

## Geographic Analysis<sup>1</sup> of Scottish Government Rural Completions and Investment 2010/17

### Key Findings

Rural Scotland is home to 17.29% of the population but received just 6.16% of Scottish Government investment in 2015/16<sup>2</sup>.

Rural areas have received a third of the level of investment their population merits since 2012/13.<sup>3</sup>

Most house completions classified as “rural” by the Scottish Government are in fact built in small towns or other urban areas<sup>4</sup>.

In 2016/17 just 28% of “rural completions” were built in communities of less than 3000 people - the official Scottish Government definition of rural.

72% of homes built with Scottish Government funding and reported as being “rural” were built in small towns and urban areas

52 more “rural” homes were built urban areas like Inverness, Dumfries and Ayr than in actual rural communities - 351 in towns and cities compared with 299 in settlements of less than 3000 people

The number of affordable homes built with Scottish Government grant investment in rural communities fell from 715 in 2010/11 to 299 in 2016/17.

In remote rural areas the number of affordable homes built has fallen from 418 in 2010/11 to 158 in 2016/17.

Accessible rural areas in particular are losing out with only 141 affordable homes built in these communities which are home to 11% of the population.

In 2016/17 just one development of 8 homes was built in rural communities in the south of Scotland<sup>5</sup>. Almost half (46%) of the population of the Scottish Borders and Dumfries & Galloway live in communities of less than 3000 people.

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<sup>1</sup> Remote and Accessible Rural figures calculated from locational analysis of postcodes included in completions data from Scottish Government in form of written answer from Kevin Stewart MSP to Local Government & Communities Committee 31st January 2017 - [www.parliament.scot/S5\\_Local\\_Gov/.../20170131\\_Budget\\_MinLGHToConvener.pdf](http://www.parliament.scot/S5_Local_Gov/.../20170131_Budget_MinLGHToConvener.pdf) and 2016/17 data in Written Answer to Andy Wightman (Lothian) (Scottish Green Party) 12 October 2017

<sup>2</sup> Remote and Accessible Rural investment figures arrived at by calculating proportion of suggested “rural expenditure” in data from SG attributal to actual rural areas. Suggested “rural expenditure” £66,588,000 - however postcode analysis reveals that only 12.6% of completions funded by this investment were in remote rural areas and just 16.9% were built in accessible rural areas. Remote and Accessible rural expenditure calculated on a pro rata of “rural expenditure”. It is recognised that expenditure may be slightly higher than the pro rata figure given higher development costs in remote rural areas.

<sup>3</sup> Overall investment data not yet available for 2016/17. Of investment defined as rural in 2016/17 - £76.6M just £21.45M was spend in rural areas.

<sup>4</sup> <http://www.gov.scot/Topics/Statistics/About/Methodology/UrbanRuralClassification>

<sup>5</sup> Data from Written Answer above - completions by RSLs through the AHSP. Data not available for NHT completions

