

Review of Strategic Investment Plans for Affordable Housing

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Shelter
Scotland

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Disclaimer

The opinions in this publication reflect the views of the authors and do not necessarily reflect those of Shelter Scotland or the other funding organisations.

Foreword

The single biggest priority for housing in Scotland is increasing the supply of affordable homes.

In 2015, Shelter Scotland, SFHA and CIH in Scotland commissioned a landmark report which set out the case for a housing programme of 12,000 affordable homes over 5 years: 60,000 in total.

In the run up to the Scottish parliamentary elections in 2016, there was cross-party consensus that a programme of this scale was a priority. The Scottish Government subsequently committed to building 50,000 homes over the lifetime of the current parliament (2016-2021), with at least 35,000 of them to be socially rented.

While a little short of the estimated need, this programme is the largest of its kind since the 1970s.

In setting such an ambitious target the Scottish Government will have been well aware that delivery is what counts and that delivery depends on dozens of organisations – councils, housing associations and others – pulling in the same direction.

This report, drawing on councils' own data on housing programmes, shows that the 50,000 target is potentially within reach. If that proves to be the case, it is an enormous credit to everyone who is helping make it happen.

The report also shows that it is hard to get a detailed handle on what exactly is being produced, for whom and where. For a programme of this size, with billions of pounds being spent, that needs to be addressed, both as the current programme is delivered and as the next stage of investment, after 2021, is drawn up.

For the first time in almost four decades the total stock of socially-rented homes is projected to increase in significant numbers, reversing what seemed like an inexorable decline. The big challenge ahead is converting those numbers into the homes which people need, where they need them. For people in cramped, damp, temporary, insecure or poorly-repaired living conditions the only thing that matters is whether (and how) those homes are actually built.

This is about homes for people in places which work.

That has to be our priority now.



Graeme Brown

Director, Shelter Scotland



Sally Thomas

Chief Executive, Scottish Federation of Housing Associations



Executive Summary

This report was commissioned by Shelter Scotland, the Scottish Federation of Housing Associations and the Equality and Human Rights Commission in Scotland.

- The aim is to better understand how the Scottish Government target to deliver 50,000 affordable homes (70% of which are to be socially rented) by 2021 is likely to be delivered in practice.
- The report is based on analysis of all 32 council Strategic Housing Investment Plans (SHIPs) and associated documents, coupled with 25 interviews with council staff and others and 3 detailed case studies.
- The Scottish Government's Affordable Housing Supply Programme is delivered in two main ways:
 - Funding is provided to deliver via local council-led programmes which accounts for around 70% of Scottish Government "More Homes" spending;
 - A central programme which accounts for the other 30%.
- Scottish Government and council decisions over infrastructure, planning and funding for care and support are also critical.
- **As it stands, delivery of affordable homes from April 2016 to March 2021 is estimated at between 45,387 and 49,773, with up to 34,850 being socially-rented. So the target of 50,000 and 70% socially-rented is capable of being reached, albeit there may be some optimism built into the estimates.**
- **A programme of this scale could potentially raise the social housing stock from just under 595,000 in 2017 to between 618-620,000 by 2021, a net rise of up to 25,000 once demolitions, conversions and other attrition is allowed for.**
- This net rise, aided by the ending of Right to Buy in 2016, stands in stark contrast to England where the number of socially-rented homes is predicted to fall by 120,000.
- 69% of new homes are expected to be in projects of 50 units or fewer.
- Registered social landlords (housing associations) are expected to be the lead developer for two-thirds (66%) of new homes, although this varies locally. In some council areas, most obviously those which have transferred homes, the focus is very much on RSLs. By contrast, in 3 council areas, over half of supply will be council-led.
- **96% of new supply is expected to be newly-built, with 2% acquisition and 2% refurbishment.**
- **Of the homes where details of tenure¹ can be identified:**
 - **78% are socially-rented**
 - **15% are mid-market rent**
 - **7% are low cost home ownership or other private**
- Mid-market rent programmes are particularly found in the four largest cities – Aberdeen, Dundee, Glasgow and Edinburgh.
- Of socially-rented homes, 70% will be to "greener" standard, but there is dramatic variation from area to area.
- 12% of homes will be "specialist" in some way; however, this covers a wide range of options, from wheelchair accessible homes to those with care and support.
- There is huge variation around that 12%: from negligible in some areas to around 40% in one area. Most is council-led and almost all is for social rent. Given the early stages of health and social care integration and the complexity of both needs and funding, there is still some way to go before specialist housing is fully embedded in large scale housing programmes.
- **Information on some key aspects of housing deliver such as size, type and location is not well-enough recorded to be reported consistently.**

¹ This does not exactly match the breakdown of 50,000 given earlier as it is a smaller subset of the 50,000 total.

- It is also not clear to what extent the distribution of funding across areas is exactly in line with need. This is partly because of the data limitations but also because the components of need and how investment should be allocated are themselves the subject of ongoing debate.

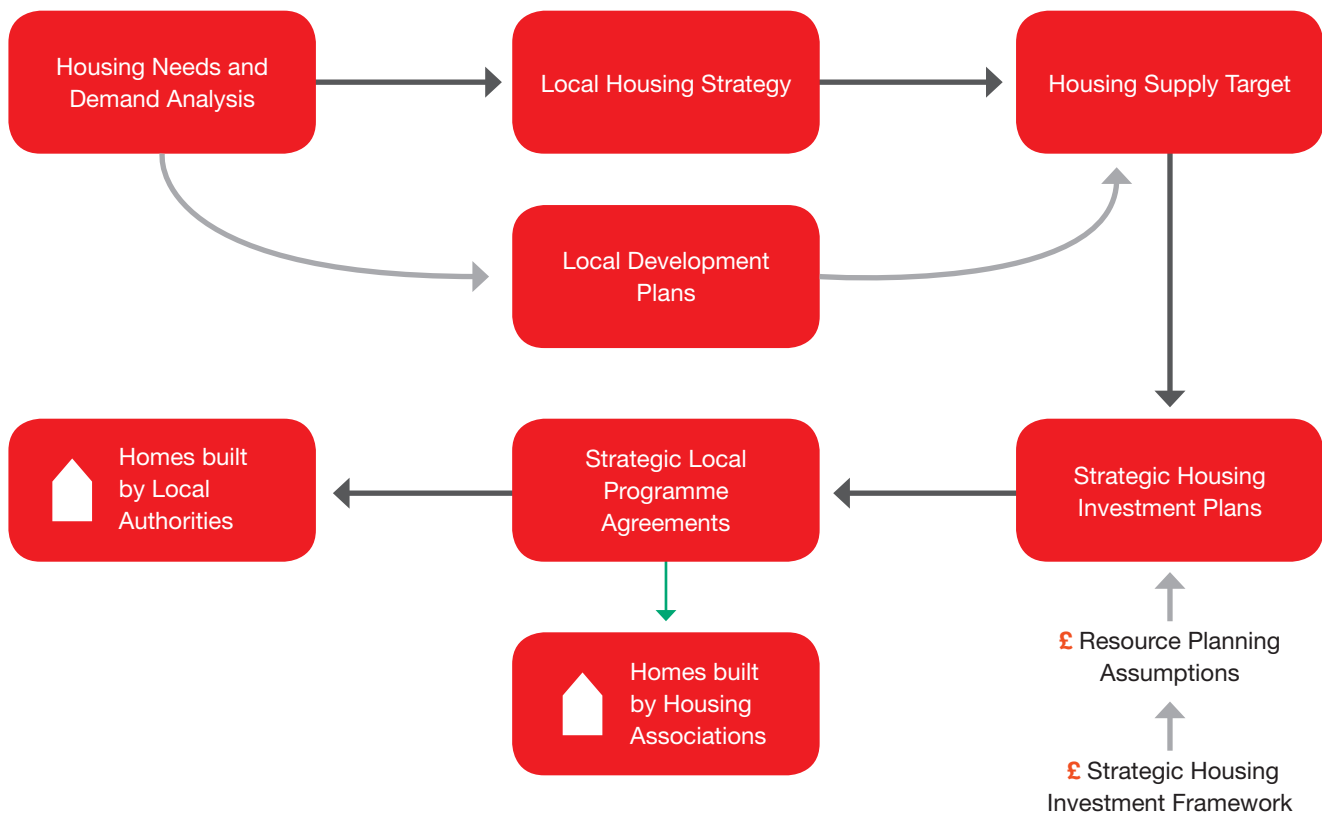
Overall, the report shows that the scale of the programme is consistent with the Scottish Government’s ambitions, both overall and in relation to socially-rented units. Almost all homes are to be newly-built and will result in the first significant and sustained increase in the number of socially-rented homes since 1981. However, there is work to do on understanding the distribution of those homes, the extent to which that best fits current and future needs and how best to balance the various priorities that a programme of this size seeks to address.

The report was equally tasked with reviewing the process by which housing programmes are delivered. There is strong support for the process which is in place and it does appear to provide a platform for partners to plan and co-ordinate housing delivery. SHIPs vary a lot in what they cover and would benefit from being more explicitly linked to strategic aims. As above, there is considerable scope to improve the quality and consistency of data and monitoring. By way of illustration:

- The overall allocation of funding to local areas via the Strategic Housing Investment Framework should be reviewed to ensure maximum consistency with policy aims.
- The Scottish Government should improve the reporting of housing programmes, for example on data at local authority level, on tenure and general needs versus specialist housing.
- Data on the flow of lettings relative to housing need should be improved.
- There is an opportunity to capture location details of projects on the new online (HARP) system to allow better understanding of the geographical distribution of new homes.
- Greater consistency in the purpose of SHIPs and their relationship to Local Housing Strategies would be welcome.

These and other recommendations should be read as the starting point for sustained improvements in the way Scotland plans and tracks progress in housing supply; and as an invitation to the housing sector, the research community and those charged with public policy scrutiny to contribute to that end.

Delivering affordable homes that people need, where they need them – the process



Acronyms

Acronyms	
ALACHO	Association of Local Authority Chief Housing Officers
AHSP	Affordable Housing Supply Programme
ECH	Extra Care Housing
GN	General Needs housing
GIS	Geographic Information System
HA	Housing Association
HCS	House Condition Survey
HCS	Housing Contribution Statement
HECA	Home Energy Conservation Act
HMA	Housing Market Area
HNDA	Housing Needs and Demand Assessment
LA	Local Authority
LCHO	Low Cost Home Ownership
LHS	Local Housing Strategy
Local AHSP	Local Affordable Housing Supply Programme (SHIP proposals based indicative RPA)
MMR	Mid-Market Rent
NHT	National Housing Trust
OMSE	Open Market Shared Equity Scheme
PAN	Planning Advice Note
PRS	Private Rented Sector
PSHG	Private Sector Housing Grant
PSR	Partnership Support for Regeneration
RPA	Resource Planning Assumption
RSL	Registered Social Landlord
RTB	Right To Buy
SHCS	Scottish House Condition Survey
SHIF	Strategic Housing Investment Framework
SHIP	Strategic Housing Investment Plan
SHQS	Scottish Housing Quality Standard
SLPA	Strategic Local Programme Agreements
TBC	To be confirmed
T MDF	Transfer of Management and Development Funding
WC	Wheelchair standard or wheelchair accessible housing

1 Introduction

Study objectives

- 1.1** The Scottish Government is committed to invest £3 billion through its Affordable Housing Supply Programme (AHSP) to deliver 50,000 affordable units by March 2021, of which 70% is to be for social rented housing. The Scottish Government allocates this £3 billion to local programmes based on the Strategic Housing Investment Framework and individual projects are shaped by the Strategic Housing Investment Plans (SHIPs) of local authorities. With this in mind, Shelter Scotland and SFHA commissioned this study to:
- Provide as clear picture as evidence permits of planned affordable housing activity to 2021-22, and particularly the 3 years to 2019-20.
 - Explore the importance of locally identified housing need and local policy priorities in driving affordable housing provision relative to operational factors such as land supply.
 - Clarify the indicative Resource Planning Assumptions (RPA) process used to assign the Local AHSP across Scotland and how it fits with the national affordable housing target.
 - Advise on what steps might be taken to improve the monitoring of the delivery of new affordable housing in the period to 2021 and beyond.

Approach

- 1.2** The core of this study involved a review of all 32 SHIP documents produced in 2016 and the accompanying Excel tables that collectively set out local authority proposals for securing additional affordable housing provision for the 5 financial years from 2017-18 to 2021-22. The reports and Excel data tables were supplied by the Scottish Government following approval from ALACHO and its members. These two core activities were complemented by:
- A review of Scottish Government policy and guidance documents and published statistics associated with the delivery of affordable housing.
 - A programme of 25 interviews with local authority staff and national policy leaders to explore the relationship between policy and practice in developing and delivering the SHIP.
 - Case studies in Dundee, East Ayrshire and the Scottish Borders to explore the issues that typically shape the SHIP process and the delivery of projects at the local area level.
- 1.3** The study was conducted between June and August 2017, other than the case studies that were carried out in October and November 2017. It was not possible to carry out a detailed audit to verify the accuracy of the SHIP Excel data. However, general reasonableness checks were carried out to correct, where possible, for arithmetical errors, missing data and inconsistencies in data reported for individual projects.

Report structure

- 1.4** This report is divided into 6 sections, including this introduction. Section 2 describes the wider context and the policy framework within which SHIP documents are prepared. Section 3 examines the volume and composition of the affordable homes anticipated in SHIP. Sections 4 and 5 discuss issues around the development of the SHIP and delivery of the affordable homes. Finally, section 6 sets out the key conclusions and recommendations. The report includes several appendices, including a glossary of acronyms and terms used in the report.

2 Policy Context

A brief summary of the role and supply of affordable housing

- 2.1** Housing makes a substantial contribution to economic growth, to sustaining the prosperity, health and wellbeing of citizens, and to relieving pressure on public sector budgets such as health, social care and education². The supply of a good mix of high quality and energy efficient housing that individuals and families can afford therefore lies at the core of thriving and resilient communities. In particular, affordable housing plays a pivotal role for:
- Households on lower incomes, including those in low paid employment, who need the security and stability of long term affordable rented housing.
 - Older and disabled people that need homes that are tailored to their personal circumstances.
 - Individuals and households that are homeless or face homelessness.
 - Households with modest earnings that want the opportunity to get a foot on the housing ladder and buy their own home.
 - Households that live in poor quality and overcrowded housing that cannot afford a suitable market solution.
 - Young adults and families that want to stay or return to the communities where they spent their childhood, especially in rural areas of Scotland.
 - Key workers that need access to affordable housing to enable them to live near their work.
- 2.2** In 2016 there were 162 RSLs and 26 local authority landlords operating in Scotland³. They collectively owned and managed 594,632 social rented homes and housed almost a quarter of all households in Scotland.
- 2.3** RSLs remain the main providers of newly constructed social rented and other forms of affordable housing, including Mid-Market Rent. However in the last decade local authorities have restarted house building, encouraged by the introduction of prudential borrowing and more recently by the availability of grant funding. Prudential borrowing allows local authorities to borrow so long as their projected revenue (primarily rental income) can support the resulting debt payments. One of the reasons behind the provision of Scottish Government grant for council house building is that local authority borrowing is classified as “Annually Managed Expenditure” (AME). Consequently, it is not accounted against Departmental Expenditure Limits (DEL) budget for the Scottish Government.
- 2.4** A proportion of homes built by the private sector also contribute to the supply of affordable housing. This is also something the Scottish Government has encouraged through partnership with the National Housing Trust (NHT) and the Local Affordable Rent Housing Trust (LAR) to develop mid-market rented housing without the need for grant subsidy.

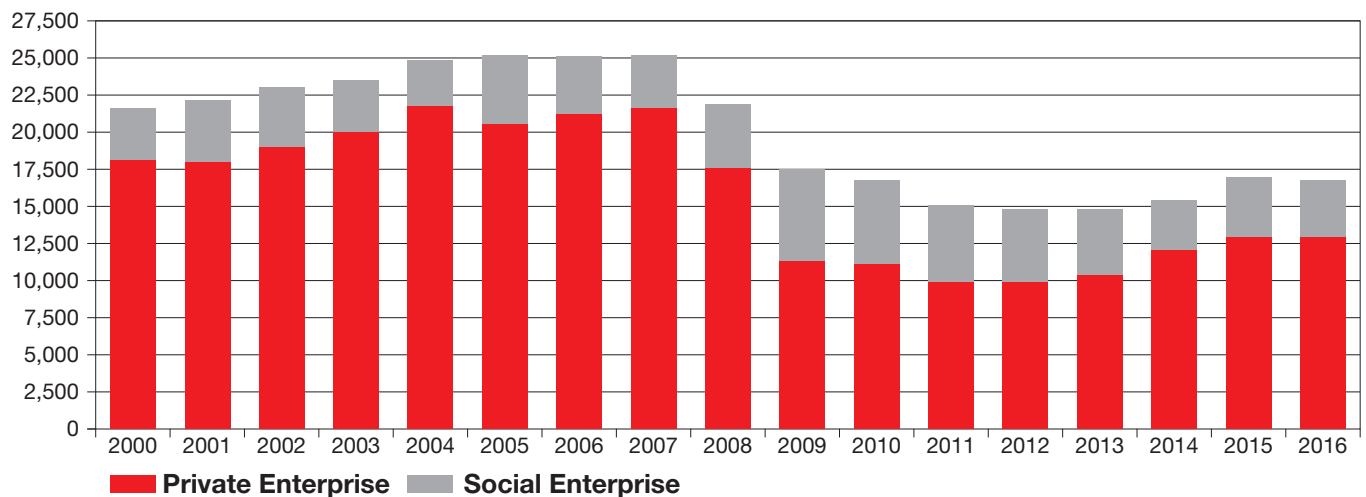
Affordable housing supply in recent years

- 2.5** **Figure 2.1** (page 11) illustrates annual housing completions by sector from 2001 to 2016. On average, housing completions exceeded 24,000 each year to 2007 but then shrunk back in the wake of the housing market downturn. Between 2011 and 2016 around 15,790 homes were built, on average, each year. This decline was mainly concentrated in the private sector. Over the sixteen year period, the annual numbers of social sector completions, which refers to all dwellings constructed by RSLs and local authorities and not just units intended for social rent, fluctuated around the underlying trend of some 4,370 homes each year. What the graph does not illustrate is that during 2011-16 the volume of social sector completions was sustained by an increase in local authority house building, which compensated for a drop in RSL housing completions.

² MacLennan et al, 2011; Audit Scotland, 2013 and Nathaniel Lichfield & Partners, 2015; Young and Britain (2017).

³ The remaining six local authorities of Glasgow City, Inverclyde, Argyll & Bute, Dumfries & Galloway, Scottish Borders, and Comhairle nan Eilean Siar have transferred their social housing stock to RSLs.

Figure 2.1: Housing completions from 2000 to 2016 by sector



Source: Scottish Government (2017) Housing Statistics - housing completions time series data

- 2.6** Prior to 2010, the total stock of social rented dwellings continued to fall back, due to the fact that RTB sales and demolitions exceeded the numbers of new social homes constructed and other social housing acquisitions. Since 2010 sales and demolitions have fallen back, with the result that the stock of social housing has remained fairly stable.
- 2.7** Overall, some 32,700 social rented homes and 15,000 ‘other’ affordable homes were built or acquired between 2010 and 2016 with support from the Scottish Government. However, this has not proved sufficient to prevent housing need from increasing. Wider social and economic changes have increased the numbers of households in need of an affordable housing solution. Long-term demographic changes are also increasing the numbers of households that require homes tailored to their specific needs as a result of age and/or disability.

The scale of the challenge

- 2.8** In 2015 a study team led by Sheffield Hallam University was commissioned by Shelter Scotland, the Chartered Institute of Housing in Scotland and the Scottish Federation of Housing Associations to assess affordable housing need in Scotland. The study team estimated that around 60,000 affordable homes would be required over the next 5 years to address housing need. Drawing of the Centre for Housing Market Analysis (CHMA) housing need and demand toolkit, they estimated that affordable housing need for Scotland ranged from 10,435 to 14,678 per annum, with a core projection of 12,000 per annum.
- 2.9** The Sheffield Hallam study was centred on the net additional volume of new affordable housing required and did not attempt to provide a comprehensive picture of housing need across Scotland. However, as the study team acknowledged, housing need is not simply about the additional numbers of affordable homes that might be required.
- 2.10** Mismatches between the type of affordable housing that falls vacant and the types of homes required by households can add to the difficulties individuals and families face in securing a suitable home at a cost they can afford.
- 2.11** Spatial mismatches can also be problematic. For instance, a low-cost house is unlikely to improve affordability if its location leads to high transportation costs and a lack of access to work opportunities. Overbuilding affordable housing in areas with an ample existing supply can increase churn and voids and lessen the stability of neighbourhoods. In contrast, lack of affordable housing development in areas where people want to live will tend to push up private rents and house prices, further constraining the ability of low to modest households to afford a suitable home.
- 2.12** The fact that housing systems have a strong spatial dimension means that the complexities and nuances of housing need can only be understood within the local housing systems in which they arise. This is one of the reasons why the Scottish Government has continued to require local authorities to conduct regularly updated housing need and demand assessments (HNDA) to inform Development Plans as well as Local Housing Strategies.

2.13 Although the Scottish Government has issued revised guidance and the CHMA toolkit to assist local authorities to conduct HNDA assessments, locally produced estimates of housing need cannot be summed to arrive at a meaningful bottom up figure for Scotland. The CHMA toolkit has brought about greater consistency in the approach used to assess housing need but the use of different data sources and value judgements at different points in the calculation means there is still variation in the measurement of housing need across Scotland. Inconsistencies also result from the fact that not all HNDA assessments are up to date.

