

Affordable Housing Investment Programme 2008-09 Out-turn Report



HOUSING INVESTMENT DIVISION

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homecomingscotland2009.com

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AFFORDABLE HOUSING INVESTMENT PROGRAMME 2008/09

OUT-TURN REPORT

1. INTRODUCTION

The Scottish Government's Affordable Housing Investment Programme (AHIP) funds both housing for rent and for low cost home ownership. The majority of funding is provided to Registered Social Landlords (RSLs) although the AHIP also provides funding to others including individuals and private developers. This report outlines what the AHIP is used for and provides out-turn information for financial year 2008-09.

2. PLANNING AND DELIVERY OF THE AHIP

All local authorities publish Local Housing Strategies (LHSs). They supplement their LHS with an annual Strategic Housing Investment Plan (SHIP) which sets out how they plan to prioritise for delivery of objectives set out in their LHS. These are the key documents for setting out priorities for AHIP investment at the local level. The SHIPs provide the basis for targeting the AHIP and aid prioritisation where there are competing demands on resources.

The AHIP is delivered through a network of three Scottish Government Housing Investment Division Regions with eight area offices. However, Glasgow City Council and the City of Edinburgh Council manage the AHIP for their own local authority areas as a result of the Transfer of Management of Development Funding (TMDF), which is governed by an annual grant offer. The resource allocations to all local authority areas are approved by Ministers. Since October 2008 decisions on resource allocations have been subject to closer liaison with COSLA. The Scottish Government and COSLA officials are currently working on proposals for a strategic Housing Investment Framework for future, long term resource planning.

3. SCOPE OF THE AHIP

The AHIP funds a variety of different programmes. The following provides a brief summary of these:

Housing Association Grant (HAG) – This makes up the largest part of the AHIP. HAG is available to RSLs to acquire land or buildings and to build, convert or improve housing for rent or for low cost home ownership. RSLs use HAG to lever in private finance to fund the remaining capital cost of new build or refurbishment.

Low-cost Initiative for First-Time Buyers

The Scottish Government's Low-cost Initiative for First-Time Buyers (LIFT) funds a number of programmes aimed at helping households into home ownership, including:

Shared Equity: There are two forms of the shared equity scheme:

The New Supply Shared Equity scheme allows RSLs to build new homes or buy direct from the developer, which are then bought by owners who generally pay between 60-80% of the price. The remaining cost is funded by the Scottish Government in the form

of an equity share. When the property is sold the Scottish Government receives the relevant share of the sale price.

The Open Market Shared Equity Pilot scheme allows individuals to purchase a property on the open market. Again the owner generally pays between 60-80% of the purchase price and the Scottish Government will pay for the rest in the form of an equity share. When the property is sold the Scottish Government receives the relevant share of the sale price.

Shared Ownership: The owner generally pays a mortgage on part of the property (25%, 50% or 75% of the purchase price) and makes an occupancy payment to the RSL for the rest.

GRO Grants for Owner Occupation: These are grants to private developers to build houses for sale. They are used both to introduce housing for sale in areas with little or no private housing and to help meet local shortages in supply.

Rural Home Ownership Grants: These are available to individuals on low incomes in rural areas. The grant helps people to build their own home or buy a home that is for sale on the open market.

Rural Empty Properties Grant: This Grant increases the supply of rented housing in rural areas by assisting projects that improve or convert empty properties for the provision of affordable rented units.

Grants to Improve the Physical and Social Environment: These are available to RSLs and others to improve the environment around housing and to provide other amenities to complement housing investment.

Rural Homes for Rent: This £5m three year pilot scheme was announced in February 2008. The scheme will allow landowners to build new affordable housing for rent in pressured rural areas. No grants were approved in 2008-09 but the programme will be included in future years' reports.

Home Owners' Support Fund: This Fund was announced in June 2008 and includes the revised Mortgage to Rent and new Mortgage to Shared Equity schemes, both of which aim to help owner occupiers who are in financial difficulty to stay in their home. The Mortgage to Rent scheme enables households to remain in their home through selling it to a social landlord (normally a housing association or local authority) and becoming tenants of that social landlord. The Mortgage to Shared Equity scheme – which was launched on 16 March 2009 – allows households with 25 per cent or more equity in their home to retain ownership of their home. By taking an equity stake in their home, the Scottish Government will help households to reduce their level of secured debt to a manageable level.

