

Local Government and Communities Committee

City Region Deals

Submission from the Scottish Federation of Housing Associations

1. Who we are

1.1. The SFHA leads, represents and supports Scotland's housing associations and co-operatives. We want to see a thriving housing association and co-operative sector providing sustainable and affordable homes.

2. Executive summary

2.1. There is an established outstanding need for more affordable and social rented housing in Scotland. A study commissioned by SFHA and partners found that 60,000 social rented homes need to be built over the next 5 years to meet housing need¹.

2.2. The Scottish Government has responded by setting an ambitious target to build 50,000 affordable homes during the current parliament, 35,000 for social rent. They have pledged £3 billion in grant funding to support the development of the 50,000 homes.

2.3. Housing associations tell us that two significant obstacles to delivering more affordable homes are the availability of land at an affordable price and the necessary infrastructure being in place to enable housing development. City Region Deals have the potential to fund infrastructure provision and release land for development.

2.4. The paper looks at the extent to which housing is prioritised in City Region Deals and suggests that helping to enable the delivery of a share of the 50,000 homes should be an objective for each City Region Deal.

3. Main Report

3.1. This submission highlights the outstanding need for affordable housing in Scotland, the fact that the Scottish Government have made delivering 50,000 affordable homes a key priority and the potential for City Region Deals to support this major government priority by supporting infrastructure and making sites available for development. It also comments on the extent to which City Region Deals currently prioritise housing and argues that providing infrastructure and land to enable the development of affordable housing should be a priority for City Region Deals.

¹ Cih Scotland. Shelter Scotland and SFHA (September 2015), Affordable Housing Need in Scotland available at http://eprints.whiterose.ac.uk/97540/1/7909_Final_Housing_Needs_Research.pdf accessed 27th April 2017

3.2. There is clear evidence that Scotland has a significant need for affordable housing in order to meet outstanding need. A study by Sheffield Hallam University, commissioned by SFHA and partners, found that 60,000 new social rented homes are required in the next 5 years in order to meet outstanding need².

3.3. The Scottish Government has responded positively to this evidence of need – setting a target of 50,000 affordable homes to be completed and pledging £3 billion funding to support this target. This represents a significant increase on the figures for the previous 5 years.

3.4. While this ambition is welcome there are challenges, other than funding, to building 50,000 affordable homes. Housing associations tell us that both lack of that access to affordable land, and the funding of infrastructure to make land development ready, are obstacles to developing more social housing.

3.5. City Region Deals, which aim to support economic growth through funding infrastructure and unlocking land provide the ideal opportunity to facilitate and promote the development of social and affordable housing. Building housing has a high economic multiplier effect as it is labour intensive, while increasing housing options can assist workforce mobility.

3.6. We therefore argue that City Region Deals should give priority in investments and measures that promote and enable investment in affordable and social housing through funding infrastructure and assembling sites.

4. City Region Deals and Housing

4.1. There are a number of City Region Deals in Scotland that have either been agreed or at an advanced stage of development. The Glasgow and Clyde Valley, Aberdeen and Inverness and Highland Deals have already been signed off, while the Edinburgh and South East Scotland, Tay Cities and Stirling schemes are in development. Each features housing to a varying degree:

- Glasgow and Clyde Valley - while housing is not a strategic priority in the deal, there are plans for major infrastructure that will unlock sites for development and major plans for training and jobs for young people that could be tied to the development of affordable housing.
- The Highland and Inverness scheme sets significant targets for housing, with 6,000 homes to be built over 20 years, 1,600 to be affordable.
- The Aberdeen City Region Deal highlights the need for a better functioning housing market and has as a goal key worker and affordable housing as part of a target to deliver 3,000 new homes each year.
- Of the City Region Deals in development, the Edinburgh and South East has affordable housing as one of its key priorities and Edinburgh City Council and partner housing associations have ambitions to deliver 10,000 affordable homes in the city over the next 10 years.

² *ibid*

5. Conclusion

5.1. As stated above, Scotland has a significant need for more affordable and social housing to meet outstanding need.

5.2. The Scottish Government has responded positively to this, setting an ambitious target to build 50,000 affordable homes during this parliament, 35,000 for social rent.

5.3. While this target, combined with a promise of significant funding, is welcome, it will be a challenge to deliver. Availability of affordable land and the up-front delivery of infrastructure can play a key role in helping us deliver much needed affordable housing and housing for social rent.

5.4. We therefore call for each City Region's investment priorities to take account of the national target to deliver 50,000 affordable homes.