

The logo for Shelter Scotland, featuring the word "Shelter" in a large, white, sans-serif font above the word "Scotland" in a smaller, white, sans-serif font, both set against a solid red rectangular background.

Shelter
Scotland



Right Homes, Right Places Workshop

Review of Strategic Housing Investment
Plans (SHIPs) for Affordable Housing

SFHA Development Conference, Tuesday 6th
February 2018
Tony Donohoe

Presentation Structure

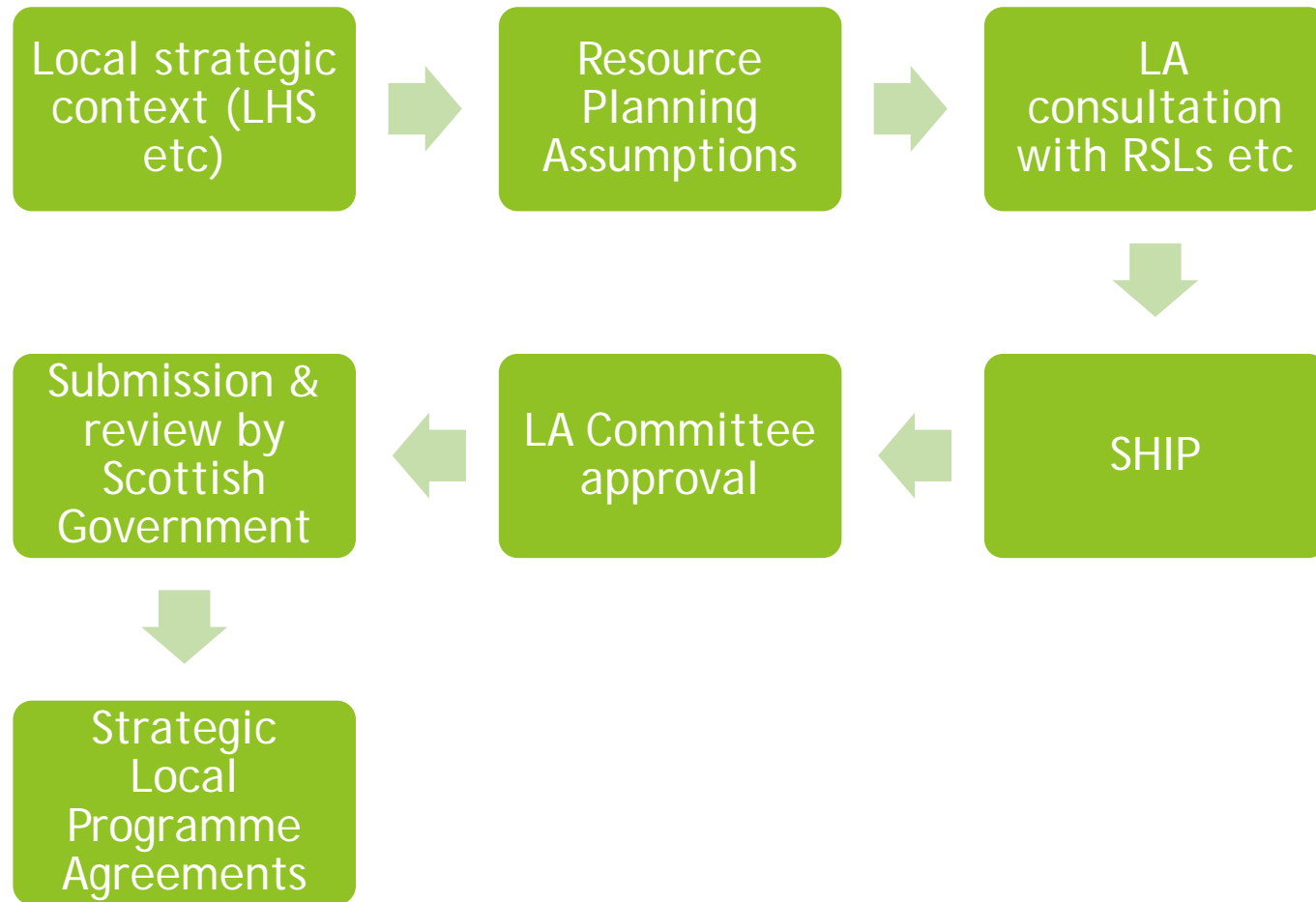
- ▶ Strategic Context and SHIP Process
- ▶ Research Objectives & Study Approach
- ▶ Review of SHIPs: Some Facts and Figures
- ▶ Review of SHIPs: Other findings
- ▶ Summary of evidence & recommendations
- ▶ Right Homes, Right Places & discussion points

Affordable Housing Supply - Strategic Context

- ▶ Scottish Government 50,000 affordable homes target with £3bn funding (by 2021)
- ▶ 35,000 social rented & 15,000 'other affordable'
- ▶ Affordable Housing Supply Programme (Resource Planning Assumptions)
- ▶ SHIPs part of local strategic planning process
- ▶ Partnership delivery framework (Council, RSLs & private sector)
- ▶ 2010-16 just under 48,000 affordable homes built



