

DELIVERING MORE

**HOMES FOR
SCOTLAND**

HOMES FOR SCOTLAND'S RESPONSE TO THE SCOTTISH GOVERNMENT'S NATIONAL OUTCOMES REVIEW

12 JUNE 2023

Homes for Scotland (HFS) represents c200 organisations which together provide the vast majority of new homes of all tenures built in Scotland. As set out in [our 2023-28 strategy](#), our primary purpose is to deliver more homes for the people of Scotland. We welcome the opportunity to comment on the National Outcomes Review: Call for Evidence and to engage with the Scottish Government further on our response.

- 1. Are there any changes to the current set of 11 National Outcomes that you would propose? If so, in summary, what would these be?*

Homes for Scotland (HFS) proposes the addition of 'the right to an adequate home' (already a standalone priority in Housing to 2040), reflecting that a home is a basic human right.

With a shortfall of around 110,000 homes accumulated since 2007, housing must feature as a National Outcome if progress is to be made to provide more homes for those in need.

As outlined in this submission, new build housing already significantly contributes to the bulk of the existing National Outcomes. However, the importance of ensuring an adequate supply of new homes is so fundamental to Scotland's social wellbeing, economic prosperity and transition to net zero that it warrants inclusion as a new standalone National Outcome.

A robust supply of sustainable, warm, energy-efficient housing supports a number of social outcomes including improved health and wellbeing, educational attainment, sustainable communities and a reduction in poverty and homelessness. Our report on ['The Social and Economic Benefits of Home Building in Scotland'](#) outlines the important role that housing plays in generating positive social, economic and environmental outcomes in Scotland across a number of key policy/strategy documents which have been created or commissioned by the Scottish Government. Pages 6 and 7 of the report detail the key policy areas in which housing is a driver.

The Scottish Government's National Outcomes are supported by 9 Cabinet portfolios, of which housing impacts the majority. HFS therefore welcomes the Scottish Government's increased recognition of the significance of housing through the introduction of a dedicated Housing portfolio and the accompanying appointment of the new Housing Minister Paul McLennan. Citing a right to an adequate home through a new National Outcome presents an opportunity to ensure that outputs across all the portfolios on which housing impinges are driven by the objective to ensuring adequate housing for all. Further supporting information for this can be found in our response to Q2.

2. *Are there new National Outcomes that should be included in the National Performance Framework, if so, why should they be included?*

At present, there are no National Outcomes relating directly to Housing. **Access to a safe and secure home is a fundamental human need and underpins the bulk of the existing National Outcomes.** Under Article 25 of the Universal Declaration of Human Rights, 'adequate housing is recognised as part of the right to an adequate standard of living', yet Scotland has accumulated a deficit of around 110,000 homes of all tenures since 2007. In light of the Scottish Government's ambitious target to build 110,000 affordable homes by 2032, it is surprising that housing is not already included as a National Outcome. This signals that the importance of having a home in Scotland is not in itself adequately recognised.

To deliver the homes of all tenures that the people of Scotland need, we need to collectively deliver 25,000 new homes per annum. As a society, we are not currently providing this. A clear national outcome which prioritises the delivery of new homes is essential and should be focused on a target of 25,000 new homes across all tenures per annum.

Having a safe, comfortable place to call home is a fundamental right, yet it is one that many people in Scotland do not have. The importance of having a home is highlighted in a number of case studies undertaken by HFS, two of which are included below.

A single mum from Perth who was living in a second floor, city centre flat was desperate to move to a more suitable home with more space. She had often driven around the Bertha Park development and loved the style of the homes, open space and its proximity to her work but thought that she would never be able to obtain a home there. She looked at other rental properties but the properties were unsuitable. She reached out to Kingdom Housing Association and within 5 weeks was offered a brand new energy-efficient home with a garden. The house is exactly what she wanted and provides her and her children with a safe space to grow.