Council House Building: The Scottish Government has announced a total of £50m to help councils to build new council housing. To date £26m has been allocated to 17 local authorities. Further announcements will be made detailing the allocation of the remaining funding late 2009-

10. No grants were approved in 2008-09, however, so this programme will feature in future reports rather than in the 2008-09 outturn.

Community Ownership Programme: the Scottish Government is contractually committed to provide certain funding for Glasgow Housing Association and for 3 other Housing Associations established through Local Authority stock transfers (Hebridean Housing Partnership in the Western Isles, Argyll Community Housing Association in Argyll & Bute and River Clyde Homes in Inverclyde). Funding supports stock improvements and in some cases demolition and new build.

4. OFFICIAL STATISTICS

The data provided in this report are based on management information and it should be noted that the Scottish Government also publishes official statistics on this information on a quarterly basis. The official statistics are based on the management information however they may differ slightly due to statistical adjustments which are carried out to ensure consistency across different measures and across time.

The official statistics on the Affordable Housing Investment Programme, and on other housing statistics, can be found at the housing statistics for Scotland web pages at: <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/KeyInfo>.

Information on any adjustments to the management information for statistical purposes will be included in the explanatory notes and the footnotes to these statistical publications.

5. BUDGETS

The resources originally approved for the Affordable Housing Investment Programme in 2008-09 were £473m. The final budget was £531m including £40m accelerated from future years and minor adjustments/budget transfers.

6. ACTUAL PROGRAMME OUT-TURN 2008-09

EXPENDITURE

The planned and actual expenditure for the AHIP programme for 2008-09 was as follows:

Table 1 – Expenditure by Supplier/Grant Type

Supplier/Grant Type		2008-09	
		Planned Expenditure £m	Actual Expenditure £m
Housing Association Rent	General Needs	235.030	259.412
	Particular Needs	69.160	82.273
Other Suppliers – Rent	General Needs	0.698	0.982
	Particular Needs	5.690	0.237
Housing Association Low Cost Home Ownership	(New Supply)	38.253	38.350
Private Developers: GRO Grants		2.311	-1.097*
Individuals - Rural Home Ownership Grants		1.157	1.877
Individuals - Improvement and Repair Grants		1.849	1.279
Grants to Improve the Physical and Social Environment		11.817	17.792
Glasgow Housing Association (GHA) Efficiencies		12.500	12.500
GHA Repayable Grant		34.800	34.800
GHA Demolitions & Reprovisioning		32.000	32.000
Home Owners' Support Fund - Mortgage to Rent		10.000	15.226
Open Market Shared Equity Pilot		24.000	20.321
Community Ownership Programme (COP) Support Costs		9.735	10.540
Other Programmes/Costs		4.000	3.219
Total		493.000**	529.711***

* This is a minus as it reflects a repayment of GRO grant at completion stage of a project due to sales incomes exceeding those assumed at approval stage as required by guidance.

** £493m revised to £531m following acceleration of £40m and minor adjustments/budget transfers associated with other programmes

*** This figure differs from the revised budget figure of £531m due to receipts (for Right to Buy sales, Shared Ownership and early tranche sales etc) falling slightly short of target.

Explanatory Notes:

- The increase between the planned spend on rented homes and the outturn was mainly due to the accelerated monies awarded to the programme mid year.
- The reduction between the planned spend on LCHO and the outturn was due to slow take up of the OMSEP programme in some areas due to the economic circumstances and also the move in focus from New Supply Shared Equity to social rent in recognition of the economic climate. This was not the case in Edinburgh and the Lothians where demand for the project could not be met within the funding available.
- There was a significant increase in outturn versus planned spend for Grants for the Social and Physical Environment. This was mainly in Glasgow City Council's programme.
- The planned expenditure on Other Suppliers – Rent for Particular Needs was over stated due to coding errors: out-turn was consistent with funding in previous years.
- The negative spend on GRO grants to private developers reflects substantial receipts recovered by Glasgow City Council due to increases in sales values since original project appraisal.

