

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

**REPORT TO: NEIGHBOURHOOD REGENERATION, HOUSING & ESTATE MANAGEMENT  
COMMITTEE – 28 OCTOBER 2024**

**REPORT ON: DUNDEE STRATEGIC HOUSING INVESTMENT PLAN 2025-2030**

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

**REPORT NO: 291-2023**

### **1. PURPOSE OF REPORT**

1.1 To seek approval of the Strategic Housing Investment Plan (SHIP) 2025-2030. (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 2025-2030.

2.1.2 Submission of the Strategic Housing Investment Plan to the Scottish Government.

### **3. FINANCIAL IMPLICATIONS**

3.1 There are no direct financial implications associated with this report. The costs of any future investments associated with this programme together with details of how they are funded will be brought back to members for consideration in due course.

### **4. BACKGROUND**

4.1 The Strategic Housing Investment Plan (SHIP) is the key statement of affordable housing development priorities within local authority areas. In previous years the Scottish Government has issued Resource Planning Assumptions (RPA) to inform the SHIP. In financial year 2024/25 the RPA was reduced from £17.230 million to £13.673 million. At the time of writing there are no RPA's for future years but we have been guided by Scottish Government to operate carry forward limits of 80% of the 2024/25 programme for 2025/26, 60% in 2026/27 and 40% in 2027/28 within this SHIP. The SHIP contains plans for funding developments in 2025/26 up to £14.8 Million, this is above the level of grant for the previous year but gives leeway for adjustment when the grant budget is announced.

4.2 To promote the delivery of the SHIP, 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 delivery of social housing. 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. 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>
Seagate (Maryfield)	MMR	28	November 2024
Ellengowan Drive (Maryfield)	SR/MMR	130	December 2024
Buttar's/Brownhill Place/Gourdie Place/Invercraig Place, Charleston (Lochee)	SR	66	November 2024
Murraygate (Maryfield)	SR	31	November 2024
Gellatly Street (Maryfield)	SR	49	February 2025
Ballindean Road (East End)	SR/SE	73	March 2025
Buchanan Street (Maryfield)	SR	14	Completed
Park Hotel (Lochee)	SR	18	February 2025
Whitfield/Lothian Crescent (North East)	SR	18	June 2025
Former St Vincents P.S. (East End)	SR	21	April 2025
Mill o' Mains Phase IV (North East)	SR	48	September 2025
Tenure SR: Social Rented Tenure MMR: Mid-Market Rent Tenure SE: Shared Equity			

- 4.4 Committee's approval of the SHIP 2025-2030 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. 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

- 4.5.1 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. The main delivery risk to the city's affordable housing supply programme is the reduction in grant from Scottish Government together with high prices for material and labour.
- 4.5.2 Though inflation has abated somewhat in the past year, costs continue to be high, driven by material and labour costs. This has been exacerbated by regulatory changes around building safety, Housing 2040, EESSH2, Net Zero and decarbonisation efforts.
- 4.5.3 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 built 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 National Planning Framework 4, our Local Development Plan (LDP) and the Council's overall priorities

## 4.6 OPEN MARKET ACQUISITION STRATEGY

- 4.6.1 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. In the last year Dundee City Council have purchased 23 properties under this strategy.

## 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.

Tony Boyle  
**Executive Director of Neighbourhood Services**

Olga Clayton  
**Interim Head of Housing & Construction**

2 October 2024



# Dundee Strategic Housing Investment Plan

2025 - 2030

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## Introduction

Dundee's Strategic Housing Investment Plan (SHIP) 2025-30 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 and the city's Rapid Rehousing Transition Plan, and Child Poverty Action Report.

## Resources to Deliver the SHIP Programme

In previous years, Scottish Government issued Resource Planning Assumptions to aid the SHIP. The RPA for 2024/25 was reduced for that year from £17.230M to £13.037M. Scottish Government have advised local authorities to commit no more than 80% of the £13.037M forward to 2025/26, 60% in 2026/27 and 40% in 2027/28 for SHIP Planning purposes.

## Risks to programme delivery

The main delivery risk to the City's Affordable Housing Supply (AHS) Programme is the reduction in grant from Scottish Government together with high prices for materials and labour. Though inflation has abated somewhat over the last year, costs of construction materials remain high. 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. The Housing Service chairs 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.

