MORE HOMES SCOTLAND

BENEFITS REALISATION PLAN

EXECUTIVE SUMMARY

Scottish Government's housing vision:

"All people in Scotland live in high quality sustainable homes that they can afford and that meet their needs"

More Homes Scotland Approach "The approach":

The approach was launched in March 2016 covering a major set of financing and programme initiatives which will promote a substantial increase in the supply of quality sustainable housing. The approach was centred around four themes to be taken forward through working together with the Joint Housing Policy Delivery Group and with other stakeholders to evolve the approach as necessary:

1. More investment for more housing

- More affordable homes *:
- More private rented sector (PRS) homes:
- Improving the functioning of the housing market:

2. Supporting infrastructure, land and housing delivery

- Housing Infrastructure Fund
- Targeted assistance to help unlock strategically important housing sites
- Achieving Excellence in Housing Development
- Releasing public sector land for affordable housing
- Regeneration of brownfield land for housing

3. More effective planning, place-making and design

- Review of the planning system
- Supporting local authority strategic planning (SHIPs and development plans)
- Supporting delivery of good quality homes and place-making

4. Providing expert advice

- Provision of resources, skills and expertise to local authorities and RSLs

Objectives

The approach objectives are to deliver:

- 50,000 affordable homes by 2021 (35,000 of which for social rent)
- More houses for rural communities
- More quality and affordable rental housing
- Greater competition/SME builder marker share
- More affordable home ownership
- Increased value for money

This plan sets out the benefits of the approach and how we will achieve them, monitor progress and measure success.

WHAT IS A BENEFIT?

The approach operates under the Managing Successful Programmes methodology.

This defines a benefit as a:

"measurable improvement resulting from an outcome which is perceived as an advantage by a stakeholder"

Benefits realisation is the process for the identification, definition, tracking, realisation and optimisation of benefits ensuring that potential benefits arising from a programme of change are actually realised.

WHAT IS THE BENEFITS REALISATION PLAN?

As a continuing plan that will be reviewed and refined over time, the Benefit Realisation Plan aims to:

- Validate that the benefits described and their proposed measures are realistic
- Manage the realisation and measurement of benefits
- Manage expectations of stakeholders
- Ensure that realised benefits are described, communicated and adopted by stakeholders
- Ensure maximum benefit for money spent and wider social value

A stakeholder is an individual, group, or organization who may affect, be affected by or perceive itself to be affected by a decision, activity, or outcome of a project. As part of the More Homes Approach Stakeholder Engagement Strategy an analysis was conducted to identify all those who meet this criteria. This includes local communities, political groups, industry bodies and wider civic society.

While the Senior Responsible Office (SRO) has overall responsibility for delivery of the benefits, Benefit Managers, each of whom are members of both the Board and More Homes Division's Senior Management Team, have been identified who will have responsibility for monitoring progress for the identified benefits. This includes ensuring the SRO board receives regular updates on progress, escalating issues where appropriate.

MORE HOMES SCOTLAND BENEFITS

As the approach has assumed existing programmes and projects, as well and developing new ones, the baseline measurement of each benefit is taken from the start of the programme in 2016.

The key benefits have been identified are:

B1 - Increase the supply of Affordable Housing
B2 - More Purpose Built Stock for Private Rent
B3 - More Homes Built by SME House Builders
B4 - Increased Rate of Private House Building for Sale
B5 - Fewer Empty Homes
B6 - More Effective Delivery

ANNEX A describes each of the identified benefits.
ANNEX B shows where each benefit sits in the context of the approach and how they contribute to the More Homes Vision.
ANNEX C shows how progress will be monitored and reported to the board.

The wider benefits of housing to society are not covered by this plan. These are important in delivering The Purpose of the Scottish Government to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth, however, the contribution made by housing to deliver this cannot be directly measured.

