

BEYOND

Joint Housing Policy and Delivery Group

5 June 2018

1. Purpose

- Consider longer term options for the delivery of housing across all tenures
- Significant and on-going financial pressures
- Raise your awareness
- Seek your preliminary views, with a focus on **benefits**

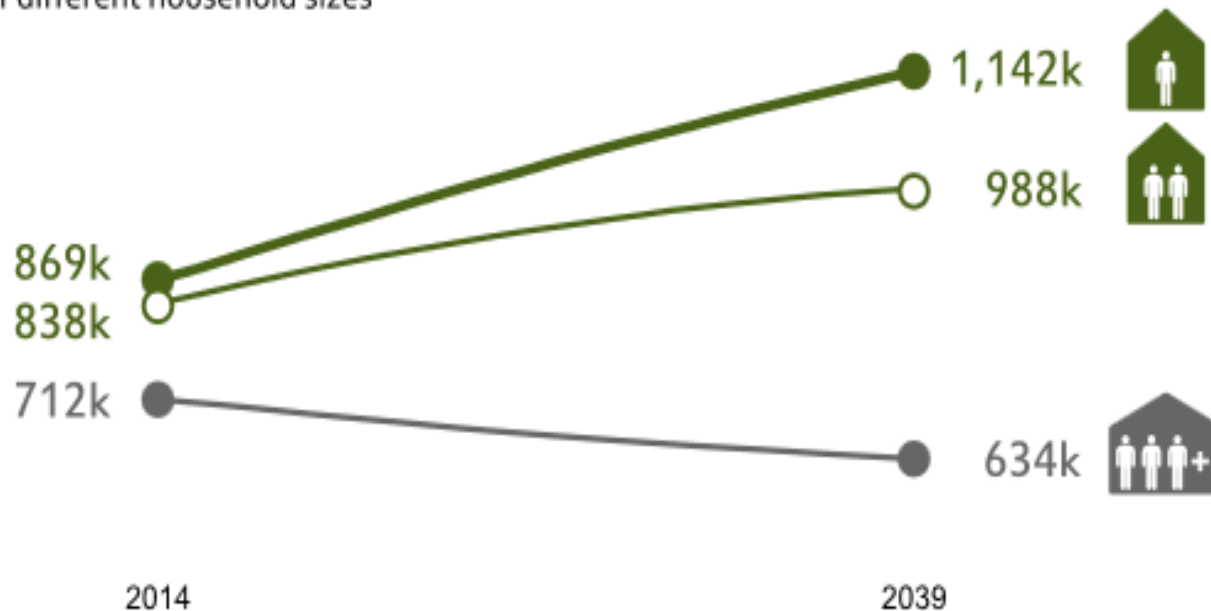
2. Housing supply context

- Need and demand
- Economic value
- Social and environmental value
- Financial context

Need and demand: household projections

Part of the projected increase is due to more people living in smaller households

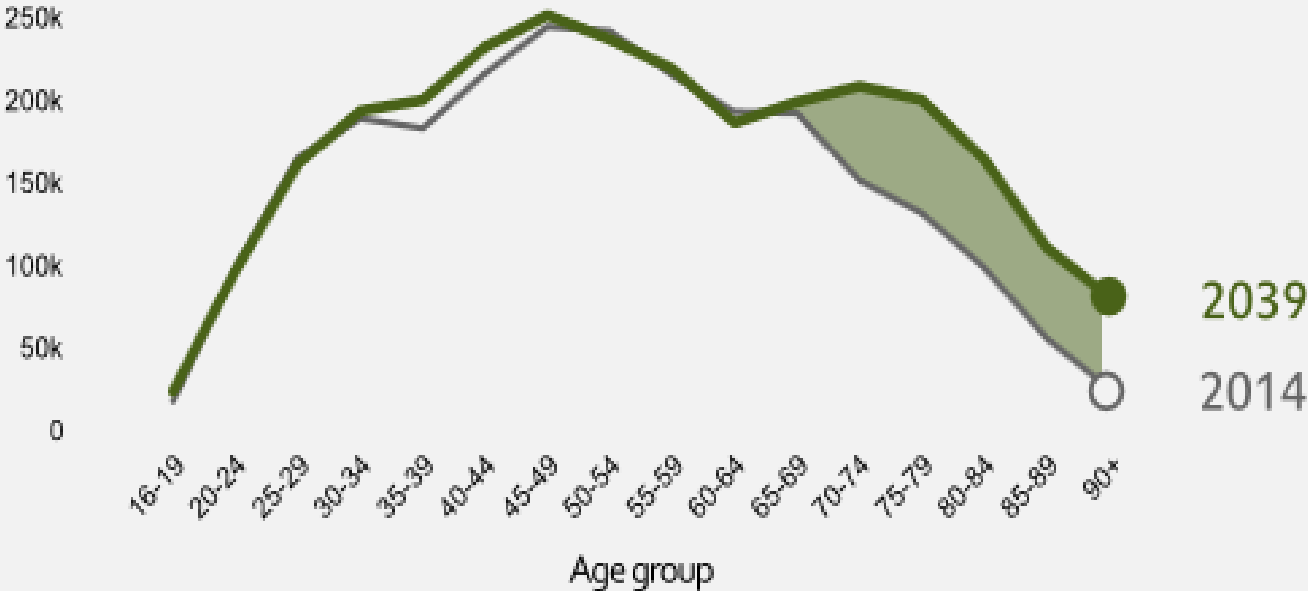
Number of households
of different household sizes