Scottish Government ambitions

2.14 The Scottish Government has backed its target to deliver 50,000 affordable homes with a commitment to provide £3 billion public subsidy. It has also increased unit level capital subsidy levels, established a Housing Infrastructure Fund, retained funding to bring empty homes back into use and set up a dedicated Rural and Island Housing Fund to boost affordable rural housing supply. An increase in funding for 2017-18 to enable crofters to build and improve crofter housing was also announced in March 2017.

2.15 The Planning Bill issued on 4 December, after this research was completed, has the potential to bolster housing development across all tenures, including housing that is accessible for individuals with some form of disability⁴. The City Region Deals to support economic growth may also ease land and infrastructure barriers that hinder housing development, although like the Planning Bill, these deals are likely to have limited impact in the period to 2021⁵.

The Affordable Housing Supply Programme

2.16 The Scottish Government has direct control over public spending in its discretionary spending budget (what's called 'DEL'). The Scottish Government's Draft Budget 2017-18 identified a housing investment budget of £739 million. This budget funds Help to Buy and activities such as work on fuel poverty, homelessness and the provision of RSL housing adaptations, but the lion's share of the budget falls under the heading 'More Homes'.

2.17 The Affordable Housing Supply Programme (AHSP) is the Scottish Government's programme for supporting the delivery of affordable housing, whether through grant, loan, guarantee or receipts⁶. In March the AHSP 2017-18 budget was set at £590.6m, of which:

- Around 29% has been assigned to what might be termed the Central AHSP. This £166m is used to fund Scottish Government demand led programmes such as the Open Market Shared Equity Scheme and the Rural and Islands Housing Fund.
- Around 71% has been assigned to support local authority led development programmes. For ease of reference this funding pot of £422.6m is termed the Local AHSP.

Framework for assigning the Local AHSP across Scotland

2.18 The framework for assigning the Local AHSP across Scotland is somewhat complicated by the 'Transfer of the Management of Development Funding' (TMDF) to local authorities for Glasgow and Edinburgh. In addition, some Central AHSP funding is presented alongside local authority allocations⁷.

2.19 Each local authority must prepare a 5-year Local Housing Strategy (LHS) that sets out the priorities the Council and its partners want to achieve in light of HNDA evidence and wider policy goals. These priorities must include Housing Supply Targets (HST) for the numbers of affordable and market housing sought, which should be broadly consistent with the Local Development Plan (LDP). As part of their continuous LHS process, local authorities are:

⁴ The Bill sets out provisions to strengthen development planning and address issues around land and infrastructure. These include abolishing strategic development plans, restructuring the local development planning process, and reforming the development management processes. It also includes provision to enhance for the introduction of an infrastructure levy and to empower communities to have greater influence over development plans for the places where they live.

⁵ Glasgow and the Clyde Valley was the first area in Scotland to negotiate a deal with Westminster and the Scottish Government. Deals have also been agreed for the Aberdeen City Region, Edinburgh and South-East Scotland Region, Inverness and the Highlands Region. At the time of writing, Tayside and Stirling deals were also in negotiation.

⁶ Scottish Government (2014) Affordable Housing Supply Programme – Process and Procedures, HSGN 2014/5

⁷ Area based initiatives funded via the Central AHSP include the GHA re-provisioning programme and the Govanhill initiative. A sum of £3.9 million is also built into the North Lanarkshire RPA for the regeneration of Cumbernauld.

- Encouraged to issue annual LHS updates charting progress and any changes to the focus or timing of LHS priorities in light of changing market conditions and other factors. It is unclear whether all local authorities continue to produce annual updates as matter of routine.
 - Required to prepare and make publicly available an annual Strategic Housing Investment Plan (SHIP). These build on Resource Planning Assumptions (RPA) issued by the Scottish Government, outline affordable housing investment priorities for the next 5 years and put forward proposed projects for which Scottish Government funding is sought.
- 2.20** The SHIP is a 'live and dynamic' supplement to the LHS as opposed to a standalone plan. Local authorities are expected to liaise with RSLs and other stakeholders to ensure the regular selection and prioritisation of proposals takes account of factors such as land supply, development constraints, the resource capacity of partners and the changing needs of local communities and related equality issues.
- 2.21** Scottish Government officials conduct a 'light touch' review of each SHIP to satisfy themselves that the proposals are deliverable and align with national and local priorities. They then draw up Strategic Local Programme Agreements (SLPA) which are discussed with local delivery partners and then agreed and jointly signed with local authorities. These detail the ongoing and proposed projects the Scottish Government has committed to fund over the next 3 years. The SLPA forms the basis of programme agreements with each individual RSL and Council that is planning to deliver homes for the next 3 years.
- 2.22** The Scottish Government remains responsible for project approval, grant payment, day to day programme management and post completion processes in all non TMDF local authority areas. If slippage in one or more projects cannot be absorbed by other projects in the same local authority area in the same financial year, the Scottish Government has the power to re-allocate these resources elsewhere in Scotland. Whilst it tries to accommodate such slippage by looking to ensure local authority spend accords with RPAs over a number of years, the Scottish Government cannot guarantee it will be able to achieve this.
- 2.23** Under TMDF arrangements, the resources allocated to Glasgow and Edinburgh form part of the local government settlement. For 2017-18 the TMDF grants for Glasgow and Edinburgh were set at £66.974m and £29.115m respectively. Both local authorities are responsible for preparing a SHIP, drafting the SLPA and preparing programme agreements with developing organisations. They are also responsible for carrying out all day to day management and administration of their local programme in accord with Scottish Government procedures.

Resource Planning Assumptions

- 2.24** As noted above, the Scottish Government publish indicative RPA to assist local authorities develop their SHIP. The RPAs for Glasgow and Edinburgh reflect the TMDF agreement the Scottish Government signed with the two city authorities over 14 years ago. The TMDF budget currently equates to 24% of the Local AHSP. The long-standing convention has been that close to 70% of the TMDF budget is assigned to Glasgow and 30% is assigned to Edinburgh.
- 2.25** The RPAs for the 30 other local authorities are derived from the Strategic Housing Investment Framework (SHIF). This framework is based on five overarching indicators and associated policy weightings that the Scottish Government and COSLA agreed in 2012-13 and has two aims. The first is to provide a coherent and transparent means for setting RPAs. The second is to phase out the influence of historic spend on the RPA.
- 2.26** **Table 2.1** (over) confirms that the core indicators measure the relative distribution of housing market pressure, population dispersion, regeneration and homelessness across Scotland. The SHIF indicators do not reflect supply issues such as development costs; these are allowed for, at least in part, through variations in unit grant rates.
- 2.27** The policy weightings reflect the Local AHSP share that is 'allocated' according to the local area 'scores' for each core indicator. Building on the lessons from agreeing the local government settlement distribution formula, COSLA asked its members to agree the policy weightings from 'first principles' as opposed to looking at the indicator data and the resulting 'allocation shares' for each area.

Table 2.1: Summary of Strategic Housing Investment Framework Indicators

Topic (data source)	Policy weighting
1. Initial Flat Share	5%
2. Market Pressure Share <ul style="list-style-type: none"> ■ Lower Quartile House Prices and 30th Percentile Private Rents (CHMA-HNDA model) ■ Lower quartile household incomes (CHMA-HNDA model) 	25%
3. Regeneration Share <ul style="list-style-type: none"> ■ Proportion of LA data zones in the 15% most deprived areas (SIMD 2012) ■ Number of income deprived households (SIMD component indicator) 	30%
4. Population Dispersion Share <ul style="list-style-type: none"> ■ Population Census 2011 Dispersion Index to measure the concentration or dispersion of the population across an area 	25%
5. Homelessness Share <ul style="list-style-type: none"> ■ Average number of households in temporary accommodation as a percentage of social lets (SG statistics) ■ Average social lets to homeless households as a percent of all non-transfer social lets (SHR charter return*) 	15%
<p>Source: Derived from summary paper supplied by Scottish Government Analytical Services 22 August, 2017</p> <p>Notes: Unlike some resource allocation frameworks, SHIF does not have a standalone indicator of demographic change. Instead, the four main SHIF indicators (i.e. not the flat share) allow for household numbers and household change. This technical weighting has had a small upward effect on the ‘allocations’ for LA areas that have experienced above average rates of household growth (i.e. above 2%) in recent years.</p> <p>*A pro-rata based estimate is made for lettings of RSLs that operate in 2+ LA areas.</p>	

2.28 Since 2013 there has been some adjustments to the SHIF indicators to allow for improvements and updates to data. The influence of the SHIF ‘allocation shares’ on the indicative RPA has also steadily increased whilst the influence of ‘historic spend’ has diminished. This phasing-in is consistent with good practice. It has ensured that the indicative RPA for each local authority area have been sufficient to fund projects included in the SLPA for 2013-14.

2.29 The move towards the use of SHIF as the sole basis for determining RPAs has been aided by the increase in the Local AHSP budget. The RPAs that underpinned the SHIP 2017/18 - 2021/22 required only a minor adjustment to ensure no local authority saw their ‘indicative allocation’ fall back. The RPAs for the SHIP 2018/19 - 2022/23 are based wholly on the SHIF ‘allocation shares’ without any other adjustment (see **Table 2.2**).

2.30 Until this year, the RPA for future years were based on a ‘shrinking formula’. This meant that local authorities were asked to assume that their RPA for year 2 would be around 80% of the year 1 RPA. Likewise, the RPA for year 3-5 would be around 60% of the year 1 RPA. This has now changed. In June 2017 the Scottish Government issued RPA for each of the next three financial years (see **Table 2.2**) with the stated goal of improving the ability of Councils and RSLs to plan for the step change in supply required to deliver the 50,000 target by 2021. RPA Stakeholders we interviewed all viewed this change as a big improvement.

Concluding remarks

2.31 There is widespread support for the Scottish Government “More Homes” targets. Overall, interviewees concurred that the increase in AHSP investment and other measures noted in this section are all necessary to help deliver the More Homes targets and improve the housing affordability situation. On the other hand, there is still much uncertainty about whether these measures will be sufficient on their own to ensure the targets are achieved, especially in light of some of the operational constraints that we explore in sections 4 and 5.

2.32 The Local AHSP budget for 2018-19 to 2020-21 had not been announced when this study was completed, but the RPAs listed in **Table 2.2** indicate the Scottish Government plans a substantial uplift in the resources for local authority directed housing delivery in the coming three years, with the Local AHSP likely to exceed £1.75 billion in the next 3 years.

Table 2.2: Indicative Resource Planning Assumptions, 2017-18 to 2020-21

	Annual RPA	Minimum RPA issued in June 2017 for SHIP 2018/9-2022/23				Share of RPA			
	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2017-18	2018-19	2019-20	2020-21	
Aberdeen City	12.279	16.027	18.133	19.346	2.9	3.0	3.1	3.1	
Aberdeenshire	19.393	25.313	28.638	30.554	4.6	4.8	4.8	4.8	
Angus	5.754	7.511	8.497	9.066	1.4	1.4	1.4	1.4	
Argyll & Bute	11.606	15.15	17.14	18.286	2.7	2.8	2.9	2.9	
Clackmannanshire	3.888	5.074	5.741	6.125	0.9	1.0	1.0	1.0	
Dumfries & Galloway	13.828	18.049	20.42	21.786	3.3	3.4	3.5	3.5	
Dundee City	11.459	14.958	16.922	18.054	2.7	2.8	2.9	2.9	
East Ayrshire	8.003	10.446	11.818	12.609	1.9	2.0	2.0	2.0	
East Dunbartonshire	5.247	6.506	7.36	7.853	1.2	1.2	1.2	1.2	
East Lothian	6.894	8.907	10.077	10.751	1.6	1.7	1.7	1.7	
East Renfrewshire	4.001	5.223	5.909	6.304	0.9	1.0	1.0	1.0	
Edinburgh City	29.115	37.269	42.117	45.147	6.9	7.0	7.1	7.2	
Eilean Siar	5.771	7.533	8.522	9.092	1.4	1.4	1.4	1.4	
Falkirk	7.657	9.995	11.307	12.064	1.8	1.9	1.9	1.9	
Fife	21.889	28.572	32.325	34.487	5.2	5.4	5.5	5.5	
GHA Reprovisioning	16.114	9.5	1	0	3.8	1.8	0.2	0.0	
Glasgow City	66.974	85.731	96.883	103.853	15.8	16.1	16.4	16.5	
Govanhill Early Action	5	5	5	5	1.2	0.9	0.8	0.8	
Highland	28.761	37.541	42.473	45.314	6.8	7.0	7.2	7.2	
Inverclyde	7.531	8.867	10.031	10.702	1.8	1.7	1.7	1.7	
Midlothian	5.831	7.611	8.61	9.186	1.4	1.4	1.5	1.5	
Moray	6.908	7.474	8.455	9.021	1.6	1.4	1.4	1.4	
North Ayrshire	10.16	13.261	15.003	16.007	2.4	2.5	2.5	2.5	
North Lanarkshire	24.487	30.772	34.301	36.335	5.8	5.8	5.8	5.8	
Orkney Islands	3.594	2.68	3.033	3.235	0.9	0.5	0.5	0.5	
Perth & Kinross	11.681	14.34	16.224	17.309	2.8	2.7	2.7	2.7	
Renfrewshire	11.521	13.846	15.665	16.713	2.7	2.6	2.6	2.7	
Scottish Borders	10.088	13.167	14.897	15.893	2.4	2.5	2.5	2.5	
Shetland Islands	3.287	4.291	4.855	5.179	0.8	0.8	0.8	0.8	
South Ayrshire	8.047	10.503	11.883	12.678	1.9	2.0	2.0	2.0	
South Lanarkshire	18.074	23.592	26.69	28.476	4.3	4.4	4.5	4.5	
Stirling	6.102	7.965	9.011	9.614	1.4	1.5	1.5	1.5	
West Dunbartonshire	7.65	8.634	9.768	10.421	1.8	1.6	1.7	1.7	
West Lothian	8.963	11.397	12.894	13.757	2.1	2.1	2.2	2.2	
Total	422.557	532.703	591.602	630.218	100.0	100.0	100.0	100.0	

Sources: SG (March 2017) RPA for councils 2017-2018; SG (June 2017) minimum resource planning assumptions for LAs 2018-2021. Shares: study team calculations

Notes: As the Scottish Government cannot commit to funding beyond the current parliament, RPA for 2021-22 onwards (years 4 and 5 of SHIP 2018/19-2022/23) have not been issued.

- 2.33** The principle of using RPAs is almost universally supported, even though the basis on which they prepared is not widely understood. One of the main reasons for this is that the make-up of the SHIF and the role it plays has not been re-stated in recent and readily accessible documents. Now that the SHIF is the sole basis for setting RPA for non TMDF local authorities, this could be easily resolved by including an appendix summarising SHIF and corresponding arrangements for Edinburgh and Glasgow in Scottish Government guidance notes that announce the indicative RPAs local authorities are asked to use for forward planning.
- 2.34** There are also reservations around whether the policy weightings are fully consistent with the Scottish Government's ambition to ensure that the allocation of the Local AHSP to facilitate the provision of affordable homes in the right locations across Scotland. This is an issue we investigate further in **Section 3**.

3 Local Housing Investment Proposals

Introduction

3.1 The Scottish Government has stated that SHIPs are key documents for identifying housing projects to assist the achievement of the 50,000 target⁸. Consistent with this, this section explores the volume and composition of affordable homes proposed in the SHIP documents for 2017-18 to 2021-22. It also explores whether the Resource Planning Assumptions (RPA) are likely to facilitate the provision of affordable homes in the right locations across Scotland.

Headline SHIP proposals

3.2 **Tables 3.1** and **3.2** summarise the numbers of proposed affordable housing starts and completions for the period to 2021-22 and beyond. The SHIP outlines proposals for affordable housing that could be funded from all sources, including homes funded through the Central AHSP or delivered without any Scottish Government subsidy. Both tables therefore differentiate between 'Local AHSP' funded homes and 'other affordable' homes.

Table 3.1: Proposed affordable dwellings recorded in SHIP tables by year planned to start

Units	Local AHSP starts		Other affordable starts		Total	
	No	%	No	%	No	%
Pre 2017-18	7,810	14.1	1,155	18.5	8,965	14.5
2017-18	12,582	22.7	1,321	21.2	13,903	22.5
2018-19	10,934	19.7	1,187	19.0	12,121	19.6
2019-20	8,287	14.9	1,135	18.2	9,422	15.2
2020-21	7,518	13.5	314	5.0	7,832	12.7
2021-22	6,340	11.4	264	4.2	6,604	10.7
Start date unknown	2,075	3.7	865	13.9	2,940	4.8
Total Units all SHIP projects	55,546	100	6,241	100	61,787	100
Known starts to end March 2021	47,131	84.9	5,112	95.1	52,243	85.8

Source: Consolidated SHIP file created by study team

Notes:

1. The data cleaning and processing undertaken to ensure the SHIP data reported in this table and others in this section was sufficiently reliable and consistent to support analysis is detailed in **Appendix 5**.
2. Most (but not all) SHIP returns include unit starts and completions for ongoing projects that began before 2017-18.
3. The 'other affordable' category includes Central AHSP funded units, units that may benefit from Scottish Government support such as loan finance to support the Local Affordable Rent (LAR) initiative and units delivered without Scottish Government funding, such as discount sales secured through S75 agreements.
4. Units without a start date tend to be off-the-shelf acquisitions; in such cases only the year of completion is often noted.

3.3 The two tables indicate that local authorities propose that:

- Up to 61,787 affordable homes could be delivered. This figure includes 8,965 units that were started prior to April 2017. It also includes up to 9,060 units where the completion date is not known or not reported, although it is reasonable to assume that the majority of these units would not be completed until after March 2022.
- Most affordable homes would be delivered through the Local AHSP programme. Local authorities collectively report that 55,546 Local AHSP funded homes could be delivered, including units that would be completed outside the 5-year SHIP period.
- Around 42,887 of the Local AHSP programme would be for social rent, which equates to over 77% of the proposed Local AHSP programme.

⁸ Scottish Government (2017) *Guidance on the Preparation of Strategic Housing Investment Plans MHDGN 2017/03*

3.4 Local authorities collectively report 6,241 ‘other affordable’ homes may be delivered but this figure is unlikely to be robust as only 13 Councils provided such data. Most ‘other affordable’ units are situated in just two local authorities:

- In Aberdeen, the ‘other affordable’ programme is being driven by the Shaping Aberdeen Housing LLP. This Limited Liability Partnership between Aberdeen City Council and Places for People has plans to build over 900 homes for affordable rent and private sale without Scottish Government subsidy in the next 5 years or so.
- In Edinburgh, the ‘other affordable programme’ is largely comprised on MMR and other affordable rent and includes units likely to be acquired through the Council’s two arm’s length LLPs and the Scottish Government’s Mid-Market Rent Invitation scheme.

Table 3.2: Proposed affordable dwelling completions recorded in SHIP tables

Units	Local AHSP completions		Other affordable completions		Overall total units	
	No	%	No	%	No	%
Pre 2017-18						
2017-18	6,845	12.3	732	11.7	7,577	12.3
2018-19	11,686	21.0	1,121	18.0	12,807	20.7
2019-20	12,384	22.3	1,412	22.6	13,796	22.3
2020-21	7,136	12.8	1,121	18.0	8,257	13.4
2021-22	9,094	16.4	1,196	19.2	10,290	16.7
Completion date unknown	8,401	15.1	659	10.6	9,060	14.7
1. Total Units all SHIP projects	55,546	100	6,241	100	61,787	100
2. Known completions to 2020-21	38,051	68.5	4,386	70.3	42,437	68.7

Source: Consolidated SHIP file created by study team

Notes: The recording of completions data is variable or incomplete in several SHIP returns, including East Dunbartonshire that did not report any completions figures for any projects.

Table 3.3: Approvals, starts and completions of housing subsidised by the AHSP Programme, 2016-17

Type of AHSP activity	2016-17		
	Approvals	Starts	Completions
Total social rent	6,945	6,193	4,580
HA social rent	5,247	4,165	3,006
LA social rent	1,633	1,963	1,509
Other	65	65	65
Total affordable rent	1,375	1,270	890
Affordable homeownership	1,956	1,845	1,866
Total affordable housing	10,276	9,308	7,336

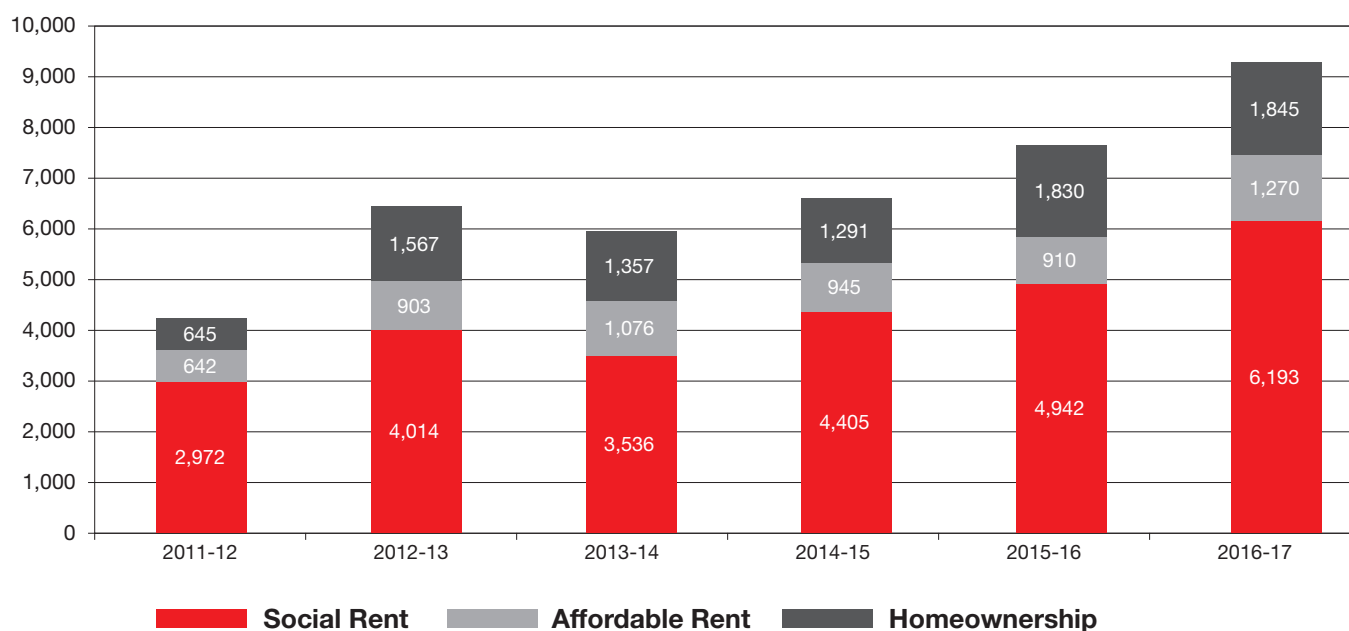
Source: Scottish Government Affordable Housing Supply Tables, September 2017

Notes: Other includes Home Owner Support Fund that allows LA and RSL to offer mortgage to rent options to people struggling to pay their mortgage.