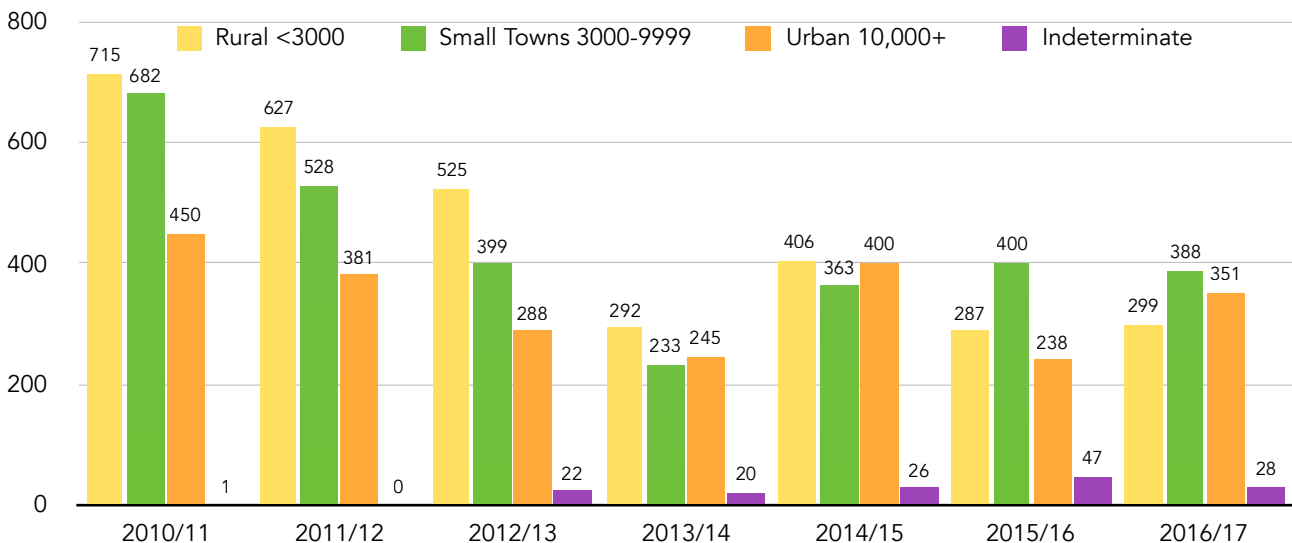
## Background

In January 2017 the Scottish Government released data on the level of investment and number of units built in rural Scotland with Scottish Government funding support. This was released in response to a request from Andy Wightman MSP to the Minister for Local Government and Housing at the Local Government and Communities Committee. This request was for data on the level of Scottish Government investment in rural housing. The data provided a postcode location for all the units built with this investment. We have undertaken an analysis of this data to determine the geography of this investment.

Our analysis uses the Scottish Government 6 fold Urban Rural Classification to plot the geography of the units built. This 6 fold Urban Rural classification is used across the Scottish Government to define rural and urban areas. Under this definition: rural Scotland comprises settlements with fewer than 3000 inhabitants. Rural is subdivided into Accessible Rural and Remote Rural and we have used these definitions to further plot the location of investment in rural areas. The 6 fold classification also includes small towns (settlements of 3000 - 9999 people), other urban areas (10,000 - 124,999) and large urban areas (125,000 +). In this report we have classified all settlements over 10,000 population as 'Urban'.

