

**DELIVERING  
MORE**

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**VALUE FOR MEMBERS**

**Homes for Scotland**  
**Activity Report 2018**

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# CHAIR'S MESSAGE

## Dear member

It was just over a year ago that I took over as Chair of Homes for Scotland (HFS).

My priority since has been to work with our members and the Executive Team to ensure that we have a clear purpose and the necessary strategy and structure in place to help focus and prioritise our work. Having now concluded this, my aspiration is that everyone unifies around our purpose – to deliver more homes for Scotland.

Whilst developing the strategy, I was struck by the misconceptions that some hold of home building. The responsibility for addressing this rests with us, the industry, and I therefore welcome your support of

HFS efforts in this regard by communicating positive messages as widely and as often as possible to improve the understanding and image of our sector.

With the strategy now launched, our focus turns to its implementation, including the expansion of more exclusive benefits enabling you to extract further value from your membership of HFS.

I'm delighted to see the first of such initiatives already live with the extension of the Five Star Builder scheme and I look forward to the distribution of our new data bulletin for members which will provide helpful expert commentary and insight.

This will be complemented in 2019 by new independent research which will assist with our work in transforming the perceptions some hold of our industry.

As well as identifying the key barriers to delivering more homes, it is important that HFS also works in a positive and collaborative way with all our stakeholders to generate solutions. I encourage you to actively participate with us, in whatever way you can, to achieve that aim.

**Ken Gillespie**  
Chair



*HFS Chair Ken Gillespie addressing members and MSPs during a parliamentary reception.*

**Dear colleague**

I am delighted to be publishing this year's Activity Report on the back of yet another successful conference.

This major event plays a crucial part in enabling us to lead the agenda on housing, stimulating debate and challenging both members and wider industry stakeholders on how we deliver more homes.

In addition to our strategy launch, it also acted as the platform for our announcement on the Five Star Builder scheme being extended to Scotland - demonstrating our commitment to increasing standards, further strengthening levels of customer satisfaction while also delivering more for our member companies.

These are priorities for our Board and fundamental to our core objectives of:

- 🏠 influencing stakeholders
- 🏠 improving the understanding and image of the industry
- 🏠 supporting a growing membership

The strategy launch and Five Star initiative round off a particularly intensive and successful year for HFS which, as I hope the following pages show, represents a great return on your investment in membership.

But the hard work never stops!

Our extensive efforts on the Planning Bill will continue next year, as will our discussions with the Scottish Government regarding plans for "Housing Beyond 2021" on which the most robust representations will be made on your behalf.

It is clear that our aim of delivering more homes needs us all to play an active role. With your support therefore remaining as crucial as ever, I look forward to working with you all again in 2019.

**Nicola Barclay**  
**Chief Executive**



*HFS Chief Executive Nicola Barclay launched our new strategy at our annual conference at BT Murrayfield in November.*



## £10m

additional Help to Buy funding to meet demand



## 2 years

Help to Buy extension to provide greater confidence for both builders and buyers



## 5★

Builder scheme extended to help increase standards and further strengthen levels of customer satisfaction



## 30,000

higher SESplan housing target recommended



## £350k

revised Building Scotland Fund housing threshold to maximise opportunities for smaller builders



## 12

organisations collaborated with to demonstrate breadth of concern on appeal rights



## Appeal rights

retained as is at Stage 2



## SEPA

change of approach on District Heating



## 57

planning/policy representations protecting industry interests



## 356,000

Daily Record readership for our supplements promoting the benefits of new homes

No individual company could deliver the above on its own. Whether you benefit directly or indirectly as a result of the positive impacts which flow through the wider economy and supply chain, such achievements are only possible because of the unity, strength and credibility presented by Homes for Scotland. Our efforts on your behalf also mean you can direct your focus on running and growing your business.

## Help to Buy (Scotland)

Our work on HTB proved crucial again during the year. With demand remaining strong, the evidence we submitted to the Scottish Government in support of the scheme's continuation resulted in a two year extension to 2021.

This not only increased the possibility of home ownership to more Scots but also provided the much-needed confidence and certainty that members required in order to make planning and investment decisions.

The monitoring structure we have in place also ensured that the Scottish Government responded by quickly allocating an additional £10m to meet demand this financial year.