Progress towards the 'More Homes' targets

- 3.5** Official statistics issued in September 2017 show that affordable housing approvals, starts and completions for 2016-17 were all higher than in 2015-16. In particular, the overall numbers of approvals (10,276) were 29% higher than in 2015-16 whilst the numbers of social rented approvals (6,945) were up by 34%.
- 3.6** The 'More Homes' targets suggest that, on average, 10,000 affordable homes, including 7,000 social homes would have to be delivered in each of the five years from 2016-17 to 2020-21. Whilst the numbers of completions reported in **Table 3.3** fall short of these benchmarks, the numbers of approvals and starts suggest that the overall direction of travel towards achieving the Scottish Government's ambitions is positive.
- 3.7** Another potential benchmark is to combine actual completions for 2016-17 with planned completions reported in the SHIP data for the four years to 2020-21. Although not every proposal will translate into the development of affordable homes, the figures suggest that, after discounting dwellings without a completion date, potentially:
- Anywhere from 45,387 to 49,773 affordable homes could be delivered, depending on whether dwellings delivered without Local AHSP funds are included.
 - Up to 34,850 social rented homes could be delivered.
- 3.8** As noted in section 2, the Local AHSP budget is set to increase sharply in the coming three years. The RPAs issued in June, in contrast to the RPA 'shrinking formula' still in use in 2016, reinforce the need to plan for major growth and are much higher. In some instances we know that the 'new' RPA for the next three years is 75% higher than those used in the SHIP 2017-18 to 2021-22. The SHIP 2018-19 to 2022-23 will almost certainly propose much higher Local AHSP housing starts and completions for the 3 years to March 2021 than those in **Tables 3.1** and **3.2**. The overall upward trend in affordable housing starts witnessed from 2011-12 to 2015-16 (see **Figure 3.1**) is therefore likely to be repeated in the period to March 2021.

Figure 3.1: Starts of housing subsidised by AHSP Programme from 2011-12 to 2016-17



Source: Scottish Government Affordable Housing Supply Tables, September 2017

Profile of proposed Local AHSP funded affordable homes

- 3.9** The following analysis primarily focuses on Local AHSP funded projects that are planned to start in the 3 years to March 2020 due to the fact the SHIP data for years 4 and 5 is very uncertain. It is also the case that SHIP tables record tenure and other property attributes at project not unit level. To allow for this, we have identified 28,271 new starts across 1,000 Local AHSP funded projects that would begin in the 3 years to March 2020 where we are confident that the project level descriptors are applicable to these starts⁹.

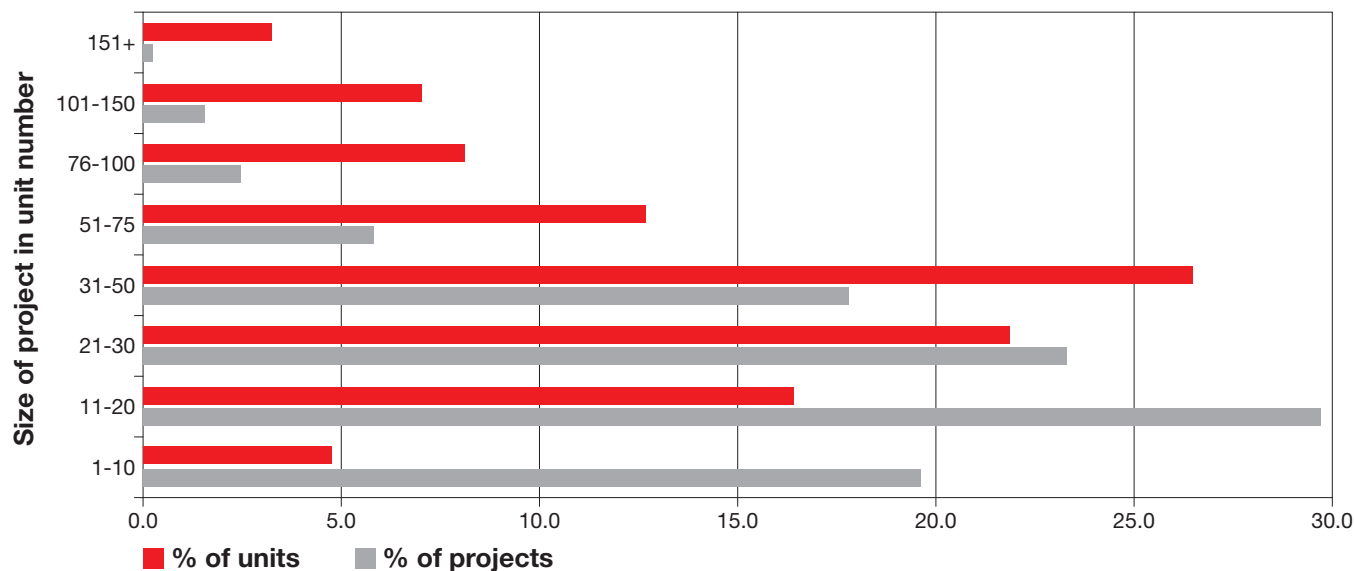
⁹ These are projects where the total unit count and the number of starts for 2017-18 to 2019-2020 inclusive are one and the same. Virtually all these projects are classified as high or medium priority.

Project scale, lead developer and mode of delivery

Scale of proposed projects

3.10 Figure 3.2 illustrates that 72% of the 1,000 new projects are planned to start in the three years to March 2020 comprise of no more than 30 units and 90% comprise of no more than 50 units¹⁰. It also highlights that around 69% of the 28,271 new project starts are expected to be delivered through projects comprised of 50 or less dwellings.

Figure 3.2: Proportion of proposed Local AHSP projects and units by scale of development



3.11 Small developments of up to 30 units are particularly prevalent in rural areas. For instance, 77% of the 817 planned starts in Perth and Kinross are to be delivered through small scale projects. The comparable proportion for Scotland as a whole is 43%. Predominately urban local authorities with an extensive rural area, such as South Lanarkshire (58%) and East Lothian (87%), also tend to have relatively high proportions of units delivered through small scale projects. East Renfrewshire is also very reliant on small scale projects to deliver most units (86%). This is symptomatic of land supply constraints in this area.

3.12 The majority of projects involving the development of over 100 affordable homes are situated in the large urban authorities, particularly Edinburgh and Glasgow. A noticeable exception is Dumfries and Galloway, where two large scale projects are planned.

Lead developer

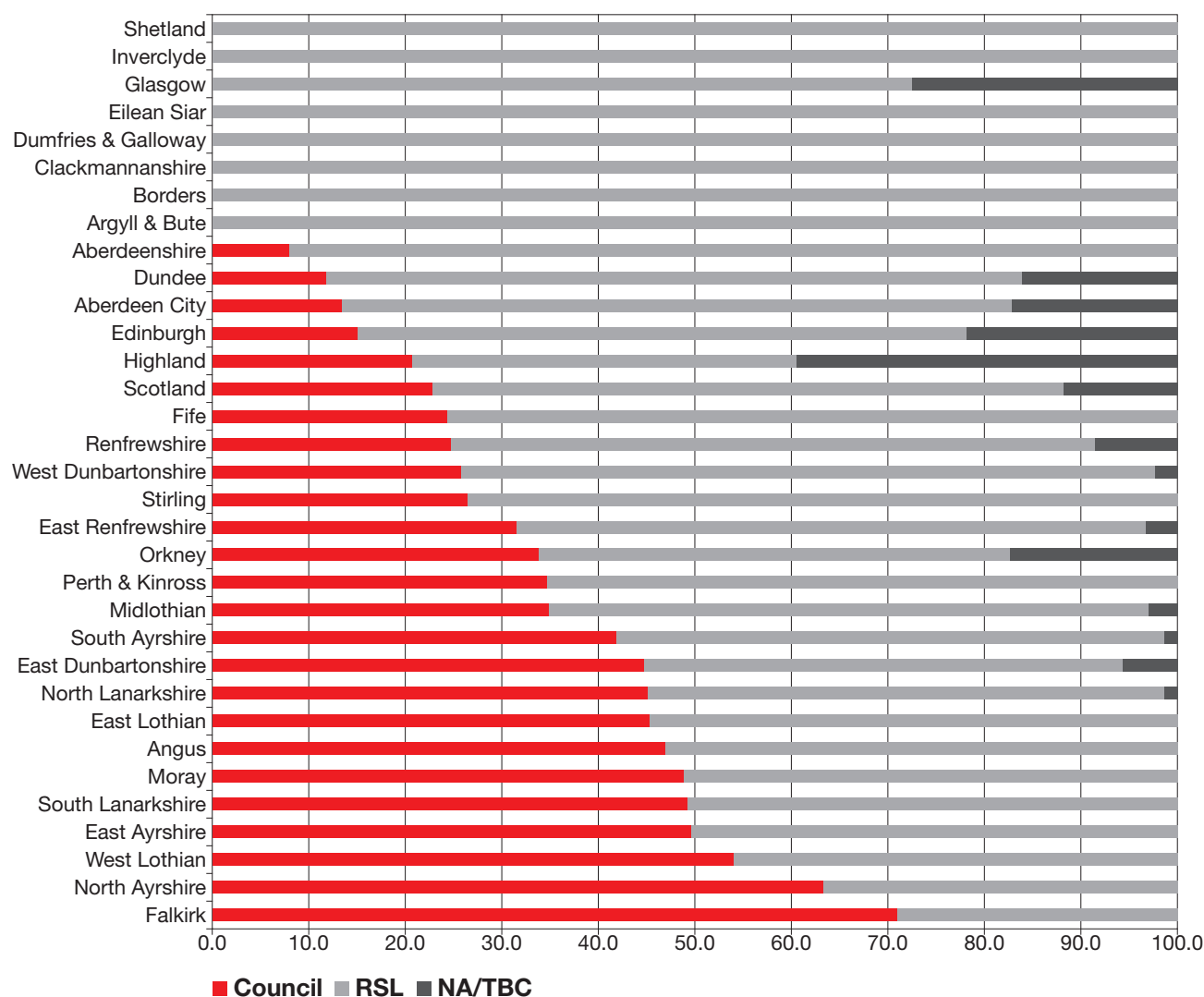
3.13 At the Scotland wide level, RSLs are expected to be the lead developer for 66% of all Local AHSP dwellings in the next three to five years. Local authorities are expected to deliver 23% of dwellings whilst the lead developer for the remaining 11% has yet to be decided. As Figure 3.3 (over) shows, there is considerable diversity in lead developer at the local level:

- Eight local authorities, including all Councils that have transferred their stock, have no plans to build or acquire new homes.
- Five local authorities assume council led development will account for less than a quarter of all Local AHSP planned units.
- Eleven Councils expect to be the lead developer for upwards of 40% of new units, rising to over 50% of new social rented starts in most of these areas.

3.14 Two Councils expect to act as lead developer for over 60% of the Local AHSP programme. In the case of Falkirk, this reflects the Council's considerable 'buy-back' programme. In North Ayrshire, the programme has a strong emphasis on the re-provisioning of 'outmoded' sheltered and other specialist housing through a mix of rehabilitation and new build.

¹⁰ The number of small scale projects may be overstated. Larger developments that take several years to complete tend to be split into phases, with each phase listed as a separate SHIP project. Mixed tenure developments may also on occasion be reported as separate projects.

Figure 3.3: Share of Local AHSP housing starts by lead developer



Balance between new build, renovation and acquisitions

3.15 Based on the 28,271 new project starts, SHIP evidence suggests that 96% of dwellings may be new build, a further 2% may be acquisitions of one form or another and 2% may involve refurbishment. There are only four local authority areas where new build provision is planned to account for less than 90% of dwellings and only in Falkirk does this proportion fall below 80%, which is a result of the Council's buyback programme.

Tenure balance

3.16 Local authorities propose that 78% of the 28,271 new starts will be social rent, 15% will be for mid-market rent and 3.4% will be for low cost home ownership, mainly shared equity. The remaining 3% of starts fall under the category of Partnership for Regeneration. This is a mechanism to help fund private housing in order to diversify tenure in areas where the cost of development typically exceeds the market value of new homes.

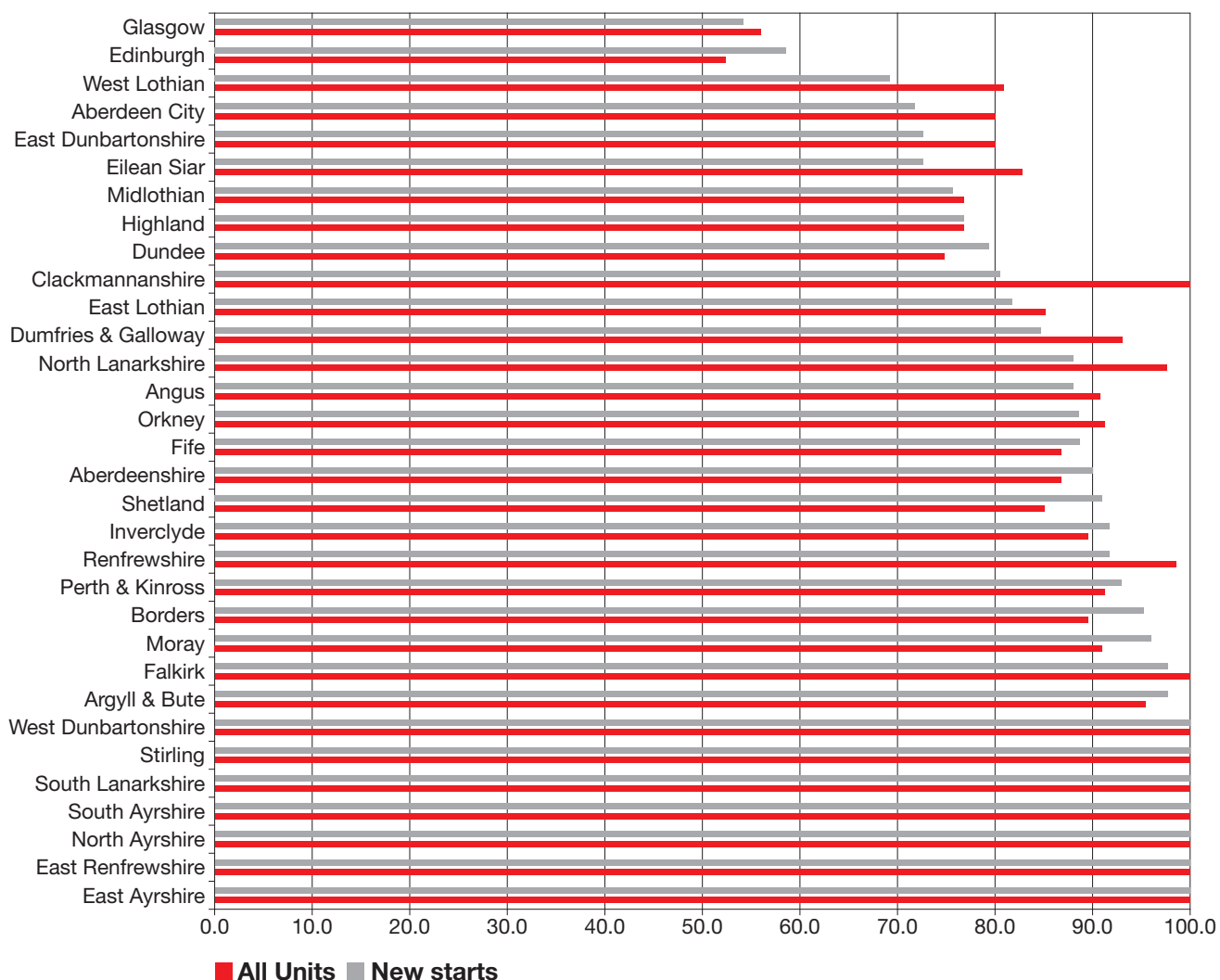
Table 3.4: Tenure of Local AHSP new starts and all proposed units

	Social Rent	Mid-Market Rent	LCHO	Partnership for Regeneration	Total Units
New project starts	22,132	4,317	960	862	28,271
Percent	78.3	15.3	3.4	3	100
All proposed units	42,943	8,865	2,087	1,651	55,546
Percent	77.3	16	3.7	3	100

Notes: All proposed units includes dwellings that start and/or complete outside the 5 year SHIP period

3.17 Table 3.4 confirms that the tenure balance for new starts differs little from the tenure profile of all planned Local AHSP units. This is less true at local authority level. Figure 3.4 compares the proportions of new project starts and total proposed units that comprise of social housing.

Figure 3.4: Percent of Local AHSP new starts and total units that are social rented homes (%)



Mid-Market rents

3.18 Aberdeen (20%), Dundee (22%), Glasgow (27%) and Edinburgh (40%) all have relatively large Mid-Market Rent (MMR) programmes. MMR also makes up a significant share (10+%) of new starts in the Lothians, Fife, Aberdeenshire and East Dunbartonshire. These six local authorities all subject to significant residential mobility to and from one of the four main cities. Like the four cities, they are areas where there is a marked gap between social and private rents’ Local Housing Allowance (LHA) rates used to calculate Housing Benefit entitlement for private tenants are also higher than elsewhere in Scotland.

3.19 Staff in other local authority areas hold a mix of views about the potential for MMR. Some feel that the development of MMR is not financially viable locally but there is latent demand for this option. Others feel that local demand for MMR is limited due to local housing market conditions. Elsewhere, MMR is not a current priority in large part because a significant component of MMR has been delivered in recent years.

3.20 The vast majority of the 4,317 MMR starts in the proposed Local AHSP programme are planned to be built by RSLs. It is not clear from the SHIP commentary if this reflects the preference of RSLs or because they have been steered to build MMR by the local authority. Interviews suggest it is a bit of both. The four year freeze on LHA rates across Scotland and the fall in LHA rates in the Aberdeen Broad Rental Market Area has highlighted that MMR is not risk free. Some RSLs are now reviewing their MMR rent policies and business plans, which have conventionally been based on above inflation rent increases. Some RSLs may conclude that further MMR development may be too risky or financially unviable for the time being.

Greener standard

3.21 For Scotland as a whole, it is anticipated that seven out of ten social rented starts will attain the greener standard. Variations across local authority areas are, however, extreme. Nine local authorities report 100% of social housing starts will be greener whilst nine local authorities report less than 10% less of social rented starts will be greener, including seven that suggest no new starts will be greener. The latter group is mainly comprised of local authorities that extend over rural and remote areas. Stakeholders told us that as unit grant rates currently stand, the additional costs of attaining this standard are prohibitive. In particular, we heard the additional costs are prohibitive for smaller RSLs and rural RSLs that have seen the cost of securing private finance rise in recent years.

The balance between general and specialist provision

3.22 The term specialist housing covers a range of options such as wheelchair accessible dwellings, housing specifically for older people or other equality groups and housing that offers some form of care and support on an integral or visiting basis. Although extremely difficult to quantify or project, there is widespread agreement that there is a lack of suitable housing to enable older people and disabled people to live independently. To help reduce this shortfall, local authorities propose to deliver 6,436 specialist units, of which 3,464 will be new project starts. This is equivalent to 12% of new project starts.

3.23 **Table 3.5** (page 24) illustrates that the proportion of the Local AHSP programme devoted to specialist provision varies from one local authority area to another. This is true for both new project starts and the total number of Local AHSP funded units.

3.24 Many local authorities would like a minimum of between 10% and 15% of their Local AHSP programme to be specialist provision, although some are aiming at a much higher proportion. Some local authorities have also adopted a 5% (or greater) target for wheelchair housing including North Lanarkshire and East Ayrshire, which has an enhanced goal of 10% for council new build. More generally, Glasgow's City Plan policy that requires all housing developments of 20+ units to deliver 10% of units as readily adaptable.

3.25 Taken at face value, the figures reported in **Table 3.5** suggest that the capacity of local authorities to attain a minimum share of 10% is variable. At one end of the spectrum, specialist housing accounts for less than 10% of new project starts in 17 local authority areas. At the other end of the spectrum, over 20% of new project starts in nine local authority areas will be for specialist housing. This includes Eilean Siar, North Ayrshire and Moray, which all report that well in excess of 30% of new starts will be for specialist provision.

3.26 There is something of a tendency for local authorities to devote a large share of their council house building and renewal programme to specialist housing. This is especially the case for Councils with a substantial own stock development programme. Looking at **Figure 3.5**:

- On average, local authorities expect to be the lead developer for 23% of all general need social rented units funded through the Local AHSP, rising to 43% of specialist social rented units.
- Eight out of the 24 Councils with a development programme expect to deliver 60% of all specialist units in their area. This includes East Ayrshire, North Ayrshire, East Lothian, South Ayrshire and East Dunbartonshire. All these Councils plan to develop upwards of 300 council homes.

