



Glasgow City Council

**Economy, Housing Transport and Regeneration
City Policy Committee**

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

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Item 2

14th November 2023

**GLASGOW'S AFFORDABLE HOUSING SUPPLY PROGRAMME 2022/23
PERFORMANCE REVIEW**

Purpose of Report:

To inform members of performance in terms of Glasgow's Affordable Housing Supply Programme in 2022/23.

Recommendations:

That Committee considers the contents of this annual report.

Ward No(s):

Citywide:

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

1. Introduction

- 1.1 Since September 2003, the Council has been responsible for the management of development funding in the city following the Transfer of the Management of Development Funding function (TMDF). Since 2003, £1.6 billion has been spent on affordable housing in the city producing over 20,000 new and improved homes.
- 1.2 Extensive liaison takes place between the NRS Housing team, Registered Social Landlords (RSLs) and private developers in the city to deliver Glasgow's Affordable Housing Supply Programme (AHSP).
- 1.3 The AHSP is a key resource for delivering the Glasgow Housing Strategy Investment priorities and continues to make a vital contribution to the city's regeneration, often providing the mechanism for unlocking regeneration activity. The programme will continue to contribute to the target of 6,500 affordable homes outlined in Glasgow's Housing Strategy and the Scottish Government's target of 110,000 affordable new homes by 2032.
- 1.4 This report provides members with summary information on performance in of the delivery of the AHSP in 2022/23. Full details are provided in the Glasgow's Affordable Housing Programme Performance Review 2022/23 detailed in Appendix 1 of this report. This document will also be published on the Council's website after Committee consideration.

2. Programme Out-turn

- 2.1 The Glasgow AHSP budget for 2022/23 was £103.934m and was one of the largest resource allocations for affordable housing in Glasgow since 2003. There have been increases in both works and overall development costs in 2022/23 compared to 2021/22. The increases include 14.09% for average development costs per m² and 17.05% for overall average works costs per m². These cost increases reflect the impact on the construction industry of external factors affecting inflation, creating labour shortages and a lack of construction materials supply across the UK.
- 2.2 Despite these challenges faced to delivery of the AHSP, the Council collaborating with partner RSLs, delivered a final out-turn expenditure of £97.632m.
- 2.3 New build approvals increased by 43% from 2021/22 to 629 over the year. There were 924 completed homes in 2022/23 exceeding the target of 919. A total of 728 new and improved units were approved in the city.
- 2.4 The AHSP continuing focus is on delivering homes for social rent to meet continuing demand. As a result of this priority a total of 561 units were approved by the Council for social rent. However, enhancing tenure diversity is also one of the important aims and objectives of Glasgow's Housing Strategy and 167 were also approved for mid-market rent.

- 2.5 Developing larger family (4 or more bedrooms) and wheelchair readily adaptable homes continue to be key priorities of the AHSP and contributes towards the strategic policies and actions contained within Glasgow's Housing Strategy and the Strategic Housing Investment Plan (SHIP). During 2022/23, 40 larger family homes were approved. This was an increase of 22 units from 2021/22. There were 55 wheelchair readily adaptable units approved. This was an increase from 2021/22 of 7 units.
- 2.6 In 2022/23, £4.638m AHSP grant was spent on Stage 3 Medical Adaptations which allowed 1,220 properties to be upgraded to allow tenants to stay in their current homes.
- 2.7 In 2022/23 the Acquisition Strategy was expanded to provide 100% acquisition costs for suitable properties (and 50% of works costs for properties built before 1919). 79 properties were acquired by RSLs, with new lets being targeted at addressing homelessness.
As well as focusing on pre-1919 tenements and larger family homes, priority areas have been identified to combat issues such as absentee landlords, empty homes, maintenance, and factoring issues. In 2022/23 there was no requirement for properties acquired in these areas to be given as Section 5 referrals, however guidance has been updated for 2023/24 to also require homeless referrals in priority areas.
- 2.8 In addition to the main AHSP budget, and separate to the Acquisition Strategy summarised at 2.7, a further £3.920m was invested in the Govanhill area via funding from the Scottish Government. This funding enabled Govanhill HA to acquire and improve flats within eighteen designated blocks which were in decline. This contribution followed similar annual Scottish Government grant allocations made since 2011/12, though there is no such SG grant for 2023/24.