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 and Housing Associations 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 has adopted a statutory Local Heat and Energy Efficiency Strategy (LHEES). The Council's Asset Management Strategy sets out how efficient management of housing assets is already contributing to the council's net zero ambitions by refurbishing and insulating social housing stock and our future plans are highlighted in the Energy Efficiency and Net Zero Strategy 2023 - 2027.

We have continued to modernise our own council houses by installing fuel efficient gas central heating, district heating systems along with new kitchens and bathrooms to meet the Scottish Housing Quality Standard (SHQS) and insulate over 5000 properties across the city including 2500 Dundee City Council homes with external wall insulation (EWI) to meet energy efficient standards in social housing and reduce fuel poverty. 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.

In May this year the Scottish government has declared a national housing emergency. Declaring an emergency is a signal of systemic failure in the homelessness system and confirmation that the current situation is not working and there needs to be intervention. Local authorities are facing a range of issues. The housing situation had been caused by a “combination” of issues - including pressure on homelessness services, rising property prices, high levels of temporary accommodation, austerity, inflation, labour shortages linked to Brexit, and a freeze to local housing allowance rates. By declaring an emergency, the Scottish government is formally recognising the housing problem and calling for cuts to its capital budget to be reversed.

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

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

**Table 1:** Details the development programme for 2025/2026 to 2026/27. 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 2026/27. 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 2:** Identifies pipeline projects for 2026 to 2029. Where appropriate, projects may be brought forward should funding be available.

**Table 1: SHIP Housing Programme 2025/26 - 2026/27**

Project Name	Housing Developer	No. of Units	Tenure	Total Grant (£M)	Est. Spend 2024-25	Est. Spend 2025-26	Site Start	Completion
Burnside Mill, Lochee (Lochee)	Hillcrest HA	54	SR	4.530	3.030	0	April 2024	March 2027
Mill O' Mains (Phase4), Mill O' Mains (North East)	Home HA	48	SR	5.078	3.078	0	Oct 2023	Sept 2025
Whitfield Drive/ Lothian Crescent Phase1 (North East)	Angus HA	18	SR	2.193	0.500	0	Oct 2023	June 2025
Ellengowan Ph2 (Maryfield)	Hillcrest	14 46	SR MMR	3.800	2.350	0	March 2024	March 2027
Whitfield Drive Phase IIa (North East)	Angus HA	18	SR	2.000	0	2.000	April 2026	March 2027
Former Gowriehill Primary School (Lochee)	Angus HA	36	SR	3.500	2.500	1.000	April 2025	June 2026
Former Mossgiel Primary School, Linlathen (East End)	Abertay HA	44	SR	4.332	2.332	2.000	April 2025	July 2026
Angus Street (Lochee)	Abertay HA	8	SR	1.000	1.000	0	April 2025	March 2026
<b>Grand Total</b>		<b>SR: 240 MMR: 46</b>		<b>26.433</b>	<b>14.79</b>	<b>5.0</b>		

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 2027-2029**

Project Name	Housing Developer	No. of Units	Tenure	Total Grant (£M)	Tender Submission
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Former playing fields, Clepington Road (Coldside)	Abertay HA	32	SR	3.46	2025
Gowrie Court, Menzieshill (Lochee)	Caledonia HA	31	SR	3.300	2025
Balcairn Place (North East)	DCC	55	SR	4.000	2025
Bank Street (Lochee)	Hillcrest HA	32	TBC	2.600	2026
Francis Street (Coldside)	Hillcrest	12	SR	1.000	2026
North Lindsay Street (Maryfield)	Hillcrest	29	SR	2.300	2025
Trades Lane / Former Stagecoach (Maryfield)	Hillcrest	TBC	SR/MMR	TBC	TBC
Main Street (Coldside)	Hillcrest	121	SR/MMR	TBC	2025/26
St Lukes Church (Lochee)	Hillcrest	21	SR	1.700	2025/26
Former St Mary's PS (Lochee)	Hillcrest	42	SR	1.728	2025
Balgowan Square, St Mary's (Strathmartine)	Angus HA	8	SR	0.650	TBC
Ferry House, Gray Street (The Ferry)	Hillcrest	5	SR	0.405	2025
Hillbank Place (Coldside)	Hillcrest	2	SR	0.162	2026
Sugarhouse Wynd (Maryfield)	Hillcrest	8	SR	0.648	2026
Cairn Centre, Rattray Street (Maryfield)	Hillcrest	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
Morgan Street, Stobswell (Maryfield)	Caledonia HA	40	SR	4.300	2027/28