3.27 The high share of specialist provision to be developed by councils is most likely a reflection of the long standing financial obstacles to the development of specialist housing, particularly for housing with care and support. The complex maze of funding issues remain a major constraint for RSLs as it fails to provide the stability they require to invest in new or refurbished specialist provision. It also helps to explain why local authorities such as Highland Council state that it will only proceed with supported housing if revenue support guarantees from the Health and Social Care Partnership (H&SCP) are put in place.

The profile of specialist housing provision

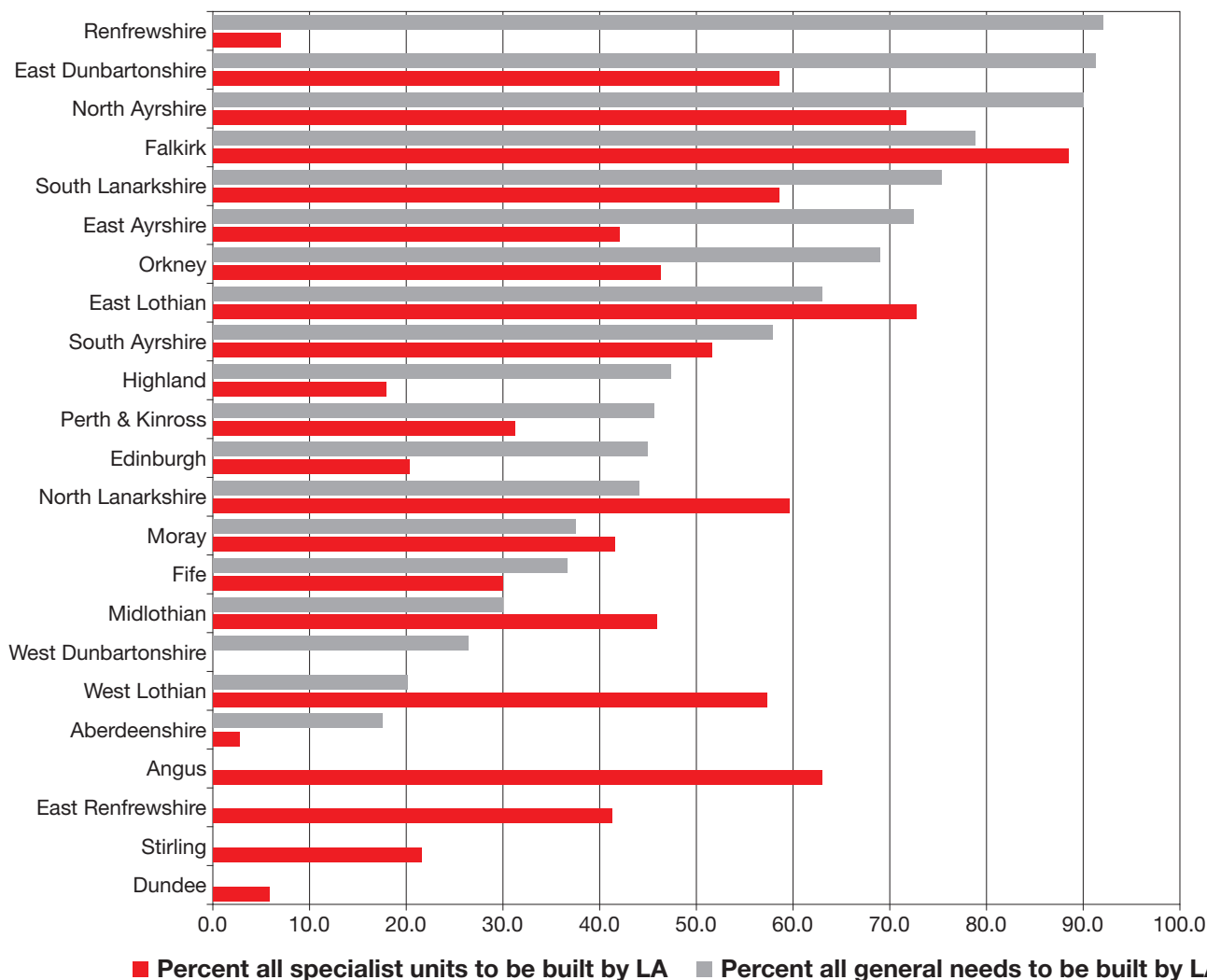
3.28 Specialist provision is almost universally intended to be for social rent. There is an absence of discussion in SHIPs about the potential to deliver age friendly, wheelchair accessible or other forms of specialist housing provision in other affordable housing tenures. Similarly, SHIP commentary usually re-affirms that wherever possible, social rented homes for general needs will be built to Housing for Varying Needs Standards (level 1) to enhance accessibility. This commitment is rarely explicitly extended to other forms of affordable housing to be funded through the Local AHSP.

Table 3.5: Proportions of new project units and all Local AHSP units by provision type

LA	New project starts				Total Local AHSP units	
	Percent of new starts				Specialist (%)	Total units (no)
	General	Specialist	Total	All starts		
Aberdeen City	89.4	10.6	100	612	5.1	1,316
Aberdeenshire	85.4	14.6	100	1,089	13.6	2,135
Angus	94.9	5.1	100	177	3.2	402
Argyll & Bute	100.0	0.0	100	384	0.1	989
Borders	86.4	13.6	100	602	13.6	1,192
Clackmannanshire	67.5	32.5	100	117	26.5	328
Dumfries & Galloway	92.2	7.8	100	1,027	7.5	2,064
Dundee	95.3	4.7	100	705	9.7	1,226
East Ayrshire	72.3	27.7	100	483	30.3	656
East Dunbartonshire	94.2	5.8	100	601	4.0	877
East Lothian	84.1	15.9	100	838	14.8	1,916
East Renfrewshire	100.0	0.0	100	308	9.5	402
Edinburgh	91.7	8.3	100	3,605	6.5	8,935
Eilean Siar	54.3	45.7	100	175	25.6	313
Falkirk	74.6	25.4	100	189	20.4	786
Fife	71.0	29.0	100	1,747	26.9	3,220
Glasgow	94.8	5.2	100	4,949	5.9	7,683
Highland	86.8	13.2	100	1,942	13.3	3,888
Inverclyde	91.9	8.1	100	996	10.4	1,255
Midlothian	90.4	9.6	100	935	8.0	1,441
Moray	64.4	35.6	100	495	37.2	1,115
North Ayrshire	61.1	38.9	100	732	41.3	1,123
North Lanarkshire	91.0	9.0	100	1,151	7.7	2,058
Orkney	79.2	20.8	100	125	15.2	223
Perth & Kinross	92.8	7.2	100	817	7.4	1,272
Renfrewshire	95.7	4.3	100	608	6.6	1,461
Shetland	90.7	9.3	100	108	4.3	256
South Ayrshire	94.9	5.1	100	376	10.0	610
South Lanarkshire	66.9	33.1	100	939	31.5	1,919
Stirling	98.8	1.2	100	252	3.0	429
West Dunbartonshire*	89.6	10.4	100	367	6.0	1,024
West Lothian*	97.6	2.4	100	820	2.2	3,032
Scotland	87.7	12.3	100	28,271	11.6	55,546

Notes: Falkirk and West Dunbartonshire have a comparatively low “new project start” count because both programmes have a sizeable pre 2017-18 programme that will be delivered over the period to March 2020, including buy-backs. West Lothian by contrast has a substantial programme of projects scheduled for years 4 and 5 of the SHIP.

Figure 3.5: Share of social rented units where the Council is lead developer by provision type



Note: LA with own stock development programme only

3.29 It is not possible to provide a clear picture of the different types of specialist provision¹¹ that it is hoped to deliver or its intended beneficiaries. Such data is only infrequently reported in SHIP tables. On saying that, evidence that can be discerned from SHIPs, backed by stakeholder observations suggest that:

- Most specialist provision is intended for older people and other people with mobility difficulties. Provision for other groups such as adults with learning disabilities, young people leaving care, disabled veterans and people classed as bariatric is sporadic.
- Provision for older people and people with mobility difficulties tends to comprise of amenity housing, wheelchair accessible housing and others forms housing with accessible design features rather than extra care housing and other projects that offer integral care and support. Where extra care or similar projects are proposed, these tend to entail the re-provisioning of outmoded provision such as sheltered housing.

3.30 There has so far been limited discussion of new models of care and their implications for housing. Nonetheless, some local authorities and their partners are looking at the possibility of building homes that combine innovative, adaptable, design features and smart technology that support independent living for people with disabilities. This development seems to have been partly inspired by the recent Blackwood HA development in Dundee.

¹¹ This is one of the factors that has led specialist providers such as Bield HA and Hanover are moving to 'retirement housing' models an emphasis on separately funded or purchased 'floating' support by (or on behalf of) individual tenants.

Factors associated with the variation in proposed specialist provision across Scotland

- 3.31** Local authority staff spoke of the lack of timely and comprehensive evidence of the housing need of different equality groups to inform policy decisions in respect of the provision of specialist housing. This has clearly not translated into a lack of planned provision across the board. Whilst differences in levels of planned specialist housing provision across Scotland remain hard to account for, part of the explanation appears to be:
- Variations in strategic leadership and co-ordination between Health and Social Care Partnerships, strategic land planning and housing to develop a more inclusive built environment.
 - Different local political choices about which competing housing needs are the most urgent to address and the appropriate balance between specialist provision and enabling people to remain in their own home through the provision of adaptations and other services.
- 3.32** Qualitative information from interviews and case studies reinforce our impression that steadily growing numbers of local authorities have been able to work around data gaps and agree priorities for specialist provision through effective joint working. For instance, one local authority said that close co-operation with health and social care was pivotal to securing elected member approval for a “spend to save” programme involving the development of several small extra care housing projects. On the other hand, staffing constraints are said to have hindered progress towards reaching agreement on shared priorities in some local authority areas. We also heard that the introduction of H&SCPs has made engagement with health and social care more difficult, at least for the present, in some areas.
- 3.33** Prior experience of developing specialist housing that subsequently proved difficult to let and reductions in funding towards operating costs has made a few local authorities cautious about responding to calls for housing with integral care and support, particularly in areas where there is pressure to respond to competing priorities. In these instances, or where H&SCP colleagues are not clear about their specific housing requirements, one response has been to look to build accessible and assistive technology ready apartments or (mainly in rural areas) bungalows that can be used to address a wide range of different needs.
- 3.34** Local authority staff cautioned that SHIP figures do not provide a wholly reliable guide to the future delivery of specially designed housing such as wheelchair accessible homes. It is often only at project design stage that the need for ‘one-off’ specially designed homes for specific households is identified. This usually resulted from a combination of dialogue with health and social care colleagues, community representatives and analysis of the needs of local residents on the housing list and/or known to social work.
- 3.35** We also heard that design and build contracts tied to S75 agreements could constrain the ability of RSLs to tailor the design of dwellings to meet the specific needs of individual households. A couple of local authorities said they had sought to resolve this by being clear about requirements well in advance of planning permission being sought.
- 3.36** The extent to which the construction of specialist units within predominately general needs projects result in higher numbers of specialist units than the SHIPs currently propose can only be confirmed by monitoring actual completions data.

A word on housing adaptations

- 3.37** The research brief asked us to look at what SHIPs said about housing adaptations. Scottish Guidance issued in July 2016 confirmed that SHIPs no longer need to report on housing adaptations following the transfer of overall responsibility for adaptations to H&SCPs. In spite of this, most SHIPs included some reference to housing adaptations. For the most part, this text was descriptive and centred on explaining the role of adaptations and outlining historic provision and spending trends as opposed to estimating the likely requirement for adaptations.

Locality, dwelling type and size requirements

- 3.38** The SHIP tables do not record data on dwelling type and size and SHIP commentary on such matters is almost exclusively focused on social rented housing. Discussion on dwelling type primarily stresses the need to boost single storey buildings and ground floor flats to respond to the growing demand from older and disabled social tenants.
- 3.39** Several Councils set out the proportion of new social housing that should comprise of dwellings of different size (i.e. number of bedrooms) in the next 3-5 years. Local authorities told us this helped them to steer the

programme such that if there was no capacity to build family housing on some sites, plans for subsequent projects can be modified accordingly.

- 3.40** Most local authorities are seeking to boost the supply of smaller (1-2 bedroom) dwellings. This is justified by reference to the ‘bedroom tax’, the growth in older and smaller households and the profile of housing list applicants. One Council has explicitly bucked this trend due to evidence that such units remain very unpopular with local residents.
- 3.41** Several local authorities are committed to increasing the supply of larger family homes in response to the growing problem of over-crowding, an increase in housing list applications from households with children, low rates of turnover in larger homes and, in the case of Edinburgh, local development plan policies to secure an increase in family sized homes in all tenures. Some stakeholders said that grant rates can hinder the building of family homes. This may be part of the reason why growing numbers of local authorities are now buying back ex RTB dwellings. This is said to have proved to be a less costly and speedier solution for securing family sized homes than constructing homes in a variety of locations.
- 3.42** Local authorities tend to suggest that relatively speaking there is a reasonable supply of 2 bedroom homes. Indeed a few believe there is a potential over-supply of 2 bedroom units in locations where a lot of social homes have been built in the last 10-15 years. This is partly attributed to the grant regime and the perception that RSLs have traditionally found it more financially advantageous to build 2 bedroom homes than larger homes. We also heard that S75 agreements that involve ‘design and build contracts’ with private developers tend to result in flats rather than houses, and more specifically 2 bedroom flats.
- 3.43** It is not currently possible to readily identify how many planned affordable homes are to be delivered in regeneration areas or other spatial areas of interest across Scotland. Likewise, it is not possible to examine policy relevant issues such as the proportions of social homes that will continue to be built in areas dominated by social housing or the extent to which S75 planning agreements are enabling the construction of social homes in locations traditionally dominated by private housing. This is because local authorities do not routinely record geographical co-ordinates or other spatial markers, especially for RSL led developments. Currently less than a fifth of local AHSP projects have been assigned geo-coordinates. It remains to be seen if the new on-line HARP system will improve matters.

The ‘allocation’ of Local AHSP funds across Scotland

- 3.44** The research brief asked whether the allocation of Scottish Government funds is “optimum in order to allow and encourage the right homes to be built in the right areas”. In our opinion, an objective assessment of whether the RPA are ‘fair’ and enable the right homes to be built in the right areas is difficult, if not impossible:
- As discussed elsewhere housing need is a subjective issue¹². Cultural and political values play a pivotal role in the Strategic Housing Investment Framework process used to set RPAs for non-TMDF local authorities and there is no self-evident right balance in terms of the policy shares (or weightings) that should be assigned to each of the five blocks of indicators that make up SHIF.
 - The More Homes targets have not been broken down by location, provision type or property attribute that could be used as a benchmark. This is something Audit Scotland has previously recommended the Scottish Government should do¹³.
 - Scottish Government decisions on the Central AHSP influence the total AHSP expenditure and the volume of affordable housing delivered in some local authority areas more than others. For instance, Glasgow City’s share of the Local AHSP may have fallen back but the City also benefits from the Glasgow HA re-provisioning programme and the Govanhill initiative. Orkney Council also anticipate their Local AHSP will be supplemented by substantial resources from the Rural and Islands Housing Funds to support local housing solutions in more remote areas.
 - Annual budgeting means the Scottish Government officers have to practice the ‘art’ of moving funds between local authority areas to ensure all monies are spent by the end of the financial year. Where local authorities and their delivery partners have the potential to spend additional resource should it become available, they often benefit from additional in-year allocations. Where local authorities and their delivery partners are unable to spend up to the RPA, then the opposite may apply. This inevitably means that actual spend in a local authority area in any given financial year may not accord with the RPA.

¹² Newhaven Research, 2011

¹³ Audit Scotland, 2013

- The lack of comparability between HNDA estimates prohibits their use as a benchmark. Thus the only available benchmark that can shed light on the potential ‘fairness’ of the RPAs is evidence from the Sheffield Hallam University Affordable Housing Need in Scotland Study¹⁴.

3.45 The SHIF used to set RPAs has several strengths. It is far more straightforward and transparent than other resource allocation frameworks. This includes the frameworks used to distribute the local government settlement and NHS allocations across both Scotland and England. The policy weightings, which are the main determinant of the RPAs, are upfront and explicit. They also reflect the views of democratically elected local authorities.

3.46 On the other hand, the collective expectations of local authorities are not well aligned to the definition of housing need employed by Sheffield Hallam University.

Comparison of RPAs and Sheffield Hallam findings

3.47 The SHIF indicators are linked to the Sheffield Hallam’s estimated need for additional affordable homes insofar as the ‘market pressure’ indicator provides an indication of households unable to afford a suitable home and the ‘homelessness’ indicator provides an indication of those living in unacceptable housing circumstances. However, these two indicators account for only 40% of the Local AHSP allocation.

3.48 Sheffield Hallam University group local authorities into four area types based on self-containment and house price growth. This area type status and the Randall classification, which defines local authorities with a population density of less than one person per hectare as rural, are noted in **Table 3.6** (over). This table also measures “spend per household”. This is based on the total sum of the RPA for each local authority for the three years from 2018-19 to 2020-21 divided by the estimated number of households in each area in 2016.

3.49 Sheffield Hallam state that local authorities classed as area type 1 or 3 have the highest annual requirement for additional affordable housing. Of the 17 Councils in one of these two areas:

- Seven are amongst the 10 local authorities with the lowest “spend per household”, including Edinburgh and Aberdeen.
- Six are amongst the 10 local authorities with the highest “spend per household”, including Highlands and all three Island authorities.
- Three out of the four remaining local authorities, the “spend per household” is below the Scotland wide average. The one exception is Perth and Kinross, which has a “spend per household” just above the Scotland wide average of £705.19.

3.50 What is striking is that urban Councils in area types 1 and 3 generally have relatively low “spend per household” whilst their rural counterparts have relatively high “spend per household”.

3.51 This can be illustrated by comparing Highlands and Aberdeen, which have reasonably similar numbers of households. The RPA for Aberdeen equates to an indicative “spend per household” of £501.23 whereas the comparable figure for Highlands is £1,165.05. Edinburgh’s “spend per household” of £534.74, which is determined outside the SHIF framework is also much lower than for the Highlands¹⁵.

3.52 Sheffield Hallam reports that local authorities classified as area type 2 typically have only a marginal annual requirement for additional affordable housing. However, the majority of the nine local authorities in this group will see their share of the Local AHSP programme increase between 2015-16 and 2018-19. Two of these local authorities also fall within the 10 local authority areas with the highest “spend per household”. This includes Inverclyde, which National Records Scotland (NRS) project will experience a gradual decline in household numbers from 2020 onwards.

3.53 More generally, the fact that NRS project nine local authorities will experience little or no household growth (i.e. 5% or less) in the period to 2039 raises questions around whether the SHIF process should take some account of the projected balance between the numbers of effective dwellings and the numbers of households and how this might be done.

3.54 Likewise, in light of the role that investment in new homes is expected to play in contributing to the Health and Social Policy agenda, the absence of any indicator relating to the housing related needs of households that contain someone with some form of disability stands out.

¹⁴ Powell et al, 2015 – it is worth reiterating that this study largely follows the CHMA method for assessing housing need.

¹⁵ These figures are based on the Local AHSP and not the total projected public finance to support new affordable housing. Each of these three Councils has plans to draw on substantial funding from sources other than the Local AHSP.

Table 3.6: Council classification and summary of household population and RPA shares

Local Authority	Sheffield Hallam Typology	Randall classification	Households 2016		NRS % household change 2014-39	Indicative RPA from 2018-19 to 2020-21		
			Number	Scotland share (%)		Share RPA * (%)	Change RPA share: 2015-16 to 2018-19 **	Indicative 'spend' per household
Aberdeen City	3.0	Urban	106,749	4.4	24	3.1	0.9	£501.23
Aberdeenshire	3.0	Rural	110,296	4.5	25	4.9	1.6	£766.17
Angus	1.0	Rural	53,333	2.2	10	1.4	0.3	£470.14
Argyll & Bute	3.0	Rural	41,040	1.7	-1	2.9	0.4	£1,232.36
Clackmannanshire	4.0	Urban	23,401	1.0	3	1.0	0.2	£723.90
Dumfries & Galloway	2.0	Rural	69,202	2.8	2	3.5	0.9	£870.71
Dundee City	4.0	Urban	69,635	2.8	14	2.9	0.7	£717.08
East Ayrshire	2.0	Rural	54,748	2.2	3	2.0	0.3	£636.97
East Dunbartonshire	3.0	Urban	45,350	1.8	13	1.3	0.0	£478.92
East Lothian	4.0	Urban	44,749	1.8	25	1.7	0.2	£664.48
East Renfrewshire	3.0	Urban	38,581	1.6	20	1.0	0.2	£451.93
Edinburgh, City of	1.0	Urban	232,885	9.5	30	7.2	-3.9	£534.74
Falkirk	2.0	Urban	71,072	2.9	15	1.9	0.5	£469.47
Fife	1.0	Urban	165,833	6.8	10	5.5	1.6	£575.18
Glasgow City	4.0	Urban	293,595	12.0	16	16.6	-9.0	£975.72
Highland	1.0	Rural	107,573	4.4	10	7.2	1.4	£1,165.05
Inverclyde	2.0	Urban	37,586	1.5	-5	1.7	-0.1	£787.53
Midlothian	3.0	Urban	37,766	1.5	31	1.5	0.4	£672.75
Moray	3.0	Rural	41,961	1.7	13	1.4	-0.3	£594.60
Na h-Eileanan Sir	3.0	Rural	12,951	0.5	0	2.6	1.7	£1,941.70
North Ayrshire	2.0	Urban	63,440	2.6	0	1.5	-0.4	£697.84
North Lanarkshire	2.0	Urban	150,364	6.1	9	5.9	0.6	£674.42
Orkney Islands	1.0	Rural	10,256	0.4	13	0.5	-0.7	£872.46
Perth & Kinross	3.0	Rural	67,101	2.7	18	2.8	0.0	£713.45
Renfrewshire	2.0	Urban	84,025	3.4	10	2.7	-0.1	£550.12
Scottish Borders	4.0	Rural	53,787	2.2	8	2.5	0.9	£817.24
Shetland Islands	1.0	Rural	10,283	0.4	9	0.8	0.1	£1,393.08
South Ayrshire	2.0	Urban	51,923	2.1	5	2.0	0.5	£675.31
South Lanarkshire	2.0	Urban	144,148	5.9	12	4.6	1.0	£546.37
Stirling	4.0	Rural	38,951	1.6	20	1.5	0.3	£682.65
West Dunbartonshire	1.0	Urban	42,657	1.7	2	1.7	-0.3	£675.69
West Lothian	1.0	Urban	76,630	3.1	17	2.2	0.1	£496.52
Scotland			2,451,869	100.0	14	100.0		£705.19

Sources: Powell et al 2015 (area type), NRS, 2016 (household estimates, projections and Randall) and Scottish Government (RPA 2018-19-2020-21 issued June 2017) and study team own calculations.

