



Infrastructure and Capital Investment Committee

Housing supply budget

This note sets out information relating to the 2012-13 and 2013-14 housing supply budget.

2013-14 draft budget document

The 2013-14 draft budget document presents figures at Level 3 for 'Supporting Economic Growth/Housing Supply', which includes the Housing Supply budget.

£m	2012-13	2013-14	2014-15
Supporting Economic Growth/Housing Supply	155.3	172.8	170.1

Source: [2013-14 Draft Budget](#), Table 9.10

Within these totals, a more detailed Level 4 breakdown is available for 2012-13 and 2013-14. The Level 4 data show the following totals for Affordable Housing Supply:

£m	2012-13	2013-14
Affordable Housing Supply	135.3	146.2

¹ 2012-13 figure includes Homeowners' support fund as this is included in the 2013-14 affordable housing draft budget figure

Source: Scottish Government (<http://www.scottish.parliament.uk/parliamentarybusiness/17534.aspx>)

The 2012-13 figures shown in the draft budget are those which were presented in the 2012-13 draft budget document i.e. they do not reflect the impact of in-year budget changes. During 2012-13 there have been three spending announcements that have had an impact on the housing supply budget, meaning that the 2012-13 housing supply budget is now higher than that shown in the draft budget documents. These three announcements are considered in turn.

Stage 3 of 2012-13 Budget Bill (8 February 2012)

At Stage 3 of the 2012-13 Budget Bill, the Scottish Government announced how it planned to allocate some of the Barnett consequential that it had received as a result of spending decisions announced by the UK Government in the 2011 Autumn Statement. This included a total of £87m for housing spread across three years, split between affordable housing and equity and loans.

£m	2012-13	2013-14	2014-15	Total
Housing: Affordable homes	12	16	17	45
Housing: Loans / Equity	26	16	-	
Total	38	32	17	87

Source: Scottish Government (<http://www.scotland.gov.uk/News/Releases/2012/02/budget08022012>)

As explained above, the £38m for 2012-13 is not reflected in the draft budget figures. However, the £32m for 2013-14 is included in the 2013-14 draft budget figures.

Capital stimulus package (27 June 2012)

On 27 June 2012, the Scottish Government announced a capital stimulus package which included additional money for housing supply in 2012-13. The total of £35m was for priority investments within Local Authority Strategic Housing Investment Plans to allow for the construction of 650 homes. The funding included £15m brought forward from 2013-14 and 2014-15 and a further £20m additional funding.

Again, this £35m is not included in the 2012-13 figure presented in the draft budget.

Draft 2013-14 Budget Statement (20 September 2012)

In addition to these two announcements, the Scottish Government announced a further £40m for affordable housing in the 2013-14 draft budget. This funding is to be spread over two years, with £30m to be spent in 2012-13 and £12.5m to be spent in 2013-14. (Source: Scottish Government - the exact total was £42.5m, rounded to £40m in the budget statement.)

As before, the £30m for 2012-13 is not included in the 2012-13 figure presented in the draft budget. However, the funding for 2013-14 is included in the draft budget figures.

This £40m additional funding was also the subject of a Scottish Government press release on 21 October 2012 ([‘Hundreds of affordable homes’](#)) which referred to a total of £45m funding. This included the £40m announced in the 2013-14 draft budget as well as £5m funding which had previously been announced, but remained to be allocated to local authorities as part of their resource planning assumptions (see <http://www.scottish.parliament.uk/parliamentarybusiness/53169.aspx>, p7, under ‘Locally Led Programmes’).

Summary of additional spending announcements

The additional spending announcements are summarised below. Over the three year period, there is an additional £164m allocated to housing supply, including £103m in 2012-13 which is not included in the draft budget figures.

In 2012-13, there was also a repayment of £3m in respect of capital that had been accelerated from the 2012-13 budget into 2011-12. This is offset against the total additions in the table below.

£m	2012-13	2013-14	2014-15	Total
2012-13 Budget Bill, Stage 3	38	32	17	87
Capital stimulus package	35	-	-	35
Draft 2013-14 Budget Statement	30	12		42
Total additions	103	44	17	164
Repayment of accelerated capital	-3	-	-	-
Net additions	100	44	17	161

Impact on 2012-13 housing supply budget

The combination of the Level 4 data for affordable housing and the 'Transfer of Management of Development Funding (TMDF)' shown within the local government budget gives the total housing supply budget. These two budget lines are shown in the table below, before and after taking into account the in-year revisions described above.

As explained earlier in this note, the spending announcements are already reflected in the 2013-14 figures, so do not need to be added in again. The revisions to the 2012-13 budget figures have yet to receive parliamentary approval through the budget revisions process.¹

£m	2012-13	2013-14
Affordable Housing Supply	135	146
TMDF	80	73
Total housing supply budget before revisions	215	219
In-year revisions (net)	100	-
Total housing supply budget after revisions	315	219

¹ 2012-13 figure includes Homeowners' support fund as this is included in the 2013-14 affordable housing supply draft budget figure

Sources: Scottish Government (<http://www.scottish.parliament.uk/parliamentarybusiness/17534.aspx>; [2013-14 Draft Budget](#), Table 12.03; <http://www.scotland.gov.uk/New/Releases/2012/02/budget08022012>; Scottish Government, personal communication

Before taking into account the in-year revisions to the 2012-13 housing supply budget, the figures show a modest increase in the housing supply budget from £215m to £219m (an increase of £4m or 2%). However, when the

¹ The 2012-13 Autumn Budget Revisions have now been published and are to be considered by the Finance Committee on 5 November 2012

additional spending announced for 2012-13 is taken into account, the figures show a £96m reduction in the housing supply budget, from £315m to £219m, equivalent to a fall of 30%.

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