 2022, the Open Market Acquisition Strategy was approved, 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.

### 5. POLICY IMPLICATIONS

- 5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

### 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.

Elaine Zwirlein  
**Executive Director of Neighbourhood Services**

Louise Butchart  
**Head of Housing & Construction**

12 October 2023

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# Dundee Strategic Housing Investment Plan

2024 - 2029

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## Introduction

Dundee’s Strategic Housing Investment Plan (SHIP) 2024-29 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. Inflation is evident as a result of a number of factors, including, Brexit and the effects of the Russian invasion in Ukraine and the rising cost of Energy. Some of the construction industry inflationary pressures include;

- Timber 99%
- Insulation 72%
- Steel 79%
- Fuel 293%

All of this has resulted in a reduction of 23% in New build programmes across Scotland.

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**

The approved City Centre Strategic Investment Plan (CCSIP) identifies 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.

## **Gypsy Roma and Traveller Site: Capital Works**

Dundee City Council (DCC) has one Gypsy Roma and 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 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 Community Food 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.

Dundee City Council are developing a statutory Local Heat and Energy Efficiency Strategy (LHEES). The key drivers are the decarbonisation of heat to meet the local and national target of Net Zero by 2045 and removing poor building energy efficiency as a cause of fuel poverty while meeting national targets. For our housing stock, LHEES will identify potential heat network zones and delivery areas for various energy efficiency improvements at building level.

We 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 Roma and Traveller
- 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 2024/2025 to 2025/26. 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 2025/26. 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 2026 to 2029. Where appropriate, projects may be brought forward should funding be available.

Table 2: SHIP Housing Programme 2024/25 - 2025/26								
Project Name	Housing Developer	No. of Units	Tenure	Total Grant (£M)	Est. Spend 2024-25	Est. Spend 2025-26	Site Start	Completion
Whitfield Drive/ Lothian Crescent - Phase 1 (North East)	Angus HA	18	SR	2.000	1.000	1.000	Oct 2023	Mar 2025
Former St Vincents Primary School site, Pitkerro Road (East End)	Angus HA	21	SR	2.250	1.000	1.250	Oct 2023	Apr 2025
Rowantree Crescent (East End)	Angus HA	18	SR	2.750	2.250	0.500	Apr 2025	Nov 2025
Former Gowriehill Primary School (Lochee)	Angus HA	37	SR	4.500	2.500	2.000	Jan 2025	Mar 2025
Morgan Street, Stobswell (Maryfield)	Caledonia HA	40	SR	4.300	2.500	1.800	Apr 2024	Sept 2025
Mill O' Mains (Phase4), Mill O' Mains (North East)	Home HA	48	SR	5.880	£4,200	0	Oct 2023	Sept 2025
Gellatly Street, City Centre (Maryfield)	Hillcrest HA	49	SR	3.8	0.500	0	Nov 2023	Feb 2025
Burnside Mill, (Lochee) Hillcrest 54 SR (Total 4.430) (2024/5 0.400) (2025/6 2.500) (Apr 24) (Mar 27)	Hillcrest HA	54	SR	4.430	0.400	2.500	Apr 2024	March 2027
Blackness Road (West End)	DCC	24	SR	1.716	1.000	0	Nov 2023	March 2025
Balcairn Place (East End)	DCC	55	SR	4.000	0	2.000	July 2024	2027
Former Park Hotel, Coupar Angus Road (Lochee)	Hillcrest	18	SR	1.569	0.650	0	Apr 2023	Feb 2025

**Table 2: SHIP Housing Programme 2024/25 - 2025/26 - CONTINUED**

Project Name	Housing Developer	No. of Units	Tenure	Total Grant (£M)	Est. Spend 2024-25	Est. Spend 2025-26	Site Start	Completion
Ellengowan Phase 2 (Maryfield)	Hillcrest	14 46	SR MMR	3.800	0.500	3.300	Mar 2024	Mar 2027
Former Mossgiel Primary School, Linlathen (East End)	Abertay HA	44	SR	3.400	2.400	1.000	Apr 2024	Jul 2025
Former playing fields, Clepington Road (Coldside)	Abertay HA	32	SR	2.500	2.500	0	Apr 2024	Mar 2024
Liff Rd Angus St (Lochee) Abertay HA, 5 SR (Total 1.064) (2024/5 - 1.064) (2025/6 - 0) (Apr 24) (Mar 25)	Abertay HA	10	SR	0.620	0.250	0.370	Jan 2025	Sept 2025
<b>Grand Total</b>		<b>SR: 508 MMR: 46</b>		<b>53.151</b>	<b>27.356</b>	<b>16.65</b>		
<b>HA:</b> Housing Association <b>DCC:</b> Dundee City Council <b>TBC:</b> To be confirmed Tenure: <b>SR</b> - Social Rented, <b>MMR</b> – Mid market rent								

