

Cabinet Secretary for Finance, Economy and Fair Work Homes for Scotland Annual Conference - Keynote

Wednesday 13 November 2019

Maximum length: 15 mins

Current length: 15 mins

INTRODUCTION

Thank you Nicola (Nicola Barclay, Chief Executive, Homes for Scotland) for your kind introduction.

It's a pleasure to be with you today.

I know that you often see and speak to my colleagues Aileen Campbell and Kevin Stewart in their Cabinet Secretary and Ministerial roles.

However I was very keen to talk to you myself and made a point of saying so to Nicola earlier this year when we bumped into each other at an event. Now, imagine my surprise when I then received an invitation...

I hope that why I want to be here is fairly obvious – the value you bring, the significant economic contribution and the employment you provide are substantial and have a huge effect across Scotland.

In the Programme for Government, we reaffirmed our commitment to support that with our work on a vision for how our homes and communities should look and feel by 2040.

Our ambition is that all people in Scotland live in high-quality sustainable homes that they can afford and that meet their needs. And a Scotland where our most disadvantaged communities are supported and where all places are sustainable and promote well-being.

In July, we published an expanded vision for 2040, and supporting principles to guide policy development. We will be engaging with stakeholders across Scotland on this and on what needs to go into a route map to get us to 2040. We want to build a consensus approach that stands the test of time and provides the long term certainty that you have asked for.

We face a number of demographic, fiscal and environmental challenges which mean that we must be bold and think creatively about the longer term options for the future of housing. I look forward to hearing what you would like to see in our route map.

Housing has a vital role to play in meeting many of those aspirations, including eradicating child poverty and homelessness, ending fuel poverty, tackling the climate change emergency and promoting inclusive growth.

So I wanted to talk to you a little about the value I place on that, put it in the wider context of what that delivers for people, for our wider economic strategy and, perhaps a little cheekily, to challenge you on a few issues that are important to me and to my colleagues in Government.

Personal, People and Priorities

This session of conference has focused on “Delivering Quality and Increasing Satisfaction”. I can’t imagine anybody here disagrees that’s a priority - it’s always a priority.

Any business, any industry, always has to focus on meeting the needs of their customers and making their experience the best it can be. Those that don’t, at least in the longer term, tend to find that leads to a distinct lack of customers.

Good personal experiences of high quality homes and the places and communities these sit in are a huge part of helping people build secure, stable and healthy lives. We all aspire to live in a good house, in a good community – that’s what we look to you to help deliver.

[Personal experience and priority for housing]

- **Personal experience of housing and homes – from childhood to a new home in my community**

That's why the quality of homes and construction is important to me. Good homes contribute to wellbeing, stability and provide opportunities to people. That is the enabling power of a good home.

It is also important to continue to focus and examine our delivery – including on those occasions where it goes wrong.

My colleagues and I will continue to focus on quality and redress – the work the industry is leading on a unified consumer code is important, along with UK Government's proposed legislation for a New Homes Ombudsman. We're also following Graham Simpson's Member's Bill with interest.

The priority for us will be to ensure the Scottish industry remains competitive and supported, and provides quality homes with a clear and just redress mechanism that leaves people satisfied. We'll continue to work to deliver that.

Economic Contribution and context

Like all Ministers and all Members of our Parliament, I have less time than I would like but I make a point of meeting regularly with business up and down the country, of different sectors and sizes. What matters to business, matters to Government.

Recently, I've been meeting housebuilders – to take the temperature, learn what the current problems and opportunities are and hear fresh thoughts on what we could do differently.

I'm sorry I can't make time to meet you all – but I have tried to hear different voices, from different parts of the country and from builders with different approaches.

As you'd expect, some common issues arise – we all know about challenges in Planning – you have the Minister, Kevin Stewart MSP, here later in the day to talk through some of those issues. We also know that access to skills, and economic uncertainty, remain big concerns. Our economy, clearly, is everyone's priority.

Our Economic Action Plan highlights our commitment to build a refreshed and stronger relationship between government and the construction and housing sector (including organisations like Construction Scotland and the Construction Scotland Innovation Centre) around a set of common goals to help the sector grow.

The Plan focuses on key actions that enhance our economic support to business, places and people across Scotland. The golden thread in that Action Plan is providing people with fair and meaningful work – and that’s what guides the Economic Action Plan. Those actions reflect a focus on delivering a vibrant, inclusive and sustainable economy.

We will do this through enabling a competitive business environment, a highly skilled workforce, and radical action to benefit every business and individual in Scotland.

This plan will be relaunched in January 2020 – after the election! - to reflect progress in implementing existing measures and reflect new actions arising from this year’s PfG.

The focus on the refreshed plan is to look to the future and how we will work to grow the economy whatever the circumstances may be following Brexit.

