



Practical experiences of the Affordable Housing Supply Programme

GWSF membership feedback, Feb 2026

HA1

New Build Programme

XX (address of site in Glasgow)

Across our programme, the most significant challenges have centred on delays associated with Geo Technical approvals from Glasgow City Council. Our current new build development at XX, originally due to complete in March 2025, will now not complete until November 2026. This delay is the result of prolonged and repeated discussions with the GCC Geo Technical team.

The process involved extended back and forth communication, with very limited opportunity for in person meetings. Most engagement took place online or via Teams, which made it more difficult to resolve technical matters efficiently. Despite submitting all requested information, each submission generated further rounds of questions and additional requirements. This cycle continued for months, with progress often stalling entirely.

We fully recognise that we and our design teams were not without fault in some of the delays. However, we were aware of other RSLs and developments across the city experiencing the same difficulties. This strongly suggests that the issues are general rather than project specific.

A further challenge was that responsibility within the Geo Technical team appeared to rest with a single individual. When that person was unavailable, decision making effectively paused, contributing to significant delays and uncertainty. These issues have had a material impact on programme delivery, timescales, and financial planning.

XX (address of site 2 in Glasgow)

We are also experiencing prolonged delays with GCC Planning/NRS on our proposed demolition and new build development at XX, which together with a neighbouring development is proposed to deliver up to 130 new homes.

A pre planning application was submitted in March 2025 with the required £12,000 fee, but discussions remain ongoing more than a year later, despite the process typically concluding within 12 weeks.

Although officers have been constructive, it has been difficult to obtain clear guidance on an acceptable scale of development. We were asked to provide further detailed information on sustainability and policy context, the building's suitability for retention or adaptation, and the potential loss of open space.

A comprehensive report was submitted in August 2025, and at a follow up meeting in October we understood that two of the three points had been resolved. The third was to be discussed internally, however in early January this year we were advised by NRS that the demolition and new build proposal could not be supported in the current housing emergency context, despite them previously supporting this.

We fully appreciate the pressures facing the Council and the sensitivities around demolition. However, we do not consider this proposal to fall within the scope of a housing emergency response and believe it should be treated as a standard development application. Colleagues in NRS have agreed to work with us to identify a solution, but this may extend beyond our programme timescales. The length of the process, the absence of clear direction, and the shift in position after significant work had been undertaken have created uncertainty for our programme and for the future of the site.

Private Sector Acquisition Programme

In terms of the acquisition programme, the main challenges relate to the reduction in grant levels, which is making it increasingly difficult to secure suitable properties.

While we recognise that we have been successful in acquiring a significant number of homes through the PSA initiative since its inception, we operate in a niche and high value market, particularly in XX. Property prices in this area are substantially higher than in other parts of the city, meaning that acquisition costs often exceed our funding capacity even at 85–90% grant.

In addition, Scottish Government targets for acquiring larger family homes present further viability pressures. In our area, the cost of refurbishing larger properties to a lettable standard is considerable, and when VAT is applied to construction works, the overall investment does not stack up within our 30-year cash flow model.

Properties that come to market in XX typically sell quickly, except for those requiring significant work. However, these homes carry high refurbishment costs, which again impacts viability.

HA 2

Most of our delays are due to the under resourcing of the statutory authorities whether that is building control in Renfrewshire or land contamination approval in Glasgow.

The other related issue is the cost of development, either the cost of providing a surface water connection especially on smaller developments and the imposition of education contributions on affordable housing developments. In Glasgow, the technical audit is another approval we have to build into our preconstruction programme.

HA 3

Overall, the programme remains critical, but there are a number of structural and practical issues which are affecting confidence and delivery:

SHIP prioritisation and clarity

We have experienced difficulty in understanding how Local Authority commitments are managed within the SHIP when projects slip. In one case, we had to work extremely hard to secure inclusion of a viable project within this year's SHIP allocation despite other schemes falling behind programme. The reasoning for exclusion initially lacked clarity. More broadly, where the Local Authority acts as both strategic housing authority and an active developing landlord, there can be a perceived imbalance in prioritisation when funding flexibility is limited. Even if unintended, the optics are challenging. Greater transparency around how reallocation decisions are made when projects stall would provide assurance to RSL partners.

Direct engagement with Scottish Government

On a number of occasions, we have sought clarification directly from Scottish Government officials regarding funding assumptions and programme flexibility, while keeping the Local Authority sighted. This engagement has been constructive and helpful. However, the need to do so reflects a degree of inconsistency or uncertainty in local interpretation of policy and funding parameters. Clearer national guidance, consistently applied across Local Authority areas, would reduce ambiguity and strengthen delivery confidence.

Upfront feasibility funding

We were advised locally that no funding was available to support feasibility work. Accordingly, we front-funded a substantial feasibility study for our landholding in XX, including architect, QS and technical investigations. This represents significant early-

stage financial exposure prior to grant confirmation. We understand that in other Local Authority areas feasibility support has been available, which raises concerns about consistency of approach. For smaller and medium-sized RSLs, the ability to carry this level of upfront risk is limited.