**Table 3: SHIP Housing Programme: Pipeline Projects 2027-2029**

ProjectName	Housing Developer	No. of Units	Tenure	Total Grant (£M)	Tender Submission
High Street - Lochee	Hillcrest HA	14	SR	1.800	2025/6
Angus / Tannadice Works (Coldside)	Hillcrest HA	95	TBC	7.700	2026/7
Rosebank Street, Hilltown (Coldside)	Hillcrest HA	24	TBC	2.000	2027/8
Bank Street - Lochee	Hillcrest HA	32	TBC	2.600	2026
Francis Street (Coldside)	Hillcrest HA	12	SR	1.000	2026
North Lindsay Street (Maryfield)	Hillcrest HA	29	SR	2.300	2025
Trades Lane / Former Stagecoach (Maryfield)	Hillcrest HA	TBC	SR/MMR	TBC	TBC
Main Street (Coldside)	Hillcrest HA	121	SR/MMR	TBC	2025/6
St Lukes Church (Lochee)	Hillcrest HA	21	SR	1.700	2025/6
Former St Mary's PS (Lochee)	Hillcrest HA	42	SR	1.728	2025
Murrayfield Place, Whitfield (North East)	DCC	41	SR	2.537	2027/8
Balgowan Square St Mary's (Strathmartine)	Angus HA	8	SR	0.650	TBC
Ferry House, Gray Street (The Ferry)	Hillcrest HA	5	SR	0.405	2025
Hillbank Place (Coldside)	Hillcrest HA	2	SR	0.162	2026
Sugarhouse Wynd (Maryfield)	Hillcrest HA	8	SR	0.648	2026
Cairn Centre Rattray Street (Maryfield)	Hillcrest HA	6	SR	0.486	2025
Haldane Tce (Strathmartine)	Angus HA	6	SR	0.492	2028
St Marys/St Fillans (Strathmartine)	Angus HA	17	SR	1.392	2028
Mill O' Mains Phase 5 (North East)	Home HA	40	SR	4.200	2026
Hilltown (Coldside)	DCC	30	SR	1.500	2027
<b>Grand Total</b>		<b>533</b>		<b>33.300</b>	
<b>HA:</b> Housing Association <b>DCC:</b> Dundee City Council <b>TBC:</b> To be confirmed <b>Tenure: SR</b> - Social Rented, <b>MMR</b> – Mid market rent					