The actions in this plan will put Scotland at the forefront in transitioning to a carbon neutral, circular economy. Let's make the Global Climate Emergency, a climate opportunity. Scotland is already leading the way.

The scale of action we need will present real challenges but there are major opportunities – to create jobs and economic growth and to. This will enable us to reach our net zero targets by 2045.

This is the most ambitious target for reducing emissions anywhere in the world and will require a truly national endeavour in which every sector plays their part – a theme I'll come back to shortly.

Support from Government

The Action Plan is only one part of our offer. We already have substantial support built in to support the development and growth of the housing industry and the market in Scotland.

Our Low cost First time Buyer (LIFT) schemes have been helping people into home ownership since 2007, and will help thousands more into ownership over the course of this Parliament.

I also know how important Help to Buy (Scotland) has been for you. I know you are anxious to be involved in the current evaluation of the programme – of course you will be, and your voice will be heard.

We'll also work with you as we introduce the new First Time Buyer scheme, ensuring the design and delivery of the scheme works for all involved.

We've been pleased to work with the industry on the Short-life Working Group on Skills – and on your own examination of the support needed in the SME housebuilding sector.

In the meantime we've reacted and introduced new forms of support – through guarantees and through the £150 million the Building Scotland Fund, launched last year, with its special focus on housebuilding.

As a precursor to the Scottish National Investment Bank, the fund has unlocked major developments, delivering investments worth more than £100 million, unlocking projects in excess of £238 million.

This is set to deliver around 5,500 new homes and approximately 600 full time jobs at a time when they are needed most.

All scales of housebuilding are being supported by the Fund from large-scale place-making through to supporting SME projects. It is also helping to grow the Build to Rent market in Scotland – with the £30 million investment with SIGMA set to bring much needed family homes for rent to Scotland.

We also listened to your feedback and set a lower investment threshold for SMEs. Alongside our decision not to require personal guarantees, this has seen us already fund several SME-led projects and we have many more in the pipeline.

This is a positive example of government closely with industry to ensure our interventions deliver for you and I'd like to thank Homes for Scotland for their invaluable contribution to ensuring the success of this new Fund and investing for the carbon neutral future I talked about earlier.

I did promise I'd come back to that theme. And that's where we come to the challenge.

Global climate emergency and challenge

In the meetings I've had with your colleagues, everyone has a different take, a different experience and I've gained some valuable insights from those meetings.

Interestingly, something that's come up in them all is that priority we set out in our Programme for Government – the global climate emergency, and the challenges that poses to us all.

The Programme for Government offers a substantial agenda which tackles Scotland's immediate priorities and the climate emergency.

The Housing sector will play a key role in meeting our world-leading Climate Change targets. The Energy Efficient Scotland Route Map sets out a long term process to tackle poor energy efficiency, fuel poverty and reduce emissions from buildings.

Longer term, we will need your help to take a zero-carbon future into account in our future approach to housing – a key challenge for Housing to 2040.

It is clear that business as usual is not an option. I know that the new build sector, with high standards to meet, is already producing homes that are leaps and bounds ahead of where we were even a decade ago, in terms of energy efficiency

Our existing stock is also going to be a big challenge to deal with as well, and we're not going to shirk from that. We will all need to strive for ever higher standards.

I know you put great efforts in reducing the carbon cost of your properties and meeting those standards.

But the truth is, with a net zero target to meet by 2045, and with a public who will expect more and more from politicians, leaders and the companies that serve them, we have keep improving, go beyond good, and challenge ourselves to achieve ever higher standards.

I want to challenge you today to do just that. I know you build low-carbon homes. But why not push to make every home carbon neutral or even better?

New homes are a good thing. But how much better would a carbon-neutral new home be? How much easier to convince people of the benefits for their communities?

The climate change agenda will continue to be a public, political and therefore a professional priority. The industry can and must respond with ambition. As ever, those that make the running will reap the rewards.

We need to go beyond our current standards. Let's do it, do it right, be – and be seen to be – leaders and show the rest of the world how it's done.

CONCLUSION

So that's what my ask is of you today. A focus on quality – which we share. A focus on meeting the climate challenge head on – which we share. And a focus on getting better and more homes to people across Scotland – which we all share.

Now, I know you'll be astonished that we've got all the way through a speech without mentioning Brexit, so I'll spoil that briefly now.

Clearly, it's still a huge challenge, if slightly more distant than it was for now. The Scottish Government will continue to vigorously oppose this and the serious harm it will bring to Scotland's economy.

But the climate challenge will still be there regardless of Brexit – so change and adaptation of our working models is the new reality whatever happens.

Customers will demand different homes, and different way of living – but they'll still need and demand homes. I urge you to work with them to drive that change and so reap the benefits.

I said earlier I wanted Scotland to be seen as a leader on this agenda, to show the world how it's done. We'll need your help to do that; I hope you're ready and willing to meet the challenge.

Thank you

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