HA: Housing Association DCC: Dundee City Council TBC: To be confirmed Tenure: SR - Social Rented, MMR – Mid market rent

*Caledonia HA - Maxwelltown*



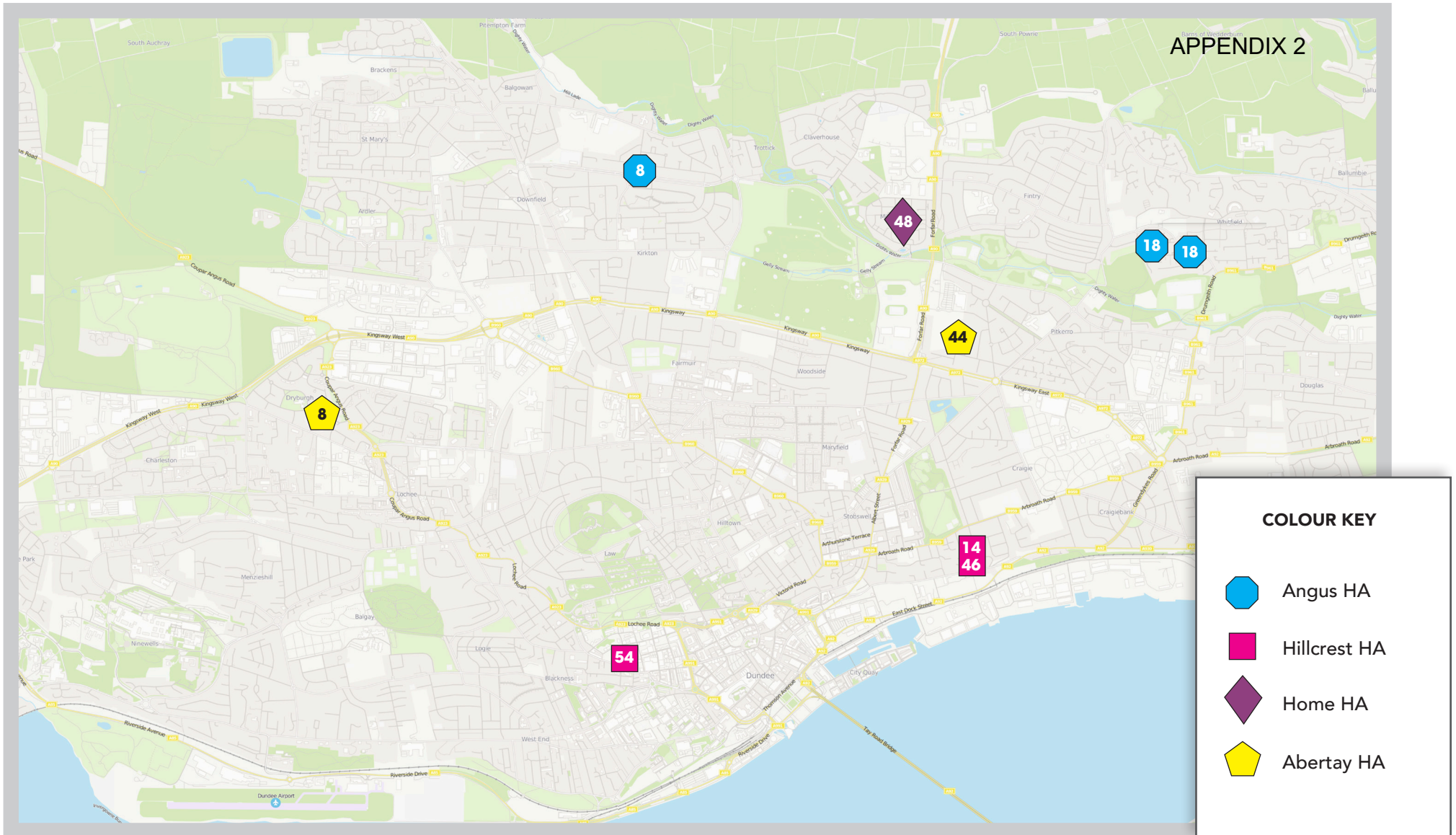
*Home HA - Pitkerro Road*



