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At the Committee's meeting on 7 November you asked for additional information on a number of areas. This letter provides that further information.

### **Affordable Housing - Completions vs starts statistics**

Attached at Annex A is a schedule which details the unit approvals, unit completions and budget outturn for the affordable housing programme from 2003/04 to 2011/12, which I hope you will find helpful.

Our discussion at the committee meeting covered the links between the annual housing budgets, in-year increases to the budget and the payment of our grant subsidy at the completion of a housing project.

All Scottish Government grant payments to Registered Social Landlords and to councils for the council house building programme are now made on the basis of "payment on completion". In practice this means that payments may be made either on completion or – if the budget permits – at an earlier point in the project. This flexibility in the date when grant is payable allows the Scottish Government to ensure that each year's budget is spent. For example, following the additions to the budget this year, officials contacted councils and housing associations and agreed several payments in advance of completion. This has been welcomed by our stakeholders.

We liaise regularly with councils and housing associations to monitor the progress of projects to completion, to ensure that all projects progress timeously and to ensure that sufficient budget will be available to pay grant when this becomes due. The level of approvals in any year is also controlled, taking account of the level of the budgets for the forward years.



## Needs-based housing allocations

Earlier this year, the Scottish Government and COSLA established a joint working group to develop proposals for a needs-based formula to allocate Resource Planning Assumptions for the 30 councils not covered by the Transfer of Management of Development Funding (TMDF) arrangements. The intention is that such a formula would in future be used to inform the allocations to councils from our Housing Supply budget, which are currently made by rolling forward historic patterns.

The joint working group has put forward proposals which are now being considered by the Scottish Ministers and by COSLA Leaders. If and when a needs-based methodology is agreed, I will write to you with details of how it works and how it will be applied.

## Further detail on cycling training

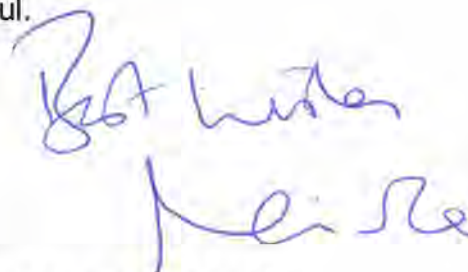
Scottish Ministers have allocated £700K to Cycling Scotland in both 2012/13 and 2013/14 to provide resources for delivering cycle training in schools. Bikeability Scotland is the 3 level cycle training programme for Scottish school children (formally the Scottish Cycle Training Scheme). The project is coordinated by the Bikeability Scotland Delivery Group and managed by Cycling Scotland. Approximately 37,500 primary aged school children complete Bikeability Scotland training each year, with 32% of children receiving training on-road, in line with the prescribed requirements of the UK national standard. A network of 4000 instructors including teachers, other school staff and volunteers, many of whom are parents, is required to deliver Bikeability Scotland training. All resources and access to instructor training is free and local communities are encouraged and supported to take up this offer to ensure all children have the opportunity to experience cycle training. Local authorities contributions include staff time to deliver and/or coordinate the training.

It is not mandatory to deliver cycle training in schools. However, under section 39 of the Road Traffic Act 1988, "Each local authority must prepare and carry out a programme of measures designed to promote road safety and may make contributions towards the cost of measures for promoting road safety by other authorities or bodies." The Scottish Government has no plans to make cycle training mandatory.

## Additional factors that could potentially increase costs of AWPR

The estimated total cost of the combined AWPR and Balmedie to Tippetty project is £745 million at 2012 prices (excluding VAT) and is made up of a total scheme cost estimate of £653m for the AWPR and £92m for Balmedie to Tippetty. The construction element will be funded through the NPD model and the final cost of the scheme will be dependent on the outcome of the tendering processes and the impact of inflation from current prices to construction completion.

I hope you find this further information helpful.



NICOLA STURGEON

## Annex A: Approvals and completions

### Affordable Housing Approvals

Year	No. of affordable approvals	Average
2003-04	6258	
2004-05	5408	
2005-06	6547	
2006-07	7108	
<b>Total</b>	<b>25,321</b>	<b>6330</b>
2007-08	7066	
2008-09	7027	
2009-10	8663	
2010-11	6830	
<b>Total</b>	<b>29,586</b>	<b>7397</b>
2011-12	6552	

### Affordable Housing Completions

Year	No. of affordable completions	Average
2003-04	4153	
2004-05	5445	
2005-06	5888	
2006-07	4832	
<b>Total</b>	<b>20,318</b>	<b>5080</b>
2007-08	5509	
2008-09	5988	
2009-10	8092	
2010-11	7231	
<b>Total</b>	<b>26,820</b>	<b>6705</b>
2011-12	6882	

### Expenditure Outturn

Year	Actual expenditure (£m)	Average (£m)
2003-04	292	
2004-05	340	
2005-06	449	
2006-07	562	
<b>Total</b>	<b>1,643</b>	<b>411</b>
2007-08	594	
2008-09	530	
2009-10	673	
2010-11	516	
<b>Total</b>	<b>2,313</b>	<b>578</b>
2011-12	352	