Acquisitions – repairs and lettable standards

Whilst grant funding has supported acquisition costs, we have been advised that there is no funding available to support repairs or improvements required to bring acquired properties up to a lettable standard. In practice, acquisitions often require fabric repairs, heating or electrical upgrades, energy efficiency improvements and fire safety compliance works. Without recognition of these additional costs, the viability of acquisition programmes is constrained, and RSLs must absorb substantial post-purchase investment risk.

Overall reflection

The challenge is not appetite to deliver. The sector remains committed. However, confidence would be materially improved by greater transparency in SHIP reprioritisation decisions, clear and consistently applied national guidance, recognition of feasibility and acquisition improvement costs, and realistic grant assumptions aligned to actual delivery costs. Where underspend is emerging, it may reflect these structural and process issues rather than a lack of pipeline.

HA 4

There are a lot of good people involved in new housing supply, but:

- It's painfully slow – planning doesn't seem able to meet their targets for determining planning applications and if HES get involved then it can make matters trickier (i.e. different perspectives of design details and heritage v new supply in a housing emergency ... we all need to be facing the same direction). Also some delays with building control and utilities;
- Not sure how well TMDF works in practice as the Council seems to have some degree of autonomy, but SG retains some level of oversight and control (too many cooks?);
- SG budget cuts to AHSP and references to rent controls significantly affected trust, confidence and momentum for RSLs, funders, contractors and supply chains. There are a limited number of developing RSLs, contractors and suppliers who need time to rebuild trust, confidence, capacity and momentum. Increased funding, move to multi-year resource planning assumptions welcome, but HAG benchmark rates still need to be increased due to inflation. Hopefully trust, confidence, capacity and momentum will grow in future years, but gradually.

In fairness to planning in other local authorities where I've been over the years, many of the issues I see are peculiar to Glasgow and their approach. Planning, TMDF and City Property as part of the same organisation seems to complicate rather than simplify roles, responsibilities and lines of communication.

HA 5

In relation to acquisitions, we have made numerous requests for more flexibility in funding and the local More Homes team are trying to assist, however we are aware that Glasgow HAs are getting up to 100% of acquisition costs + funding for refurbishments, and here the most we have managed is 60% of acquisition costs. My colleague is doing a great job in securing properties, however we could do so much more with the same conditions as in Glasgow, and given we are operating in one of the most pressured housing market areas in the country with the lowest level of social rented housing and one of the most pressured temporary accommodation (and SG are going to underspend in our area too this year), this doesn't seem sensible. I have raised this through SFHA who did manage to get us some flexibility however it has been hard work.

My other key point on acquisitions is that we need an ongoing programme rather than it being given us to us $\frac{3}{4}$ way through the year with pressure to spend by end of the year.

HA 6

GCC have added an extra layer of bureaucracy in the process of individual acquisitions which caused us to lose the purchase of a property adjacent to our office. We had to fill in a form for the Section 5 team and then wait for the Section 5 team to respond, which took about four weeks. Needless to say in Glasgow, we missed out on the purchase.

Also land acquisition seems quite slow through City Property as well.

HA 7

We haven't built for some time and have taken the decision that we won't over the next 5 years. We did get the opportunity to acquire 15 – with [another HA] as the developer, but the standard we were being required to build to made the cost too expensive and the houses too complex for a small RSL like us to maintain. This related to the complexity of heating and ventilation systems etc. These can be

difficult for tenants to use effectively and for us to maintain. Our feeling was that we would basically need to buy in a lot of the maintenance from [the other HA].

I think another issue we have had with new build is condensation – the houses are so well insulated etc that if tenants don't ventilate then there can be serious issues with condensation. This wasn't a deciding factor – but certainly something that should be taken into account with the bigger issues of cost, planning delays etc.

HA 8

We have had an issue recently with the length of time taken to agree scope with the Council for flood risk investigations, and then difficulty in securing engagement to complete works with other agencies like Network Rail. These issues are being managed by our Design and Build contractor so we're not directly involved in discussions, but I understand the initial delays related to a requirement to investigate sections of a culvert that were far beyond the scope of our site. There had clearly been very little maintenance on the culvert over the years and the Council appeared to be taking the opportunity to stretch investigations as far as possible. A reasonable scope has now been agreed, but it has taken several months to reach this point. Not sure if the delay has been due to limited resources within the Flood Risk team.

Because of the mixed ownership of land surrounding the culvert, the Council has also been trying to engage with Network Rail to gain access to parts of the system. This local issue is clearly not a priority for a large organisation like Network Rail and it's taking some time to secure any meaningful dialogue with them. Some joined up focus between public bodies and large landowning organisations like Network Rail would help with these sorts of situations.

HA 9

The combination of Scottish Water not permitting surface water drainage connections to combined sewers and the planning hurdles associated with NPF4 are major obstacles in the delivery of new build affordable housing which are delaying, if not preventing, delivery.

