



Glasgow City Council

City Administration Committee

**Report by Councillor Ruairi Kelly, City Convener for Housing,
Development, Built Heritage and Land Use**

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Item 4

7th November 2024

**GLASGOW'S STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2025/26 TO
2029/30**

Purpose of Report:

The purpose of this report is to outline Glasgow's Strategic Housing Investment Plan 2025/26 to 2029/30 including the priorities and resources required to deliver the plan.

Recommendations:

The Committee is asked to:

- a) approve Glasgow's Strategic Housing Investment Plan 2025/26 to 2029/30;
and
- b) agree its submission to the Scottish Government.

Ward No(s):

Citywide: ✓

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

1. Background

- 1.1. Glasgow's Strategic Housing Investment Plan (SHIP) sets out the priorities and resource requirements for investment in the city's affordable housing supply over a five year period. The Scottish Government's Strategic Housing Investment Framework guides the allocation of the Affordable Housing Supply Programme to local authorities. As part of this Framework, all local authorities are required to submit a SHIP to the Scottish Government every year. A SHIP report is presented to Committee annually with the previous Glasgow's SHIP 2024/25 to 2028/29 being approved by the [Council's City Administration Committee in November 2023.](#)
- 1.2. The Scottish Government published their long-term housing strategy, '[Housing to 2040](#)' during March 2021 which sets out the national housing priorities including a target for delivering 110,000 affordable homes by 2032. In May 2024, the Scottish Parliament acknowledged that [Scotland is in a housing emergency](#) and that the housing emergency is more acutely felt in some parts of the country than others.
- 1.3. In May 2023, the City Administration Committee approved [Glasgow's Local Housing Strategy \(LHS\) 2023 to 2028](#), which sets out the strategic housing priorities for the city. These priorities guide the development of the SHIP and the direction of funding invested through the Council's Affordable Housing Supply Programme. The Economy, Housing, Transport and Regeneration (EHTR) City Policy Committee considered the year one [LHS 2023 to 2028 annual review report](#) during April 2024.
- 1.4. The SHIP 2025/26 to 2029/30 has been prepared in the context of the Council's declaration of its own ["housing emergency"](#) in November 2023. The SHIP is, therefore, critical in responding to pressures associated with the housing emergency and sets out:
 - A delivery plan that outlines details of affordable housing development projects.
 - The potential to support for Registered Social Landlords (RSLs) to acquire private sector properties that meet strategic priorities and can be used to provide housing for homeless households.
 - Investment priorities including the need to increase the supply of larger family housing (4 bedrooms +) and housing that meets the social care needs of the city's residents including wheelchair adaptable homes and older households.

- 1.5. There has been robust consultation and engagement with RSLs and key stakeholders that has informed the Glasgow City Council and Glasgow City Housing Health and Social Care Partnership (HSCP) joint response to the housing and homelessness pressures facing the city. Specific engagement has also taken place with RSLs and the construction sector to gather views in relation to key issues, challenges, constraints as well as enablers that could influence investment and the delivery of affordable housing in the city going forward. Neighbourhoods, Regeneration and Sustainability (NRS) Housing provides an opportunity for RSLs to submit a Strategic Development and Funding Plan (SDFP) each year, and these plans have been used to inform the development of this SHIP. NRS Housing continues to engage regularly with RSLs in relation to progressing development projects and housing-led regeneration programmes.
- 1.6. Glasgow's AHSP resource planning assumption (RPA) for 2024-25 was initially £104million, however, following the Scottish Government announcement of a national reduction the overall budget of £196million, the allocation to Glasgow was £78.6million. This reduction in allocation had an immediate impact on the AHSP pipeline. Whilst the programme is committed to projects already approved or on site, the number and scale of projects that can be approved during 2024/25 has had to be reduced. This will result in a lower number of housing starts and completions in future years.
- 1.7. During September 2024, Glasgow City Council's RPA for 2024/25 was revised and increased to £90.231million. The revised RPA includes additional funding of £11.544million, which is to be directed towards supporting RSLs to acquire private sector properties to help address temporary accommodation pressures or, where appropriate, to bring long term empty properties back into use. The additional funding is welcome and will contribute towards alleviating the homelessness pressures the city is experiencing.
- 1.8. This version of the SHIP considers the impact of the reduced Affordable Housing Supply Programme (AHSP) 2024/25 budget in relation to programme delivery and potential funding allocations going forward. The SHIP has been prepared on the basis that Glasgow will receive at least what it has been allocated in 2024/25. However, this remains to be confirmed, and it is possible that there will be reduction to future years' allocations.
- 1.9. NRS Housing is in a position to work with RSL partners to accelerate and increase the delivery of new affordable housing subject to funding being available from the Scottish Government and respond to the city's housing emergency situation. NRS Housing will continue to explore any additional funding that could be available for supporting the delivery of new affordable housing with the Scottish Government.
- 1.10. The [SHIP 2025/26 to 2029/30](#) has been prepared in accordance with the Scottish Government's [Strategic Housing Investment Plan \(SHIP\) guidance note MHDGN 2024/01](#). The [SHIP 2025/26 to 2029/30 Delivery Programme](#) provides a summary of projects that are included in the plan.

