

From: [redacted]

Sent: 08 April 2020 12:40

To: Minister for Local Government, Housing and Planning <MinisterLGHP@gov.scot>; Cabinet Secretary for Communities and Local Government <CabSecCLG@gov.scot>

Cc: DG Education, Communities & Justice <DGECJ@gov.scot> [redacted]

Subject: RE: AUDIT SCOTLAND - AFFORDABLE HOUSING AUDIT

[redacted]

The final Audit Scotland report on Affordable housing will be published on the Audit Scotland web page tomorrow. A copy of the report which was received on 6 April is attached and is embargoed until 00.01 hours on 9 April .

Extracts from the report covering the key messages and the 11 recommendations are attached. The latter are split into three categories, what the Scottish Government and councils should do; what councils should do and when planning for post-2021 investment, what the Scottish Government should do working with councils and RSLs . We will provide responses to these recommendations for ministers to consider shortly.

The key messages in the report notes that *the Scottish Government reports that the March 2021 target is on track to be met. However, serious risks remain.* And further in the body of the report these risks are set out, with the conclusion that **This leads us to conclude that the target, and particularly the social rent element, is at serious risk of not being met.** This differs from the draft report which noted that *This leads us to conclude that the social rent element of the target is at serious risk of not being met.*

As previously noted, Audit Scotland will not be issuing a news release or undertaking any wider media activities. However, they will be informing the advisory group members, and others who were interviewed for the report, that the report will be published on its website and of the different approach to publication i.e. that there will be no media launch. The Regional Networks of Registered Tenants Organisations will also be advised as Audit Scotland met with them about its work.

We will prepare lines with Comms colleagues today for you to agree in the event of any press queries or comments.

Kind regards

[redacted]

[redacted]

Scottish Government/More Homes Division/Housing and Social Justice Directorate.
5 Atlantic Quay 150 Broomielaw Glasgow G2 8LU

m: [redacted]

e: [redacted]

From: [redacted]

Sent: 10 July 2019 13:01

To: Minister for Local Government, Housing and Planning <MinisterLGHP@gov.scot>; Cabinet Secretary for Communities and Local Government <CabSecCLG@gov.scot>

Cc: DG Education, Communities & Justice <DGECJ@gov.scot>; [redacted] **Subject:** RE: AUDIT SCOTLAND - AFFORDABLE HOUSING AUDIT

[redacted]

Further my note of 20 May regarding the above, please find attached for information some further detail which Audit Scotland has now published about the audit.

We have now met with the audit team and they will keep in touch with us throughout the audit.

Will we keep Ministers up to date on further progress as this is known.

Kind regards

[redacted]

[redacted]

Scottish Government/More Homes Division/Housing and Social Justice Directorate.
5 Atlantic Quay 150 Broomielaw Glasgow G2 8LU

t: [redacted]

e: [redacted]

From: [Redacted]

Sent: 20 May 2019 13:19

To: Minister for Local Government, Housing and Planning <MinisterLGHP@gov.scot>; Cabinet Secretary for Communities and Local Government <CabSecCLG@gov.scot>

Cc: DG Education, Communities & Justice <DGECJ@gov.scot>; [Redacted]

Subject: AUDIT SCOTLAND - AFFORDABLE HOUSING AUDIT

[Redacted]

AUDIT SCOTLAND - AFFORDABLE HOUSING AUDIT

Please find attached a short note to advise ministers about Audit Scotland's planned affordable housing audit which will begin over the summer.

Kind regards

[redacted]

[redacted]

Scottish Government/More Homes Division/Housing and Social Justice Directorate.
5 Atlantic Quay 150 Broomielaw Glasgow G2 8LU

t: [redacted]

e: [redacted]

From: [redacted]

Sent: 25 March 2020 12:57

To: Cabinet Secretary for Communities and Local Government <CabSecCLG@gov.scot>; Minister for Local Government, Housing and Planning <MinisterLGHP@gov.scot>

Cc: DG Education, Communities & Justice <DGECJ@gov.scot>; [redacted]

Subject: RE: AUDIT SCOTLAND - AFFORDABLE HOUSING AUDIT

Thanks [redacted]

We've seen and commented on the draft report and expect to get a copy of the final version on 6th April , ahead of it being published on the Audit Scotland web site on the 9th and will copy that to Ministers on receipt.

There was nothing too concerning in the draft report and there were some useful observations which will be helpful for us to consider as we shape our approach to housing in the next Parliament through our Housing to 2040 work, when this is resumed.

Quick comments below based on a few of the recommendations in the draft report. Will check the final version when received and flag anything further.