Table 2 –Expenditure by Local Authority

By Local Authority	2008-09	
	Planned Expenditure £m	Actual Expenditure £m
Highland	27.120	29.777
Orkney	5.033	6.287
Shetland	2.640	3.401
Western Isles	4.130	4.380
Aberdeenshire	19.637	24.382
Aberdeen	3.922	5.184
Moray	6.372	5.508
Angus	3.890	4.492
Dundee	7.766	8.467
Perth & Kinross	10.886	13.063
Clackmannanshire	2.150	2.627
Falkirk	3.866	4.966
Stirling	3.476	4.619
East Lothian	4.400	6.916
Fife	13.133	15.050
Midlothian	3.400	3.965
The Scottish Borders	5.600	6.883
West Lothian	6.600	8.279
City of Edinburgh	36.100	37.900
Dumfries & Galloway	9.700	11.625
East Ayrshire	7.000	7.800
North Ayrshire	6.640	7.240
North Lanarkshire	14.600	16.269
South Ayrshire	6.300	6.800
South Lanarkshire	15.300	16.400
Argyll & Bute	14.757	15.280
West Dunbartonshire	7.835	8.335
East Dunbartonshire	5.386	6.746
Inverclyde	19.280	18.479
Renfrewshire	12.510	12.776
East Renfrewshire	3.271	3.749
Glasgow	83.000	84.000
GHA	79.300	79.300
Other Programmes	4.000	3.219
LIFT: Open Market Shared Equity Pilot	24.000	20.321
Home Owners' Support Fund - Mortgage to Rent	10.000	15.226
Total	493.000*	529.711

* £493m revised to £531m following acceleration of £40m and minor adjustments/budget transfers associated with other programmes

Explanatory Notes:

- Increases between planned expenditure and actual expenditure are mainly due to accelerated funding.
- Small shortfalls occurred in Moray (due to delayed site starts and grant reconciliations) and in Inverclyde (reflecting reduced business plan support grant requirements).
- OMSEP spend fell slightly below target reflecting economic circumstances.
- Mortgage to Rent spend exceeded the planned amount due to increased demand which was met by an increased budget allocation.

UNIT APPROVALS

The planned and actual unit approvals in 2008-09 were as follows:

Table 3 – Unit Approvals by Supplier/Grant Type

Supplier/Grant Type		2008-09	
		Planned Unit Approvals	Actual Unit Approvals
Housing Association Rent	General Needs	3,025	3,500
	Particular Needs	863	818
Other Suppliers – Rent	General Needs	16	7
	Particular Needs	16	3
Housing Association Low Cost Home Ownership	(New Supply)	877	761
Private Developers: GRO Grants		76	88
Individuals - Rural Home Ownership Grants		49	47
Individuals - Improvement and Repair Grants		68	142
Glasgow Housing Association (GHA) Re provisioning		410	442
Home Owners' Support Fund - Mortgage to Rent		150	233
Open Market Shared Equity Pilot		520	465
Total		6070	6506

Explanatory Notes:

- Actual unit approvals for Rent exceed the planned amount, assisted by accelerated funding. Housing Association Low Cost Home Ownership and OMSEP units fell slightly below target reflecting economic circumstances.
- Mortgage to Rent exceeded the planned amount due to increased demand which was met by an increased budget allocation.

Table 4 – Unit Approvals by Local Authority

By Local Authority	2008-09	
	Planned Unit Approvals	Actual Unit Approvals
Highland	352	427
Orkney	83	49
Shetland	30	50
Western Isles	38	12
Aberdeenshire	69	58
Aberdeen	0	1
Moray	146	11
Angus	37	69
Dundee	196	168
Perth & Kinross	159	154
Clackmannanshire	55	12
Falkirk	48	48
Stirling	75	79
East Lothian	43	80
Fife	200	283
Midlothian	46	48
The Scottish Borders	82	90
West Lothian	88	98
City of Edinburgh	600	600
Dumfries & Galloway	115	430
East Ayrshire	51	92
North Ayrshire	81	88
North Lanarkshire	100	133
South Ayrshire	52	71
South Lanarkshire	175	174
Argyll & Bute	128	130
West Dunbartonshire	200	122
East Dunbartonshire	70	46
Inverclyde	150	222
Renfrewshire	26	12
East Renfrewshire	45	53
Glasgow	1,450	1,456
GHA	410	442
LIFT: Open Market Shared Equity Pilot	520	465
Home Owners' Support Fund - Mortgage to Rent	150	233
Total	6070	6506

Explanatory Notes:

- Shortfalls in targets achieved in a number of Local Authority areas notably Orkney, Western Isles, Moray, Clackmannanshire, West Dunbartonshire, East Dunbartonshire and Renfrewshire. Reasons include acquisition delays, negotiation over grant levels and tender costs and slippage of a small number of approvals into April 2009.
- Notable increases in approvals versus target occurred in Highland, Fife, Dumfries and Galloway, East Ayrshire, South Ayrshire, North Lanarkshire and Inverclyde generally reflected the development capacity of local RSLs and the effectiveness of local partnerships involving local Councils.

