



Glasgow and West of Scotland
Forum of Housing Associations



GWSF Briefing Paper

**Innovation and Investment Fund for New Housing
Bidding Results 2011/12 for Glasgow and the West of Scotland
UPDATE**

OCTOBER 2011

Introduction

1. Glasgow and West of Scotland Forum of Housing Associations (GWSF) is the leading membership and campaigning body for local, community-controlled housing associations in the west of Scotland.
2. This Briefing sets out our analysis of the outcomes from bids to the Innovation and Investment Fund (IIF) launched by the Scottish Government earlier in 2011.

Background

3. In 2011/12, the IIF is the only source of Government funding for housing associations in Scotland seeking approval of new house building projects.
4. The Scottish Government administers the IIF, except that in Glasgow and Edinburgh the two city councils are responsible for approving bids made by housing associations.
5. Glasgow City Council announced its bidding results in August 2011. The Scottish Government announced which projects it would be approving on 15 September 2011. The Minister for Housing and Transport then announced a further tranche of IIF approvals on 22 September.
6. The various announcements cover three IIF funding streams:
 - ◆ The **council house building** stream (this is open to all Scottish local authorities);
 - ◆ The **housing association** funding stream (as noted, there are separate approval arrangements for housing

associations in Glasgow and Edinburgh); and

- ◆ The **Innovation Fund** (this is open to all types of developers and providers in every part of Scotland, including Glasgow and Edinburgh).
7. The information published about approved projects is set out at **Appendix 1**. This is still very high level. For example:
 - ◆ Information on project costs and funding sources is not yet in the public domain;
 - ◆ Nor is tenure mix information for the individual projects approved by the Scottish Government.
 8. This paper summarises some of the **headline results** from the project approval information currently available.
 9. In total, **1,175 new houses** have been approved in Glasgow and the six nearby local authority areas where GWSF has members (Renfrewshire, East Renfrewshire, West Dunbartonshire, East Dunbartonshire, Inverclyde, North Lanarkshire).
 10. Across these areas as a whole, **large regional and national housing associations and local authorities are the major winners. Local CCHAs are responsible for very few of the approved bids.**
 - ◆ **714 houses (61%)** of the 815 houses approved will be provided by large regional or national housing associations;

- ◆ **303 houses (26%)** will be provided by local authorities;
- ◆ **134 houses (11%)** will be provided by local CCHAs;
- ◆ **24 houses (2%)** will be provided by the private sector.

11. Just four organisations account for nearly two-thirds of the whole programme that has been approved for the west of Scotland region. These are:

- ◆ Sanctuary (Scotland) Housing Association (209 houses/25% of all new housing association approvals in the region);
- ◆ Link Group (125 houses/15% of all new HA approvals in the region)
- ◆ Glasgow Housing Association (122 houses/14% of all new approvals in the region); and
- ◆ Home Scotland (66 houses/8% of all new HA approvals in the region).

12. Local community-controlled housing associations have fared very poorly under the Innovation and Investment Fund. Just six of the region's 70 CCHAs (four in Glasgow, one in Renfrewshire and one in Inverclyde) have had bids approved.

13. The approved CCHA projects include just 134 new houses:

- ◆ CCHAs currently own 75,000 houses in 70 local communities throughout the west of Scotland;
- ◆ The number of new houses approved to meet housing needs in these communities will increase by **just 0.15%** as a result of the IIF approvals.

14. Full information is not yet available on the tenure mix of the new houses being provided. In particular, the balance between social rented housing for those on low incomes and in greatest need, and other types of housing targeted at higher income groups with different types of circumstances, eg key workers or aspiring home owners.

Bid outcomes in the city of Glasgow

15. The total number of houses in new scheme approvals is 43% down on 2010/11 (332 new houses approved by Glasgow City Council this year, plus 146 approved by the Scottish Government under the Innovation Fund, against 838 approved by the Council in 2010/11).