More explicit demonstration of wider benefits

There were references to the need for Government to set out more clearly the wider benefits and to therefore explicitly demonstrate the value for money of the affordable programme to Scotland and the economy and how e.g. it links to the NPF. Our view is that Government does already articulate this across relevant strategies and policy documents on an on-going basis – for example the contribution the programme makes to reducing poverty is reflected throughout the Child Poverty Action Plan and the economic and wider benefits of the programme are described in the 'Housing' section of the Economic Action Plan.

We are currently working with the sector on how we can measure social value and as part of the current thinking on the Ht2040 work we propose that we develop a monitoring and evaluation framework to ensure we and our partners can demonstrate the impact of our work.

The business case for the current target

We also expect the report to state that it is not clear how local assessments of housing need informed the specific target number of 50,000 affordable homes and the tenure breakdown of 35,000 social homes within the target, which was a manifesto commitment.

Future housing vision and funding certainty

Looking forward, the need for the Government to clearly set out both a long-term vision and funding arrangements for affordable housing beyond the parliamentary term.

There has already been an initial commitment of £300 million interim funding for financial year 2021-22 ahead of the spending review later this year.

There are more recommendations about the Affordable Housing Supply Programme processes, grant funding arrangements and the level of detail published on the homes delivered.

Hope that's helpful.

Kind regards

[redacted]

[redacted]

Scottish Government/More Homes Division/Housing and Social Justice Directorate.
5 Atlantic Quay 150 Broomielaw Glasgow G2 8LU

m: [redacted]

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Affordable housing - The Scottish Government's affordable housing supply target

Extract of key messages highlighted in the report

1. Good progress has been made towards the Scottish Government's ambitious target to deliver 50,000 new affordable homes between April 2016 and March 2021. Of these, 35,000 will be social rented homes provided by councils and Registered Social Landlords (RSLs). By December 2019, 31,136 homes had been completed including 20,336 homes for social rent. The Scottish Government plans to invest around £3.5 billion to meet the target. Over the first three years of the programme, it has spent around £1.9 billion. Councils and RSLs have also invested significant sums.

2 The Scottish Government reports that the March 2021 target is on track to be met. However, serious risks remain. These include a lack of capacity in the construction sector in some areas and the capacity of council planning and building control services. The planned rise of funding towards the end of the programme, and uncertainty about post-2021 funding, intensifies these risks.

3 Councils and their partners have welcomed the increased focus and investment on housing which will help them meet local priorities. Councils are generally working well with their partners, including RSLs, to plan and deliver affordable housing. But improvements are needed in the involvement of health and social care partners. While some councils demonstrate good tenant and community involvement, this needs to be more consistent. This will help ensure the wider benefits of the significant investment are maximised.

4 There is evidence that the investment is allowing councils to meet some housing needs in their areas, and some evidence of wider positive benefits to tenants, local communities, and the economy. However, there is no evidence available to show that councils' assessments of need informed the specific numbers and tenure balance of the Scottish Government's target. The Scottish Government did not clearly set out the wider outcomes it intended to achieve from its investment. This, alongside a lack of comprehensive reporting by the Scottish Government and councils on the impact of the investment, means that it is not possible to demonstrate value for money.

5 There are various barriers to the ongoing delivery of affordable housing, such as access to suitable land to develop with the necessary infrastructure. The Scottish Government, and councils, are aware of these barriers and are undertaking work to address them. The Scottish Government has provided only limited information about the funding arrangements immediately post-2021. This uncertainty is affecting councils' and RSLs' ability to plan future developments and may result in a slowdown in the planning and supply of affordable housing. In developing its long-term vision for housing, the Scottish Government needs to make much clearer the ways in which new affordable housing is contributing to wider Scottish Government policy commitments. The Scottish Government should also better demonstrate how the impact and value for money of future investments will be assessed.

Recommendations:

The Scottish Government and councils should:

- evaluate the impact of the current programme on housing needs and the economic impact of the investment in affordable housing
- work in partnership with RSLs to implement performance measures to demonstrate the value for money of new-build homes, and work to demonstrate the social value of investment.

Councils should:

- ensure consistent and early engagement with, and involvement of, tenants and the wider community in developing affordable housing plans to ensure they help to improve local outcomes
- ensure that their arrangements with health and social care partnerships maximise their input into the planning for, and investment in, affordable housing to meet health and social care priorities.
- improve reporting on the delivery of affordable housing to demonstrate how housing needs have been met and how it is contributing to wider improved outcomes, including those listed in the national performance framework.

When planning for post-2021 investment, the Scottish Government should work with councils and RSLs to:

- clearly set out a long-term vision and funding arrangements beyond the parliamentary term
- clearly set out the outcomes it expects to achieve by its investment and how it will contribute to other policy objectives such as human rights and equalities; reducing homelessness, poverty and child poverty; improving health and wellbeing and responding to the climate emergency; as well as contributing to the national performance framework outcomes
- assess the contribution of funding streams for affordable housing on outcomes and review the grant funding distribution arrangements and grant subsidy benchmarks to ensure that they are fit for purpose and are aligned to meet the outcomes of investment
- improve its reporting on the affordable housing supply investment programme to ensure information is as comprehensive as possible and includes the location of homes delivered within each council area
- ensure that the data for understanding housing need at a national and local level is as robust as possible and use this data to more effectively inform future spending plans to make sure that the right homes are built in the right places
- consider the appropriate balance between investing in new homes and improvements to existing homes, whilst ensuring that rent levels for existing tenants remain affordable.