UNIT COMPLETIONS

The planned and actual unit completions were as follows:

Table 5 – Completions by Supplier/Grant Type

Supplier/Grant Type		2008-09	
		Planned Completions	Actual Completions
Housing Association Rent	General Needs	3,237	3,245
	Particular Needs	1,006	1,063
Other Suppliers – Rent	General Needs	10	12
	Particular Needs	97	2
Housing Association Low Cost Home Ownership	(New Supply)	760	802
Private Developers: GRO Grants		108	125
Individuals - Rural Home Ownership Grants		35	49
Individuals - Improvement and Repair Grants		74	32
Glasgow Housing Association (GHA) Reprovisioning		226	185
Home Owners' Support Fund - Mortgage to Rent		150	233
Open Market Shared Equity Pilot		520	512
Total		6223	6260

Explanatory Notes:

- There was no formal target set for completions at the beginning of 2008-09, however the notional target of 6223 identified mid year was exceeded.
- Site start and completion dates can fluctuate considerably year-on-year. A delay of a few months in starting on or on site can result in completion falling into the next financial year.
- Completions are counted when all units as part of a development are certified as practically complete.

Table 6 – Completions by Local Authority

By Local Authority	2008-09	
	Planned Completions	Actual Completions
Highland	191	447
Orkney	54	56
Shetland	13	44
Western Isles	17	76
Aberdeenshire	259	170
Aberdeen	90	33
Moray	138	111
Angus	108	98
Dundee	260	304
Perth & Kinross	138	180
Clackmannanshire	46	3
Falkirk	24	39
Stirling	101	123
East Lothian	10	63
Fife	330	394
Midlothian	48	53
The Scottish Borders	77	95
West Lothian	121	119
City of Edinburgh	503	411
Dumfries & Galloway	202	185
East Ayrshire	153	158
North Ayrshire	104	105
North Lanarkshire	388	316
South Ayrshire	42	68
South Lanarkshire	292	392
Argyll & Bute	57	136
West Dunbartonshire	95	137
East Dunbartonshire	26	42
Inverclyde	172	85
Renfrewshire	158	101
East Renfrewshire	7	20
Glasgow	1,023	766
GHA	226	185
LIFT: Open Market Shared Equity Pilot	600	512
Home Owners' Support Fund - Mortgage to Rent	150	233
Total	6223	6260

Explanatory Notes:

- There was no formal target set for completions at the beginning of 2008-09, however the notional target of 6223 identified mid year was exceeded.
- Site start and completion dates can fluctuate considerably year-on-year. A delay of a few months in starting on or on site can result in completion falling into the next financial year.
- Completions are counted when all units as part of a development are certified as practically complete.

7. ACCELERATED AHIP PROGRAMME

As part of its response to the economic circumstances, the Scottish Government re-profiled its spending plans during 2008-09, bringing forward resources planned for 2010-2011. £40m of spending was brought forward in 2008-09, and £80m is being brought forward to 2009-10. The expenditure that has been brought forward is being funded from underspend in central (£80m) and local (£40m) government budgets. As part of the Scottish Government's Programme For Economic Recovery local government agreed to release £40m to accelerate affordable housing investment (£20m in 2008-09 and £20m in 2009-10) from their capital allocations. All local authorities made a contribution to the £20m in 2008-09 and £20m in 2009-10 which will be returned to them in 2010-11 on the same basis, from the AHIP.

The Accelerated Funding Programme was originally designed to:

- assist accelerated construction to support site starts
- fund land purchases to support future construction activity
- fund purchases of unsold new homes from private developers.

With additional funding during the year an additional purpose was identified:

- £5m to support additional demand for the Home Owners' Support Fund (Mortgage to Rent).

