



Glasgow City Council

Neighbourhoods, Housing and Public  
Realm City Policy Committee

Report by George Gillespie, Executive Director of  
Neighbourhoods, Regeneration and Sustainability

**Item 4**

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**GLASGOW'S AFFORDABLE HOUSING SUPPLY PROGRAMME 2020/21  
PERFORMANCE REVIEW REPORT**

**Purpose of Report:**

To inform members of performance in terms of Glasgow's Affordable Housing Supply Programme in 2020/21.

**Recommendations:**

Committee is asked to consider the contents of the Affordable Housing Supply Programme Performance Review Annual Report for 2020/21.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No  consulted: Yes  No

**PLEASE NOTE THE FOLLOWING:**

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## 1 Introduction

- 1.1 Since September 2003, the Council has been responsible for The Management of Development Funding (TMDF) for affordable housing in the City on behalf of Scottish Government. The TMDF budget is an annual bilaterally agreed budget given directly to Glasgow as part of the 2003 transfer agreement. The budget from the Scottish Government's Cabinet Secretary for Finance was £64,295m for 2020/21 and this was topped up by £46.601m from the Scottish Government's Minister for Local Government Housing and Planning, Affordable Housing Supply Programme funding.
- 1.2 Extensive liaison takes place between NRS's Housing Investment team, Registered Social Landlords (RSLs) and private developers in the City to determine and deliver Glasgow's Affordable Housing Supply Programme (AHSP).
- 1.3 The AHSP is the key resource for delivering Glasgow's Housing Strategy Investment Priorities and continues to make a vital contribution to the city's regeneration. The Programme contributes to Glasgow Housing Strategy's target of developing 7,500 new homes by March 2022 and to the Scottish Government's Housing to 2040 target of 110,000 new supply homes by 2032.
- 1.4 This report provides members with summary information on performance in terms of the AHSP in 2020/21. Full details are provided in Glasgow's Affordable Housing Programme Performance Review 2020/21 detailed in Appendix 1 of this report. This document will also be published on the Council's website once it has been considered by Committee.
- 1.4 The 2020/21 budget was the largest since the Transfer of the Management of Development Funding to GCC in 2003 bringing the total amount of grant funding to just under £1.335 billion over the last 18 years.

## 2 Programme Out-turn

- 2.1 2020/21 was an unprecedented year in terms of programme delivery with construction site closures due to the Coronavirus pandemic and the UK leaving the European Union in January 2021. This has created a unique set of circumstances which caused significant delays to the 2020/21 programme including
  - All construction sites across Glasgow being closed for the 1<sup>st</sup> quarter of the 2020/21 financial year.
  - Development staff/Contractors/Subcontractors being on furlough
  - Time taken to restart sites and make sure they were Covid 19 compliant
  - Work taking longer on site to ensure social distancing compliance
  - A shortage of materials
  - A delay in materials arriving from abroad
  - Some construction squads having to self-isolate following a member of the squad testing positive for Covid 19
  - Stage 3 adaptations not being carried out or taking longer due to Covid

restrictions.

2.2 Despite these challenges, NRS Housing Investment and RSL partners have continued to deliver affordable housing in the city and this support for the construction industry will continue to play a key part in helping economic recovery as the city comes out of the pandemic.

2.3 The AHSP budget for 2020/21 was £110.896m. Glasgow City Council's Housing Investment Team carried out a re-profiling exercise in August 2020, following the initial lockdown, which established that completions expected by March 2021 would not happen. Following discussions with Scottish Government, targets were revised and reported to Council in January 2021 as follows:-

	<b>Original Target 2020/21</b>	<b>Revised Target 2020/21</b>
Expenditure	£110.896m	£80.000m
Approvals	896	86
Site Starts	1942	1136
Completions	1439	708

2.4 By the end of the financial year (31<sup>st</sup> March 2021), Housing Investment had managed to recover some of the expenditure and requested a further £5m from Scottish Government, achieving a spend total of £85m. They also managed to improve the outturns for approvals, increasing from a revised target of 86 to achieving 399 new approvals. The revised target for sites starts was achieved despite the difficult conditions but the timescale for completions remained challenging.