These wider benefits include an impact on sustaining and improving the health of Scots, supporting safer and stronger communities and providing quality homes in the right places to encourage economic success.

PURPOSE OF THE MORE HOMES SCOTLAND BOARD

The principal purpose of the board is to ensure that the vision is delivered by:

- seeking **assurance** from programme and project leads and providing **challenge** to plans where these seem unrealistic;
- providing **direction** when programme and project leads escalate risks to the Board for consideration; and
- being **accountable** to the Directorate Management Team and Ministers for the achievement of the More Homes Scotland **Delivery Plan**.

The board includes the full membership of the More Homes Scotland Senior Management Team (SMT). SMT's foremost objective is to ensure that More Homes Division is agile, integrated, Minister and stakeholder-facing, and innovative, reflecting the More Homes Scotland approach. This includes ensuring that Divisional resources are focused in line with Ministerial priorities, ensuring that decisions with a Divisional policy, delivery or staffing impact are considered in the round and taking a strategic view of business change.

As such issues in the delivery of any of the programmes benefits will be considered by SMT and escalated to the board where appropriate.

All members of SMT review and contribute to the standing board papers (Progress Report, Dependency Map, Delivery Plan, Risk Register and Reporting Framework) in advance of each board meeting.

Benefit Managers are responsible for ensuring benefits are managed and monitored appropriately and that any issues, risk and trends that may impact on achieving the benefits are brought to the board for consideration.

WHO ARE OUR STAKEHOLDERS?

The approach has a wide range of stakeholders including:

- Scottish Ministers
- The Scottish Parliament
- The Joint Housing Policy and Delivery Group for Scotland
- People of Scotland
- Local Authorities
- Registered Social Landlords
- Housebuilders
- Residents

This is not an exhaustive list but highlights the wider range of audiences that we need to communicate with in showing progress. In many cases these audiences are also partners in the planning, decision making and delivery of the approach.

A communication and engagement plan has been developed and will be reviewed on an on-going basis alongside the benefits realisation.

THE JOINT HOUSING POLICY AND DELIVERY GROUP FOR SCOTLAND

The Joint Housing Policy and Delivery Group for Scotland ("JHPDG") is the principal and most senior stakeholder group working with the Scottish Government on all matters relating to housing policy and delivery in Scotland. It brings together representatives from the housing sector, COSLA and the Scottish Government. JHPDG operates on an ethos of co-production and with an emphasis on delivery.

As such JHPDG is a key representative group of stakeholders and advisor on the mood and views of stakeholders.

JHPDG has identified 34 outcomes as part of the Joint Housing Delivery Plan for Scotland. Where relevant we have highlighted the outcomes supported by the approach benefits. These outcomes are listed at **ANNEX D**.

HOUSING, REGENERATION AND WELFARE OUTCOMES

In 2015, the Housing, Regeneration and Welfare Directorate (predecessor to the Directorate for Housing and Social Justice) adopted an outcome-based approach to policy based on four main housing and regeneration outcomes:

- A well-functioning housing system – availability of choice, homes people can afford and growth of supply.
- High quality sustainable homes – safe, warm resources - efficient and promoting well-being.

- Homes that meet people's needs – accessing and keeping a home supporting independent living.
- Sustainable communities – economically, physically and socially sustainable.

This plan sets our goals as these outcomes and benefits map shows how the approach contributes to these goals. Each has measures attached to them that allow a focus on the outcome of government intervention rather than policy processes or inputs. **ANNEX A** shows the path between the benefits and the housing and regeneration outcomes. The housing and regeneration outcomes and their measures are set out in **ANNEX E**.

These provide an additional level of reassurance that the approach is contributing to the Scottish Government National Outcomes of:

- We live longer healthier lives.
- We live in well designed, sustainable places where we are able to access the amenities and services we need.
- We have strong, resilient and supportive communities where people take responsibility for their actions and how they affect others.