3. Accelerated Land Release Programme

- 3.1 The Council is working closely with RSLs and City Property (Glasgow) LLP on nominated land disposals. The disposal of these sites will contribute towards Glasgow's Affordable Housing Supply Programme. In 2022/23 the Council transferred 3 sites to housing associations which will contribute 139 units to the AHSP.
- 3.2 The 2022 Scottish Vacant and Derelict Land Survey recorded a 4% (32 hectares) net reduction in vacant and derelict land in Glasgow compared with 2021. This represents a continuation of the recent downward trend. Approximately 17 hectares of this reduction was as a direct result of the AHSP where over 350 units have been developed for new build housing across 13 sites of previously vacant and derelict land in the city.

4. Sustainability

- 4.1 Glasgow City Council continues working towards reducing carbon emissions in new build developments funded through the AHSP. The Council

established three options for sustainable design which became the adopted standard for all new-build housing developments, regardless of tenure. These are:-

Option 1 - Gold Hybrid

Option 2 - Nearly Zero Emissions (or the Passivhaus Standard)

Option 3 - Net-Zero Carbon

- 4.2 The commitment from RSLs to deliver sustainable housing across the city remains positive. In 2022/23, 53% of new build developments were designed to comply with Net Zero Heating requirements, which was achieved using the following types of heating methods: ground source heat pumps, district heating systems and air source heat pumps.

5. Conclusion

- 5.1 In 2022/23, AHSP funding of £97.632m has been invested across the city. This has enabled the approval of 728 new and improved homes and allowed 924 homes to complete during the year.
- 5.2 Delivery of the AHSP was achieved by the Council and its partner RSLs despite ongoing challenges and increasing costs. NRS Housing will continue to work with our partners to deliver the city's Affordable Housing Supply Programme and therefore contribute to meeting the objectives of Glasgow's Housing Strategy.

6. Policy and Resource Implications

Resource Implications:

| | |
|---------------------|--|
| <i>Financial:</i> | The AHSP grant for 2022/23 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 IPG 12 contributions. |
| <i>Legal:</i> | There is a requirement to draft and conclude land transaction documentation. |
| <i>Personnel:</i> | There are no direct personnel implications arising from the report. |
| <i>Procurement:</i> | There are no relevant procurement issues arising from the report. |

Council Strategic Plan:

The measures outlined in the report will contribute towards the following Grand Challenges and Missions.

Grand Challenge 1 – Reduce poverty and inequality in our communities:

Mission 3 – Improve the health and wellbeing of our local communities.

Grand Challenge 2 – Increase opportunity and prosperity for all our citizens.

Mission 2 - Support the growth of an innovative, resilient and net zero carbon economy.

Grand Challenge 3 – Fight the climate emergency in a just transition to a net zero Glasgow.

Mission 2 – Become a net zero carbon city by 2030.

Grand Challenge 4 – Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.

Mission 1 – Create safe, clean and thriving neighbourhoods.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.

The Local Housing Strategy 2023 to 2028 (of which the AHSP forms part of) supports Equality Outcomes 2,3, 4 and 6.

What are the potential equality impacts as a result of this report?

An EQIA Screening Form was undertaken for the LHS 2023-28 and identified no negative impacts and significant positive impacts. The AHSP helps to deliver key strategic outcomes of Glasgow's Local Housing Strategy 2023 – 2028. [Glasgow's Local Housing Strategy Impact Assessments](#)

Please highlight if the policy/proposal will help address socio-economic disadvantage.

The provision of more affordable and energy efficient housing in the city will help to tackle socio economic disadvantage.

Climate Impacts:

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

Yes, Climate Plan Theme 3: Well Connected and Thriving City: Housing and Regeneration Services, Passivhaus Development. (Case Study 2, Glasgow’s Climate Plan)

The re-use of brownfield sites contributes positively to sustainability. Homes delivered via the 2022/23 AHSP will have high levels of energy efficiency resulting in low carbon emissions and low running costs for residents.

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

Positive: The AHSP supports the development of low-carbon new build properties that are fit for the future.

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

The AHSP supports decarbonization through more energy efficient housing with low emissions heating and renewables systems.

Privacy and Data Protection Impacts:

No identified impacts.

7 Recommendations

That Committee considers the contents of this annual report.