2.5 The Council, through developing RSLs, achieved 1,144 site starts during the year against a target of 1,136 (+0.7%), over target by 8 units. For unit completions, the Council achieved 397 completions against a target of 708 (-43.9%), under target by 311 units. Table 1 below provides the budget and units out-turn figures for 2020/21.

	<b>Revised Target 2020/21</b>	<b>Outturn 2020/21</b>	<b>Difference</b>
Expenditure	£80.000m	£85.000m	+£5m (+6.25%)
Approvals	86	399	+313 (+463%)
Site Starts	1136	1144	+8 (+0.7%)
Completions	708	397	-311 (-43.9%)

2.6 An allocation of £2.7m had been ring-fenced for medical adaptations to housing association homes during 2020/21 however due to the vulnerable nature of the client group, many of these adaptations were delayed. The final expenditure on stage 3 adaptations for 2020/21 was £1.789m, a decrease of just under £1m. The 2021/22 adaptations budget has been increased to help meet the back log of adaptations to be carried out.

2.7 The programme continues to focus mainly on delivering homes for social rent to meet continuing demand. However, enhancing tenure diversity through units

for mid-market rent, new supply shared equity and low cost home ownership is also meeting the aims and objectives of Glasgow's Housing Strategy.

- 2.8 Developing larger family (4 or more bedrooms) and wheelchair readily adaptable housing units contributes towards a number of strategic policies and actions contained within Glasgow's Housing Strategy and Strategic Housing Investment Plan (SHIP). During 2020/21, a total of 8 larger family homes were approved. This represents 2% of all approvals in 2020/21. During 2020/21, 28 wheelchair readily adaptable units were approved. This represents 7% of all approvals in 2020/21.
- 2.9 An allocation of £2.7m had been ring-fenced for medical adaptations to housing association homes during 2020/21 however due to the vulnerable nature of the client group, many of these adaptations were delayed. The final expenditure on stage 3 adaptations for 2020/21 was £1.789m, a decrease of just under £1m. The 2021/22 adaptations budget has been increased to help meet the back log of adaptations to be carried out.
- 2.10 Total development costs are measured and compared year on year. In terms of the total development cost per unit, 2020/21 averaged at £169,409 for new build projects compared to £181,339 in 2019/20. This is a decrease of £11,930 (6.5%) over the past year. The overall average development costs/m<sup>2</sup> for 2020/21 increased by 10.2% compared to 2019/20 and the overall average works cost/m<sup>2</sup> increased by 5.9% compared to 2019/20.

### **3. Accelerated Land Release Programme**

- 3.1 The Scottish Government's announcement that Glasgow would receive £537m in Affordable Housing Supply Programme funding over the next 5 years has brought a sense of urgency to bringing forward new developments. The Council is working closely with RSLs and City Property to accelerate the programme of land release through nominated land disposals of Council owned surplus or vacant and derelict land. These are important to make sure that there is a continued supply and flow of developable sites within the city that can help the Council to meet its regeneration and place making objectives. All of these sites will contribute towards Glasgow's Affordable Housing Supply Programme and contribute to the delivery of the Scottish Government's Housing to 2040 target of 110,000 affordable new homes by 2032. In 2020/21 the Council transferred 4 sites to housing associations which will contribute 335 units to the AHSP. A report on the nominated disposal process and a list of proposed sites was presented to City Administration Committee on 23<sup>rd</sup> April 2020. This can be viewed on the following link. [Nominated Disposal Programme](#)
- 3.2 Vacant & Derelict Land – In 2020, 12 hectares of vacant & derelict land was removed from the Vacant & Derelict Land Register as a direct result of the Housing Investment Programme, where over 750 units have been developed for new build housing over a total of 11 sites of previously vacant & derelict land in the city.