Notes: * THE RPA share for Glasgow excludes GHA reprovisioning and Govanhill.

** The change of RPA share is based on 2015-16 to 2018-19 as this is the time frame over which much of the shift away from 'historic spend' to the sole use of the SHIF framework to set RPAs for non TMDF local authorities occurs.

3.55 Finally, if Glasgow and Edinburgh were to be brought within the SHIF framework, it would almost certainly necessitate a revision to the current policy weightings. We strongly suspect any such move would be neither straightforward to agree or to implement.

Concluding remarks

3.56 This section has sought to provide as clear and comprehensive picture as data permits of the affordable housing plans and aspirations of local authorities and their partners. In doing so, it has highlighted some of the limitations of the SHIP data as a means of carrying out fully robust statistical analysis, primarily because it is not designed to support this.

3.57 In spite of widespread agreement that there are shortages of housing for older people and other equality groups, SHIP proposals for addressing this gap are very variable. This reflects a complex mix of political, partnership working and funding issues as well as evidence gaps.

3.58 Turning to the RPAs and SHIF framework, the issue is not whether the distribution of the Local AHSP should take account of the need to sustain urban and rural communities. These issues are clearly important and matter greatly to most Councils. The issue is whether the current suite of SHIF indicators and accompanying policy weights remain 'fit for purpose' in light of the evolution of the policy and funding environment since the SHIF arrangements were agreed in 2012-2013.

3.59 We understand that one of the drivers for the Scottish Government decision to increase the AHSP programme by 67% in the five years to March 2021 was the Sheffield Hallam study findings. This begs the question of whether a greater share of the 'additional funding' should have been directed towards those local authorities assessed to have the greatest requirement to address shortfalls in the supply of affordable housing, especially social housing.

3.60 The spatial allocation of RPA has an important bearing on where houses are built across Scotland. The actual volume of homes built in a local authority area for a given sum of funding and what is built, however, depends on many other factors. These factors, including the application of unit grant benchmarks in practice are explored in **Section 4**.

4 The Strategic Housing Investment Plan Process

Introduction

4.1 This section explores the factors that shape SHIP proposals and the challenges and risks to delivery of SHIP programme. It draws on our review of the SHIP commentary, stakeholder feedback and evidence gathered through the case studies.

Alignment of SHIP with strategic priorities and local need

Link to LHS objectives

4.2 SHIP commentaries universally state that proposals have been designed to meet LHS objectives to increase the stock of affordable housing. They also clarify that, consistent with the evidence presented in section 3, this will be achieved mainly through building social rented homes.

4.3 SHIPs also state proposals will make a valuable contribution to other LHS objectives. These ‘secondary’ objectives include community regeneration, sustaining rural communities, improving the quality of housing, fuel poverty and meeting the needs of older people and other equality groups. The relative importance of meeting these secondary objectives and the resources associated with each of them is, however, not always spelt out. Inquisitive readers therefore often have to work through the SHIP tables to work this out.

4.4 Curiously, SHIPs do not always refer to homeless objectives or that boosting the supply of affordable housing has a role to play in reducing homelessness. Stakeholders suggested this apparent oversight may be due to the policy emphasis on upstream preventative measures.

Locally identified need

4.5 Virtually all SHIPs reiterate local Housing Supply Targets (HST) and clarify whether an Affordable Housing Policy (AHP) is in place, although the purpose and operation of the latter is not always articulated. The extent to which HNDA estimates of housing need are reported in SHIPs is more variable. Several local authorities are planning to build more social rented homes than the latest HNDA estimates imply. Discussions indicate there are several reasons for this:

- Some HNDA and HST are out of date. Several local authorities were in the process of refreshing their HNDA and LHS at time the SHIP 2017-18 to 2021-22 was prepared.
- Elected members in some areas have prioritised the development of social rented homes, sometimes specifically council housing, in place of other forms of affordable housing.
- The wider geographic focus of HNDAs underestimate housing need at local level, especially in rural areas and the numbers of households with specific housing needs.
- Live administrative data (e.g. housing registers and social work records) and the knowledge of housing, planning, health, social work and community representatives about the needs and preferences of residents are often judged to be more reliable than HNDA evidence in terms of informing priorities at sub-area, village or site level.
- Past development have raised doubts about the sustainability of demand for MMR in different local settings as well as the financial viability of MMR at current LHA rates.

Links with the Housing Supply Targets (HST)

4.6 We identified some local authorities where the volume of planned Local AHSP funded homes exceeds the HST for affordable housing. In a couple of cases the numbers of proposed Local AHSP funded homes also exceed the HST for new homes across all tenures. This includes one instance where HST figures have been recently revised; an issue that a recent LDP examination queried.

4.7 Two contributory factors have been the sharp rise in RPAs since 2016 and the requirement to ‘over-programme’ the SHIP. This has led stakeholders to express some unease that the uplift in RPAs and the pace at which local authorities are being asked to expand their programmes is deepening the pressure to favour dwelling numbers at the expense of other considerations. Some national stakeholders also feel that the lack of clarity about what the Scottish Government want to achieve aside from meeting the ‘More

Homes' targets and the lack of strategic discussion on SHIF and the setting of RPAs has done little to ease the pressure on local authorities to concentrate on numbers and the expense of other factors.

- 4.8** The extent to which local authorities and their partners are adopting an increasingly opportunistic rather than a strategic approach to the delivery of affordable homes is discussed below. First, however, we look at the issue of partner engagement.

Partner engagement

"It cannot be assumed that the quality of SHIP document reflects the quality of the SHIP process; there is a lot going on in background to develop and deliver programme which goes un-reported" (National stakeholder)

- 4.9** Stakeholder partners told us that whilst the quality of SHIP documents are variable, local authorities take the SHIP process seriously and have become increasingly effective at setting and driving forward their own strategic agenda. Housing strategy officers generally have:
- Close and positive working relationships with key partners such as other council services¹⁶, RSLs, Scottish Government Area Teams and National Parks.
 - Variable degrees of engagement with CPPs, H&SCPs, Scottish Water, SEPA, community groups and other stakeholders. In particular, joined up working with H&SCPs are maturing at different rates across Scotland.
- 4.10** As a working document, the SHIP is rarely issued for formal consultation. Councils instead use various formal and informal channels to engage with partners throughout the year. Housing Strategy teams generally hold regular programme meetings with RSLs, planning officials, the Scottish Government and (as necessary) other partners such as Scottish Water to explore development opportunities, site and partner capacity to deliver as well as to oversee programme delivery and deal with delivery issues.
- 4.11** Some weaknesses and tensions do arise or persist. Some RSLs, especially those without an ongoing development programme, can feel excluded from local strategic housing partnership processes. Other RSLs have become less engaged in the process in order to focus on resolving internal business and/or governance issues. Restructuring within local authorities and changes in personnel often disrupt relationships with various partners. On occasion, the cumulative effect of these and other weaknesses have added to the challenges of putting the SHIP together.

Scottish Government input to the local SHIP process

- 4.12** Housing officers, especially from non TMDF local authorities, say day to day working with Scottish Government Area Teams are constructive. Area Teams are perceived to have a good understanding of the local delivery context. Strategic Local Programme Agreements (SLPA) are broadly consistent with SHIP plans for years 1-3, which reinforces perceptions that this part of the SHIP process works.
- 4.13** Some local authorities would like to see greater transparency around the in-year Local AHSP re-allocations between local authorities and some would like local authorities to have a greater say in this process.
- 4.14** SHIP guidance is seen to be useful but some feel the SHIP asks for too much detail for projects in years 4 and 5, which one person described as "little more than wish list". A few local authority officers feel the value of the guidance would be enhanced if it included advice on how local authorities might improve their SHIP process.
- 4.15** At the time when interviews were carried out, opinion about the HARP system were mixed. Officers from non TMDF local authorities tend to think HARP should enhance their ability to monitor the progress individual projects and associated spend, which has been a source of frustration for some. Others remain undecided and would welcome more information about the role that local authorities and RSLs will play in terms of inputting and updating HARP data, the information that local authorities will be able to view (or access) and the resources that might be required to regularly input data and use HARP.

Prioritising affordable housing development proposals

- 4.16** The process for prioritising affordable housing proposals is not always spelt out. Nor do SHIPs always rank projects as high medium and low. It is hard to disagree with one stakeholder who said the process remains a 'bit of a mystery'. Arrangements for prioritising affordable housing proposals fall into two broad camps:

¹⁶ This includes planning, estates, adult services and legal services most commonly.

- Some operate a formal options appraisal framework. This involves ‘scoring’ projects against a set of criteria. These criteria, any weighting applied, and the role of partners in agreeing the criteria or scoring proposals is frequently noted in the SHIP. This approach sometimes entails calls for proposals at specific points in the SHIP cycle.
 - Others operate a process of ‘negotiated agreement between partners’, which entails working with partners to identify sites and appraise sites throughout the year. Local authorities that adopt this approach tend to describe the SHIP tables as a snapshot of the process at a specific point in time.
- 4.17** Local authorities have their own reasons for choosing one approach over another. For instance, one Council said it has no need to prioritise projects. Sites are in such short supply that any site an RSL can find, if deliverable, is added to the SHIP. Whilst partnership working and negotiation inevitably makes the prioritisation process more opaque for those not engaged in the process, this does not mean it is any less effective. Discussions also suggest that irrespective of the process adopted, project selection usually boils down to a blend of strategic priorities, operational considerations and the ability to deliver units on site within a reasonable timeframe.
- “The connection between our LHS and SHIP is becoming less clear.....we are now being driven to get up to the right number of units and less emphasis is being placed on what would be best to build to meet local needs and demands in the longer term” (LA housing strategy officer)*
- 4.18** Some local authorities and RSLs feel that prioritisation has become less important due to the increase in Local AHSP investment. Others say sites are now being brought forward that would previously have been discounted or assigned a low priority, although we would caution that some of these sites can also reflect local politically driven imperatives.
- 4.19** These observations lend support to national stakeholder concerns that local AHSP programmes are becoming more opportunistic. On the other hand, some local authorities have been praised by stakeholders for retaining a clear local strategic approach than is mindful but not driven by Scottish Government targets. The situation on the ground is therefore more complicated than a simple dichotomy between a strategic or opportunistic approach suggests. This can be illustrated by the fact that virtually all Councils still seek to strike a balance between sub-areas.

Balancing spatial priorities

- 4.20** One housing officer said that because chronic levels of need are high across the local authority area, sub-areas are not central to setting SHIP priorities. Elsewhere, balancing investment across the local authority area to support wider strategic priorities and address locally identified needs, however measured, remains an important, if challenging, goal.
- 4.21** Most city and large urban local authorities still direct a substantial share of the Local AHSP towards neighbourhoods that Community Planning Partners have identified as priority areas. These projects often have multiple objectives. In Dundee, for instance, Hillcrest HA and the Council have come together to construct 81 ‘greener’ social rented flats and houses of varying size. This includes four family sized wheelchair accessible houses that were identified in liaison with the Dundee H&SCP. Located in Hilltown, the project has been designed to play an important role in creating a thriving, safer and more accessible community, delivering affordable homes and creating construction related jobs.
- 4.22** Elsewhere, sub-areas play an important role in directing investment across urban and rural settings in the local authority area. Problems can arise when a lack of developable sites preclude development in pressured settlements within the SHIP 3-5 year envelope. In such cases, a common approach is to seek to main the balance of investment between different sub-areas over the long term, primarily be working with RSLs to secure development opportunities that can be added to the SHIP in future years. This highlights that SHIP proposals are shaped by previous supply interventions. This is a useful reminder that individual SHIP investment proposals often require careful interpretation and may only be fully understood if interpreted alongside historic trends.
- 4.23** Where sites are proposed in less pressured sub-areas or neighbourhoods dominated by social housing, some local authorities now ask prospective developers to investigate the potential of the site to meet particular needs and/or deliver alternative tenures. This is intended to retain strategic coherency by ensuring that proposed projects will make some contribution towards delivering the strategic priorities of the Council and not simply increase supply.

Resources and capacity

- 4.24** The development of affordable housing is largely financed through a combination of Scottish Government grant subsidy funded through the Local AHSP, private finance raised by RSLs or local authorities (via prudential borrowing).
- 4.25** Edinburgh and Glasgow report more detail about funding sources and issues than other Councils but no local authority has a fully comprehensive picture of all resources that might be available¹⁷. On saying that, a couple of smaller local authorities have made an estimate the likely overall level of financial resources required over the 5 year period. This includes Eilean Siar that has set out a helpful table detailing sources from various sources, including RSL private finance.
- 4.26** In line with guidance, SHIPs include an element of over-programming to provide flexibility to deal with slippage or to respond to the provision of additional resources. Some local authorities also have a shadow programme for similar reasons. Stakeholders expressed no views about the usefulness or otherwise of such plans.
- 4.27** A large and growing share of Council Tax revenues from second and empty homes is being used to be support council house building programmes. Going forward, it is not clear how much finance will be generated through this route. SHIPs report the annual CTR revenue flow and CTR reserves but few project the likely income flow over the 5 year period.
- 4.28** Developer contributions in the form of commuted sums are most commonly used to help fund higher than usual site development costs for RSL developments. Reserves and the annual inflow of new receipts have been declining for some time due to the continuing difficult housing market conditions, which poses a risk to programme delivery.
- 4.29** For local authorities with a council housing building and renewal programme a major source of funding is prudential borrowing, supplemented by capital receipts generated through the disposal of land and other assets held on the HRA. A few local authorities, such as Midlothian, helpfully link discussion of their prudential borrowing capacity to their Landlord Housing Asset Management Plan and rent strategy.
- 4.30** Stakeholders suggest some local authorities are revisiting plans to build council homes and may step down their development programme over the next few years. The main reasons for this include limited financial capacity to borrow, lack of HRA land supply and a need to refocus investment on delivering the Energy Efficiency Standard for Social Housing (ESSH), meet outstanding SHQS requirements or respond to post-Grenfell requirements.
- 4.31** Opinions differ on the extent to which the RSL sector has the capacity to deliver the scale of new housing development required to achieve the 'More Homes' targets. National and large RSLs are said to be reasonably confident about their own capacity to deliver but other RSLs are reported to be more cautious. RSLs have encountered difficulties recruiting and retaining development staff and re-build development teams, leading some to share development services.
- 4.32** Some 'developing' RSLs are reported to have limited financial capacity to borrow additional private finance. RSLs, like local authorities, are also having to contend with the risks to their business plans arising from welfare reform and 'pressure' from the Scottish Housing Regulator and tenants to minimise rent increases.
- 4.33** Stakeholder interviews suggest some local authorities want to foster closer joint working with RSLs to explore alternative funding models to address difficulties in securing conventional sources of private finance. Local authorities also referred to a need to 'reinvigorate' RSL capacity and are looking at how they might assist local RSLs to move back into development or encourage larger RSLs to develop in their area.

Potential risks to delivery

- 4.34** Our qualitative research identified factors that often hinder development. These will come as no surprise to anyone engaged in housing development. Nonetheless, it is worth stressing that it is the cumulative impact of these factors that usually inhibit or prevent the delivery of affordable housing.

Grant funding

- 4.35** There is a mix of views on whether current unit grant subsidy rates need to be reviewed, including the difference between grant rates for Councils and those for RSLs. Some stakeholders believe RSL unit grant

¹⁷ Edinburgh mainly outline innovative MMR funding mechanisms as Local Affordable Rent (LAR) Housing Trust but they also interestingly note that some £0.5m of their Local AHSP supports RSL adaptations.

levels are insufficient to support larger family size and wheelchair provision. Some, but not all, stakeholders report tender costs are rising, linked to the increasing cost of materials due to inflation and the lower value of the pound against the Euro. Set against this, some feel that an increase in grant levels would simply see private developers and construction firms raise their prices.

- 4.36** Grant levels for local authority development is said to hamper the development of smaller and more costly developments, especially in rural areas. Local authority representatives also challenged the assumption the local authorities can borrow at lower rates than RSLs, which is said to be one of the main reasons for the difference in grant levels. A couple of officers warned that without higher grant levels their Council may be unable to build some (or most) of the projects included in the SHIP. The extent to which this is a real risk or a negotiating position or a combination of both is unclear. Certainly, current SG guidance notes that flexibility to award grant subsidies above benchmark for social and Mid-Market rent applies to both local authority and RSL projects.
- 4.37** There is a widespread perception that grant levels hinder the development of specialist housing provision. There is still disappointment that the Scottish Government did not agree to the 2015 Subsidy Working Group that higher subsidy should be available for specialist housing. This is in spite assurances from the Minister that there is flexibility within the system to allow higher grant rates for high cost specialist developments.

Land supply

- 4.38** Views vary but many believe the availability of land in itself been a major constraint to housing development. On the other hand, there are major issues around the cost of land and the unwillingness of landowners to sell land for development, often because their expectations are out of line with current market prices. There are also issues around maintaining an effective land pipeline and whether some LDP sites are actually effective.
- 4.39** Council owned land plays an important role in supporting the development of affordable housing, especially in regeneration areas. One stakeholder pointed to uncertainty about future land supply once ongoing regeneration programmes end in 3-4 years time. Finding suitable sites to support housing development in rural areas can be problematic, often compounded by infrastructure constraints and planning application delays.
- 4.40** Council owned land does not all sit in the Housing Revenue Account. Some local authorities have a clear strategy and arrangements in place for the disposal of sites to support affordable housing development. Elsewhere, local authorities have to purchase non-HRA land to build new council housing at full District Valuer price and pay any relevant developer contributions.
- 4.41** Local authorities that rely extensively on planning mechanisms to secure land remain wary about the volatility of local housing market conditions and how this may affect the build out rates for S75 sites. This is because the timing of development often depends on the pace of private development. One city authority has responded to this risk by working with other public sector bodies such as NHS Scotland and the Ministry of Defence to open up access to public sector land for affordable housing, albeit it could be years 4-5 of the SHIP before the benefits are realised.

Infrastructure

- 4.42** Infrastructure challenges, including utility provision and brownfield site remediation, are widely viewed to be amongst the greatest risks to the achievement of the 'More Homes' targets. In spite of this, it is not routinely possible to identify which SHIP sites appear to have the necessary infrastructure in place and which are known to require costly work to overcome such constraints. This is a largely a presentational matter; local authorities and their partners, including RSLs and the Scottish Government, are usually well aware of which specific sites are known to be at risk.
- 4.43** SHIP discussion on infrastructure tends to be restricted to explaining the new Scottish Government Infrastructure Fund. Most SHIPs list one or more proposals but the rationale for such 'bids' is rarely explained and it is not always possible to work out which 'bids' would support the development of specific SHIP sites. This may lie behind some of the changes made to the SHIP 2018 tables earlier this year.
- 4.44** In line with stakeholder feedback, proposals largely centre on issues relating to site access (new or re-sited road, rail crossing or bridge access), provision of services to the site (water, sewage electricity etc) land decontamination, demolition and transport infrastructure.
- 4.45** The Infrastructure Fund has been broadly welcomed, although feedback indicates it may require further development if it is to prove effective. Stakeholders report that private developers can secure more

competitive rates elsewhere and find the guidance hard to follow. Local authority officers would also welcome further guidance clarifying the decision-making process and how this fund 'fits' with the Local AHSP and City Deal funds.

Construction sector

- 4.46** There is widespread uncertainty around the capacity of the construction sector. Many point to a limited pool of contractors. Others have concerns about the ability of construction firms, and in particular smaller and rural based building firms, to recruit and retain staff with the right combination of skills.
- 4.47** These fears are compounded by concerns that the decline in the value of the sterling relative to the Euro in the wake of the Brexit vote is already pushing the price of materials and that actual Brexit will further increase skills shortages. One stakeholder also pointed to upward pressure on prices arising from the growing demand and thus competition for large scale house builders and construction firms elsewhere in Britain.
- 4.48** One upside is that the construction sector has reportedly become more open to clauses within construction, maintenance and repair contracts that require them to participate in community benefit programmes and offer employment and training opportunities.

Project scale

- 4.49** A further complication in most local authority areas is the need to simultaneously develop numerous small sites involving no more than 30 units and often considerably fewer dwellings. When asked, stakeholders concurred this has knock-on implications for the level of local authority and RSL staff resources required to plan, design and manage programmes and contracts associated with delivering affordable homes.
- 4.50** Whether or not a multiplicity of small sites is likely to have a significant impact on the pace of delivery is not known. This reflects the fact that the relationship between project scale and the pace of delivery of new homes is complex and difficult to measure. In any case, just one stakeholder explicitly called for an increase in large scale developments. It is also of interest to note that a report on village style developments in England reported lead times of around 10 years from first being identified in a plan until start on site¹⁸.