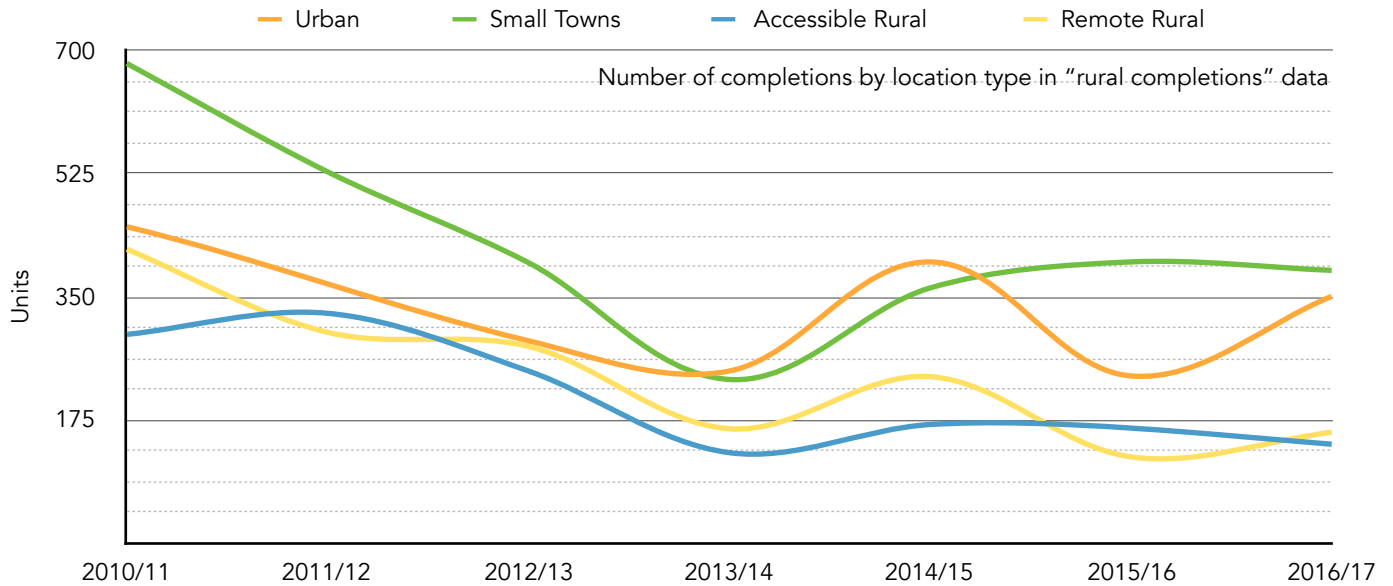
## Geographical Analysis

Analysis of Scottish Government<sup>6</sup> data for 'rural completions' shows that most of these completions are located in small towns and urban areas and not rural areas. The data reveals that in 2016/17 just **299** affordable homes were built in communities with fewer than 3000 inhabitants. These homes represent 28% of the 1066 affordable homes built in 2016/17 which the Scottish Government data states are rural but by the Scottish Government's own definition are not. The data includes homes built in Inverness, Ayr, and Dumfries: a total of 351 of the 1066 affordable homes were built in communities of over 10,000 people but defined as rural. The largest number of completions (388) called rural were actually built in small towns.