16. As far as new houses for affordable social renting are concerned, the cut in Glasgow is even greater – **around 60%**.

17. This is because this year's announcements include **mid market rent projects** for the first time. Two such projects – by Glasgow Housing Association and Home Scotland - account for **26% of all new housing approvals for the whole city**. This change in priorities is taking place at a time when there is huge pressure on social housing lists from homeless people and others with high levels of housing need who will not be able to access mid market rent housing.

18. The IIF rules (including competition and reduced subsidy levels) **seem to have had a decisive impact on funding priorities**. Only four of the 11 approved Glasgow projects were in the planned tender approval programme provided to the Glasgow

Citywide Investment Forum prior to the launch of the IIF process.

19. Just four of Glasgow's local CCHAs have been successful in obtaining funding. This will produce 106 new houses (**less than a third** of the new units approved by Glasgow City Council, and **only 22%** of the new housing approved by the Council and the Scottish Government combined).

20. The vast majority of the projects approved approved by the Council and the Scottish Government will be developed by national and regional housing associations.

Bid outcomes in the wider west of Scotland

21. As already noted, GWSF's membership covers 6 local authority areas near to the city.

22. In these areas, **5 local authorities have obtained approval to build 303 new council houses.**

23. This includes **Renfrewshire Council** and **West Dunbartonshire Council**, which have not built houses under the previous rounds of the council building programme.

24. **Across the 6 authorities, the number of new housing association houses approved has increased from 320 in 2010/11 to 370 in 2011/12.** This compounds major cuts in funding already introduced in 2010/11.

25. There are **no new housing association approvals** at all announced for West Dunbartonshire.

26. **The figures for the other areas are:** East Dunbartonshire (74 units); East Renfrewshire (46); Inverclyde (12); North Lanarkshire (117); and Renfrewshire (71).

27. **Only two CCHAs in the 6 council areas outside Glasgow have had a bid approved.** These will produce just 28 houses. By contrast, **national and regional housing associations are responsible for 93% of the new housing association houses approved** in these six areas.

28. **No projects received approval under the Innovation Fund** in the six local authority areas outside Glasgow.

Appendix 1

Information published by the Scottish Government and Glasgow City Council on Innovation and Investment Fund Bidding Outcomes

1) Glasgow: Housing Association bids approved by Glasgow City Council

Provider	Project	Total Units	Soc Rent	MMR	NSSE	IFS	Grant Award
Ardenglen	86 Tormusk Drive	1	1				n/a
Ardenglen	25 Ballantay Rd	1	1				n/a
Cernach	Dunkenny Rd	22	22				n/a
Glen Oaks	Arden Ph3	38	34		4		n/a
Home	Cathcart Rd	66	40	26			n/a
Loretto	Belmont Rd	11	11				n/a
Loretto	Balmore Rd	22	22				n/a
Queens Cross	Ancroft St	44	28			16	n/a
Sanctuary Scotland	Burnbrae PS	80	44		36		n/a
West of Scotland	Dalness St	17	17				n/a
West of Scotland	Keppochill Rd	30	30				n/a
	Total	332	250	26	40	16	n/a

2) Glasgow: Innovation Fund bids approved by Scottish Government

Provider	Project	Total Units	Soc Rent	MMR	NSSE	IFS	Grant Award
Glasgow HA	Glasgow, Ibroxholm Oval	98	0	98	0	0	£1,110,000
CCG (Scotland) Ltd	Glasgow, Tantallon Road	24	n/a	n/a	n/a	n/a	£840,000
Glasgow HA	Glasgow, Lambhill	24	n/a	n/a	n/a	n/a	£360,000
	Total	146					£2,310,000

Note: No projects in Glasgow received approval under the second tranche of IIF funding announced by the Scottish Government. Government officials have told us that Glasgow has not been disadvantaged, because the City Council approved more projects than originally anticipated since grants are paid at completion and will therefore be paid out in 2012/13 and 2013/14.