A young family of 3 had rented a 2 bed housing association flat in Castlemilk for many years but dreamt of owning a home with more space. They didn't think it would be possible to purchase a new home until they heard that there might be assistance for First Time Buyers like themselves. They enquired and found out that they were eligible for support from the First Home Fund. They moved into their new home just before the pandemic, describing it as a 'dream'. They explained that owning their own home hadn't felt possible after years of paying rent and having nothing to show for it. Without this financial assistance they would likely still be in rented accommodation. Unfortunately, there is currently no support in Scotland for people seeking to purchase their first home as both the First Home Fund and the Help to Buy (Scotland) scheme have closed.

The home building sector forms a central part of the physical, social and economic fabric of Scottish society. Its social impact – in supporting good place-making, in developing sustainable communities and in improving people’s life chances – is clear. In addition, the delivery of both market homes and affordable housing makes a significant economic contribution by generating high levels of employment, boosting economic growth and delivering essential infrastructure.

Our ‘Social and Economic Benefits of Home Building in Scotland’ report provides evidence to show how key housing-related indicators (inclusivity, quality of life, environmental sustainability and economic growth) generate positive social and economic outcomes in a number of key policy/strategy documents commissioned by the Scottish Government including: Housing to 2040, National Performance Framework and the Just Transition Commission Report.

Home building across Scotland makes significant contributions beyond the construction of the homes themselves that help to support new and existing residents by **providing essential community infrastructure**. Developer contributions are used towards facilities related to the proposed development – for example: payments towards new school classrooms, local highways improvements, public open space and other community facilities. Home builders can, in certain circumstances, also make direct financial contributions to support affordable housing provision.

Using data from 2019, it is estimated that Scottish home builders contributed a total of £179 million through S75 agreements in 2019. [Based on Scottish Government research](#), the overall contribution from developers was worth £30,500, on average, for each private sector home built in Scotland in 2018/19. Additionally, home builders also make indirect contributions through the transfer of serviced land to local authorities and affordable housing providers.

Delivering new housing also provides a number of other economic benefits. Our report found that, in 2019, the home building sector supported 79,200 direct and indirect jobs. This is equivalent to 3.5 jobs for every home built. In the same period, housing provided £521m of tax paid (through LBTT, Corporation Tax, NI and PAYE contributions). Many SME home builders work in small and rural areas, providing employment and business opportunities to the local community.

The provision of both public and privately built new homes of all tenures is so interconnected that housing needs to be seen and valued in terms of its overall social and economic contribution. Data collected, found that in the year up to August 2022, 30% of affordable homes in Scotland were delivered as a direct result of a Section 75 contribution through private homes built by HFS for Scotland members. This increases to, 90% of all affordable homes in Scotland were delivered via HFS members as a result of Section 75 and home builders when factoring in the contracting arms of member companies acting as a contractor. This highlights the interconnected nature of housing and that without the provision of private housing, affordable housing simply wouldn’t exist.

3. *Are there any changes you would propose to the wider National Performance Framework on set of National Indicators?*

At a minimum all outcomes should have clearer and measurable targets associated with them.

4. *What impact does the current National Outcomes have on your work?*

HFS represents organisations building the majority of homes in Scotland across all tenures. The home building sector operates in a heavily politicised environment which is vulnerable to misperceptions around Scotland's critical shortage of housing.

Creating a specific housing National Outcome with measurable targets would provide a platform to educate and inform those who influence housing across business, media, policy makers and consumers. It will create a focus which is not currently visible.

The absence of any mention of housing in the current National Outcomes demonstrates a lack of understanding of the significant social and economic contribution of housing in Scotland and the benefits of living in a safe, comfortable home. The review of the National Outcomes provides a fresh opportunity to create an additional outcome with measurable targets reflecting the importance of housing.

If Housing was established as a standalone National Outcome, it would enable us to evidence further how housing contributes to Scotland's performance across the sustainable development goals. It would also provide clear recognition of the vital and cross-policy contribution that home building makes across Scotland's urban and rural communities.