Wider policy developments

- 4.51** Although rarely mentioned in SHIPs, stakeholders identified two UK Government policies that could affect the future delivery of Local AHSP funded affordable housing programmes and as a result pose a threat to the achievement of the More Homes targets.
- 4.52** Stakeholders stressed that welfare reform continues to create uncertainty for social landlords. Both RSL and local authority business plans rely on rental income to finance the cost of private borrowing. In spite of recent changes in policy, there remain concerns about the risk to rental streams posed by the rollout of Universal Credit and the loss of disability benefits for people assessed not to be eligible for Personal Independence Payments (PIP).
- 4.53** The long term effects of 'Brexit' are unknowable. However, the current lack of clarity on Brexit is adding to economic uncertainty, which along with mortgage limits, is acting as a drag on the housing market and slowing housing market activity. Over the next three years this could prove increasingly problematic for local authorities that rely heavily on S75 to secure land for affordable housing development. In addition, the European Investment Bank has reportedly halted new long-term loans to the UK cutting off a potential major source of cheap funding to support new housing development¹⁹.

Local monitoring arrangements

"It's a constant effort to remind Finance that the local AHSP is not our budget and that we do not control spend. Ultimately it's Scottish Government not the Council that own and control the programme."
(Local Housing Officer)

- 4.54** Monitoring the delivery of the affordable housing is part of the overarching LHS process. SHIP commentary usually include some general statements around monitoring but these rarely offer insights into the specifics about what is monitored and how. Local authority stakeholders report that affordable housing starts and completions are reported in council committee papers charting progress against LHS outcomes. Many also report on progress in council committee papers associated with the annual SHIP refresh.

¹⁸ Bramely G, et al (2017) *The Deliverability and Affordability of Housing in South West England*

¹⁹ <https://www.thetimes.co.uk/article/brexit-eu-bank-cuts-off-cash-for-british-building-projects-s2qvc66z2>

- 4.55** Non-TMDF local authorities alluded to issues around monitoring responsibilities. The Scottish Government is responsible for the Local AHSP budget, grant payments and thus ultimately programme monitoring. A couple of local authority officers observed that the Council has no real control over programme spend or programme delivery. Feedback also suggests Scottish Government Area Network practice in relation to progress updates varies and that RSLs have little incentive to report project spend and slippage to local authorities, both of which can frustrate any local authority attempts to monitor the programme.
- 4.56** A couple of authorities are seeking to improve their capacity to steer and track the Local AHSP programme. One has recently recruited a member of staff to support the planning and monitoring of the SHIP whilst another is seeking to enhance its monitoring of the RSL component of the programme particularly around the provision of accessible housing and specialist housing.
- 4.57** More generally, stakeholders questioned whether the Scottish Government and/or local authorities were appraising the impact on the programme in terms of reducing housing need or adding to the stock of social rented housing. A couple of stakeholders also referred to the potential risk of ‘displacement’ in the sense that new social rented homes in neighbourhoods with a high share of social housing may increase churn and make it more difficult to let older, less popular dwellings.

Factors that shape the build-out of individual projects

- 4.58** Early on in this project it was clear that the outline description of a project reported in the SHIP was not necessarily what is delivered on the ground. In other words, the number of units, the type of units and the mix of provision can all change in the period from initial inclusion in the SHIP to project completion. Likewise, the time taken from project conception to delivery can change. To illustrate such matters nine ‘mini’ case studies drawn from three local authorities across Scotland were carried out. Of particular interest was the identification of specialist housing requirements and resulting provision. Further details about these projects can be found in **Appendix 4**. The following discussion summarises the main issues and themes that emerged.

Agreeing the need for specialist provision

- 4.59** In **Section 3** we suggested that effective partnership working between housing, health and social work, underpinned by the use of administrative data and local knowledge, is key to securing specialist housing provision as opposed to traditional ‘predict and provide’ planning models. The case studies in all three local authority areas support this.
- 4.60** Each local authority has a positive history of cross-agency working. From the outset therefore, partners had an understanding of the outcomes they were jointly seeking to achieve and how these aligned with the strategic goals of the CCP and the local H&SCP. Irrespective of this, much time was devoted to maintaining good communication and identifying how to make best use of the distinctive skills set, expertise and resources of each partner throughout the planning, design and development of the housing.
- 4.61** In the case of the four ‘general needs’ development projects, all of which include an element of specialist housing, the mix of provision was identified as each of the project proposals evolved. For the five ‘specialist’ projects, the broad based requirement for provision was commonly identified through the H&SCP or housing and social work dialogue.
- 4.62** Work to identify the specific needs in respect of the ‘specialist’ projects made use of ‘bottom-up’ information on individual preferences, professional assessments of need and information collated from the housing register. In two local authorities data from a Register of people with specific needs maintained by Social Work was also used. Both contain a record of individual housing requirements and preferences. This desk based exercise was usually accompanied by discussions with different professionals, including occupational therapists, to explore project design issues and to build support for service change.
- 4.63** Enabling individuals to participate in shaping the design of services they use is an important policy goal for H&SCP. Consistent with this:
- Blackwood used social media platform to collect and collate the views of a diverse range of individuals to assist in the design of its new homes. This resulted in the Blackwood Homes Design Guide that plays a major role in shaping the organisation’s strategic view of the type of homes required.
 - East Ayrshire has plans to engage individuals (and their carer) in evolving aspects of the interior design of Cessnock Road to ensure it responds to individualised need as part of the process of supporting individuals to make the transition to supported living.

4.64 In the case of ‘general needs’ projects, Dundee and East Ayrshire operate a Common Housing Register. This provides the foundation for identifying the mix of ‘general needs housing required for new build developments, supplemented by discussions with local housing and neighbourhood managers. It is also used in combination with dialogue with health and social care colleagues to identify any requirement for inclusion of specially designed units within a project. For example, the planning application process for one Dundee project required that a detailed ‘housing statement’ was prepared outlining local housing needs pertinent to the project. This statement drew heavily on CHR data. In particular, CHR data was used together with data demonstrating a dearth of supply to justify plans to build 4 family sized wheelchair accessible homes.

Working with communities

4.65 Local opposition was not a significant barrier for any of the nine projects. One project did encounter some initial community resistance due to concerns about the provision of car parking provision for the adjacent community centre. These concerns were picked up a very early stage, which allowed time to work through them with the local community council and other groups and find a solution acceptable to all parties. A spin-off benefit that stemmed from ongoing dialogue is that it has engendered a sense of local ownership of the project. An emphasis on engaging communities and delivering community benefits from larger development projects is also evident in other case studies.

Location and local market conditions

4.66 Whilst the volume of land identified in the LDP as suitable for residential development may be generous, finding a suitable site, especially for specialist provision, can be challenging. Sites are often discounted due to cost or inaccessibility (e.g. sited on hill, not in proximity to other facilities or poorly served by public transport). S75 sites where the affordable housing requirement has already been agreed are also usually ruled out. Fortunately, none of the case studies incurred such difficulties that can elongate the time taken from first agreeing to develop a project to its initial inclusion in the SHIP.

4.67 More generally, the case studies highlight the diversity of routes through which development opportunities emerge for inclusion within the SHIP. One project was developed on land secured through use of the Council’s AHP and forms part of a larger private and public residential development of over 400 homes. Two projects involve the development of ‘gap sites’. Another project has remodelled existing social homes.

4.68 The remaining five projects involve sites that became available through the demolition of former social homes. The re-development of these five sites could be considered to be replacing rather than adding to the stock of social housing. On the other hand, the case studies show that the needs of local residents are a key driver of the type of housing being built. They are also addressing shortages of housing to meet specialist needs that might not otherwise be possible. In addition, larger regeneration projects are generating a range of community benefits. In contrast, the former stock was poor quality, very difficult to let and, for the most part, were demolished some time ago. Viewed from the perspective of meeting housing need, recent debates on the extent to which Scottish Government investment is replacing rather than adding to the stock of affordable housing appear are not productive.

Refining project plans and potential constraints and delays

4.69 Local authority led case studies drew on the expertise of planning colleagues to help with planning issues and to produce an application that would be approved once formally submitted. RSLs also tended to hold pre-planning application discussions in order to:

- Check sites in terms of their Local Development Plan (LDP) zoning and general access issues, along with any known development constraints that may preclude sites from being developed economically.
- Identify any specific LDP policies or requirements that may have to be adhered to.
- Firm up site layout and design prior to making a formal planning application and smooth transition to full planning application.

4.70 The number and mix of units in a development often change during prior to completion. Consequently, the final numbers of homes constructed often differ from the indicative SHIP figures. Delays in projects are also common in spite of social developers adopting pro-active risk management strategies. Aside from responding to pre-planning discussions and consultation with stakeholders and residents, project changes or slippage can result from site specific issues, infrastructure issues and measures to bring a project in within budget.

- 4.71** Infrastructure related issues created unforeseen challenges for a few projects. Delays in Scottish Water connections were reported to have delayed one project. Methane gas monitoring was required on another site. Whilst it had not affected the case study project, it could potentially affect the next phase of affordable housing to be delivered on the same site. One RSL also noted that another of their recent developments had been adversely affected by the failure to replace a sub-station before housing development was underway.
- 4.72** The increase in residential development on brownfield sites is said to be increasing the risk of costly remediation. In one project an environmental analysis found levels of historic contamination. The additional cost in resolving this had a knock on impact on the land value and thus the receipt for the Council. The Infrastructure Fund may help fund these abnormal costs and liabilities. However, the case studies indicate that these development risks are not always foreseeable and may only arise late on in the development.
- 4.73** Local planning policy can impact on timescales. The LDP Policy classed a Dundee project as a 'major development' as it was above a residential development threshold of 50 units. This required the RSL to give 12 weeks' notice of their intention to submit an application to both the Council and relevant Community Councils with specific requirements to undertake additional consultation on their proposals and submit these as part of the planning process. A Housing Statement was also required as part of the planning application process outlining the need for one-bedroom homes as this was contrary to LDP policy.
- 4.74** Councils usually make a decision on 'local development' planning applications in two months and 'major development' applications in four months. In a couple of case studies, it took longer than the appropriate benchmark to secure approval due to the need to clarify technical site issues such as pluvial flood risk, drainage and contamination.
- 4.75** Joint social and private planning applications pose risks, often involving complex negotiations over S75 and planning obligations. However, the joint planning application involving Blackwood HA development had to be withdrawn due to proximity of the private homes to neighbouring homes. Ahead of the re-submission the amended layout and design of the proposed site, including a change in materials and positioning of the 'particular needs' unit was agreed with planning. This second planning application was approved within 2 months and from Blackwood's perspective this had went well.

Local housing market conditions

- 4.76** Local housing market conditions can result in change. In one case study the original SHIP proposal included plans for an element of Mid-Market Rent (MMR). These plans were dropped after it was established there was already MMR in close proximity to the site and there was a lack of evidence of strong demand for MMR in the area.
- 4.77** There has been a loss of small to medium building firms over the last decade, which has reduced overall housebuilding capacity and small builders. Three projects were affected by contractors going out of business. For one development it was estimated that this resulted in a six-month delay. In response to these conditions at least two of the case studies have employed a framework agreement for off-site construction for new social rented homes.
- 4.78** Finally, we would observe that not all case study projects carried out post-completion tenant surveys or monitor who is being housed and where they lived previously.

Concluding remarks

- 4.79** Arrangements for joint working to deliver the SHIP vary and no doubt local authorities could learn from each other. However, it is clear that the SHIP process provides a foundation for bringing key stakeholders together to formulate plans, oversee and co-ordinate the delivery of the Local AHSP in accord with RPAs.
- 4.80** There is a lot of variation in the scope and detail of SHIP documents, possibly because they tend to be written for elected members and others stakeholders that are very familiar with the local context rather than a wider audience. This may help to explain why stakeholders raised a diverse range of issues not considered in any depth in most SHIP commentary.
- 4.81** It may also help to explain why SHIPs are rarely clear about the relative importance of the different strategic drivers and the balance of resources devoted to increasing affordable housing supply relative to other priorities such as community regeneration, place making' and supporting the delivery of health and social care priorities.

- 4.82** Consistent with the SHIP tabular data reported in section 3, the SHIP commentary paints an optimistic picture of the ability of Councils and their partners to deliver the 50,000 target. However, most stakeholders are more cautious about what might be delivered. Local authorities often report that the scale of the uplift to the forward RPA is 'challenging' and that RSLs may struggle to find sufficient numbers of suitable sites to ensure they can 'spend' the RPA. This could be a particular problem in rural areas due to the reliance on small-scale developments and limited RSL and construction sector capacity.
- 4.83** The SHIP process has an emphasis on programme management and tracking the progress in individual projects for start to finish but there are questions about whether the monitoring of what is actually being delivered and who is benefiting is as good as it could be.
- 4.84** There appears to be scope to clarify roles and responsibilities around monitoring of the Local AHSP in the context of the new HARP system. Local authorities would also appear to welcome further advice around navigating the new system and the data they can access to assist their internal monitoring.

5 Conclusions And Recommendations

Are the 'More Homes' targets potentially achievable?

- 5.1** There is widespread support for the Scottish Government's 'More Homes' targets to deliver 50,000 new affordable homes, including 35,000 social rented homes by March 2021. Most stakeholders also accept that local authorities are best placed to decide on local housing investment priorities. However, there remains a perception that the overall programme would benefit from greater clarity from the Scottish Government about the role it envisages AHSP investment playing in terms of supporting economic growth, alleviating poverty and deprivation, reducing inequalities and promoting health and well-being.
- 5.2** Setting targets is always tricky because it requires judgments to be made about the appropriate balance between ambitions to address housing need and what is feasible to deliver with available finance and other resources. Targets are often derived from past performance or output. Viewed from this perspective, the Scottish Government 'More Homes' targets are very ambitious, representing a 67% increase in the numbers of homes to be built or acquired.
- 5.3** Summing the numbers of affordable housing homes that were completed in 2016-17 plus the numbers of affordable homes local authorities and their partners propose to complete in the four years to March 2021 suggests that:
- Anywhere from 45,387 up to 49,773 affordable homes could be delivered, depending on whether dwellings delivered without Local AHSP funds are included.
 - Up to 34,850 social rented homes could be delivered.
- 5.4** Different scenarios produce somewhat different figures but they all suggest that the direction of travel is positive and that both targets are potentially capable of being achieved.
- 5.5** As with all forward estimates there are many uncertainties inherent in these estimates. The SHIP figures used to produce the estimates were prepared over a year ago. Since then, the Scottish Government has asked local authorities to refresh their SHIP to take account of higher Resource Planning Assumptions (RPAs). The SHIPs submitted to the Scottish Government at the end of October 2017 will therefore almost certainly propose higher numbers of completions than estimated above. The figures also do not fully allow for affordable homes that might be delivered through the Scottish Government's Central AHSP such as open Market Shared Equity. In addition, not all local authorities reported completion dates, although the impact of this is marginal.
- 5.6** Set against this, we believe the SHIP tabular data is subject to considerable optimism bias. Stakeholder feedback has reinforced our clear impression that the SHIP proposals underplay supply challenges such as securing developable sites, dealing with infrastructure constraints and site remediation. They also take insufficient account of the combined capacity of local authorities, RSLs and the rest of the development industry to deliver.

Potential impact on net affordable housing stock

- 5.7** Net change in the stock of housing is central to the monitoring the rate at which housing provision is increasing or decreasing and refers to the combined effect of completions, demolitions, conversions and change in use. Possible changes in the net stock of affordable housing cannot be established for the simple fact that there are no reliable statistics on the current the numbers of affordable homes in Scotland.
- 5.8** The Scottish Government estimates that in March 2017 there were 594,600 social rented homes in Scotland. Our figures come with big health warnings due to the lack of robust data on demolitions (other than for local authority dwellings) conversions and other stock flows as well as the optimism bias of the SHIP estimates. Nonetheless our illustrative estimates suggest the stock of social housing could increase anywhere from 618,000 and 620,000 by March 2021, depending on what assumptions are made in respect of demolitions, other stock disposals and whether 'rehab' units are included or excluded. This suggests that social rented housing could see a net addition of up to 25,500 in the 4 years to March 2021.
- 5.9** To put these figures in context, the Chartered Institute for Housing has projected that stock of social rented housing in England could reduce by up to 120,000 dwellings over a similar period of time²⁰. This

²⁰ <http://www.publicfinance.co.uk/news/2017/01/social-rented-housing-stock-reduce-120000-cih-predicts>

marked difference is due to the abolition of RTB in Scotland and the presumed switch from social rented to affordable rent in England.

5.10 There is no doubt that increasing the overall stock of social rented homes is central to the Scottish Government's national ambitions. SHIP proposals, however, must also take account of the local context in order to determine what types of investment are best suited to different local communities. In some communities replacing obsolete dwellings or refurbishing existing homes may be the most appropriate solution for meeting the needs and aspirations of the local community. Viewed from this perspective, debates on the extent to which Scottish Government investment is adding to the total stock of affordable housing appear to be somewhat misplaced.

What is planned where?

5.11 In terms of the local authority led affordable housing supply programme (Local AHSP) a sample of 28,271 new starts spread across 1,000 projects was selected to examine what local authorities propose to deliver across Scotland. Analysis of these 28,271 dwellings indicates that:

- Most dwellings will be purpose built (96%), mainly as part of small (up to 30 units) to medium (up to 40 units) sized developments. For the most part, larger scale projects (100+) are situated in large urban areas such as Edinburgh and Glasgow.
- Around 22,132 will be social rented dwellings (78%), of which seven out of every ten homes will be built to 'greener' standards. Edinburgh and Glasgow are the only areas where less than 60% of proposed units would be for social renting, although both may have made some upward adjustment in recent months. MMR is largely situated in Scotland's four main cities and neighbouring local authority areas whilst LCHO remains popular in the Highlands and Islands.
- Some 3,464 starts have been classed as 'specialist' housing (12%), virtually all of which are planned to be social rented dwellings but there are very marked variations in the proportion of new starts classed as 'specialist' housing across Scotland.
- Information on specifics such as 'client group' often go un-reported but it appears most homes will be for older people and those with mobility difficulties, including wheelchair users. Identified provision for people with their disabilities or other equality groups is more sporadic.

5.12 There is widespread agreement that the numbers of reported 'specialist housing' falls well below what is required to address the shortage of suitable housing for older people and other equality groups. The reasons for this are complex but one factor is variable progress in developing effective joined up working between H&SCPs, housing and planning. Another factor is the lack of a clear and stable capital and revenue funding framework. Some local authorities are planning to use their own stock capital programme to expand provision but this is not a sustainable strategy for those nearing their prudential borrowing limits or for stock transfer councils.

5.13 It is not possible to clarify the size and type of dwellings sought or the localities where investment is being concentrated. Dwelling attribute data is not collected via the SHIP tables and the recording of spatial markers is variable. Moreover, these matters are only occasionally discussed in the commentary.

5.14 Overall, the quality of SHIP written commentary is variable but our overall impression, taking account of stakeholder feedback, is that there is a reasonably good alignment between the LHS and SHIP in the majority of local authority areas.

SHIF and the Resource Planning Assumptions

5.15 The Strategic Investment Framework (SHIF) is used to inform the RPA for the 30 non TMDF authorities. Like all top down indicator based frameworks used to guide the allocation of funding, SHIF is a rather imperfect instrument. However, for the most part, it has attained a reasonable balance between policy relevance, timeliness and ease of operation. The use of a core set of explicitly policy weighted indicators for each block of indicators is more transparent than the use of a single composite indicator applied in some other resource allocation processes.

5.16 On the downside, the policy shares (weightings) currently assigned to each of the block of indicators do not appear to be well aligned with increasing the stock of affordable housing in areas with the highest shortfalls in affordable housing provision. The indicative RPAs for the coming three years are weighted heavily in favour of urban local authorities with significant levels of deprivation and rural local authority areas. As a result, urban and predominately urban local authority areas that have amongst the highest shortfalls of affordable housing according to the recent Sheffield Hallam study appear to lose out.

- 5.17** The current arrangements for setting the RPA for Edinburgh and Glasgow form part of the TMDF arrangements agreed some years ago. It is not self-evident why the indicative RPA for the two cities should continue to be determined outside the SHIF framework but the political and practical challenges of trying to incorporate them would be very considerable.
- 5.18** Although there is now little, or no, scope to amend the RPA before 2021, the SHIF would benefit from further review to ensure it – and future RPAs – are in alignment with the wider policy agenda. In particular, the health and social care integration policy agenda suggests there is need to look at the potential for inclusion of an indicator for older and disabled households.
- 5.19** On the other hand, we see no benefit in seeking to include an indicator on variations in unit costs. One of the strengths of SHIF is that it is focused solely on indicators of ‘housing need’. Adding a build cost indicator would serve only to muddy the water by introducing issues of supply. In terms of compensating for variations in building costs across Scotland, the current Scottish Government practice of setting varying grant rates for different types of area is both more appropriate and practical solution, although there is scope to better clarify what definition of ‘rural’ is actually applied in the grant regime.
- 5.20** We would also suggest that in the interests of transparency, SHIP guidance and future announcements on the minimum indicative RPA should include brief summary of SHIF and how the RPA for TMDF and Non TMDF local authorities are arrived at.