WIDER BENEFITS OF THE MORE HOMES SCOTLAND APPROACH

Communities Analysis Division are scoping data sources for the wider benefits of the approach alongside opportunities for improving reporting.

These are based on the benefits identified by the predecessor 30k Affordable Housing Supply Programme Board to six areas: People, Location, Carbon Emission/Energy Efficiency, Financial Innovation, Community Engagement and Community Benefits from Contracts.

This work will be used to inform this plan as it develops.

In June 2017 a Health Impact Assessment was carried out on the SG 50,000 affordable homes target by the Scottish Health and Inequalities Impact Assessment Network (SHIIAN) supported by NHS Lothian, Health Scotland, Scottish Public Health Network (ScotPHN), COSLA and ALACHO.

The resultant report, which was published on the SHIIAN website on 28th June, provides details of the assessment and makes 19 recommendations on how to achieve the best health and wellbeing outcomes from the investment. These recommendations are split into three categories of National Policy, Community Planning Policy, and Placemaking and Communities.

We are reviewing the recommendations and will consider any actions in future versions of this plan.

POST-PROJECT REVIEW

As the board sits within wider government structures and manages a portfolio of projects, of which many will continue beyond the current programme, it has

responsibility for ensuring evaluation of these projects, alongside lessons learnt and identified, are passed to its successor board or division or lodged for future learning.

ANNEX A: BENEFITS DESCRIPTIONS

B1 - Increase the supply of Affordable Housing
One of the key objectives of the approach is to deliver at least 50,000 affordable homes (35,000 of which for social rent) during the lifetime of this parliament.

The delivery of this target is supported primarily by our area teams and by the capacity of the housing sector to deliver based on the conditions created by our policy interventions.

A higher rate of affordable house building is required to achieve the target. The rate of affordable house building and the delivery of more affordable homes by other means can be measured by the Housing Statistics for Scotland Quarterly Update which shows the annual numbers of approvals and completions for the last ten years. We also publish an annual outturn report which includes a breakdown of approvals, site starts and completions for the previous year by local authority.

The Programme Co-ordination Group (PCG) oversees the Affordable Housing Supply Programme and delivery of the 50K affordable homes target. It monitors progress against monthly profiles and annual targets (expenditure and units) and agrees any mitigating actions to deliver the Affordable Housing Supply Programme. It receives relevant updates and issues on the national programme from Area Teams, Planning and FIU. It considers relevant policy and practice issues and may escalate risks and issues to the More Homes Scotland Board where these are significant, not resolvable within PCG or outside the remit of PCG.

Progress is reviewed at each meeting of the board within the Progress Report and Reporting Framework.

B2 - More Purpose Built Stock for Private Rent

The More Homes Scotland Approach aims to increase the housing supply across all tenure. We are making the planning system more efficient and supporting local authorities to make more land ready for housing to support this aim while supporting industry to ensure they have the capacity to meet demand.

The approach seeks to increase the availability of purpose built housing stock for private rent though innovative proposals. This includes but is not exclusively affordable rent. There is overlap with **B1 -** Increase the supply of Affordable Housing as the different strands support multiple benefits. While contributing to the overall approach benefits each project also monitors, and has responsibility, for realising project specific objectives and benefits.
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This includes the:

- Mid-Market Rent (MMR) Invitation which has the potential to deliver just under 1000 homes

- National Housing Trust (NHT) initiative that will deliver 2000 affordable rented homes
- Charitable Bond programme which provides development finance
- Local Affordable Rented Housing Trust (LAR), an affordable housing model that will deliver 1,000 homes for mid-market rent.
- Rental Income Guarantee Scheme (RIGS) which is designed to stimulate economic development by giving landlords greater certainty of income in the early years of letting, providing up to 2,500 new homes.
- Edinburgh Homes, Scottish Ministers have approved a funding package, comprised of on-lending consents and an additional one-off capital grant, to enable CEC to establish the new City Region housing vehicle to deliver a minimum of 1500 homes at mid-market rent (MMR) and market rent (MR) levels.