## Building Scotland Fund

The Scottish Government's Building Scotland Fund is described as the pre-cursor to the Scottish National Investment Bank, with £150m available until 2021 focusing on housing, modern industrial and commercial property, and business-led research and development projects.

Through our Small Scale Home Builders Project we directly influenced the housing criteria set for fund applications. With the minimum loan value originally proposed at £1m, we recommended a lower threshold to promote access to the fund for smaller builders which was consequently defined at £350k.

## Scottish National Investment Bank

Recognising the enormous potential offered by the Scottish National Investment Bank in terms of facilitating the delivery of more housing, the special stakeholder event we held for member companies in October enabled us to submit a comprehensive response to the Bill proposals for Parliament. It also allowed us to position ourselves as a key advisor to the Scottish Government in terms of shaping the Bank's investment priorities to maximise the impact on housing supply.



*The Help to Buy (Scotland) scheme enabled young schoolteacher Jodie Munn to take ownership of her first home much sooner than she had thought possible.*

## SKILLS

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With HFS having shaped the agenda of a Scottish Government Short Life Working Group on Skills, the home builder participation which we facilitated has led to the creation of initiatives that will make a real difference in terms of industry capacity.

These include the piloting of a fast-track Bricklaying for House Building Modern Apprenticeship in response to member demand.

We have ensured every aspect of the skills shortage is tackled as part of this work, specifically requesting it be extended to include shortages within Local Authority Planning and Building Control departments.

The Group's recommendations are anticipated by the end of the year, following which we envisage playing a vital role in their implementation and evaluation.

**“We have ensured every aspect of the skills shortage is tackled as part of this work”**



*Ensuring the right skills are in place to deliver more homes.*

## Small Scale Home Builders

The ongoing constraints on bank lending to this vital sector continues to be a major problem, with a complex planning process and attached conditions also impacting project viability.

Seeking to develop solutions, HFS led the creation of a collaborative project with the Scottish Government, Heads of Planning Scotland, the Association of Local Authority Chief Housing Officers, members and others to reduce such barriers to not only allow existing small builders to build more homes but also encourage new entrants into the industry.

Two distinct workstreams are now in place to address the main areas for improvement:

- 🏠 **'Improving Process'** looking more in-depth at issues surrounding planning, road construction consents, building control and delivering infrastructure
- 🏠 **'Finance, Funding and Tax'** focusing on issues around development funding, prolonged capital lock-in and its impact on viability, and Land and Buildings Transaction Tax.

With activity this year having already led to practical results, as reported on p06 in relation to the Building Scotland Fund, our collaborative approach is likely to see different kinds of outcomes delivered in the short, medium and longer term.



*Our wide-ranging collaboration in relation to small builders seeks to increase activity and help attract new entrants to the market.*



# QUALITY

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## Five Star Builder

Quality has been high on our agenda this year and forms a key focus of our new strategy, particularly with regard to strengthening levels of customer satisfaction.

So we have been delighted to extend the Five Star Builder scheme to Scotland, enabling those members only operating in Scotland to fully participate for the first time.

With ratings based on the feedback of home owners, this will offer buyers of new homes a basis on which to compare builders, helping to improve standards across the industry.

Twelve additional Scottish companies have already taken advantage of this new member benefit, vastly increasing the proportion of home builders in Scotland participating in the scheme.

**“This will offer buyers a basis on which to compare builders”**



*Quality and customer satisfaction are top HFS priorities and were both scrutinised at our annual conference which featured a presentation from Bovis Homes on the lessons to be learnt when things go wrong.*

We also acknowledge the comfort that consumers may gain from having a clear mechanism in place to protect them if something were to go wrong.

That is why we have been working with industry across the UK in support of the Westminster government's ambition of putting a New Homes Ombudsman in place.

In order to form the new "rulebook" or "code" against which the industry would be measured, the main tasks have been to:

- 🏠 unify the main existing consumer codes covering the sales process
- 🏠 develop an 'addendum' to the above to cover years 1 and 2 of occupation that would include how we deal with 'snagging' issues
- 🏠 develop a clear set of minimum warranty standards

We are now actively engaging the Scottish Government to ensure the provisions across the UK are consistent to ensure continued warranty provision and mortgage lender buy-in in Scotland.