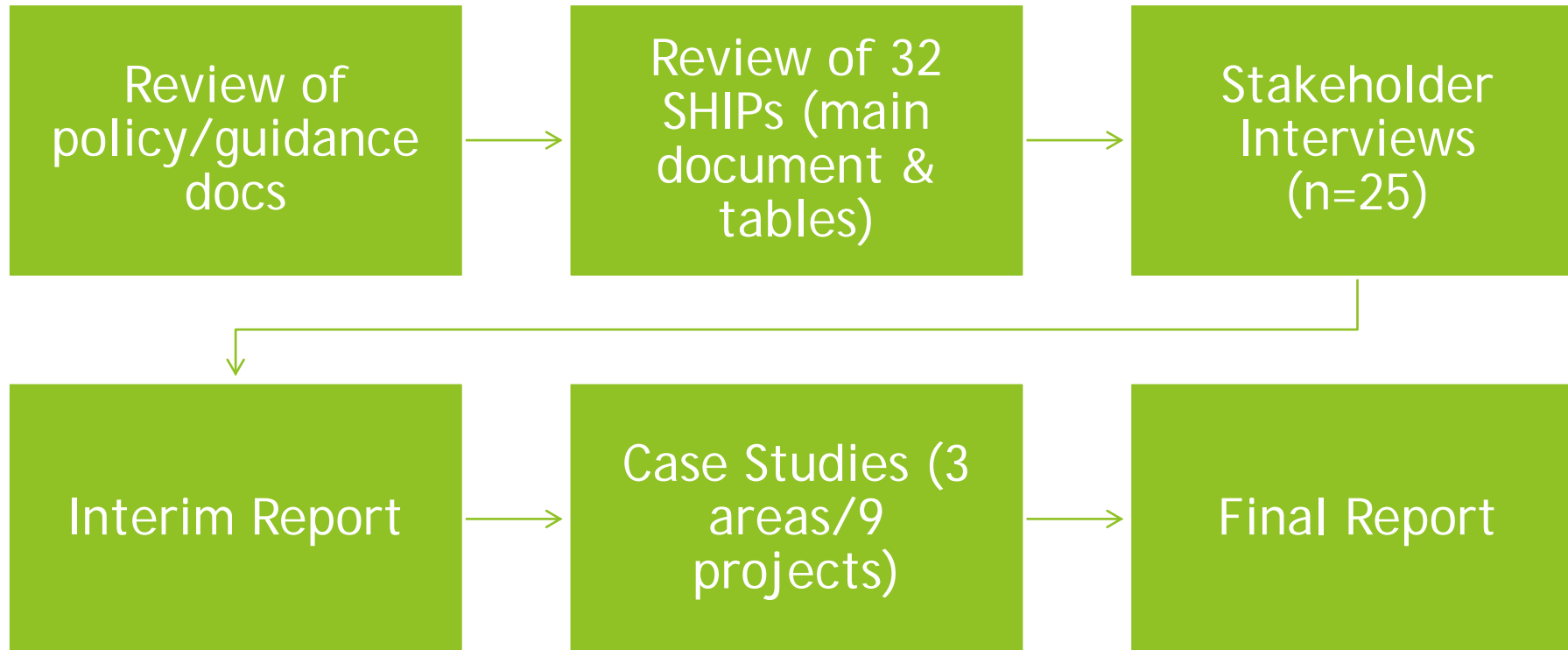
Basic SHIP Process



Research Objectives

- ▶ Ambition of the target, practicalities of delivery and how articulated in SHIPs
- ▶ Provide as clear picture as evidence permits of planned affordable housing activity to 2021-22
- ▶ Explore the importance of locally identified housing need and policy priorities in provision relative to operational factors such as land supply
- ▶ Clarify the indicative Resource Planning Assumptions (RPA) process 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.

Study Approach (June-December 2017)



Review of SHIPs: Some facts & figures

- ▶ Over 55,500 units could be delivered (but some completions outwith target period and more uncertainty over 4-5yr period)
- ▶ In 3yr period up to 2020 - 28,271 new starts across 1000 projects:
 - 78% for social rent
 - 15% Mid Market Rent (i.e. Edinburgh, Aberdeen, Glasgow)
 - 4% Low Cost Home Ownership
- ▶ Majority of projects 50 units or less (100+ unit projects mainly in large urban areas with rural areas with high proportions of 30 units or less)
- ▶ 66% of total planned units by RSLs with 23% from LAs (11% unclassified at this stage)
- ▶ 96% of dwellings planned to be new build with 2% acquisitions and 2% refurbishment
- ▶ Only 4 LA areas where new build proportion falls below 90%