5. *What are the main obstacles and barriers in the further implementation of the National Outcomes?*

We believe that, overall, there is a lack of evidence-based metrics based on contextual data to measure and evaluate both the current National Outcomes and a new housing outcome. Such data is essential to help both the sector and the wider public understand and value what is being delivered for the benefit of the people of Scotland.

The absence of a National Outcome directly relating to housing creates a clear strategic policy vacuum and perpetuates the already complex regulatory framework for central and national government and industry.

The home building sector is facing a number of new and upcoming regulatory changes which, although we understand the intentions of, place considerable pressure on our members to meet. These include:

- Building Safety Remediation – Imminent
- Building Regulations: Section 6 (Energy) - February 2023
- New Build Heat Standard – April 2024
- Domestic Building Environmental Standard (Scotland) Bill – Expected 2025/26
- Housing for Varying Needs – Expected 2025/26

In addition, there are a number of wider economic challenges which will impact the delivery of new homes including cost price inflation on materials, supply chain issues, and skills and labour constraints alongside upskilling to support regulatory changes.

While our members understand the direction of travel and are working hard to prepare for and implement these changes, there is a lack of communication and co-ordinated working between policy- makers and wider stakeholders to ensure that changes are evidence-based, pragmatic and achievable.

With an overwhelming number of regulatory changes on the horizon, the Scottish Government must recognise the very real implications of how this will impact the delivery of homes.

The review of the National Outcomes provides an opportunity allow policy makers across Government to create a more co-ordinated and strategic approach to delivering the homes that Scotland needs.

6. *How do you enable coherence and coordination between your organisation and the aims of the NPF and the National Outcomes?*

HFS strives to deliver critical social, environmental and economic outcomes for Scotland through its members and their contribution across rural and urban economies. Through our own internal strategy and measured outcomes, we are able to demonstrate align our sector's impact across the National Outcomes.

Our members' social value outputs are also well documented and support the Scottish Government's National Outcomes.

7. *How could accountability be improved for delivering the National Outcomes?*

It is stated on the Scottish Government's website that Scotland's National Performance Framework (NPF) and the United Nation's Sustainable Development Goals (SDGs) share the same aims. While the Scottish Government has declared that its aim is to use the NPF as a way to localise the SDGs, **we are unclear on how the measurement, evaluation on performance and the supporting data is used to improve performance within the government. We are also unclear as to whether the data from this is shared.**

Summary

- Scotland currently has accumulated an undersupply of around 110,000 homes since 2007. Housing must feature as a National Outcome if progress is to be made to provide more homes for those in need.
- Providing the homes of all tenures that the people of Scotland need, requires us collectively to deliver 25,000 new homes per annum. As a society we are not currently providing this. A clear national outcome which prioritises the delivery of new homes is essential and should be focused on a target of 25,000 new homes delivered per annum.
- Housing underpins the bulk of the existing National Outcomes and is crucial in delivering a number of social outcomes including improved health and wellbeing, access to education, sustainable communities and a reduction in poverty and homelessness.

- It must be recognised that the delivery of both private and affordable homes provides significant economic growth.
- There are a number of challenges facing the home building sector which has a cumulative impact on the delivery of homes across Scotland.
- The creation of a specific housing National Outcome would provide a platform to educate and inform those who influence housing across business, media, policy makers and consumers. It will create a focus which is not currently visible.
- The review of the National Outcomes provides an opportunity to assess how policy makers under all markers can share information to ensure there is joined-up working and co-production across all directorates.
- We need to understand how the Scottish Government is held accountable to its SDG goals through data publication.

References:

Homes for Scotland's 'The Social and Economic Benefits of Home Building in Scotland' report <https://homesforscotland.com/download/the-social-and-economic-benefits-of-home-building-in-scotland/?wpdmdl=3624&refresh=647855b190ccc1685607857>

Planning - the value, incidence and impact of developer contributions: <https://www.gov.scot/publications/value-incidence-impact-developer-contributions-scotland/>

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