**“We have been working with industry across the UK”**



*It is essential that consumer protection provisions are consistent across the UK.*

Following the tragic events at Grenfell, the outcomes of the Cole Report and parliamentary scrutiny of the Building Standards system, the technical agenda was directly under the spotlight in 2018.

The importance of our technical function was underpinned by our responses to the Scottish Government's consultations on "Building Regulation Compliance & Fire Safety" and the "Review of Energy Standards". These called for future regulation to take a holistic view of the strategies employed to protect the safety of Scotland's people, and for the development of a long-term route map for the industry in relation to the delivery of the targets set for the sector within the Climate Change Bill.

Whether it be obtaining development consents or navigating through a fragmented policy and standards environment, we have been working to address these challenges through separate workstreams and constructive collaboration with key stakeholders and have:

- 🏠 successfully encouraged SEPA to remove its policy to object to planning applications on district heating grounds and to scrutinise its current approach on flood risk
- 🏠 worked closely with Scottish Water to consider key issues in relation to the delivery and vesting of water and sewer assets through a dedicated working group

- 🏠 set forward a plan to evidence and quantify the development process across key gatechecks such as planning and building warrant through to roads construction

Aligning with our new strategy, we will continue to build upon this work in 2019 to support the delivery of more homes.



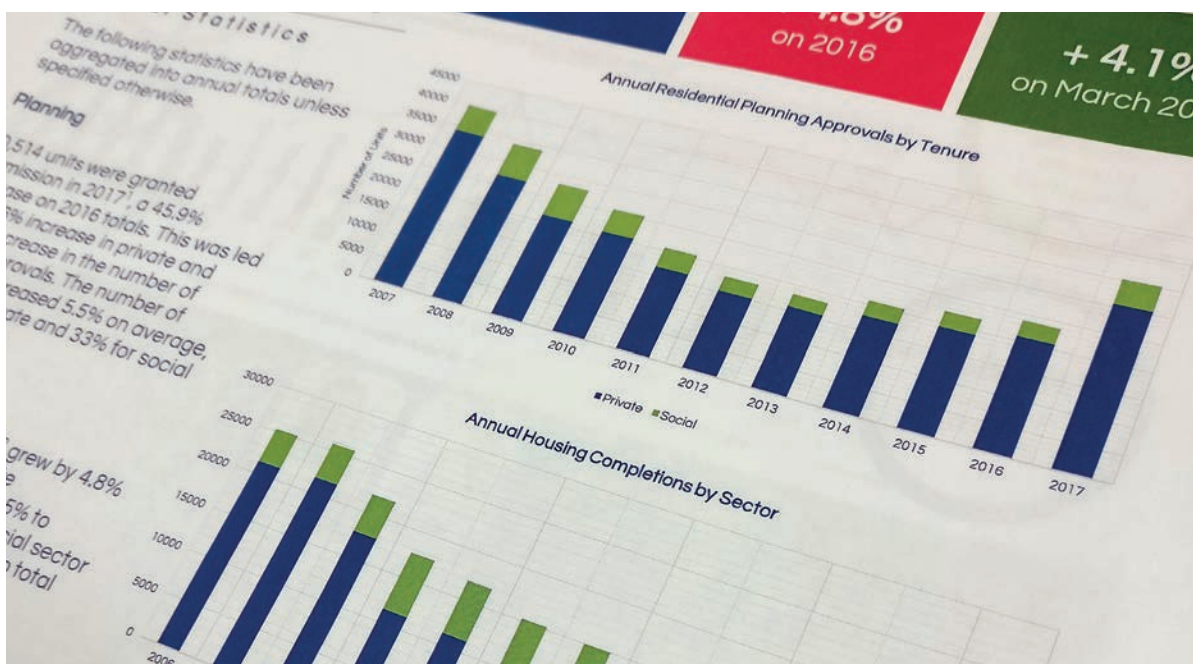
*Our technical function focuses on Building Standards and utilities infrastructure.*

Over the course of 2018, our team has been exploring how best to draw together relevant statistical datasets to provide members and external stakeholders with real insight into new home delivery in Scotland.

Having considered the benefits and limitations of a wide variety of sources, we have developed a quarterly data publication to promote a greater level of understanding of new housing delivery at both a national and local level.

Coinciding with the publication of official housing statistics, the first edition will be available around mid-December.

## “Providing real insight into new home delivery”



Drawing together statistics to promote a greater level of understanding.