Recommendations in relation to future monitoring

- 5.21** The Scottish Government publish various statistical tables and reports on new housing supply and the Affordable Housing Supply Programme (AHSP). The annual AHSP Out-Turn Report provides the most comprehensive evidence but its value from a routine monitoring perspective is limited by the fact that it is subject to a long time lag. It is typically published 10 or more months after the end of the financial year. In-year and annual monitoring would therefore be best served by making full use of the quarterly and annual statistical tables for housing approvals, starts and completions. Some amendments to these tables would enhance their value from a monitoring perspective.
- 5.22** Shelter Scotland and SFHA should therefore invite the Scottish Government to amend:
- The AHSP tables to report figures down to local authority level. These quarterly and annual tables provide a good summary of the AHSP by tenure and social developer but only for Scotland as a whole. At a minimum, the annual figures should be reported at local authority level.
 - Local Authority New House Building quarterly statistics tables to include a separate count of general needs and specialist provision in respect of starts and completions. This would probably require data from two different sources to be linked and it may only be possible to investigate the feasibility of this once HARP is fully operational.
 - The RSL House Building quarterly statistics tables should include a simple tenure split (social rent and other) as well as a separate count of general needs and specialist for starts and completions. This would not require data linking as all data comes from the TRS and/or HARP system.
- 5.23** Another possibility might be to invite the Scottish Government, as part of its annual out-turn report, to compare the distribution of actual out-turn expenditure with the indicative RPA for each local authority area issued near the start of each financial year. Over time, this may help to highlight any trends and patterns in the in-year reallocation of resources across Scotland that is often required to ensure the annual local AHSP budget is spent.
- 5.24** From the perspective of addressing housing need, the number of social rented lettings is a far more important measure of supply than stock numbers. An important monitoring indicator should therefore be to monitor the numbers and spatial distribution of lettings in both the Council and RSL sector. Ideally this should:
- Report figures down to local authority level.
 - Distinguish between the first let of newly constructed homes to tenants and re-lets of existing dwellings and possibly between general and specialist provision.
- 5.25** This would help shed light on whether the provision of new social homes is sufficient to halt or even reverse the downward trend in social rented lettings, especially in local authority areas with the greatest identified shortfalls in social rented homes.

- 5.26** Local authority letting statistics are available, but data collection revisions mean RSL lettings can no longer routinely published at local authority level. Moreover, the local authority Housing Statistical Annual Return for 2016 collects data for general and specialist lettings but this data is no longer routinely published. These are data gaps that the Scottish Government could usefully be asked to re-consider.
- 5.27** One possibility might be for the Scottish Government to consider the potential to make fuller use of the Annual Return on the Charter (ARC). It records data on lettings as well as other stock flows such as new build and demolitions. It also captures stock attribute data such as provision type (e.g. general needs, wheelchair accessible, sheltered etc). ARC data may therefore provide a platform for preparing the statistics required to:
- Monitor the numbers of relets and new lettings by local authorities and RSLs.
 - Estimate annual net additions to the stock of social rented housing.
 - Provide a more comprehensive picture of the composition of the social rented stock and how this is changing over time.
- 5.28** On saying that, considerable time and resources are very likely to be required to explore the potential value of ARC data and to appraise the robustness of data collection practices.
- 5.29** More generally, there are other important housing related data gaps that would benefit from more detailed investigation. We therefore believe that the Scottish Government might want to invite UK Collaborative Centre for Housing Evidence to:
- Explore the feasibility and potential cost of using ARC data to produce housing statistics for various topics and what steps would be required to publish statistics down to local authority level.
 - Explore the feasibility and potential cost of developing a count of affordable housing at the Scotland wide and local authority level and how this might be updated.
 - Look at how to capture consistent data on who benefits (i.e. who is being housed and what needs are being met) from the AHSP programme at local or national level.
- 5.30** The latter bullet point would provide a platform from moving beyond the current emphasis on reporting unit outputs and portfolio spend to a focus more on outcomes and who is being re-housed.

Improving programme data capture

- 5.31** The Scottish Government's new on-line system for managing and monitoring the affordable housing programme is known as HARP (Housing and Regeneration Programmes). It can capture spatial markers, customer group, tenure and dwelling attributes for potential projects and for completed dwellings down to unit level. Once fully established, it should improve the monitoring of the affordable housing supply programme. It should also improve the data available to assess the impact on new affordable housing on addressing housing need and other issues of policy interest.
- 5.32** For this to happen, however, the Scottish Government, local authorities and RSLs will need to take shared responsibility for improving the geo-coding of data entered onto the HARP system. This point is also equally pertinent in respect of unit level completions data.
- 5.33** We are not persuaded of the value of collecting property attribute data other than at project completion stage. Such information is highly susceptible to frequent change throughout the planning and development stages. Any data recorded prior to project completion would therefore be unreliable.

Other Issues for consideration

Buy backs

- 5.34** Another issue that merits further consideration is clarification around the use of buy back schemes. Small scale buy back initiatives support a variety of policy objectives. It can help overcome barriers to bringing mixed tenure blocks of flats up to the SHQS standard. It can help to address specific shortages, such as large family housing. Indeed it can be cheaper to buy back former RTB units than build new homes.
- 5.35** Some local authorities are now seeking to use buy back on a larger scale to address affordable housing shortages. The risk is that larger scale buy-back programmes in buoyant or pressured housing market areas may push up house prices and further restrict the opportunities of households on the margins of home ownership to buy a home of their own home. At present, there is little clarity about how these potential wider

housing market impacts might be assessed and monitored. This is an issue that the Scottish Government, SFHA, ALACHO and CIH might collectively look to investigate further.

Subsidy levels

5.36 During the course of this research we heard many calls to revisit unit grant subsidy levels, including the variation between the subsidy levels for local authority and RSL developers and the “greener” rates for rural areas. There is also a general expectation that tender prices will increase over the next three years. Such matters were beyond the scope of this study to investigate but it does suggest the Scottish Government may find it useful to work alongside SFHA, COSLA, ALACHO and GWSF to monitor tender prices over the period to 2021 and beyond. Any such monitoring should keep in mind that:

- Whilst the scale of additional investment resulting from efforts to attain the ‘More Homes’ targets is boosting employment and should have other positive spillovers, it may also inflate land and construction costs. There is then a risk that any increase in subsidy levels may see landowners and contractors raise their costs accordingly. Any such zero sum effect would lower the chances of delivering the ‘More Homes’ target.
- The provision of fixed grant could be argued to provide little incentive for developing RSLs and local authorities to drive down costs or for Scottish Government (and TMDF authorities) to ensure the tender submissions maximise value for money.

5.37 There are particular issues around the funding of specialist housing, but these extend well beyond the adequacy of unit grant levels. There remains an urgent need to find a sustainable long-term solution to the capital and revenue funding for support housing and other forms of specialist housing. The Supported Accommodation Steering Group of stakeholders to take forward the Scottish Government’s response to DWP proposals for supported housing offers an opportunity to begin work to formulate plans that would take account of the role of the H&SCP and the Local AHSP in establishing priorities for and funding such provision.

Local authority reporting

5.38 During the course of this study it became apparent that stakeholders have differing perspectives about the role and purpose of the SHIP. There seems to be degree of confusion about the role of the SHIP as distinct from the LHS, leading to unrealistic expectations about the coverage of the SHIP, especially given the short-term lifespan and production period for any given SHIP.

5.39 We suspect the fact that not all local authorities continue to produce or publish an annual LHS update has done little to ease such expectations. The same goes for the fact that some LHS are now over five years old. We would therefore encourage local authorities to learn from and follow the good practice of their peers and publish an LHS update every 1-2 years in order to ensure there is a clear and timely read across between their LHS outcomes and planned affordable housing investment.

5.40 Unlike the SHIP, which is subject to strict deadlines, this would give local authorities the flexibility to engage with stakeholders to consider and if necessary refine the volume of affordable homes sought across the local authority area along with a clear steer of what is being sought in terms of tenure, dwelling size, provision type and so on. This would assist RSLs and other stakeholders know what is expected. More importantly it would provide a solid benchmark against which to monitor the delivery of the affordable housing programme.

²¹ At the risk of great over simplification, the core function of the SHIP document is to provide information and supporting contextual evidence to the Scottish Government about what each local authority and their partners propose to do in respect of housing development as a basis for agreeing the SLPA. It is the role of the LHS to establish strategic housing outcomes, articulate how these ‘fit’ the wider strategic agenda and report on what has been delivered and the overall impacts of housing development alongside other activities in respect of these outcomes.

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Appendix 2: Glossary

Term	Definition
Affordable Housing Supply Programme	The AHSP is the Scottish Government's programme for supporting all types of affordable housing, whether through grant, loan, guarantee or receipts.
Development Plan	A generic term used to refer to the two statutory land planning documents in the shape of the Strategic Development Plan and/or Local Development Plan. A brief summary of these two plans are outlined below.
Greener Homes	Additional funding to encourage higher innovative approaches to minimise emissions and energy use in new social rented homes.
Homeowner's Support Fund	The Homeowner's Support Fund is a Scottish Government fund to assist homeowners that are struggling to repay their mortgage. It allows households to change their tenure from a mortgage to rent (or shared equity) in order to remain in their home when at risk of repossession.
Housing for Varying Needs (HfVN)	New homes delivered with funding support from the Scottish Government are, as far as practical, expected to meet people's varying needs and should include essential features set out in Communities Scotland Guidance note 2004/12 on varying needs.
Housing Needs and Demand Assessment (HNDA)	An evidence base that appraises current and future housing needs and demands that is expected to be carried out at least every 5 years in order to underpin the preparation of Local Housing Strategies, Strategic Development Plans and Local Development Plans.
Infrastructure	The term is primarily used in this report to refer to utility services, such as (roads, sewers, and supplies of gas, water, electricity that are required to permit development of housing to take place. However, in land planning circles the term can also refer to community services such as schools, community halls and health centres that may be required to cater for additional demand resulting from housing construction.
Local Development Plan	Statutory document all local planning authorities in Scotland are required to prepare (and consult on), which should set out local planning policies and detail where residential development and other forms of development should take place and the supporting infrastructure required for growth.
Local Housing Strategy	Local authorities are required by law to prepare a local housing strategy supported by an assessment of housing need and demand. Local housing strategies provide the strategic direction to tackle housing need and demand and to inform the future investment in housing and related services across the local authority area. They should cover a 5 year period and be reviewed and updated on a regular basis.
Low Cost Home Ownership	Low cost Homeownership is a generic term and refers to a range of policy vehicles that support households to buy their own home. This most popular vehicle is shared equity which enables households to low their housing costs by taking out an interest free equity loan alongside a mortgage). Another vehicle is shared ownership whereby households' part buy and part rent their home.
Mid-market rent	Properties are aimed at people on incomes that are not high enough to enable them to buy a home but who can afford to pay more than a social rent. They are mainly provided by RSL subsidiaries.
National Housing Trust (NHTO)	The National Housing Trust (NHT) is a model that was pioneered by the Scottish Futures Trust. It is designed to combine private finance and local authority borrowing to build affordable homes for mid-market/affordable rent. It involves setting up a Limited Liability Partnerships (LLPs) to ensure developers meet agreed standards and timescales and the appointment of an agent to manage the properties once let.
Registered Social Landlords	Registered Social Landlords are not-for-profit housing providers approved and regulated by Government.
Resource Planning Assumptions	These are indicative allocations that are designed to allow local authorities to have a led strategic role in planning the delivery of affordable homes in their area in order to ensure development 'fit' local strategic priorities.
Partnership Support for Regeneration	PSR are effectively grants to developers to support the supply of new homes for sale in arras with little private housing to rebalance the mix of housing in a neighbourhood or small settlement.

Term	Definition
Section 75 Agreement	Planning contracts between a local planning authority and a developer (or landowner) in connection with planning applications that can include financial contributions or contributions in kind towards affordable housing, schools, roads, transport etc.
Strategic Development Plan (SDP)	Plans prepared jointly by planning authorities for the four city-regions of Aberdeen, Dundee, Edinburgh, Glasgow and their surrounding areas and extend across two or more local authority areas. They set out the overall spatial strategy for the area and set parameters for Local Development Plans, including minimal land requirements to support housing development.
Strategic Housing Investment Plan (SHIP)	SHIPs provide an annual snapshot statement of each local authority's strategic housing development priorities in their local area for the next 3-5 years. They are intended to guide Local AHSP expenditure across Scotland. The SHIP is a live or working programme planning and management tool and is updated regularly to reflect progress made and programme revisions.
Social housing	Social housing refers to rented homes provided by local authorities or housing associations that are allocated on the basis of assessed need and are let at rents below market levels.
Strategic Local Programme Agreements (SLPA)	These are documents issued annually by the Scottish Government to individual councils confirming overall programme details such as project location, number of units, tenure and planned site start and completion dates.
The Transfer of Management and Developments Funding	TMDF is an arrangement under which responsibility for funding the delivery of social housing and other affordable homes has been transferred from Scottish Ministers to Glasgow City Council and City of Edinburgh Council.

Appendix 3: The Case Studies

Introduction

Case studies were carried out to supplement the review of SHIP documentation and the programme of interviews. The aim was to look in more depth at the factors that shape the translation of SHIP proposals into projects on the ground, the realities of delivering new affordable homes and why projects are not always implemented as initially proposed in the SHIP.

The case study areas of Dundee City Council, East Ayrshire and Scottish Borders cover a range of urban and rural settings. Three projects were selected in each local authority area to cover a range of affordable housing developments.

The strategic drivers for each of the nine projects varied but broadly speaking were to:

- Increase the supply of high quality energy efficient social rented housing in the local area
- Develop homes that are accessible to meet a range of particular needs
- Contribute to place making and the wider regeneration of the area

The vignettes of each case study set out below highlight that the nine affordable housing projects include a mix of small and large scale projects, general and specialist provision, Council and RSL development led projects, brownfield and greenfield sites. The case studies also include 'on-site' projects and projects completed in the last couple of years.

A framework of questions was used to capture key information from local documents, including planning portal papers as well as interviews with local housing strategy staff and key personnel involved in the planning, design and delivery of each project. The specific data we were able to gather for each case study varied due to differences in the local data recording practices, the ability of different stakeholders to access or share records such as historic allocations data, funding arrangements and post-completion audit information.

Collective overview of the projects

All nine projects were funded through conventional arrangements such that they primarily relied on a mix of Scottish Government grant funding and a mix of private finance and reserves secured by the social provider. In cases where specialist housing has been provided additional funding for items such as adaptations and telecare came from the Scottish Government and in a couple of instances from local authority social work and/or general reserves. A couple of projects also benefited from funding generated by developer contributions. Individual projects are subject to detailed and ongoing risk assessments throughout the planning, construction and delivery stage.

Detailed financial information on the project budgets and expenditure was not sought as part of the mini case studies. However, representatives for the case studies did not cite any major budget and cost issues. For one project the final cost was anticipated to be above the original forecast but the view was that it related to the high specification associated with the project and design 'testing'. Two other projects noted overall costs had increased in order to meet the suggested requirements set by the local council for specialist provision.

Where known, specialist provision typically involved tenants paying three charges. The basic rent (set in line with the social landlord's rent policy), service charges (again in accord with landlord's rent policy) and support charge (set in accord with the local Councils charging policy). In terms of the care and support payments for service providers, one project involves a block fund payment to the service provider, supplemented by Self Directed Support (SDS). This mix is scheduled for review.

Case study project timescales for the completion of developments ranged from anything from around 16 months up to 40 months depending on the individual project circumstances.

Post completion activities

For completed case study projects there were no reports of major 'snagging' issues. At a more general level one RSL have a Key Performance Indicator of 3 defects per year and on average this is what they experience but generally these are minor issues such as small leaks, door adjustments etc. Another reported that the design and build with a common house type across tenures had an advantage in minimising snagging issues.

Stakeholders involved in the case studies generally concurred that the strategic objectives associated with the project had been met.

Finally, the Blackwood project has benefited from testing an innovative design approach for affordable housing and contributed to the national debate and learning over the design of homes to meet for people with care and support needs of people. The Blackwood project has received some external funding to review and evaluate more intensively given the first development of their ‘concept home’.

Key variables

The first SHIP in which each affordable housing project was first identified within the applicable Strategic Housing Investment Plan is noted in the **Table A4.1**. The timescale for planning and developing housing means that most of these projects also appeared in SHIPs produced in subsequent years. **Table A.4.1** also summarises some other key information for each project. The case study projects were generally judged to be ‘high’ priority within the relevant SHIP.

Table A4.1: Summary of key indicators for the Case Study Projects

Case Study Reference	First SHIP reference	Status	Developer/Landlord	Number of Units	Tenure
Dundee Case Study 1	2013-18	On-site	Dundee City Council & Hillcrest HA	81	Social Rent
Dundee Case Study 2	2015-20	Complete	Blackwood Housing	6	Social Rent
Dundee Case Study 3	2013 -18	Complete	Home Group (Scotland)	38	Social Rent
EAC Case Study 1	2013-18	Completed	East Ayrshire Council	13	Social Rent
EAC Case Study 2	2017-22	On site Feb 2018	East Ayrshire Council	14	Social Rent
EAC Case Study 3	2013-18	On-site	Cunninghame HA	45	Social Rent
SBC Case Study 1	2012-17	Complete	Eildon Housing	25	Social Rent
SBC Case Study 2	2017-22	Complete	Berwickshire HA	4	Social Rent
SBC Case Study 3	2017-22	On-site	Eildon Housing	8	Social Rent

The SHIP for all three local authorities has been subject to an Equality Impact Assessment (EIA) in line with in line with legislative requirements and the political reporting requirements of each Council. Individual Council new build projects have also been subject to an EIA if they have been the subject of council committee papers. In contrast individual RSL projects are not as a routine subject to a standalone EIA where the emphasis is on conducting an EIA for business and development plans.

Dundee Case Study 1 - Joint partner development in a regeneration area

This project is situated in a regeneration area. It forms part of the wider regeneration framework, which identified the re-development of this site, which resulted from the demolition of Council housing, as priority. The development started on-site in late summer 2016 and should complete in summer 2018. As well as meeting housing need the project will deliver community benefits. Local suppliers are involved in the delivering the contract and a local art project will be delivered.

The project was first identified as a high priority project in the SHIP 2013-18. At that point the intention was that Hillcrest HA would develop 50 units and Dundee Council would develop 20 units. The site became available through the demolition of obsolete LA housing stock. The final development will deliver 81 social rented homes, with the Council and Hillcrest HA contributing 33 and 48 homes respectively. All homes will meet greener standards. Initial proposals to develop some MMR homes were dropped because there were already MMR units in the local area.

The council homes include a mix of semi-detached and detached cottages (73%) and flats (27%) that range in size from 3 to 5 apartments. The Hillcrest homes comprise of a mix of flats (77%) and houses (23%) and are somewhat smaller ranging in size from 2 to 4 apartments. Up to 15 'independent living' homes (six 1-bed and nine 2-bed) will offer 24/7 care and support are being developed as a joint priority with the Dundee H&SCP, which is in line with their commission strategy.

Funding primarily involves a mix of Local AHSP grant in the form of Housing Association Grant (HAG) HRA prudential borrowing, private finance secured by Hillcrest HA. Monthly rents will range from around £276 to £476 for the Council units and £282 to £416 for the Hillcrest units.

Dundee Case Study 2 - Blackwood House (completed)

The project was included in the SHIP 2015-20. It started in June 2016 and completed in September 2017 and was a joint application from Blackwood Housing and a private developer. It entailed the construction of a two storey block of six 2 bedroom 'special needs' flat for people with disability and mobility issues plus 17 family sized (3-4 bedroom) private homes for sale.

The project is in a residential area and is close to existing Blackwood stock so allows for management efficiencies. The site was previously occupied by a flatted development owned by Blackwood that was demolished some years ago.

The Council approached Blackwood about the potential to develop homes to tackle the shortfall in specialist and wheelchair accessible housing across the city. Quarterly meetings with Dundee H&SCP representatives helped to identify the specific needs for the development.

Blackwood developed their 'concept house' to be an open plan, flexible highly accessible and technology-based design that can meet a range of housing, care and support needs. Blackwood used social media platform to gather the views of people in order to ensure the new homes promote accessibility and ease of movement. The 'greener' homes meet Housing for Varying Needs and wheelchair accessibility standards and include space for overnight stays by carers. The whole development includes a Sustainable Urban Drainage System.

The property was allocated through nomination arrangements to individuals directly referred by the Dundee H&SCP. Some of these being people were previously accommodated 'out of area'. All tenants have a Scottish Secure Tenancy and rents are around £103 pw including service charges.

The project was funded through a mix of Housing Association Grant and private finance. The development was the first of its kind in Scotland and Blackwood plan to use their design guide to extend this form of provision to other areas in Scotland.

Dundee Case Study 3 - Home Group area renewal project (completed)

The 38 social rented homes were developed by Home Group (Scotland) and forms part of the community regeneration strategy for the north east area of the city. The development is made up of a mix of 1 to 4 bedroom houses and flats that all meet Varying Need Standard plus two wheelchair accessible bungalows.

The project includes eight units for particular needs, which together with the bungalows were identified in conjunction with health and social work colleagues at project design stage. The City Council, Home Group, developer and the architect worked closely on the design specification for these homes. All 38 units meet Silver 1 & 2 sustainability standard for 'greener' homes.

The dwellings have been allocated through several routes include the housing list (CHR), Council nominations, Section 5 referrals (homeless) and social work referrals. Tenants include a mix of single person and family households and the 'types' of housing need met through these allocations include homeless, overcrowding, medical needs, domestic abuse/violence. Around 60% of tenants are in receipt of Housing Benefit.

The social rented homes were funded through Housing Association Grant and private finance. Dundee City Council Social Work Service contributed additional capital grant for telecare and specific adaptations. The original rents ranged from £375 to £465 per month (including service charges where appropriate).

The project started in November 2014 with project completion and 'handover' in November 2016. The project took two years to complete. Although 36 of the homes were completed within 18 months there was a delay related to Scottish Water connection issues for 2 of the homes.

East Ayrshire Case Study 1 - Lilyhill Gardens Support Living development (completed)

The £1.6m purpose built supported living development in Kilmarnock is comprised of 13 social rented apartments in a two storey building. The 1-bedroom apartments are designed to maximise the independence of individuals with learning disabilities with a range of needs, with rise and fall kitchen units and other assistive technology. The six ground floor flats are wheelchair accessible. The telecare system can be adapted to each person's needs and preferences.