- 1.11. Glasgow's LHS 2023 to 2028 sets out Housing Supply Targets to deliver 13,000 additional homes over five years, as shown in Table 1. The targets reflect Glasgow's ambitions based on an understanding of potential resource availability at that time, and the development capacity of the housing sector.

Table 1: Glasgow's Housing Supply Targets 2023 to 2028

Tenure	Average Per Year	Total 2023 to 2028
All Tenure	2,600	13,000
Affordable	1,300	6,500
Market	1,300	6,500

- 1.12. The SHIP is part of the evidence base used to make the strongest case for the resources and investment required to deliver Glasgow's housing targets.

2. Strategic Housing investment Priorities

- 2.1 The SHIP 2025/26 to 2029/30 retains a focus on the delivery of new affordable homes, including key drivers and factors that influence the AHSP, and measures undertaken by partners to mitigate challenges and constraints. The plan sets out an investment programme that will help meet the needs and demand of Glasgow's population and contribute towards the following priorities:

- Increasing the supply of affordable family housing.
- Reducing homelessness and the number of households currently living in emergency/temporary accommodation.
- Contributing towards reducing the number of children living in poverty.
- Supporting refugee households living in Glasgow.
- Responding to pressures that are being experienced across the city's private rented sector market including a reduction in letting activity and an increase in the cost of rents.
- Meeting the forecast changes to the demographics of Glasgow's population including a projected 22.5% increase in the number of people who will be aged 65 years and older by 2033.
- Health and social care (for example, meeting the housing needs of people with disabilities, complex health needs and young people leaving care).

- 2.2 In order to meet particular housing needs, including the need for larger family homes, the SHIP sets specific priorities for new housing development within the Affordable Housing Supply Programme:

- 10% of all new homes in developments of 20 units and above are required to be wheelchair readily adaptable.
- Delivery of 40 new large family homes (4+ bedrooms and 6 persons+) each year.

3. Strategic Housing Investment Plan 2025/56 to 2029/30 Summary

- 3.1 Glasgow's SHIP is prepared in accordance with the latest Scottish Government guidance, [Strategic Housing Investment Plan \(SHIP\) guidance note MHDGN 2024/01](#), and Glasgow's updated RPA, based on the annual budget figure for 2024/25 of £90.231million (inclusive of £11.544million from the national acquisition funding of £40million), which is applied across all five years of this SHIP 2025/26 to 2029/30, as shown below (Table 2).

Table 2: Estimated Grant based on updated Resource Planning Assumptions (RPA)

Years	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Amended RPA (£m)	90.231	90.231	90.231	90.231	90.231	451.155

- 3.2 The Scottish Government guidance recommends that a slippage factor is built into the SHIP and to "over-programme" which could assist in accommodating any projects which do not progress as planned. Glasgow's SHIP 2025/26 to 2029/30 includes 166 projects with a slippage factor of +71% (based on three-person equivalent grant benchmarks) and an overall potential grant of approximately £771m (over 5 years). There is an assumption that there will be a recurring annual allowance for acquisitions of £57.72million with potential to deliver 550 social rent homes. The total potential grant figure includes £20million for supporting RSLs to deliver adaptations to existing stock during the five year period. Overall, there is potential to deliver 7,187 additional affordable homes through this plan.
- 3.3 Table 3 provides a summary of the potential project outputs (assuming the RPAs are allocated).

Table 3: All AHSP Projects Summary Table

Units	2025/26	2026/27	2027/28	2028/29	2029/30	SHIP Total
Approvals	2,084	1,213	638	723	620	5,278
Site Starts	1,462	1,445	1,165	556	711	5,339
Completions	712	591	1,156	1,696	1,817	5,972

Note: The output figures for approvals, starts and completions do not align fully as the starts and completion figures include outputs for projects that have been, or are scheduled to be, approved prior to 1st April 2025.

- 3.4 Glasgow's Local Housing Strategy 2023 to 2028 sets a target of 80% of homes approved through the Affordable Housing Supply Programme will be for social rent. Table 4 shows the initial projected tenure for approvals. Further needs and demand analysis will be undertaken to determine and adjust the housing tenure mix for each development to reflect local circumstances, housing needs and regeneration priorities.