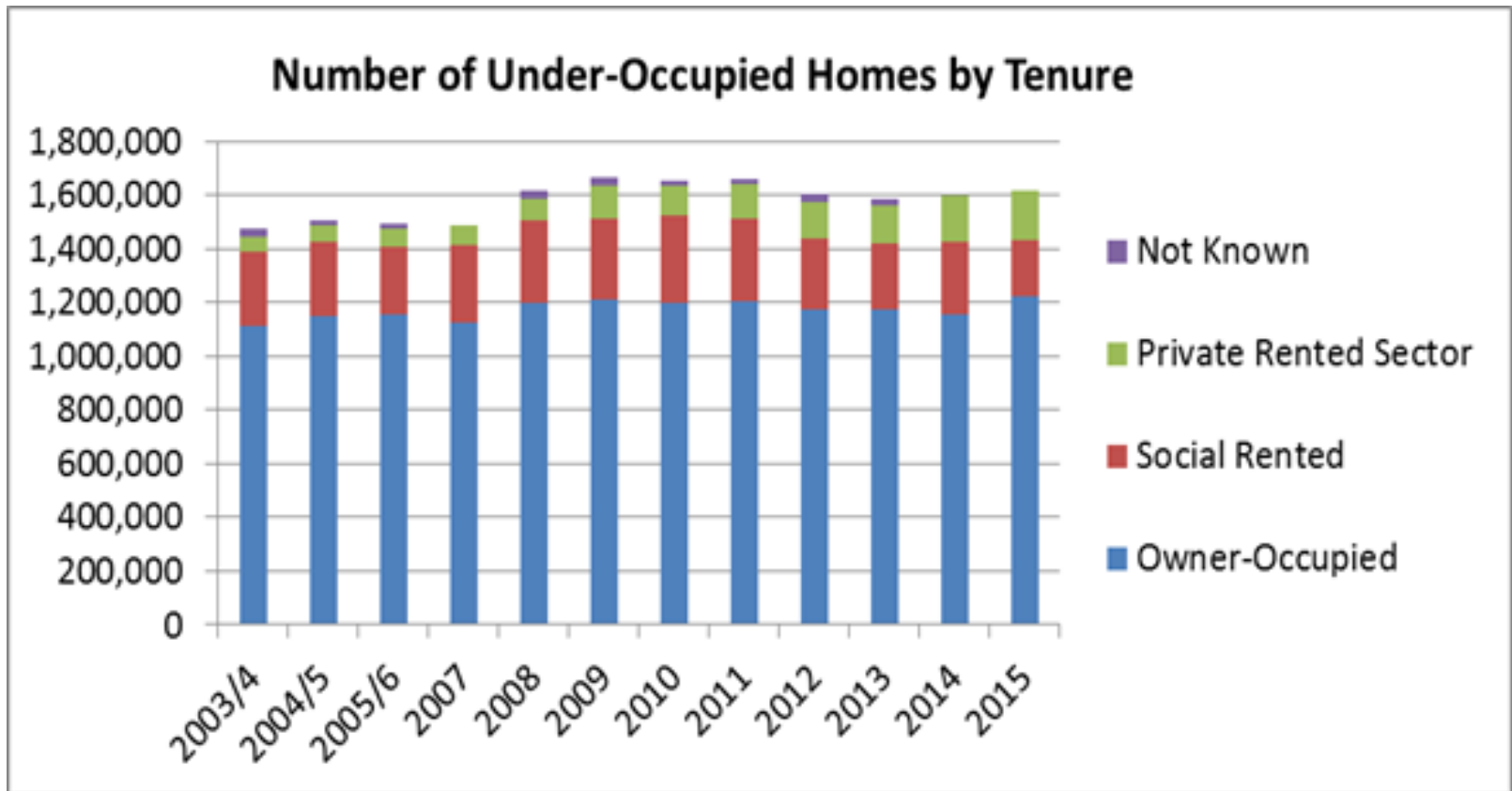
Need and demand: ageing population

Most of the growth is among older age groups

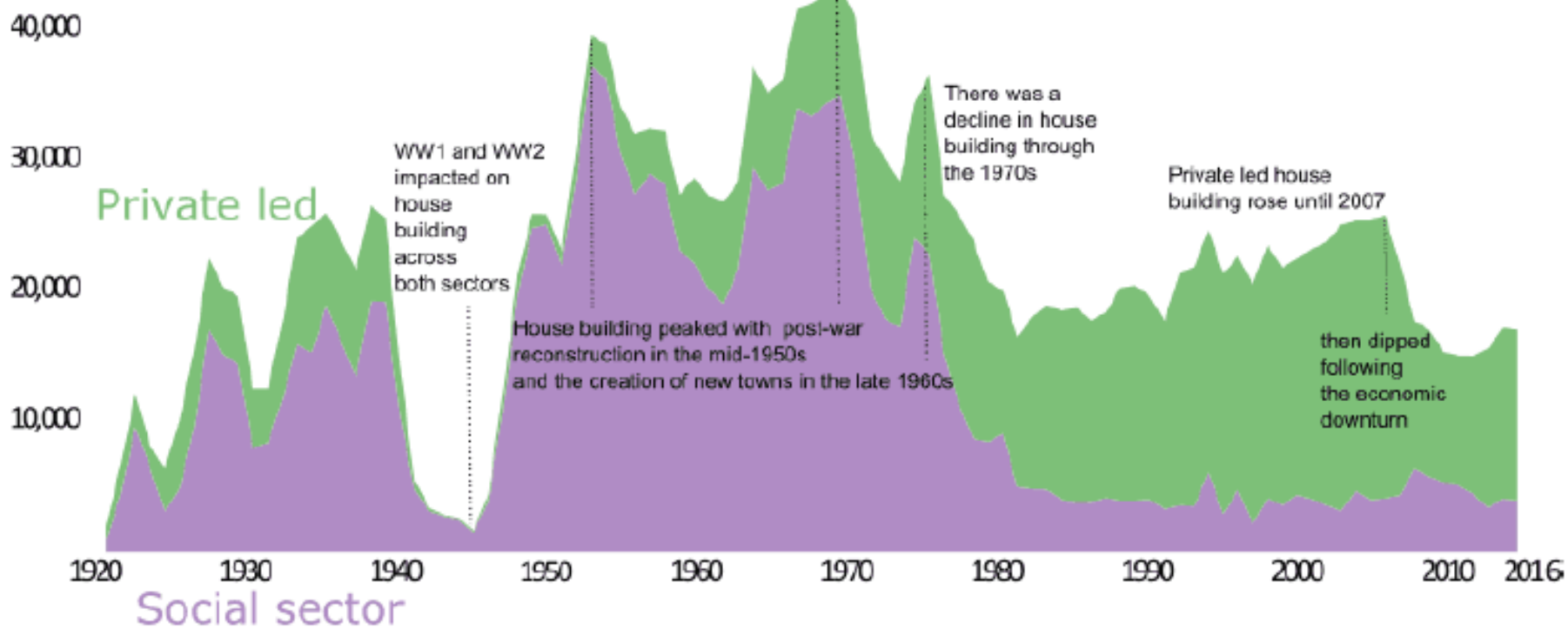
Number of households
by age of the head of household



Need and demand: **under-occupation**



Need and demand: **historic build**



Need and demand: **assessment & aspirations**

- Significant housing demand over next 20 years:
 - Household growth
 - Backlog need
 - (Tenure)
- Aspirations:
 - 80% of households want owner occupation
 - Half of social tenants want to stay
 - Location can be more important than tenure

Economic value

- **Direct** - £8.3bn spent on construction (2016), **137,000 employed** in construction (2015)
- **Wider** - labour market function, productivity, entrepreneurship , home-working
- **But Brexit(!)** - *“Scotland’s Place in Europe: People, Jobs and Investment”*

Social and environmental value

- **Health** – warm homes, green spaces, reduced financial stress
- **Education** – schooling, homework, and educational attainment
- **Crime reduction** - boost mental wellbeing, reduce reoffending, avoid concentrations of disadvantage
- **Carbon reduction** - energy efficient new build, reduce travel to work

Financial context: public expenditure

- **Current:** £3 billion / 50k target to 2021
- **Future:** need to make strong contribution to:
 - Health and social care for an ageing population
 - Sustainable economic growth
 - Fairer Scotland
 - Tackling homelessness
 - Meeting child poverty targets
 - Tackling climate change