### **4. Transformational Regeneration Areas (TRAs)**

- 4.1 Transforming Communities: Glasgow (TCG) is a partnership between Glasgow City Council, Glasgow Housing Association and the Scottish Government and oversees the planning and delivery of Glasgow's eight Transformational Regeneration Areas (TRAs).
- 4.2 Local people have been involved at all stages through this regeneration process. The contributions made by each of the Local Delivery Groups to the progress of the programme of activity and the achievements made in transforming the TRA areas and addressing issues of negative perceptions, has been considerable.
- 4.3 On site activity is evident in all eight of the areas with progress being made across the programme which far exceeds expectations as established in the original TRA Business Plan.

## 5. Conclusion

- 5.1 £85m of the original £110,896m (or revised £80m) Affordable Housing Supply Programme budget was delivered for new housing in the city. The budget enabled the approval of 399 new and improved homes, work on 1144 homes to begin and 397 to complete during the year. Increased development activity by housing associations and developers is encouraging, nevertheless developing sites remains challenging and we continue to work with our partners to facilitate development across the city.

## 6. Policy and Resource Implications

### Resource

#### Implications:

#### Financial:

The AHSP grant for 2020/21 generated investment in the construction industry, making a significant contribution to the City's economy. The AHSP contributed to the Council's income in the form of land receipts, planning application fees, building warrant fees and IP12 contributions.

#### Legal:

There are no direct legal implications arising from the report.

#### Personnel:

There are no direct personnel implications arising from the report.

#### Procurement:

There are no relevant procurement issues arising from the report.

#### Council Strategic Plan:

The proposals support the following:

- 4.1 A Thriving Economy: 'an improved supply of good quality and sustainable housing';
- 4.4 A Healthier City: Good housing improves health
- 4.5 A Sustainable and Low Carbon City: Our new housing produces lower carbon emissions

#### 4.6 Resilient and Empowered

Neighbourhoods, specifically the outcome which relates to Glasgow's housing meeting the needs of its growing and diverse population.

**Equality and Socio-Economic Impacts:  
Does the proposal support the Council's Equality Outcomes 2021-25**

The AHSP 2019/20 will help deliver key strategic outcomes of Glasgow's Housing Strategy 2017 – 2022, which was subject to an Equalities Impact Assessment. [Glasgow's Housing Strategy Impact Assessments](#)

**What are the potential equality impacts as a result of this report? Please highlight if the policy/proposal will help address socio economic disadvantage.**

There is no significant equality impact as a result of this report.

The building of more affordable housing in the city will help to tackle socio economic disadvantage. The new and improved housing delivered via the 2020/21 AHSP contributed to the continuing regeneration of neighbourhoods within Glasgow. It provided opportunities for people to access much needed high quality homes including those for larger families and wheelchair accessible across a range of tenures.

The AHSP creates new affordable housing for local communities and results in environmental improvements to local areas.

The AHSP facilitates significant investment in the construction and associated industries, with additional community benefits in the form of jobs and training opportunities and benefits to SMEs via the supply chain.

**Climate Impacts:**

**Does the proposal support any Climate Plan actions? Please specify:**

Homes delivered via the 2020/21 AHSP have to meet the "[Glasgow Standard](#)" which as a minimum requires developments to meet the Building Technical Standards, Gold Level Aspect 1 for sustainability. The homes developed through the programme have high energy efficiency levels resulting in low carbon emissions and low running costs for residents.

*What are the potential climate impacts as a result of this proposal?*

This supports Glasgow's Climate Plan,

- Theme 2, Just and Inclusive Place
- Theme 3, Well connected and thriving city
- Theme 4, Health and Wellbeing
- Theme 5, Green Recovery

*Will the proposal contribute to Glasgow's net zero carbon target?*

The proposals will contribute to Glasgow's net zero carbon target by reducing energy requirement of tenants to heat their homes.

**Privacy and Data Protection impacts:**

There are no data protection impacts from this report

## **7. Recommendations**

- 7.1 Committee is asked to consider the contents of the Affordable Housing Supply Programme Performance Review Annual Report for 2020/21.