**Caledonia HA - Maxwelltown**

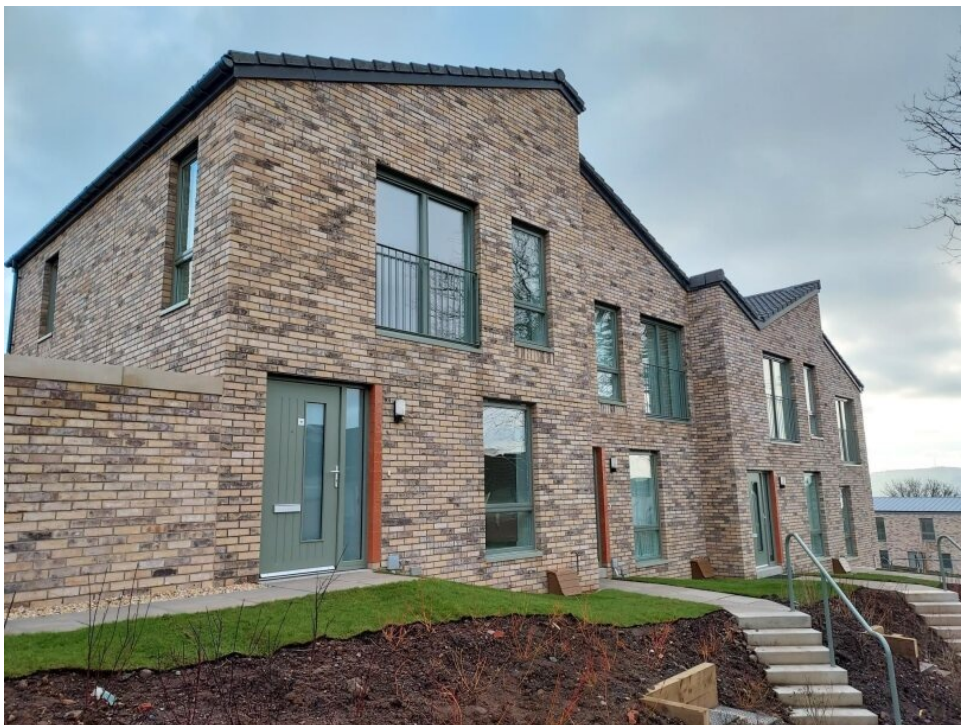




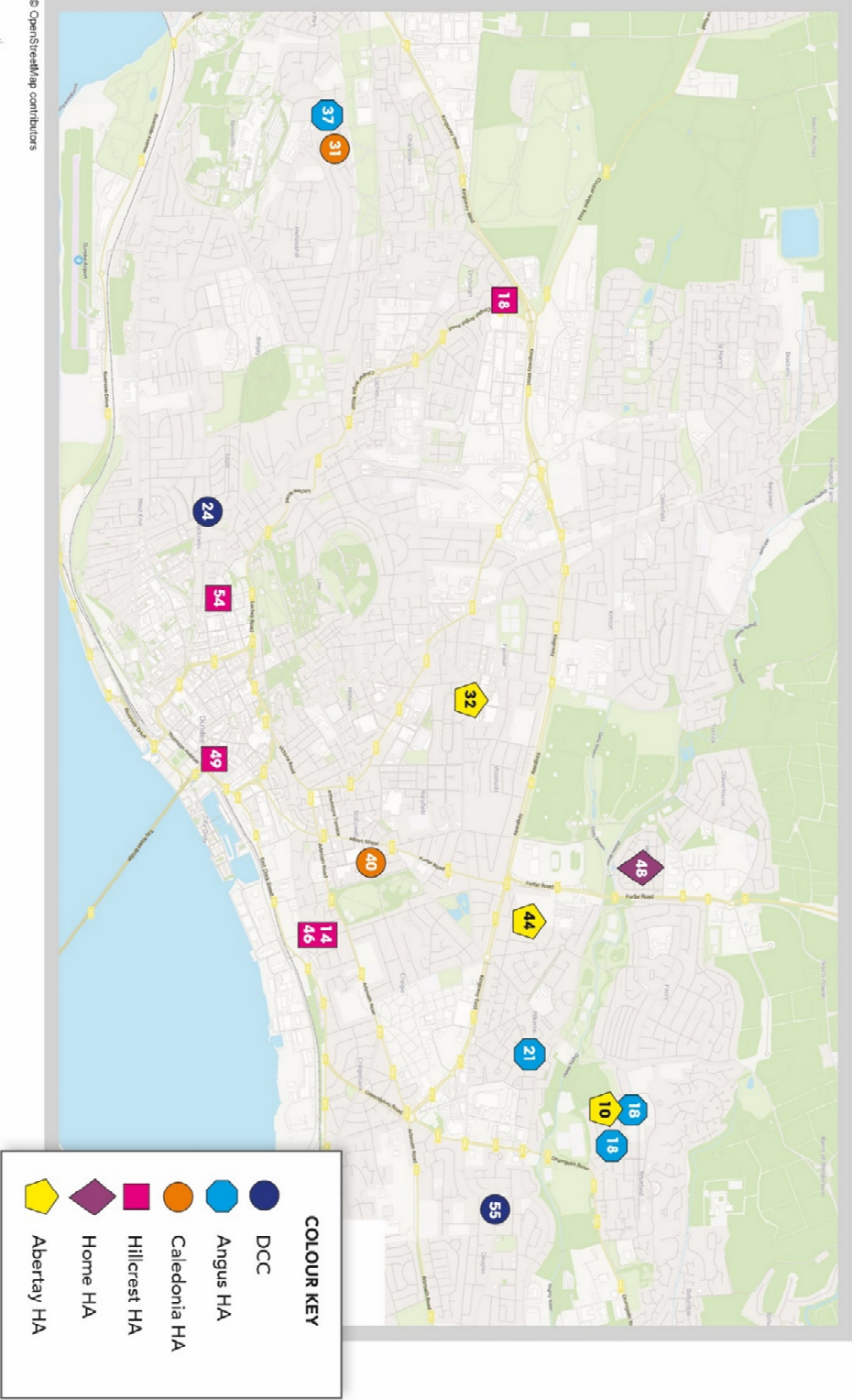
## Home HA - Pitkerro