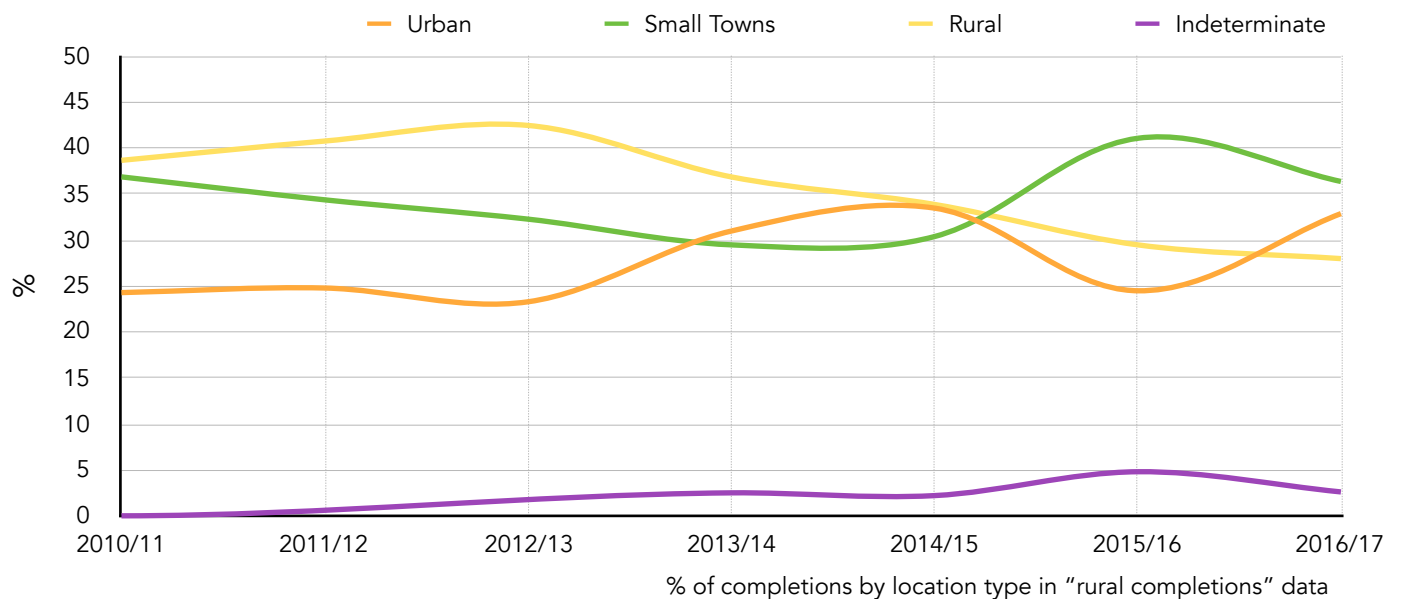


<sup>6</sup> Written answer from Kevin Stewart MSP to Local Government & Communities Committee 31st January 2017 - [www.parliament.scot/S5\\_Local\\_Gov/.../20170131\\_Budget\\_MinLGHToConvener.pdf](http://www.parliament.scot/S5_Local_Gov/.../20170131_Budget_MinLGHToConvener.pdf) and 2016/17 data in Written Answer to Andy Wightman (Lothian) (Scottish Green Party) 12 October 2017

Geographic Analysis	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Accessible Rural	297	327	245	129	169	164	141
Remote Rural	418	300	280	163	237	123	158
<b>Rural &lt;3000</b>	<b>715</b>	<b>627</b>	<b>525</b>	<b>292</b>	<b>406</b>	<b>287</b>	<b>299</b>
<b>Small Towns 3000-9999</b>	<b>682</b>	<b>528</b>	<b>399</b>	<b>233</b>	<b>363</b>	<b>400</b>	<b>388</b>
<b>Urban 10,000+</b>	<b>450</b>	<b>381</b>	<b>288</b>	<b>245</b>	<b>400</b>	<b>238</b>	<b>351</b>
<b>Indeterminate*</b>	<b>1</b>	<b>0</b>	<b>22</b>	<b>20</b>	<b>26</b>	<b>47</b>	<b>28</b>
Total "Rural Completions"	1848	1536	1234	790	1195	972	1066
Rural (<3000) % of 'rural completions'	38.7	40.8	42.5	37.0	34.0	29.5	28.0