Table 4: Project by Tenure

Approvals 2025/26 to 2029/30	Total	% of All
Social Rent	5,189	78%
Mid-Market Rent	1,334	20%
New Supply Shared Equity	75	1%
Partnership Support for Regeneration	39	1%
All	6,637	100%

4. Glasgow's Housing Emergency and Scaling-Up Delivery

- 4.1 NRS Housing has undertaken an extensive analysis of additional development opportunities across the city that could support an acceleration and scaling-up of the affordable housing supply programme in addition to the 166 projects with potential for delivering 6,637 units.
- 4.2 The review of opportunities identified 31 sites that have a potential capacity to deliver 3,492 additional residential units. In addition, there were six high density sites for residential repurposing identified with Glasgow City Centre with potential for delivering 829 additional residential units, which would support the long-term ambition for doubling the city-centre population. In total, the analysis identified additional development opportunities with the potential to deliver 4,321 additional units.
- 4.3 Table 5 presents a summary of the potential to deliver a total of 10,958 affordable homes; based on the 166 projects included in the SHIP and the 37 sites identified as additional development opportunities for new affordable homes. No figures relating to the potential for RSLs to acquire private sector properties have been included in Table 5.

Table 5: Scaling-up Affordable Housing Delivery in Glasgow

	SHIP 2025-30	Additional Development Opportunities	Total New Affordable Homes
Projects	166	37	203
Units	6,637	4,321	10,958

- 4.4 Table 6 below estimates the estimated grant requirements for delivering the 166 SHIP projects, and the 37 additional development opportunities, based on the 2023/24 average grant per unit costs (converted to 3PE), as well as 550 additional affordable homes via targeted strategic acquisitions,

Table 6: Total 5-Year Grant Requirement (estimated based on 2023/24 average grant per unit 3PE converted)

Projects	Units	Estimated Grant (£million)
SHIP 2025-30	6,637	1,081.831
Targeted Strategic Acquisitions	550	57.72
Additional Development Opportunities	4,321	707.785
Total	11,508	1,847.336

5. Delivery

- 5.1 The cost of developing affordable housing in Glasgow has risen by 56% per unit during the period between 2017/18 and 2023/24, and by 6% in the last year alone. In addition, higher interest rates affect the borrowing arrangements that RSLs have or may look to secure to fund development programmes, which can make securing the overall financial package for project delivery significantly challenging.
- 5.2 NRS Housing is committed to working with RSLs and partners with development ambitions to maximise value and efficiency when planning and delivering the AHSP. This includes considering opportunities for increasing supply through standardisation of design, modern methods of construction (MMC), strategic acquisitions, rehabilitation and repurposing of buildings for residential use.
- 5.3 NRS Housing will continue to ensure that new homes delivered through the AHSP are designed to high standards of accessibility, quality and sustainability, meet the strategic priorities outlined in the city's Local Housing Strategy 2023-28, and the aspirations in the Scottish Government's Housing to 2040 strategy.

6. Policy and Resource Implications

Resource Implications:

Financial: The SHIP is required to secure Scottish Government housing investment to the city.

Legal: There are no additional legal implications arising from this report.

Personnel: There are no direct personnel implications arising from the report.

Procurement: There are no direct procurement implications arising from the report.

Council Strategic Plan: Glasgow's SHIP sets out a range of housing investment priorities that support the following Grand Challenges (GC) and Missions.

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

Mission 1 – End child poverty in our city using early intervention to support families.

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

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

Mission 1 – Support Glasgow residents into sustainable and fair work.

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 SHIP 2025/26 to 2029/30 supports the Council's Equality Outcomes and the design and delivery of additional affordable housing will contribute directly towards supporting outcomes 2 and 6.

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

The SHIP 2025/26 to 2029/30 helps to deliver Glasgow's Housing Strategy which is subject to an Equalities Impact Assessment. Actions to increase supply, accessibility and sustainability of affordable housing will have a generally positive impact for all equality groups with protected characteristics.

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

It will have specific impacts addressing socio-economic advantage in terms of targeted investment to provide new affordable homes, which contribute towards the prevention and reduction of homelessness, as well as ensuring community benefits, including training and employment opportunities, are created through planned investment.

Climate Impacts:

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

The SHIP directly supports all five themes identified in Glasgow's Climate Plan and specifically the following actions:

Action 23: Require Glasgow's Gold Hybrid plus 20% low and zero carbon generating technologies (LZCGT) or better, to be achieved for all new build new homes.

Action 42: Require low carbon heating systems in all new buildings within the city boundary.

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

Positive impacts. New homes constructed to higher sustainability, low and zero carbon standards. Housing development design and delivery incorporating adaptation and mitigation measures for flood and other climate risks, retrofit priorities decarbonizing existing homes.

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

New affordable homes are constructed to the Glasgow Standard achieving higher sustainability, low and zero carbon ratings.

Privacy and Data Protection Impacts:

No privacy or data protection impact identified.

7. Recommendations:

The Committee is asked to:

- a) approve Glasgow's Strategic Housing Investment Plan 2025/26 to 2029/30; and
- b) agree its submission to the Scottish Government.