3) Other West of Scotland Local Authority Areas (all bids assessed and approved by Scottish Government)

a) Council House Building

Provider	Project	Total Units	Soc Rent	MMR	NSSE	IFS	Grant Award
East Dunbartonshire	Kirkintilloch Southbank Road	25	25				£750,000
East Dunbartonshire	Bishopbriggs, Mavisbank	16	16				£480,000
East Dunbartonshire	Kirkintilloch, Lammermoor Crescent	18	18				£540,000
East Dunbartonshire	Kirkintilloch, Lammermoor Road	14	14				£420,000
East Dunbartonshire	Fern Avenue, Bishopbriggs	11	11				£330,000
East Renfrewshire	Eaglesham, Polnoon Street	7	7				£210,000
North Lanarkshire	Chryston, Lanrig Road	25	25				£750,000
North Lanarkshire	Laburnam Road, Viewpark	15	15				£450,000
North Lanarkshire	Albert Primary School	16	16				£480,000
North Lanarkshire	Corsewell Street, Coatbridge	14	14				£420,000
North Lanarkshire	St Patricks Primary School, Kilsyth	30	30				£900,000
Renfrewshire	Paisley, Barrhead Road	37	37				£1,110,000
West Dunbartonshire	Haldane, Miller Street	15	15				£450,000
West Dunbartonshire	Granville Street, Clydebank	24	24				£720,000
West Dunbartonshire	Valeview Terrace, Dumbarton	36	36				£1,080,000
	Total	303	303				£9,090,000

b) Housing Association Funding Stream

Council area/Provider	Project	Total Units	Soc Rent	MMR	NSSE	IFS	Grant Award
East Dunbartonshire Trust HA	Kirkintilloch, Southbank Road	40	n/a	n/a	n/a	n/a	£1,686,400
East Dunbartonshire, Trust HA	Meiklehill House site, Kirkintilloch	16	n/a	n/a	n/a	n/a	£668,800
East Dunbartonshire, Link Group	Colston Road, Bishopbriggs	18	n/a	n/a	n/a	n/a	£309,049
East Renfrewshire Hanover (Scotland) HA	Giffnock, Fenwick Road	16	n/a	n/a	n/a	n/a	£640,000
East Renfrewshire, Link Group	Newton Mearns, Ayr Road	14	n/a	n/a	n/a	n/a	£543,760
East Renfrewshire, Link Group	Neilston, Kirktonfield Road	16	n/a	n/a	n/a	n/a	£666,976
Inverclyde Oak Tree HA	Greenock, Sir Michael Court	12	n/a	n/a	n/a	n/a	£85,747
North Lanarkshire Sanctuary (Scotland) HA	Cumbernauld, Maclehose	58	n/a	n/a	n/a	n/a	£2,115,294
North Lanarkshire Clyde Valley HA	Main Street, Bellshill	16	n/a	n/a	n/a	n/a	£645,600
North Lanarkshire Link Group	Broadwood, Carradale Crescent	33	n/a	n/a	n/a	n/a	£1,307,046
North Lanarkshire Link Group	Cumbernauld, St Mungo's Gate	14	n/a	n/a	n/a	n/a	£512,000
Renfrewshire Sanctuary (Scotland) HA	Paisley, Gallowhill	71	n/a	n/a	n/a	n/a	£2,799,530
Renfrewshire Linstone HA	Brown Street, Paisley	16	n/a	n/a	n/a	n/a	£640,000
Renfrewshire Link Group	Tannahill Crescent, Johnstone	30	n/a	n/a	n/a	n/a	£1,305,376
West Dunbartonshire	No HA projects approved		n/a	n/a	n/a	n/a	
	Total	370	n/a	n/a	n/a	n/a	£13,925,578

c) Innovation Fund

Council area/Provider	Project
All (except Glasgow)	No projects approved in any of the 6 council areas