The building is located adjacent to the town centre. The greener standard building has an innovative glass fronted "internal street" from which all flats can be accessed and benefits from solar panels that connect to the internal electricity supply as well as the external power grid. The staff unit at the building's entrance could be readily converted into a flat if necessary.

Work commenced on site in January 2014 and the homes were completed in February 2015. Unfortunately there was a delay of several months before most dwellings could be allocated due to issues with the IT equipment.

The project was identified in the SHIP 2013-18 and was developed in partnership between Housing Services, the Health and Social Care Partnership and the Richmond Fellowship. The flats have been allocated to people identified by Adult Services on behalf of the H&SCP. Tenants previously lived in residential units and NHS assessment centres as well as a variety of community settings. It is hoped that Lilyhill will deliver resource savings for the H&SCP by enabling people to move out of intensive care and support provision and through the sharing of overnight support.

The project was funded through a combination of grant from the Scottish Government's Local AHSP (£644,000) and Council funding. Tenants pay a rent of around £300 per month plus service charges and a support service charge that is set in accord with the Council's charging policy. The development was built by CBC and was project managed by Property and Facilities Management.

East Ayrshire Case Study 2 - Cessnock Road Supported Living development (in development)

The SHIP 2017-21 included proposals to build 14 assisted living 1-bedroom apartments on the Council owned site at Hurlford in response to need identified by the East Ayrshire H&SCP.

The proposal is similar in design to the award winning Lilyhill model. The planning application approved in October 2017, confirms the building will comprise of 14 apartments, with 13 flats allocated as social rented to people with a range of care and support needs whilst the remaining flat will be used as a staff base by the care provider. The building has also been designed to achieve Housing for Varying Need, Secure by Design and Greener Standards. The ground floor flats will also be fully wheelchair accessible. Reflecting the lessons from Lilyhill, this new building will have a lift and all flats will have wet room bathrooms not just walk in shower areas and private garden space for individual tenants to plant and enjoy.

The project will start on site in February 2018 and will employ off-site manufacturing, which the Council has found to be a cost effective and energy efficient means of construction.

In order to proceed with this proposal, Housing Services had to secure elected member approval to transfer the site to the Housing Revenue Account. Meetings with the Community Council and other community representatives were held to explore how to integrate the development into the community and to resolve and extend parking provision in the surrounding area. This culminated in a 48 space car parking development for the Community Centre across the road from the project site, which secured planning permission earlier in the year. It was also necessary to secure agreement that the project would be exempt from developer contributions.

As part of the SLPA, the project will receive grant funding from the Scottish Government, with the balance of cost funded by the Council, mainly through prudential borrowing and capital receipts.

East Ayrshire Case Study 3 - Hill Street, Kilmarnock

The proposal will deliver 45 social rented homes, comprising a mixture of 2 and 3 bedroom general needs houses, amenity flats for older and less mobile people and 2 properties designed for wheelchair users. The project started on site in November and will take around 13 months to fully complete with overall completion scheduled for October 2017.

The site involved the Council disposing of two sites with vacated 3 and 4 storey blocks of flats to Cunninghame HA who recently completed their demolition to clear the way for the new housing development. The development forms part of the renewal of the area on the edge of Kilmarnock town centre. Other developments in the area include works around the College Campus and the recently completed Lily Hill Gardens. This new development also contributes to the Town Centre Regeneration, as set out in the Council's Transformation Strategy and East Ayrshire Community Plan. There are plans to 'refresh' other houses in the area.

Much of the capital investment is anticipated to be re-circulated within the Ayrshire economy through the use of local contractors and suppliers. Community benefits that the building firm is delivering include 4 new apprentices, a mentoring programme for a local young person and a design competition for local school pupils.

The planning process took longer than anticipated, linked to clarification on flood risk matters and securing agreement to set aside developer contributions for this site. The number of units developed is lower than the indicative figure of 55 proposed in the SHIP.

Scottish Borders Case Study 1 – Easter Langlee Phase 2a Social Homes (completed)

This Eildon Housing development was completed in October 2016 and delivered 25 social rented homes built to Housing for Varying Needs, Secure by Design and Greener Standards. The project was first referenced in the SHIP 2012-2017 as a pipeline project and started on site start in Spring 2014. The development is mainly comprised of 3 and 4 apartment units plus four 5 apartment homes. Discussions between the Council and Eildon HA on the desired mix were carried out prior to planning application, which took account of the S75 agreement conditions through which the land was secured. Rents range from around £326 to £382 plus service charges.

The project is part of a large development that has capacity for some 450 units and is located on outskirts of Galashiels. A Masterplan was produced for the overall site by the lead private developer in partnership with the Council. The original Planning Brief set a requirement of 15% affordable housing but in the wake of the economic downturn there has been a greater focus on affordable housing. The Council has also purchased land as part of a 'landbanking' strategy. The Masterplan has guided the development of the overall site, which has been carried out in phases, the latest of which includes affordable homes provision the form part of the SHIP 2017-2022. Given the size and location of the site, there is a strong emphasis on 'place-making', including provision for recreational space and a 'village green'.

Scottish Border Council Case Study 2 - Coldstream reprovisioning project (completed)

This project has involved the re-modelling of low demand sheltered bedsits owned by Berwickshire HA. It is located in a popular location and was completed in May 2017, a couple of months later than envisaged at the point when the 2017-22 SHIP was in preparation. Final AHIP funding was drawn down in 2016/17.

The project was underpinned by an option appraisal that identified that the preferred option was to re-develop the 8 outmoded bedsits into 4 larger self-contained apartments for older people. The project is situated within an existing facility that provides a number of 'retirement' homes.

Scottish Borders Case Study 2 - Gala development for people with learning disabilities (on-site)

This project is currently on-site and involves the construction of 8 new 'supported housing' for social rent for individuals with learning disabilities. The project, which the SHIP 2017-2022 identified as a high priority, is located in a residential area of Galashiels close to leisure and retail facilities. The 1 bedroom apartments are spread over two storeys and will meet Greener and Varying Needs Standards. Provision of 24/7 on-site care and support is planned. The development is due to complete before the end of 2017-18.

The site was acquired by Eildon HA to support the re-provisioning of a current service based in accommodation previously funded through the National Housing Trust initiative. The need for this development was identified as a priority by the Council's Learning Disability Commissioning Group which has housing representation.

Social Work maintains a record of people with specific needs. Its Learning Disability Service employs a Tenancy Needs Form to gather information on issues relating to the home, environment and support requirements of individuals. All tenancies have been pre-allocated mainly to people to be re-housed from the existing service.

The project is funded through a mix of Housing Association Grant and private finance, supplemented by funding from developer contributions realised through the Affordable Housing Policy. Rents for the 2 apartment units are expected to be around £298 + service charges.

Appendix 4: Technical Note on SHIP Report and Excel Data Analysis

Where key items of evidence were not reported in the SHIP, we referred to the Local Housing Strategy (LHS) and the Housing Need and Demand Assessment (HNDA). On occasion we also consulted the Local Development Plan and associated Main Issues Paper.

Introduction

Although each local authority is requested to complete a SHIP document in accord with Scottish Government guidance, reporting conventions vary between local authorities. It therefore required significant effort to produce reasonably comparable data. This annex describes the steps taken to clean and process the data.

As part of this process we identified and amalgamated data for 'duplicate' projects (typically projects they were reported in SHIP Excel tables 1 and 2). We also used the most recent SHIP return data. As a result, the figures reported in the main report do not always correspond with figures reported to the Scottish Parliament earlier this year. However, the two sets of figures tell a similar story. This appendix explains the differences we found.

Scrutiny of 32 SHIP Excel submissions

To begin with we scrutinised each Excel file that we received from the Scottish Government. Essentially:

- Checks were carried out to rectify any obvious arithmetical errors and to ensure column and row sub-totals and totals were consistent with reported figures for the projects listed.
- Where dates had been entered for starts and/or completions, these were replaced with numbers of starts and completions.
- Local authorities adopt different approaches to the recording of “buy back”, “acquisitions” and other “off the shelf” numbers. Some create a separate project (row) for each year and do not include units in the columns that records starts and completions. We therefore took steps to ensure that these units were included in the sub-total and total starts and completions counts for years for year 1-3 inclusive and year 4-5 inclusive. In a couple of instances this necessitated a pro-rata approach but in most instances it was clear how many purchases occurred in years 1-3 and years 4-5 from the data provided.
- We checked for duplicate records within sheet 1 and duplicate cases reported within sheet 2 and marked these so as to exclude cases from analysis.
- Formatting changes were made, where necessary, to facilitate subsequent data processing, such as ensuring numbers were recorded as numbers not text and that “yes/no/tbc” responses and dates were in a consistent format.
- It was necessary to manually enter all data for Clackmannanshire as only a photo version of the Excel spreadsheet was supplied and we could not secure a ‘hard copy’ from them.

We cross checked revised data against key output figures supplied by Scottish Government analytical services to validate the revised data. At the end of this stage, our numbers aligned or were very similar with those supplied by Scottish Government. The main exception was D&G figures. Council officials confirmed that we had been supplied the most recent data (as at March 2107).

Merger of files

Once we had validated the data, we combined the 32 files (Tables 1, 2 and 4) into a single Excel file termed development proposals. A separate file was collated file was created in respect of [Table 3](#), which relates to submissions for infrastructure funding.

In terms of the development proposals file, we:

- Modified some LA files to ensure that the same type of data existed in each column. In the case of North Ayrshire, for instance, it was necessary to remove additional columns the LA had added and to enter data in the column “specify type of specialist provision if known”

- We exported the data into SPSS and run further checks. At this stage we identified a number of issues that warranted further investigation. Some of these were minor and required minimal adjustment but there were substantial issues in relation to ‘cross period’ projects that started in 2017/18 to 2019/20 (Table 1) but did not complete to 2020/21 or later (Table 2).

Manual inspection and correction of cross-period project records (Tables 1 and 2)

As cross-period project data inconsistencies were felt to be mission critical, especially inconsistencies in the count of total units and descriptors (tenure, built form etc) , we pulled out over 170 project records and manually reviewed and edited these. This was a time consuming process, in some cases because the name assigned to a specific project in table 1 and 2 did not correspond exactly. In summary:

- In just over half of all inspected cases the project data reported in tables 1 and 2 was consistent. In such cases we simply ensured the data recorded file did not contain any duplication of numbers by merging data from tables 1 and 2 into a single row.
- There were a considerable number of cases where a project was only listed in table 2 but was anticipated to start in 2019-20 or earlier. In such cases we assumed that the number of starts reported in the pre 2020-21 columns were assigned to 2019-20.
- There were cases where table 2 reported units in years 4-5 that were additional units and did not appear in the total project count in Table 1. The necessary adjustments were made. Fortunately, these projects involved new build for social rent for general needs so the descriptor variables could be adjusted accordingly.

Once the manual corrections were made and a single record was available for each cross-period project, a new SPSS file was created. We then added some additional variables such as LA code and data source identifiers and revised count of starts (for years 1-3; years development proposals 4-5 and total) to facilitate analysis.

We then compared our headline figures with those reported by the Scottish Government. We identified some differences. We suspected this was due to difference in approach to identifying and stippling out duplicate records and in identifying and correcting arithmetical errors.

To check if this was the case, we cross-referenced the entries for SHIP Tables 1 and 2 by developer, start date and unit totals to look for the source of the discrepancy. A summary of the results of this examination are shown in **Table A5.1**.

Table A5.1 Differences in Total Units					
LA	Duplicate Projects	Local AHSP: data supplied	Local AHSP: SG figures	Local AHSP: after duplicates removed	Difference
Angus	2	502	502	402	100
Argyll & Bute	5	1,116	1,116	989	127
East Ayrshire	5	780	780	656	124
Edinburgh	32	11,218	11,218	8,935	2,283
Highland	32	4,461	4,461	3,888	573
Inverclyde	6	1,680	1,680	1,255	425
North Ayrshire	6	1,436	1,436	1,123	313
North Lanarkshire	9	2,266	2,266	2,058	208
Shetland	3	316	316	256	60
South Lanarkshire	9	2,181	2,181	1,919	262
Total	109	25,956	25,956	21,481	4,475

Data errors accounted for differences in The Scottish Government start and completion figures and those found in this report. These are summarised in **Appendix Tables A5.2** and **A5.3**.

Table A5.2 Difference in Start Count				
	SG Figures	Newhaven Figures	Difference	Suggested Reason for Difference
Aberdeenshire	1,896	1,906	10	Inverurie Pottstown had 10 pre 20/21 in sheet 1 starts but none recorded in sheet 1
Dundee	806	887	81	Totals in Dundee SHIP data incorrect by 48 and Clepingdon road project had 33 starts not recorded in sub-totals and totals
East Ayrshire	173	656	483	SG figures only related to years 4 and 5.
Falkirk	189	299	110	110 starts (Woodend farm and buybacks) not recorded
Fife Council	2,726	2,858	132	132 starts (Burntisland, Bendameer Kirkcaldy, Pathhead Dalgety Bay, Church Fields Inverkeithing, Fraser Avenue (Phase 3a & Phase 3b projects) not recorded
North Ayrshire	698	738	40	40 starts (Harbourside project) not recorded
West Lothian	3,070	3,105	35	35 starts (Dixon, Whitburn projects) not recorded
Total	9,558	10,449	891	

Table A5.3 Difference in Completion Count				
			Difference	Suggested Reason for Difference
Dundee	1,074	1,120	46	Totals in Dundee SHIP data incorrect by 46, IB Connex Maxwelltown Works project was not counted

Finally, there were 10 SHIP submissions (see below) that differed in some aspects from the Scottish Government reported figures but we could find no data errors to explain the difference. For the most part, these differences were very minor.

Clackmannanshire	Eilean Siar
Dumfries and Galloway (we used updated data)	Moray
East Dunbartonshire	Orkney Islands
East Lothian	Perth & Kinross
East Renfrewshire	Renfrewshire

Appendix 5: Supplementary Tables

All Local AHSP Units, including projects that started prior to 2017/18													
LA Area	RSL Rent	Council Rent	All Social Rent*	MMR	LCHO	PSR	Rehab	Off the Shelf	New Build	General Needs	Specialist Provision	Greener	Total Units
Aberdeen City	626		489	123			18		594	547	65	71	612
Aberdeenshire	1746	50	946	143					1,089	930	159		1,089
Angus	162	106	161		16				152	168	9	177	177
Argyll & Bute	970		369	5	10				384	384			384
Borders	1128		538	64			6		596	520	82	538	602
Clackmannanshire	265		117						117	79	38	117	117
Dumfries & Galloway	1736		963	30	10	24	13		1,014	947	80	699	1,027
Dundee	752	30	532	154	19				705	672	33	627	705
East Ayrshire	329	209	483						428	349	134	440	483
East Dunbartonshire	282	302	479	70	52				601	566	35	244	601
East Lothian	688	502	714	110	14		35	30	773	705	133		838
East Renfrewshire	263	127	308						308	308		308	308
Edinburgh	2475	533	1,886	1,423	92	204			3,605	3,304	301	3,041	3,605
Eilean Siar	229		145		30				175	95	80		175
Falkirk	207	163	189					90	99	141	48	189	189
Fife	2074	487	1,521	226			20	40	1,687	1,240	507	1,690	1,747
Glasgow	3780		2,724	1,335	256	634	268	7	4,674	4,694	255	4,726	4,949
Highland	1199	347	1,506	163	273		8	29	1,905	1,685	257	1,700	1,942
Inverclyde	1150		891	30	75				996	915	81	996	996
Midlothian	556	369	725	155	55			30	905	845	90	160	935
Moray	523	182	452	43					495	319	176	495	495
North Ayrshire	408	499	732				57	20	655	447	285	624	732
North Lanarkshire	835	670	1,119	20	12		15	182	954	1,047	104	808	1,151
Orkney	85	64	115		10				125	99	26	125	125
Perth & Kinross	743	278	746	63	8		3	72	742	758	59	651	817
Renfrewshire	856	64	595		13		49		559	582	26	559	608
Shetland	233		93		15				108	98	10		108
South Ayrshire	345	195	376						376	357	19		376
South Lanarkshire	968	491	939				15	60	864	628	311	864	939
Stirling	315	54	252						252	249	3		252
West Dunbartonshire	735	50	367						367	329	38	367	367
West Lothian	547	376	660	160					820	800	20	363	820
Total	27,210	6,148	22,132	4,317	960	862	507	560	27,124	24,807	3,464	20,579	28,271

*Approx 651(2.3%) units had not been ascribed a developer

All New Project Units Starts (starting in 2017-18 or later)													
LA Area	RSL Rent	Council Rent	Social Rent Sub-Total	MMR	LCHO	PSR	Rehab	Off the Shelf	New Build	General Needs	Specialist Provision	Greener	Total
Aberdeen City	457		597	297			18		876	829	65	139	894
Aberdeenshire	1,553	84	1,637	218					1,855	1,608	246	186	1,855
Angus	86	146	232		16				223	237	11	9	248
Argyll & Bute	706		706	5	10				721	721		60	721
Borders	997		997	64			6	46	1,009	913	148	53	1,061
Clackmannanshire	199		199	40	23				262	179	83	14	262
Dumfries & Galloway	1,585		1,585	130	90	24	14		1,815	1,674	155	452	1,829
Dundee	530	30	636	232	19				887	571	35	123	887
East Ayrshire	329	327	656				19		582	375	199	25	656
East Dunbartonshire	230	302	555	102	97				735	700	35	742	754
East Lothian	488	851	1,339	305	34		35	30	1,613	1,300	240	2,592	1,678
East Renfrewshire	263	127	402				38		364	364	38	24	402
Edinburgh	1,895	945	4,123	2,627	247	204			7,201	6,717	484	1,913	7,201
Eileann Siar	185		185		60				245	165	80	38	245
Falkirk	50	308	358					180	178	253	105	9	358
Fife	1,845	740	2,585	338			20	40	2,863	2,158	765	118	2,923
Glasgow	3,780		4,124	1,972	302	1,285	648	37	6,998	7,231	452	453	7,683
Highland	1,010	479	2,639	298	497		38	32	3,364	2,976	458	239	3,434
Inverclyde	951		951	30	75				1,056	967	89	22	1,056
Midlothian	417	505	964	219	93			30	1,246	1,167	109	2,412	1,276
Moray	480	440	920	43					963	616	347	31	963
North Ayrshire	233	549	782				57	28	697	384	289	124	782
North Lanarkshire	529	760	1,319	45	177		75	182	1,284	1,418	123	844	1,541
Orkney	85	76	197		26				223	189	34	26	223
Perth & Kinross	638	383	1,021	63	8		3	120	969	858	89	252	1,092
Renfrewshire	712	164	996		13	108	49		1,068	1,020	97	35	1,117
Shetland	181		181		23				204	194	10	20	204
South Ayrshire	219	195	422						422	403	19	34	422
South Lanarkshire	738	929	1,667				15	100	1,552	1,120	547	169	1,667
Stirling	269	114	383						383	370	13	46	383
West Dunbartonshire	454	225	703					60	643	511	57	18	703
West Lothian	526	1,427	1,953	900				90	2,763	2,773	60	102	2,853
Total	22,620	10,106	36,014	7,928	1,810	1,621	1,035	975	45,264	40,961	5,482	11,324	47,373

All Local AHSP Units (where all units in project started 2017/18-2019/20)													
LA Area	RSL Rent	Council Rent	Social Rent Sub-Total	MMR	LCHO	PSR	Rehab	Off the Shelf	New Build	General Needs	Specialist Provision	Greener	Total
Aberdeen City	441		489	123			18		594	547	65	125	612
Aberdeenshire	896	50	946	143					1,089	930	159	112	1,089
Angus	55	106	161		16				152	168	9	7	177
Argyll & Bute	369		369	5	10				384	384		30	384
Borders	538		538	64			6		596	520	82	35	602
Clackmannanshire	117		117						117	79	38	7	117
Dumfries & Galloway	963		963	30	10	24	13		1,014	947	80	243	1,027
Dundee	456	30	532	154	19				705	521	33	21	705
East Ayrshire	274	209	483						428	267	134	17	483
East Dunbartonshire	177	302	479	70	52				601	566	35	38	601
East Lothian	212	502	714	110	14		35	30	773	614	133	96	838
East Renfrewshire	181	127	308						308	308		17	308
Edinburgh	1,287	533	1,886	1,423	92	204			3,605	3,304	301	194	3,605
Eileann Siar	145		145		30				175	95	80	26	175
Falkirk	26	163	189					90	99	141	48	5	189
Fife	1,034	487	1,521	226			20	40	1,687	1,240	507	74	1,747
Glasgow	2,620	314	2,724	1,335	256	634	268	7	4,674	4,694	255	132	4,949
Highland	854	347	1,506	163	273		8	29	1,905	1,685	257	152	1,942
Inverclyde	891		891	30	75				996	915	81	21	996
Midlothian	314	369	725	155	55			30	905	845	90	1,808	935
Moray	270	182	452	43					495	319	176	17	495
North Ayrshire	233	499	732				57	20	655	338	285	121	732
North Lanarkshire	419	670	1,119	20	12		15	182	954	1,047	104	340	1,151
Orkney	49	64	115		10				125	99	26	14	125
Perth & Kinross	468	278	746	63	8		3	72	742	670	59	240	817
Renfrewshire	531	64	595		13		49		559	582	26	18	608
Shetland	93		93		15				108	98	10	12	108
South Ayrshire	173	195	376						376	357	19	30	376
South Lanarkshire	448	491	939				15	60	864	628	311	142	939
Stirling	198	54	252						252	249	3	26	252
West Dunbartonshire	317	50	367						367	254	38	9	367
West Lothian	284	376	660	160					820	800	20	29	820
Total	15,333	6,148	22,132	4,317	960	862	507	560	27,124	24,211	3,464	4,158	28,271

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