# THE PLANNING BILL

## The Planning Bill

As the Planning Bill has progressed through the Scottish Parliament, HFS has been one of the most active and influential lobbying voices, appearing before the Scottish Parliament’s Local Government and Communities Committee (LGCC - the lead scrutineering body) and Finance Committee.

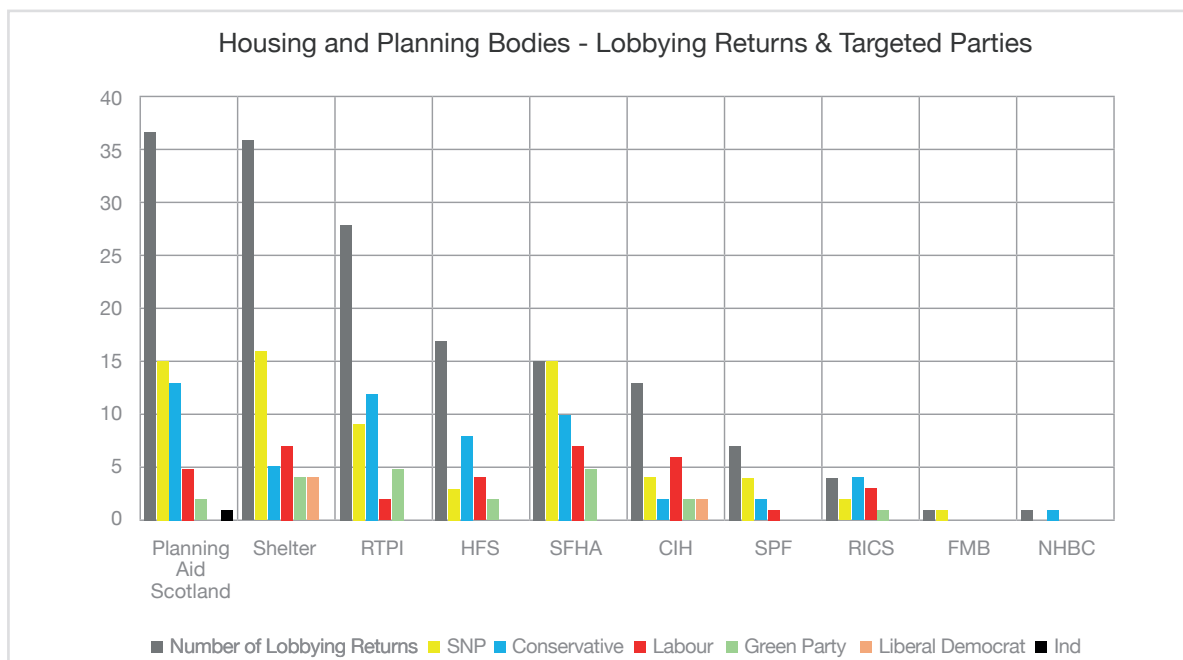
Influencing the Stage 2 debate and votes on amendments was afforded high priority over the summer and autumn, building relationships with key MSPs and supplying regular (and heavily referred to) briefings.

Whilst deliberations have produced an amended Bill that now barely resembles the original (and on which an enormous amount of “tidying-up” work will be needed before it can become a workable Act), we have achieved some very big successes so far, including:

- 🏠 a statutory requirement for home building targets to be included in the National Planning Framework
- 🏠 defeat of all amendments relating to planning appeals: meaning applicants keep their appeal rights in full and third parties do not gain a right to appeal against approvals

Elsewhere in the Bill, there are things we still need to push very hard on. For example:

- 🏠 reworking the Development Planning provisions so Scotland’s homes are planned for on a clear and comprehensive basis from national to local levels
- 🏠 removing policy clutter that has been voted into the Bill – not least a ‘brownfield first’ provision that will hamper sustainable development on deliverable green belt sites



A graphical representation of our lobbying work on the Planning Bill in comparison to other relevant bodies, noting our particular focus on the Conservatives who hold the balance of power in relation to appeals.

### Land Reform

The results of our engagement with the policy and research workstream of the Scottish Land Commission (SLC) can be seen in the evolving way the SLC has talked to, and about, our industry - and the way the subject of 'land value capture' reform is being approached.