Road



## Hillcrest HA - Ellangowan Road

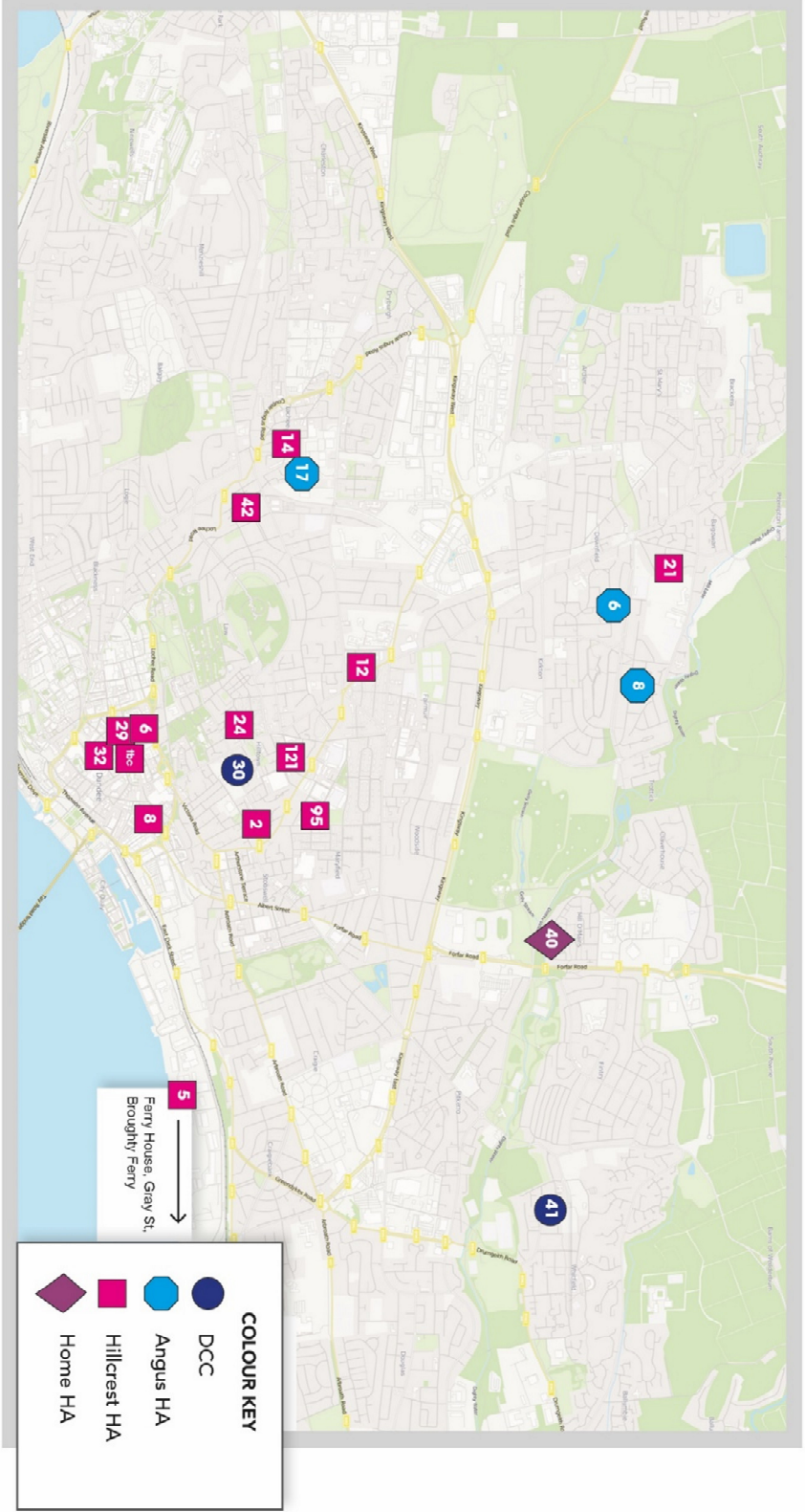


SHIP Housing Map | Programme 2024/25 - 2025/26