HA 10

We are not developing as risk too great with high build costs, low grant rates, planning and associated delays, as well as the general lack of labour and material supplies.

HA 11

We have been exploring a local development opportunity for about 4 years now, and all going well we should be submitting a tender application to the SG early March. Some of the development issues we have encountered relate to:

- The site is in private ownership and on a couple of occasions the owner played us off against other potential buyers but always came back to us when the deal fell through!
- The Council has exceptionally high design standards, which are costly to achieve and have costly implications for long-term maintenance.
- We're a bit nervous about having good quality and accurate life cycle costs for the project, especially connected to new technologies.
- We know our rents will be about 5% (min) above our rent setting policy to make the project stack up and we will still need higher than benchmark levels of grant funding. Indications are we will get this.
- The possibility of having to front fund some development costs has caused great nervousness with the Board. If this is required, there is a possibility we will pull out of the development opportunity depending on the level of front funding required. Hopefully, that won't happen.

On a positive, we have had good support from the Council throughout the project to date.

HA 12

Our experience currently is contained to acquisitions, with development following in the next year.

The team dealing with acquisitions at NRS in Glasgow have improved processes across the year, we have purchased 8 properties and had them occupied in most cases within 4-6 weeks of purchase. This included additional time for some investment and decoration works to bring them up to standard. We would like to see acquisitions more embedded into the Affordable Housing Supply Programme to help whilst bigger projects are tied up in planning processes. A structured approach to acquisitions would also allow smaller HAs to buy properties on smaller scales of 5-10 a year which overall will make a significant impact on the variety and availability properties to address homelessness with an immediate impact.

Multi-year funding would allow HAs to work on development with more confidence and look at securing external finance confident of the grant levels that they can access. The move to multi-year funding will lead to more planned development and acquisitions and reduce the ad-hoc and reactionary approach to underspends in budgets as LAs reach the end of financial years.

HA 13

I think the biggest issue is rising costs, coupled with gaps in skilled labour and on the whole more complex sites for new build within the inner city.

We have also had several refurbishment projects held up, tendered and their content reviewed by GCC due to cost, with alternative improvement schemes/specifications developed and out for retender to hopefully reduce costs, which ultimately delay completions and spend.

I also feel there is a disconnect between acquiring empty units and an eagerness to let with minimum repair spend, without due regard to net zero agenda, etc and improving them properly to maximise efficiencies, get value for money and protect the RSL from future expenditure pressures.

Annual budget allocations and the lead into development and refurbishment projects may also be an issue, with spend and progress within projects not mirroring budget, due to design, statutory consents, tender, approvals and delivery on site. Things need to be reviewed in a three-to-five-year realistic funding framework by the Scottish and Local Government with their partners in each local authority area to ensure units can be delivered to budget.

HA 14

The list of factors on which Planning now have to carry out internal consultation has gone up exponentially to up to 10 factors, with geo-technical being among the biggest hold-ups, including issues such as assessing the amount of embodied energy involved in a proposed development. This is all down to NPF4 requirements. Some simplification is desperately needed.

HA 15

On new builds, the whole system appears to be completely dysfunctional.

In Glasgow at least, the Planning system, the Building Standards requirements and Scottish Water drainage regulations all make the consents process extremely

complicated, protracted and occasionally contradictory. The net effect is to extend the pre-contract period to such an extent it can be impossible to programme with any accuracy. This is before the lack of capacity of the LA to deliver approvals within statutory timescales is considered.

We currently have a Stage 2 Building Warrant still awaiting approval after 2½ years. After discussions taking 2 years, a further significant point was then raised, which given works had commenced on site by that time under the Stage 1 approval, is now impossible to resolve.

Another project is still awaiting any Building Warrant approval now two years after submission.

A small infill gap site, where we can barely squeeze in 8 flats, is considered a greenfield site by Scottish Water as no building has been occupying the site for 5 years and as such, it requires a full on-site SUDS solution. After this is agreed, the Planners then state that the amenity space provided within the site isn't acceptable.

The complexities of the Planning and Building Regs etc now results in a plethora of consultants' appointments, leading to protracted design periods as a result of the extensive design co-ordination between the various requirements of these consultants. We remember when only 3 consultants would be appointed for a project. Now, you can have up to 10 consultants appointed in the larger projects. Many cooks as they say....

Consultants' skills and experience also appear to be dropping, leading to a reduction in the level of service that may be expected, as well as constant claims for additional fees. Procurement regulations are a major issue and Frameworks are not the answer, as these are not project specific and so the agreed service provision is not always adequate.

Contractors' capacity and capability is also severely limited and in the West of Scotland, I doubt there are more than 2 or 3 main contractors who you could have confidence in completing to an acceptable standard and on programme. Procurement regulations again make it challenging for innovative projects or delivery solutions.

You could add that for associations, development is becoming more unviable, with more realisation of the cost of management and compliance, particularly with flatted blocks, against the rental income, creating the potential for long-term financial concerns over borrowing and reticence to progress on available grant levels.

We could go on about SG affordable benchmark rents, 3p equivalents etc.