Whilst the status quo will not be accepted, there is no obvious move to seize great quantities of land at agricultural values. Instead, ideas such as public servicing of pooled land and public interest-led development are being explored, with supposed 'quick-fixes' being thoroughly examined.

By bringing the right people together at the right times, we have even been able to get the commitment of some key politicians to review relevant land value capture amendments in the Planning Bill before the SLC has published its findings.

**“Bringing the right people together at the right times”**



*Our positive engagement with the Scottish Land Commission means industry views have been clearly represented.*

## Local and Regional Planning

As ever, our local and regional planning casework and relationship building has more than fully occupied the planning team.

We respond to every local or strategic planning policy and guidance consultation that is relevant to home building and relates to the (almost all) parts of Scotland in which our members are active.

We field our in-house experts to every LDP examination which includes a hearing on home building and also look to utilise the rich seam of expertise available from our associate membership.

Notable outcomes this year include:

- 🏠 the SESplan Reporter's clear messages to councils that shortfalls in housing delivery must be addressed and significantly more homes should be built (30,000 more than the SESplan councils had proposed)

- 🏠 Scottish Government advice to Fife Council not to adopt planning obligations guidance as the result of a defective consultation
- 🏠 our endorsement of good practice in East Lothian stimulating City of Edinburgh councillors to instruct their planners to meet their East Lothian counterparts, with us, to compare approaches

## Influencing Stakeholders

Planning authorities aside, there is a large number of people and organisations that take decisions which will affect home building now and in years to come. Some marked achievements of our wider planning-related engagement this year include:

- 🏠 two joint letters on planning appeal rights (co-signed by 12 other organisations), both of which were used in Parliament to counteract the strong lobby for appeals reform
- 🏠 securing a place on the Scottish Government's Infrastructure Delivery Group
- 🏠 working in partnership with the Scottish Government and Local Authorities on the "Activating Sites" programme, looking to unblock large, strategic development opportunities across Scotland

**“We respond to every local or strategic planning policy and guidance consultation relevant to home building”**

# 26

Housing Land Audits responses

# 12

Strategic/Local Development Plan submissions

# 8

Supplementary Guidance responses

The influence of our Public Affairs & Communications function was reinforced during the year by the development of our new strategy which highlighted how it underpins all our workstreams.

Whilst this value is set to be reflected during the implementation phase of our new strategy, our team again demonstrated throughout the year why its expertise is held in high regard by many external stakeholders.

In addition to the team's usual day-to-day of promoting our calls and commentary to help set the news agenda in relation to housing and media/political monitoring, among the positive results generated were:

- 🏠 the signing of our first Local Authority agreement aimed at improving ways of delivering housing (with Dundee City Council)
- 🏠 a wide-ranging engagement plan, including member mobilisation around our Barriers & Solutions report and Planning Bill work
- 🏠 another record-breaking Annual Lunch
- 🏠 promoting the benefits of new homes through New Homes Week, Scottish Housing Day and special supplements in partnership with the Daily Record

Other key issues contended with included the introduction of the Scottish Parliament's Lobbying Register and the new General Data Protection Regulation, both of which have potential to impact members' businesses as well as our own organisation.



*Increasing our engagement with Local Authorities.*



# PUBLIC AFFAIRS & COMMUNICATIONS



Facilitating direct conversations between industry and Ministers.



Our constructive and collaborative approach ensures we can engage the Scottish Government at all levels (Cabinet Secretary Aileen Campbell attending our annual conference).



Creating opportunities for members to come together.



Engaging with politicians from across the political spectrum.



Promoting the benefits of new homes in partnership with one of the country's largest newspapers.



The two year extension of Help to Buy was announced on a member's site.

## Dates for your diary



## 2018

**December:**

Saturday 8th	Sleep in the Park
Wednesday 5th*	Annual Awards open
Wednesday 12th*	Annual Lunch bookings open

## 2019

**February:**

Friday 1st*	Closing date for award entries
Tuesday 5th	Scottish Parliament reception, Holyrood, Edinburgh

**April:**

Saturday 6th	HFS Kenya Build commences
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**May:**

Friday 17th	Annual Lunch & Awards, EICC, Edinburgh
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**September:**

Wednesday 18th	Scottish Housing Day
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**November**

Wednesday 13th	Annual Conference, Dynamic Earth, Edinburgh
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\*provisional



*improving living in scotland*



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