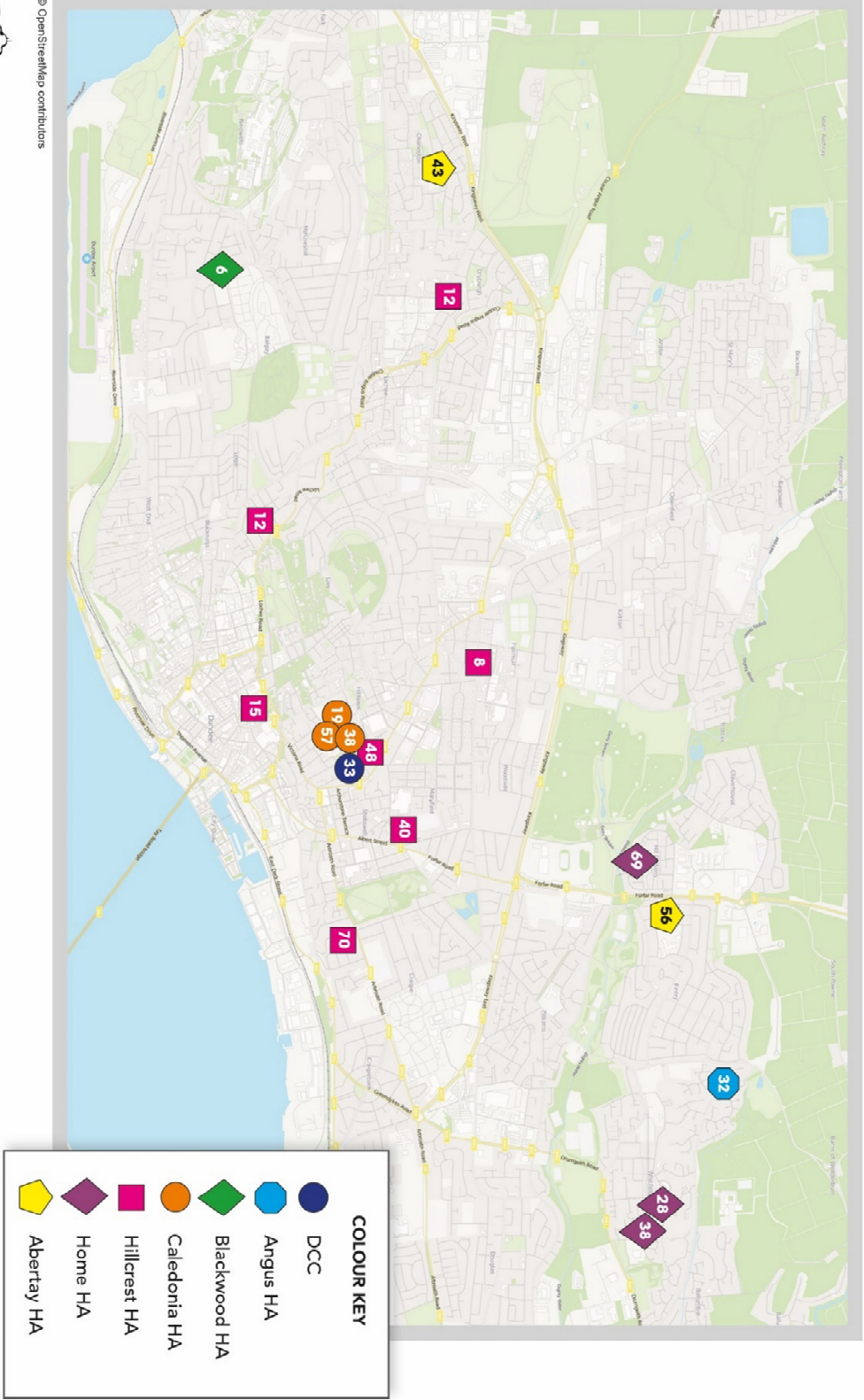


SHIP Housing Map | Pipeline Projects 2025 - 2028



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