The Accelerated Programme became available well into the financial year and the full level of funding was not confirmed until Autumn 2008. Resources were therefore released in tranches to specific projects which met the criteria. Following agreement with COSLA in October projects required specific Local Authority endorsement and the final tranche of approvals was subject to full consultation with Local Authorities.

The outturn Accelerated Programme was as detailed in the table below. It should be noted that spend figures are included in the preceding tables detailing the overall AHIP outturn.

Table 7 – Breakdown by category

	Allocation	Actual Spend	Units
Accelerated Construction	£10.235m	£8.173	663
Land Acquisition	£12.717m	£11.241m	n/a
Off the Shelf Purchases	£12.111m	£13.529m	190
Home Owners' Support Fund (MTR)	£5.000	£5.000	83
Devanha	£0.000m	£2.057m	0
Total	£40.063m	£40.000m	936

Not all units were additional Affordable Housing Investment Programme approvals in 2008-09. Some were accelerated construction opportunities which brought forward site starts and spend within the year. Land Acquisitions will provide capacity for over 700 units to be approved using grant funding in future years. Early land acquisition will assist in planning and efficient procurement of future projects.

The full accelerated programme out-turn by Local Authority area is:

Table 8 – Breakdown by Local Authority

Local Authority	Accelerated Funding 2008/09										
	Accelerated Construction			Off the Shelf			Land Acquisitions		Total		
	Allocated Spend	Actual spend	Actual units	Allocated Spend	Actual spend	Actual units	Allocated Spend	Actual spend	Allocated Spend	Actual spend	Actual units
Highland	1.000	0.824	25	0.000	0.000	0	1.880	1.904	2.880	2.728	25
Orkney	0.000	0.000	0	0.726	0.809	10	0.360	0.277	1.086	1.086	10
Shetland	0.000	0.000	0	0.000	0.000	0	0.000	0.000	0.000	0.000	0
Western Isles	0.000	0.000	0	0.000	0.000	0	0.150	0.150	0.150	0.150	0
Aberdeenshire	0.500	0.472	30	0.000	0.000	0	0.000	0.000	0.500	0.472	30
Aberdeen	0.000	0.000	0	0.000	0.000	0	0.700	0.720	0.700	0.720	0
Moray	1.150	0.000	0	0.000	0.000	0	0.000	0.000	1.150	0.000	0
Angus	0.000	0.000	0	0.000	0.000	0	0.525	0.517	0.525	0.517	0
Dundee	0.000	0.000	0	0.701	0.747	8	0.000	0.000	0.701	0.747	8
Perth & Kinross	0.445	0.463	6	1.522	1.506	23	0.210	0.202	2.177	2.171	29
Clackmannanshire	0.000	0.000	0	0.477	0.445	6	0.000	0.000	0.477	0.445	6
Falkirk	0.000	0.000	0	0.270	0.270	5	0.830	0.830	1.100	1.100	5
Stirling	0.500	0.500	34	0.643	0.643	8	0.000	0.000	1.143	1.143	42
East Lothian	0.000	0.000	0	2.500	2.219	27	0.000	0.000	2.500	2.219	27
Fife	0.850	0.850	54	0.000	0.240	6	0.000	0.000	0.850	1.090	60
Midlothian	0.000	0.000	0	0.720	1.080	15	0.600	0.000	1.320	1.080	15
Scottish Borders	1.160	1.051	84	0.000	0.000	0	0.000	0.000	1.160	1.051	84
West Lothian	1.530	1.487	42	0.000	0.000	0	0.000	0.000	1.530	1.487	42
City of Edinburgh	0.000	0.000	0	1.800	2.247	29	0.000	0.000	1.800	2.247	29
Dumfries and Galloway	1.000	1.000	312	0.000	0.000	0	0.942	0.942	1.942	1.942	312
East Ayrshire	0.800	0.800	39	0.000	0.000	0	0.000	0.000	0.800	0.800	39
North Ayrshire	0.000	0.000	0	0.000	0.600	6	0.600	0.000	0.600	0.600	6
North Lanarkshire	0.000	0.000	0	1.752	1.723	24	0.000	0.000	1.752	1.723	24
South Ayrshire	0.300	0.300	12	0.000	0.000	0	0.000	0.000	0.300	0.300	12
South Lanarkshire	0.000	0.000	0	0.000	0.000	0	1.200	1.200	1.200	1.200	0
Argyll & Bute	0.650	0.426	25	0.000	0.000	0	1.960	2.318	2.610	2.744	25
West Dunbartonshire	0.000	0.000	0	0.000	0.000	0	0.500	0.500	0.500	0.500	0
East Dunbartonshire	0.350	0.000	0	0.000	0.000	0	1.860	1.281	2.210	1.281	0
Inverclyde	0.000	0.000	0	0.000	0.000	0	0.000	0.000	0.000	0.000	0
Renfrewshire	0.000	0.000	0	0.000	0.000	0	0.000	0.000	0.000	0.000	0
East Renfrewshire	0.000	0.000	0	0.000	0.000	0	0.400	0.400	0.400	0.400	0
Glasgow	0.000	0.000	0	1.000	1.000	23	0.000	0.000	1.000	1.000	23
	10.235	8.173	663	12.111	13.529	190	12.717	11.241	35.063	32.943	853
HOSF –MTR										5.000	83
Devanha accelerated construction funding										2.057	
Total									40.000		936