We do not have figures for the total number of homes available for private rent but are able to measure how many homes are provided by each of the schemes as a proxy.

The number of homes delivered by the schemes is provided to the board through the reporting framework and both the Head of the Financial Innovation Unit and Head of Innovation Initiatives are members of SMT and the Board.

Our innovative financial products and schemes contribute to this benefit by attracting private investment and reducing public sector investment. Where applicable the level of private investment is monitored by the project teams.

B3 - More Homes Build by SME House Builders

A strong SME sector is important in creating greater competition in the market and a well-functioning housing system.

SME firms are also a large employer of traditional apprentices who are trained across a number of sectors.

Our Help to Buy scheme includes a, ring fenced proportion for SME builders and as a main producer of rural and self-build homes, the Rural and Island Housing Funds and self-build loan fund further supports SMEs. We are also working with lenders and industry to encourage more SMEs to enter market and grow.

Progress is monitored through figures produced by NHBC on the number of SMEs and their total output. We also monitor the number of SME builders taking part in the Help to Buy scheme. Progress is reported to the board regularly by the Head of Housing Markets who sits on both SMT and the board.

B4 - Increased Rate of Private House Building for Sale

The More Homes Scotland Approach aims to increase the housing supply across all tenure. We are making the planning system more efficient and supporting local

authorities to make more land ready for housing to support this aim while supporting industry to ensure they have the capacity to meet demand.

A higher rate of private house building for sale is required to increase that supply. The rate of private led housing completions are published in the Housing Statistics for Scotland Quarterly Update which shows the annual numbers of new build starts and completions for the last ten years.

This is supported directly by the Help to Buy and Open Market Shred Equity Scheme. As a secondary measure we are able to monitor uptake of the schemes and have adjusted the scheme to achieve secondary objectives of supporting younger buyers (under 35) in to the housing market and those over the age over 60 to buy a home suitable to their changing needs.

B5 - Fewer Empty Homes

Fewer empty homes reduce demand on existing homes and is an effective way of increasing supply. The average cost of bringing an empty home into use through Scotland's empty homes scheme is only £250.

No national figures are held on empty homes so this benefit is measured through the proxy of the homes that were empty and have been brought into use through the actions of the approach. These figures are provided to the board within the reporting framework and reviewed at each board meeting.

B6 - More Effective Delivery

Due to the nature of the improvement measuring attributable change to the approach cannot be done directly, however, the Achieving Excellence in Housing Development project is developing indicators.

These include:

Subject/Benefit	Baseline	Measurement of benefits
Procurement Improvement; (i) Better procurement capability by HAs (ii) Develop Scotland Excel new build framework	 (i) Will be available from current round of PCIP assessments (ii) SXL frameworks achieve 6% on average	 (i) Estimate available from assessments by c. summer 2018 (ii) Available once framework in place c. mid 2019
Performance scorecard for housing development	Initial evaluation of current performance c Spring 2018	Via annual scorecard results
Construction Industry Training Board – LEAN	Will be measured before project starts c Summer 2018	Compare before and after performance and costs