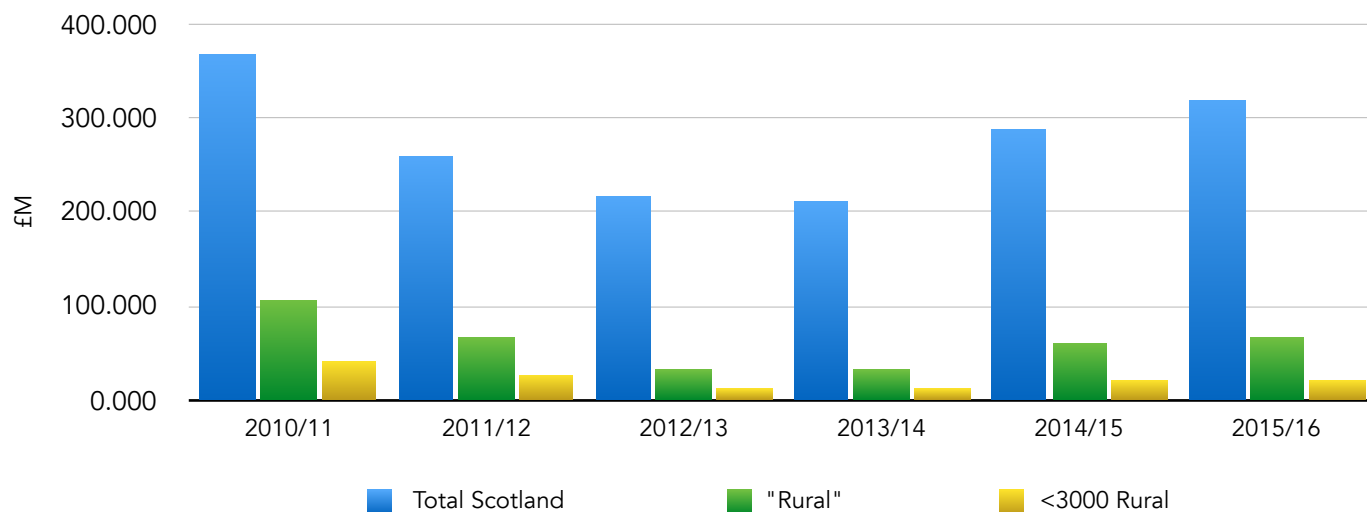


Completions in remote rural areas have fallen from 418 in 2010/11 to 158 in 2016/17 - a decline of 62%. Completions in accessible rural areas have fallen from 297 to 141 - a decline of 52%. Over the same period "rural" completions in urban communities have just fallen by 22% from 450 to 351 and completions in small towns by 43%. Overall completions have fallen by 42% from 1848 to 1066 with rural completions representing over half of this decline. Completions in communities of less than 3000 people have declined from 38.7% of all completions in 2010/11 to 28% in 2016/17 whilst "rural" completions in urban communities have increased from 24.3% to 32.9%



## Investment

The Scottish Government data also provides information on the amount of Scottish Government expenditure on "rural" housing for the last six years. This "rural" spend is illustrated as the green column in the graph below. Actual expenditure in rural settlements of less than 3000 people (the yellow column) has been an average of 6.4% of the national total in the last three years<sup>7</sup>.



<b>SG Spend £M</b>						
Geographic Analysis	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
"Rural" Spend £M	107.045	65.658	31.412	31.692	59.501	66.588
Pro rata rural <3000 Spend £M	41.42	26.80	13.36	11.71	20.22	19.66
Total Spend Scotland £M	367.88	259.71	216.72	209.52	286.88	319.40
% Scotland spend in rural <3000	11.26	10.32	6.17	5.59	7.05	6.16

<sup>7</sup> Expenditure calculated by division of declared rural spend by declared rural completed units. It is recognised that expenditure may be higher than the pro rata figure in communities of less than 3000 people due to increased costs. Overall investment data not yet available for 2016/17. Of investment defined as rural in 2016/17 - £76.6M just £21.45M was spend in rural areas.

## Appendix 1

### Completions

Remote and Accessible Rural figures calculated from locational analysis of postcodes included in completions data from Scottish Government in form of written answer from Kevin Stewart MSP to Local Government & Communities Committee 31st January 2017 - [www.parliament.scot/S5\\_Local\\_Gov/.../20170131\\_Budget\\_MinLGHToConvener.pdf](http://www.parliament.scot/S5_Local_Gov/.../20170131_Budget_MinLGHToConvener.pdf)

Total figure compiled from AHSP new build and rehabilitation completions excluding off the shelf purchases/rehabilitations by "other 4" and Home Ownership Support Fund - <http://www.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/NB-AHIP>

Rest of Scotland figure calculated by deduction of remote and accessible rural figures from total figure.

### Investment

Total figure from data contained in written answer from Kevin Stewart MSP to Local Government & Communities Committee 31st January 2017 - [www.parliament.scot/S5\\_Local\\_Gov/.../20170131\\_Budget\\_MinLGHToConvener.pdf](http://www.parliament.scot/S5_Local_Gov/.../20170131_Budget_MinLGHToConvener.pdf)

This expenditure reflects the local RPA programmes, but not the centrally held Scottish Government budget which includes national programmes, such as the Open Market Shared Equity scheme (OMSE), Home Owners' Support Fund (HOSF) and Empty Homes Loan Fund (EHLF).

Remote and Accessible Rural investment figures arrived at by calculating proportion of suggested "rural expenditure" in data from SG attributal to actual rural areas. Suggested "rural expenditure" £66,588,000 - however postcode analysis reveals that only 12.6% of completions funded by this investment were in remote rural areas and just 16.9% were built in accessible rural areas. Remote and Accessible rural expenditure calculated on a pro rata of "rural expenditure". It is recognised that expenditure may be slightly higher than the pro rata figure given higher development costs in remote rural areas.

### Population

Population figures from 2015 Population Estimates for 6-fold Urban Rural Classification, 2011-2015 <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/2011-based-special-area-population-estimates/population-estimates-by-urban-rural-classification>

Appendix 2

“Rural” Completions 2016/17

Remote Rural Accessible Rural Remote Small Towns Accessible Small Towns Urban