Hillcrest HA - Ellengowan Road

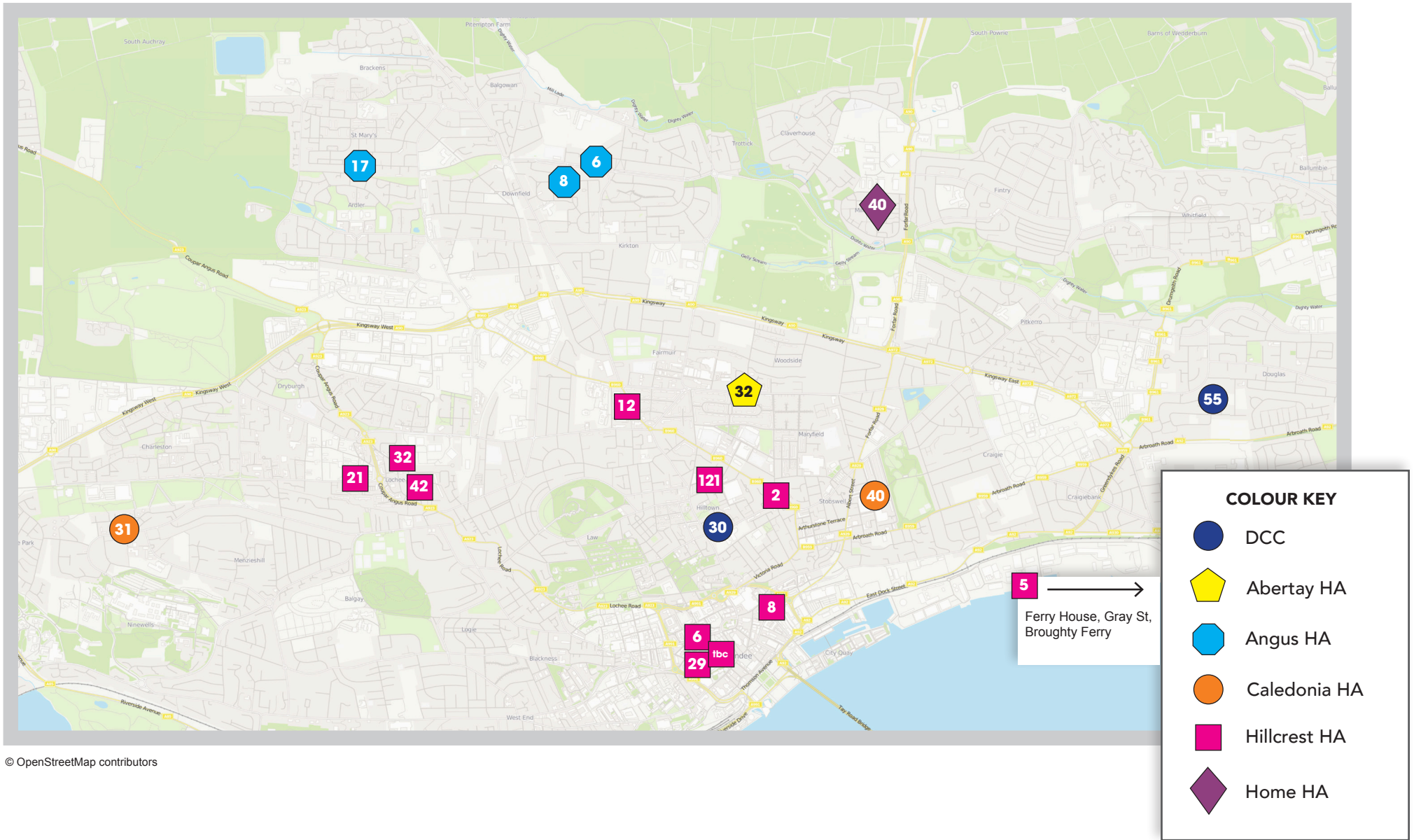






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# SHIP Housing Programme | Pipeline Projects 2027 - 2029



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