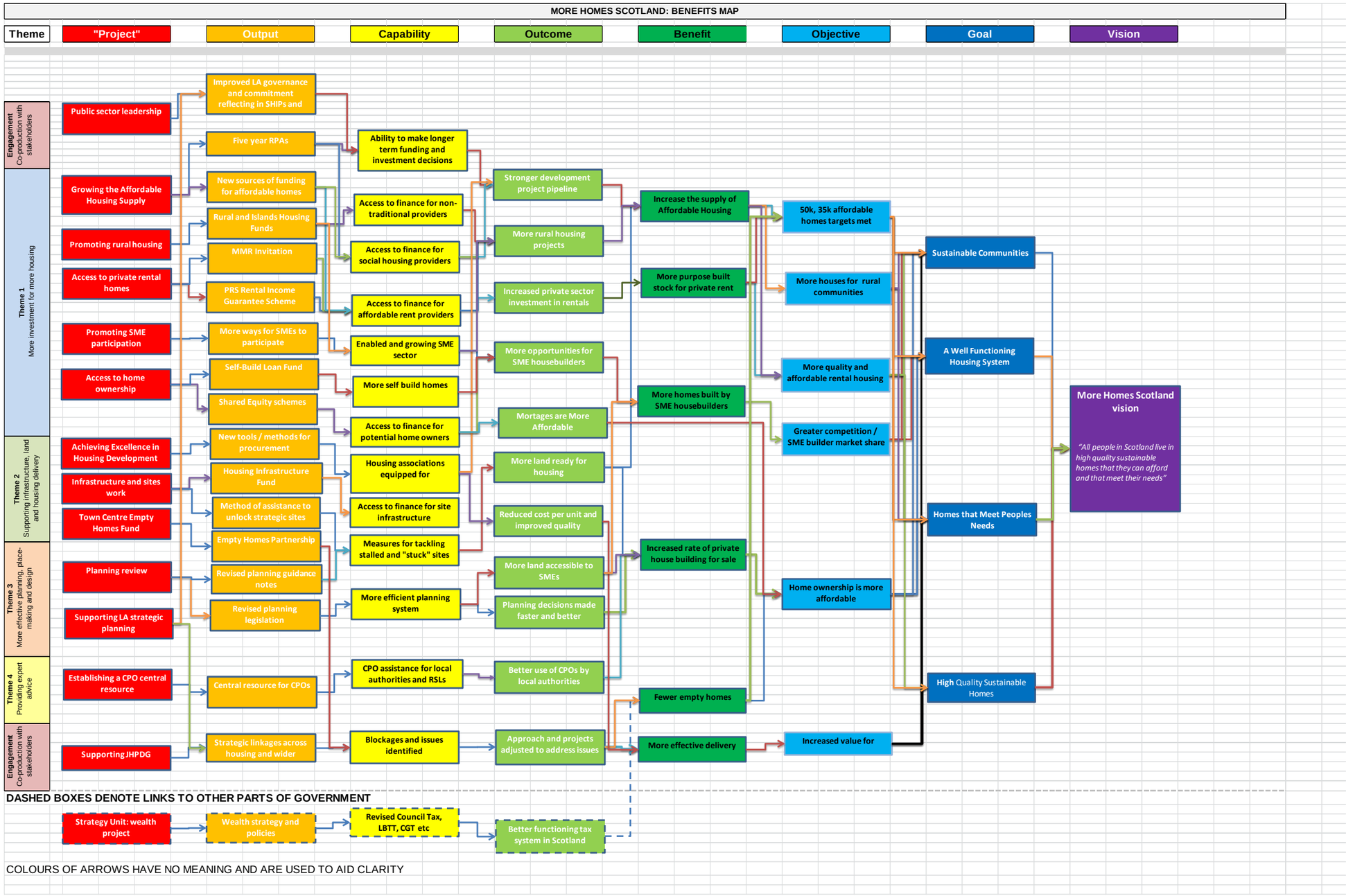
systems in housing construction		
Modern Methods of Construction	'Traditional' costs already available	Compare MMC costs with traditional
Social Value	Will be part of project	Will be part of project

As each of these are developed and agreed this plan will be updated and the mechanisms put in place for board oversight.

The policy interventions of the approach includes the support for the planning review and supporting Local Authorities in their strategic planning and use of Compulsory Purchase Orders. These actions do not have directly measurable outcomes but we work closely with Local Authorities to identify where support and change needed and map how this supports realisation of the benefits of the approach.

Annex B: Benefits Map

The benefits map extrapolates the approach projects to the vision.