Explanatory Notes:

- Land acquisitions will provide capacity for over 700 unit approvals in future years, in addition to the units highlighted above.

8. LOW-COST INITIATIVE FOR FIRST-TIME BUYERS (LIFT)

In Table 1 which details the expenditure in 2008-09, there are high level figures in relation to LIFT spend. The table below details exactly what this funding delivered.

Table 9 – LIFT breakdown by category

	Approvals	Completions	Spend
New Supply Shared Equity	595	630	32.817
Shared Ownership	166	172	5.533
GRO Grants	88	125	-1.097
Rural Home Ownership Grants	47	49	1.877
Open Market Shared Equity Pilot	465	512	20.321
Total	1361	1488	59.451

In October 2008 the Scottish Government announced a temporary expansion of the Open Market Shared Equity Pilot - from 10 areas to all Scotland. This means that funding will increase from a planned £24 million in 2008-09 to a planned £60 million in 2009-10.

In February 2009 the Scottish Government issued guidance on a shift in emphasis away from New Supply Shared Equity and Shared Ownership. This was in recognition of market conditions and funding circumstances.

9. QUALITY MEASURES

The homes approved as part of the 2008-09 AHIP will meet the following standards:

The table below shows some historic trends in the AHIP programme in terms of accessibility and security. You can see from these figures that the programme is continuing to deliver housing that can be accessed by the majority of the population and that is safe and secure to live in.

Table 10 - Housing for Varying Needs (HfVN) and Secure by Design (SBD)

	2005/06	2006/07	2007/08	2008/09
% of units meeting HfVN	91%	96%	96%	98%
% of units to SBD accreditation standard	88%	83%	97%	93%

- As increased energy efficiency is now a requirement of the Building regulations we have not reported SAP (Standard Assessment Procedure) ratings separately.
- A high proportion (79%) of the new build programme by Registered Social Landlords continues to be built on brownfield sites.

10. GRANT RATES

The following table details the average total cost per unit and the average grant per unit for the 2008-09 programme. These are the actual costs relating to the delivery of the projects within the AHIP programme. These costs are used to set the HAG Subsidy Targets for 2009-10. A link to the guidance can be found here:

<http://www.scotland.gov.uk/Topics/Built-Environment/Housing/investment/guidancenotes/hign200906>

Table 11 Scheme Costs /Grant Rates

Scotland Total	No of Schemes	No of Units	Average Scheme Size	Grant	Private	Public	Total Est. Scheme Costs	Grant Rate	Unit Cost	Grant per Unit	Private Finance per Unit	Other Public Finance per Unit
HA Rent Total	294	4,760	16.2	373.377	224.927	23.911	622.215	60.01%	130,717	78,441	47,254	5,023
HA LCHO Total	74	761	10.3	45.797	58.173	1.235	105.205	43.53%	138,246	60,180	76,443	1,623
GRO Rent Total	9	10	1.1	0.430	1.212	0.057	1.699	25.31%	169,900	43,000	121,200	5,700
GRO Own/Occ Total	4	88	22.0	3.951	8.306	0.121	12.378	31.92%	140,659	44,898	94,386	1,375
RHOGS Total	47	47	1.0	1.555	4.589	0.000	6.144	25.31%	130,723	33,085	97,638	0
I&R	3	142	47.3	1.140	0.295	0.000	1.435	79.44%	10,106	8,028	2,077	0
Sub-Total	431	5808	13.5	426.250	297.502	25.324	749.076	56.90%	128,973	73,390	51,223	4,360
SEOMP	465	465	1.0	19.441	36.100	0.000	55.541	35.00%	119,443	41,809	77,634	0
MTR	233	233	1.0	15.024	6.440	0.000	21.464	70.00%	92,120	64,481	27,639	0
Grand Total	1,129	6,506	n/a	460.715	340.042	25.324	826.081	55.77%	126,972	70,814	52,266	3,892