Review of SHIPs: Some facts & figures

- ▶ 70% of units to be 'greener' standard
- ▶ 'Greener' standard variations between areas - some 100% but some 0% (prohibitive costs for rural/smaller developers?)
- ▶ 12% of new project starts to be 'specialist' housing but definition and data issues
- ▶ Proportions of specialist new starts vary from 0% to 46%
- ▶ Total Local AHSP specialist figures vary from 0.1% to 41%
- ▶ However provision almost wholly social rented and for older people or those with mobility issues
- ▶ Actual completions monitoring more important for specialist and wider allocations/supply context?
- ▶ Data/commentary from SHIPs on property type, size, actual location poorer

Review of SHIPs: Other Findings

- ▶ Strategic links with LHS generally good mainly through increasing supply objectives but some secondary objectives less explicit
- ▶ Housing Need and Demand Assessments less prominent for various reasons (out of date, under-estimate local needs, political priorities etc)
- ▶ In some cases the planned programme exceeds the identified affordable Housing Supply Target
- ▶ Partnership processes appear to work well in developing SHIP although perhaps some emerging challenges in bringing in 'new' partners to increase delivery capacity
- ▶ Processes for prioritising projects can vary (scoring, negotiation etc.) & also influenced by local housing system

Review of SHIPs: Other Findings

- ▶ SHIPs and current programme need to be interpreted in historical supply and strategic priority context
- ▶ SHIPs highlight plethora of public resources to support AHSP – grant, Council Tax, S75s and commuted sums, borrowing
- ▶ Some resource issues highlighted – i.e. Council borrowing capabilities, private finance availability for some RSLs, competing strategic priorities such as EESSH, wider risks to revenue stream
- ▶ Other risks highlighted:
 - Grant funding
 - Land Supply
 - Infrastructure – i.e. roads, services (water/sewage), transport, site remediation
 - Construction sector capacity (i.e. rural and large urban)
 - Reliance on small sites and organisational capacity to manage programme delivery

Review of SHIPs: Other Findings (case studies)

- ▶ Projects can change from that envisaged in initial SHIP reference
- ▶ Specialist provision planning can be lengthy but require good local strategic planning structures, use of administrative data and up to date needs assessments and consultation with service users
- ▶ Local planning policy can impact on processes i.e. site size influence over consultation/evidence requirements or specific policies on type of housing permitted
- ▶ Evidence of reliance on brownfield and demolition sites for land in some areas
- ▶ Delays in delivery mainly related to issues such as unforeseen land contamination, service connection issues or contractors going out of business emphasising risk management priorities

Summary of evidence

- ▶ SHIP process generally appears to work well although scope and content can vary
- ▶ SHIPs tend to support ambition of 50,000 target but optimistic?
- ▶ We estimate that 45,000 – 49,800 could be delivered 2016-2021
- ▶ Some issues though:
 - Capacity of local delivery framework (LAs, RSLs, Developers etc)
 - Articulation of resource obstacles at local level (finance, land, infrastructure, organisational)
 - Lack of clarity on monitoring and wider strategic contribution
 - Specialist Provision (planning, delivery and variations)
 - Greener Homes (variations)
 - Individual projects develop and change (units, sites etc.)

Recommendations

- ▶ Overall to capture consistent data on who benefits (needs being met etc.) from the AHSP programme at national and local level
- ▶ Improve monitoring of AHSP at national level:
 - AHSP tables to be produced down to LA level
 - Improve count of new affordable homes split by tenure and specialist provision
 - Publish comparison of annual out-turn expenditure against RPA for each LA area to highlight trends
 - Improved monitoring of lettings across social sector for each LA area (and assist in measuring impact of new build programmes)
 - Improved monitoring of net additions to social rented housing stock
- ▶ Improve geo-coding of data entered onto new HARP system to improve potential spatial analysis (however completions stage most important for all monitoring)

Recommendations

- ▶ Review the Strategic Housing Investment Framework in changing policy context (i.e. health and social care)
- ▶ More transparency in RPA process i.e. brief summary of SHIF impact and how RPA arrived at
- ▶ Other Issues:
 - Buy backs – closer monitoring in context of local housing systems
 - Joint monitoring of tender prices over period up to 2021 and beyond
 - Funding of specialist housing – long-term and joint planning at local level
 - LAs to improve strategic read across with LHS annual reporting and contribution of the local AHSP

Right Homes, Right Places?

- ▶ National & local level spatial question
- ▶ SHIF and resource distribution
- ▶ Local Housing Needs and Demand Assessments and different housing systems
- ▶ Variations in tenure balance of AHSP
- ▶ Variations in 'specialist' and 'green' provision
- ▶ Increasingly opportunity led in order to deliver targets?



Points for discussion

- ▶ Any questions?
- ▶ Right homes right places?
- ▶ Deliverability of 50,000 target?
- ▶ Views on SHIP process?
- ▶ Experience of HARP system?
- ▶ Challenges for RSLs?