

Cabinet Secretary for Finance, Economy & Fair work

Meeting with Homes for Scotland, 31 October 2019 – Scottish Parliament

Attendees: Cabinet Secretary

Nicola Barclay, Chief Executive, Homes for Scotland

Jennifer Kennedy, Head of Public Affairs, Homes for Scotland (HFS)

Discussion

- The Cabinet Secretary reflected on recent meetings with individual house builders and matters arising, including the Planning Act outcomes and process.
- Discussion focused on 4 major topics, raised by both HFS and Cabinet Secretary:
 - Climate change, including its effects on other policy areas, not least housing, budgets and Government priorities
 - Help to Buy (Scotland) and the new First Time Buyer scheme announced in the programme for Government
 - Housing and Economic Growth, including the Green Accelerator and the effect of UK budget cancellation and General Election on the Scottish Budget; and
 - Cabinet Secretary's forthcoming conference speech,

1. Climate Change

Discussion focused on an HFS proposal that LBTT be adapted to take account of energy efficiency measures and the potential for variable taxes depending on action taken and efficiency of individual properties.

Cabinet Secretary noted this issue had arisen and was considered during stages 2 and 3 of the Act introducing LBTT; a number of issues arose including the difficulties of a reversed incentive (buyers benefit from energy efficiency, not the owner who has implemented that so lack of driver) low annual turnover numbers in the market were not so high as to indicate radical action would result in significant or rapid change across the housing stock

It was made clear that Cabinet Secretary was very interested to hear views of others on how those barriers might be overcome and practically implemented and would retain an open mind on that basis.

Discussion also covered the attractiveness of getting to carbon-neutral for housing – at which point the argument for more homes becomes materially different in this context.

2. Help to Buy (Scotland) and the new First Time Buyer scheme

HFS keen to press for HTB extension to 2023 to match experience in England; noted that lenders were examining post-2023 industry-led replacement options but would not be able to bring those forward sooner.

Budget pressures and the role of other Government interventions, including SNIB, Building Scotland Fund and other homeownership support funds were also noted.

HFS also noted concerns about potential inflationary effects of the new scheme, and potential to fill current geographical gaps in Help to Buy provision caused by higher regional house prices. Scheme will be on a pilot basis, and monitored and assessed from instigation to consider impacts and effects.

3. Housing & Economic Growth

Potential of the Green Investment Prospectus work to support housing growth and expansion was noted – the aim being to promote Scotland to the world as an exemplar of environmentally-sound growth and industry, with HFS and their members in a position to support this to help drive growth, investment and showcase Scotland to the world as a leader in this field.

Broader discussion on how all could make the link between growth and housing delivery clearer arose in context of HFS's recent report. Cabinet Secretary encouraged HFS to use the evidence gathered to make the case for further improvement and increases in delivery, linking the clear benefits to people, economy and the environment (including reaching carbon-neutral status for new housing).

Some discussion also arose of exemplar models in the housing sector, including Sigma/Springfield and Lord Haughey models.

Cabinet Secretary noted the Scottish Budget would be affected by UK elections. Although details were not yet clear, he would update Parliament as soon as possible.

4. HFS Conference speech

HFS provided wider context for the conference and the preceding session on customer care and quality – an ongoing priority for the sector in the context of UK and Scottish Government interest in a New Homes Ombudsman approach.

Cabinet Secretary noted his intention to cover a range of issues including:

- Customer care and quality
- The importance of housing to the Cabinet Secretary – both portfolio and personal
- The climate change agenda and how that will continue to be a public and political priority – and how the industry can and must respond with ambition

Nicola Barclay noted the audience will also expect to hear about the new first time buyer scheme and Help to Buy (Scotland).