From: [redacted]
More Homes Division
20 May 2019

Minister for Local Government, Housing and Planning
Cabinet Secretary for Communities and Local Government

AUDIT SCOTLAND - AFFORDABLE HOUSING AUDIT

Purpose

1. To advise you that the Auditor General and the Accounts Commission have committed to reporting on affordable housing in 2020/21.

Priority

2. Routine. This advice is for information only.

The Audit

3. We expect that the audit will look at:-

- the progress that has been made in delivering the Scottish Government's 50,000 affordable target,
- what is known about the impact it has had, in terms of outcomes and intended benefits in meeting the housing needs of communities, and
- what more needs to be done to support the continued increase in the availability of appropriate affordable housing to meet current and future needs.

4. Evidence will be gathered from published documents, housing data as well as stakeholder interviews and possibly case studies. An advisory group of housing stakeholders will also be established to assist the audit and to provide confidential independent advice and feedback.

Timescale

5. Fieldwork for the audit will be carried out over the summer of 2019 and the final report is expected to be published in Spring 2020. Following publication, the Auditor General for Scotland will present the findings to the Scottish Parliament's Public Audit and Post-Legislative Scrutiny Committee.

Conclusion

6 Will we keep Ministers up to date on further progress and timings of the report when known and ask that you note the content of this advice.

[redacted]
More Homes Division - 0141 242 5492

20 May 2019

Copy List:

DG Education, Communities & Justice

- [redacted]

Extract from larger briefing pack prepared for the Local Government Communities Committee meeting of 15 May 2020. No other part of the briefing pack was within the scope of the enquiry

Q: The Audit Scotland report on affordable housing concluded that the 50k target, and particularly the social rent element, was at serious risk of not being met. It also said that a lack of comprehensive reporting (by the Scottish Government and councils) on the impact of the investment, means that it is not possible to demonstrate value for money. What is your response to its recommendations?

A: The Scottish Government's ambitious target to provide 50,000 affordable homes across Scotland was indeed challenging but it was also on track to deliver.

Our priority is the health and wellbeing of the people in Scotland and we are working with partners across the housing sector on our response to the current public health emergency.

Housing is a complex and important field and the Scottish Government welcomes the report as a constructive contribution to improving policy, practice and reporting. The recommendations will be helpful for us to consider as we shape our approach to housing in the next Parliament through our Housing to 2040 work.

Value for money from the Scottish Government's investment in housing is a prime consideration in our decision-making. This is articulated across relevant strategies and policy documents on an on-going basis – for example the contribution the programme makes to reducing poverty is reflected throughout the Child Poverty Action Plan. We are also working with the housing sector on how we can measure social value to more explicitly demonstrate the impact of our housing investment.

Affordable housing

The Scottish Government's affordable housing supply target

**EMBARGOED UNTIL
00.01 HOURS
THURSDAY 9 APRIL 2020**



ACCOUNTS COMMISSION 

AUDITOR GENERAL 

Prepared by Audit Scotland
April 2020

The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about-us/accounts-commission 

Auditor General for Scotland

The Auditor General's role is to:

- appoint auditors to Scotland's central government and NHS bodies
- examine how public bodies spend public money
- help them to manage their finances to the highest standards
- check whether they achieve value for money.

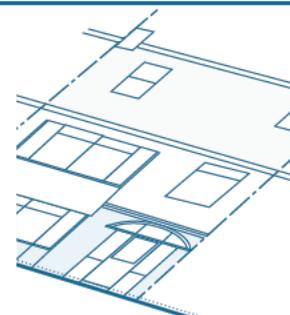
The Auditor General is independent and reports to the Scottish Parliament on the performance of:

- directorates of the Scottish Government
- government agencies, eg the Scottish Prison Service, Historic Environment Scotland
- NHS bodies
- further education colleges
- Scottish Water
- NDPBs and others, eg Scottish Police Authority, Scottish Fire and Rescue Service.

You can find out more about the work of the Auditor General on our website: www.audit-scotland.gov.uk/about-us/auditor-general 

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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Audit team

The core audit team consisted of: Carol Calder, Ashleigh Madjitey, Kate Berry, Lynsey Davies and Lindsay Stother, with support from other colleagues and under the direction of Claire Sweeney.

Links

-  PDF download
-  Web link

-  Information box

Exhibit data

When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

Key facts