In May 2008 the Scottish Government introduced new HAG assumptions aimed at supporting the delivery of the maximum number of houses in line with identified needs. These assumptions reflected the private borrowing capacity in the RSL sector at that time.

Further changes to HAG assumptions introduced in February 2009 reflected the more difficult borrowing climate for RSLs and resulted in a reduction in the amount of private borrowing RSLs had to raise. The increase in grant received was expected to be offset in part by the effects of the economic downturn on construction costs.

The following table illustrates the average cost per unit to build a new home over the past 3 years and also the average grant input by the Scottish Government. As you can see over the whole programme, total costs have reduced slightly, and the amount of grant invested per unit has reduced by almost £6,000.

Table 12 – Historic Trends (Grant Per Unit)

	2006/07		2007/08		2008/09	
	Average Cost Per Unit	Average AHIP Grant Per unit (%)	Average Cost Per Unit	Average AHIP Grant Per unit (%)	Average Cost Per Unit	Average AHIP Grant Per unit (%)
HA Rent only	£114,805	£76,917 (67%)	£126,954	£85,390 (67%)	£130,717	£78,441 (60%)
All Grants	£115,071	£69,705 (61%)	£127,131	£76,507 (60%)	£126,972	£70,814 (56%)

The approvals and completion figures referred to in the foregoing text differ from the published statistics at <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS> due to reporting procedures for the 4 year Devanha programme in Grampian and other minor anomalies.

11. GLOSSARY

AHIP – Affordable Housing Investment Programme

Approvals – units receiving approval at tender stage in the current financial year.

Budget Allocations – element of AHIP planned for spend in a financial year within a given local authority area.

Completions - units which have reached practical completion stage of the on site development process.

COP – Community Ownership Programme

GHA – Glasgow Housing Association

GRO – Grant for Rent and Owner Occupation. Grants to private developers to kick start the market in areas where there is little or no home ownership currently. Also used in pressurised market areas to reduce the purchase price for owners.

HA – Housing Association.

HAG – Housing Association Grant

HfVN – Housing for Varying Needs – expected good practice in the design of all housing, so that newly-built, refurbished or adapted buildings achieve a degree of flexibility, suit people of different abilities, are convenient to use and fit for their purpose housing designed to be barrier free internally to ensure that a wide range of needs can be met.

HOSF – Home Owners' Support Fund

I & R – Improvement and Repair grants to owners who are participating in projects in areas where the properties have previously transferred from Scottish Homes to RSLs.

LA – Local Authority

LCHO – Low Cost Home Ownership. Includes all LIFT products.

LHS – Local Housing Strategies

LIFT – Low-cost Initiative for First-Time Buyers

MTR – Mortgage to Rent

MTSE – Mortgage to Shared Equity

NB – New Build housing

NSSE – New Supply Shared Equity

OMSEP – Open Market Shared Equity Pilot

Own/Occ – Owner Occupier

Private Finance – includes loan finance, private contributions, HA reserves, sales income from house sales.

RH – Rehabilitation of poor quality housing

RHOGS – Rural Home Ownership Grants.

RSLs – Registered Social Landlords

SAP Rating – energy efficiency rating used assess approvals pre 2008-09 prior to building regulation requirements requiring increased energy efficiency levels to be achieved

SBD – Secured by Design accreditation - Official UK Police flagship initiative supporting the principles of 'designing out crime'

SHIPs – Strategic Housing Investment Plans

Site Starts – for all years pre 2009-10 counted at the date of approval

Social Rent – any rented properties approved through the AHIP programme targeted at those on low incomes – usually provided by RSLs

TMDF – Transfer of the Management of Development Funding (Glasgow and Edinburgh Councils)