Annex C: [Redacted]

Annex D: Joint Housing Policy and Delivery Group: Plan Outcomes

	#	Outcomes
Investment, Supply and Planning	1	The sustainability of the Affordable Housing Supply Programme and continuing support for investment in affordable housing through spending reviews.
	2	Availability of good quality private finance options for housing associations and SMEs, resulting in increased housing supply.
	3	Increased options for people to own and fund their own homes and more opportunities for SMEs to undertake small scale house construction projects.
	4	Increase pace of housing supply through infrastructure investment which supports housing development.
	5	Clearer understanding of the range of effective mechanisms to fund infrastructure to enable development to move forward.
	6	Better and faster delivery of housing through speedier consents.
	7	More public support for housing development and buy in to long term visions for communities and places.
	8	Increase in housing supply by increased focus on deliverability of housing sites in Development Plans.
	9	Public and private sector agreement on a definition of effective land supply and more housing projects proceeding with better information.
	10	Recommendations covering use of CPOs and Land Assembly measures which can then be used to further facilitate housing development and regeneration.
	11	More homes delivered by SME builders.
	12	Sufficient resources within the housing development industry to deliver new homes and undertake regeneration projects.
	13	Better information about what measures are necessary to support the new build industry and target resources.
Sustainability	14	More effective and measurable achievement of reductions in the effects of climate change and fuel poverty.
	15	A set of measurable actions which take account of the issues in rural and off grid areas, and which make it easier and more affordable to heat homes in these areas.
	16	Increase in awareness and demand for energy efficient homes and a long term continuing communications campaign.
Place making	17	More projects proceeding with community support, leading to shorter planning consent achievement times and better places.
	18	More use of brownfield town centre sites for housing by private builders, with marketability and viability demonstrated.
	19	More diverse housing projects in town centres and a more diverse group of people living there, including families.
	20	More empty properties brought into effective use.

Independent Living	21	More people staying in their own home for longer, in comfort and safety, with savings for the NHS/local authorities.
	22	More older people moving to suitable long term accommodation which they can afford and which can support them well into old age. Release of family homes into housing supply - public and private sector.
	23	Savings to health and social care providers which can be demonstrated, and which result in the case for preventative spend within the 16/17 Scottish Government budget.
	24	A more collaborative and joint approach to services by professionals involved in health, social care and housing, resulting in better ways of working and more potential for efficiencies.
	25	Clear decisions about plans and resources by the health and social care partnerships which are fully informed about and take full opportunity of the significant contribution that housing will make to delivery of services.
Housing Options	26	Raise public awareness of the complexity and importance of housing policy issues.
	27	More older and disabled people appropriately housed, with needs evidenced to inform housing planning assumptions and supply.
	28	A more person centred, cost effective adaptations process which combines joint working between all housing agencies, occupational therapists and health and support workers, resulting in more adaptations carried out which are appropriate and more people staying in their own homes.
	29	Further effective reductions in Scotland's homelessness figures.
Private Rented Sector	30	More people choosing to rent in the private sector and staying for longer periods in good quality accommodation, where landlords have invested in long term relationships with their tenants.
	31	A high quality private rented sector managed by well -informed landlords operating to clear standards and guidelines.
	32	Increase supply of private rented sector homes.
	33	Identification of more opportunities to build and develop PRS stock, increase overall supply and improve information exchange.
	34	Improved stock condition through better and more cost effective building repairs done on an equitable basis between tenures.

Annex E: Housing and Regeneration Contributory Outcomes

	Source	Indicator Direction Thresholds
A well Functioning Housing System		
Availability and Choice		
Change in number of occupied dwellings from previous year	National Records for Scotland (NRS)	Improving: more than +15,000 Maintaining: +10,000 to +15,000 Worsening: decrease or less than +10,000
Gap in % Satisfied with house between lowest 3 deciles and the Average	Scottish House Conditions Survey (SHCS)	Change of more than +/- 1% point
Homes that People can Afford		
House purchase lending, number of loans advanced	Council of Mortgage Lenders (CML)	Change of +/- 10%
Ratio of housing costs to Income	DWP Family Resources Survey (FRS)	Change of +/- 0.01
Growth of Supply		
Increase the number of new homes - (NPF National Indicator)	Scottish Government New House Building Statistics	Change of +/- 1,000
Effective Housing Land Supply - Number of Housing Units	Local Authority Planning Performance Framework Annual Reports	To be decided

Strength of Construction (GVA)	Scottish Government (SG) Quarterly Gross Domestic Product (GDP) Statistics	Change of +/- 2 points

	Source	Indicator Direction Thresholds
High Quality, Sustainable Homes		
Safe		
SHQS section on Healthy, Safe and Secure	Scottish House Conditions Survey (SHCS)	Change of +/- 1% point
Warm		
Fuel Poverty	Scottish House Conditions Survey (SHCS)	Change of +/- 2% points
Resource Efficient		
Energy Efficiency - Median SAP 2009 rating	Scottish House Conditions Survey (SHCS)	Change of +/- 1 point
Disrepair to Critical Elements	Scottish House Conditions Survey (SHCS)	Change of +/- 2% points
Promote Wellbeing		
Satisfaction with condition of the home (SHCS)	Scottish House Conditions Survey (SHCS)	Change of +/- 1% point
% of people with access to greenspace (5 min walk or less) - (NPF National Indicator)	Scottish Household Survey (SHS)	Change of +/- 2% points

	Source	Indicator Direction Thresholds
Homes that Meet Peoples Needs		
Accessing a Home		
Housing Lists - LA & CHR Gross (counts every list that each applicant is on)	Local Authority & Housing Association Lists	Change of +/- 10,000
Improve access to suitable housing options for those in housing need (Homelessness 2012 Target & NPF National Indicator)	Scottish Government Homelessness Statistics	Change of +/- 1% point
Over-Crowded Homes	Scottish House Conditions Survey (SHCS)	Change of +/- 5%
How convenient services are	Scottish Household Survey (SHS)	Change of +/- 1% point
Keeping a Home		
Repossessions (UK)	Council of Mortgage Lenders (CML)	Change of +/- 10%
Evictions & Abandonments in the Social Sector	Scottish Government Housing Statistics	Change of +/- 200
Supporting Independent Living		
Percentage of households in need, requiring one or more adaptations (based on self-assessed need)	Scottish House Conditions Survey (SHCS)	Change of +/- 10% points

	Source	Indicator Direction Thresholds
Sustainable Communities		
Economically Sustainable Communities		
Percentage of workless households	ONS Labour Force Survey	Change of +/- 1% point
Employment rate (gap between deprived areas and other areas)	ONS Annual Population Survey	Change of +/- 1% point
%age of people with post school qualifications (Gap between deprived areas and other areas)	ONS Annual Population Survey	Change of +/- 1% point
Healthy Life Expectancy (Males) (gap between deprived areas and Scotland average in years)	ScotPho	Change of +/- 2 years
Physically Sustainable Communities		
Improve people's perceptions of their neighbourhood (NPF National Indicator)	Scottish Household Survey (SHS)	Change of +/- 0.5% point
Amount of vacant and derelict land	Scottish Government Vacant & Derelict Land Survey	Change of +/- 200 hectares
Socially Sustainable Communities		

%age of people satisfied with the quality of local council services delivered	Scottish Household Survey (SHS)	Change of +/- 1% point
%age of people satisfied with community centres and facilities	Scottish Household Survey (SHS)	Change of +/- 1% point
%age of people who feel they can influence decisions affecting their local area	Scottish Household Survey (SHS)	Change of +/- 1% point
% of people who feel safe walking alone in their neighbourhood at night	Scottish Household Survey (SHS)	Change of +/- 1% point