Financial context: **wealth inequality**

Table 6.5 Share of household total net wealth and its components by bottom 40%, middle 50% and top 10% of households for Scotland and Great Britain, 2012/14

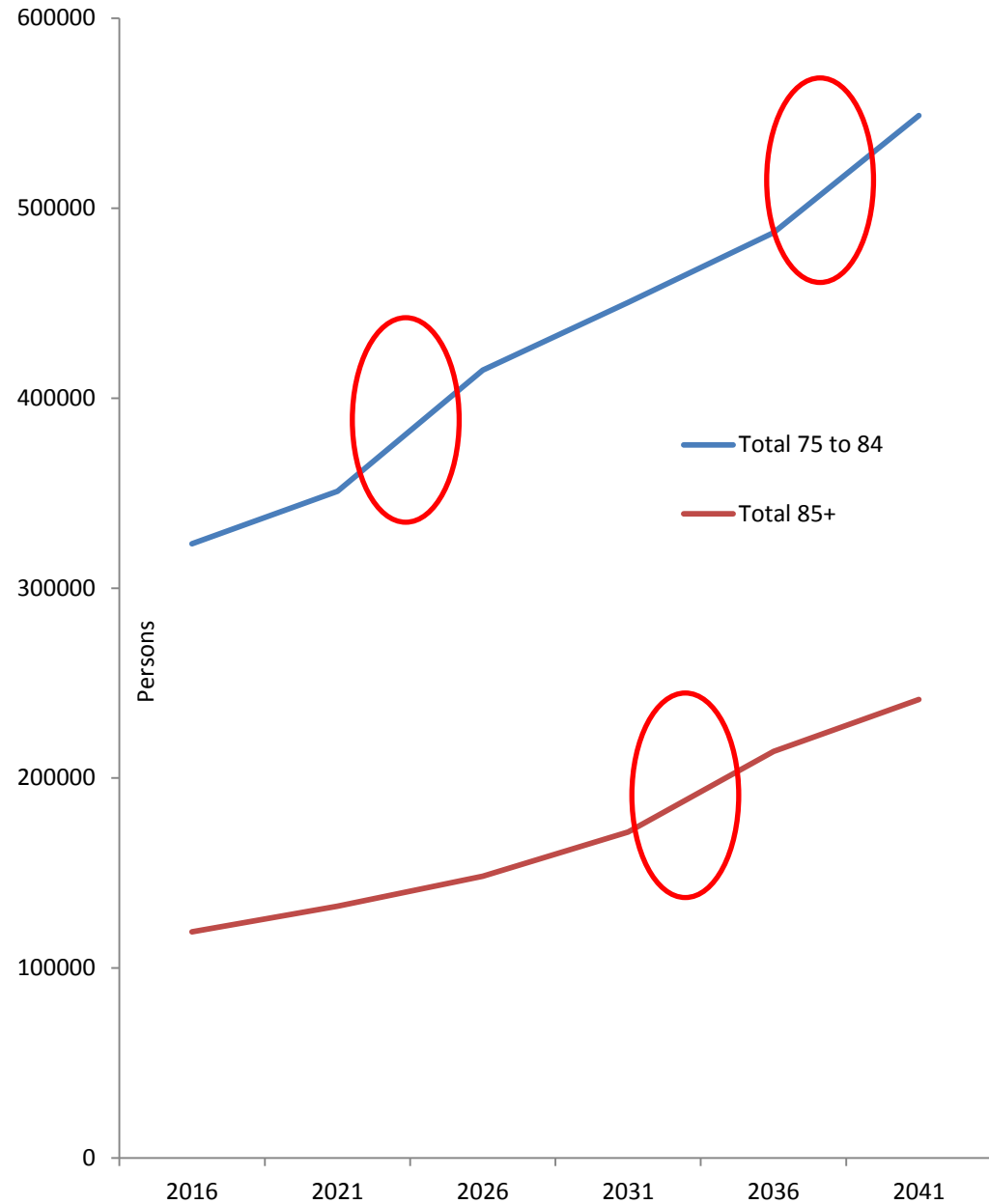
	Scotland	Great Britain
Property wealth (net)		
bottom 40%	0.9%	1.2%
middle 50%	56.6%	53.0%
top 10%	42.5%	45.8%
Financial wealth (net)		
bottom 40%	0.9%	1.2%
middle 50%	32.3%	29.7%
top 10%	66.8%	69.1%

Financial context: **demographic impact**

- Ageing population
- Cost of services by age
- Life expectancy vs healthy life expectancy

Scottish population by Parliamentary Term:

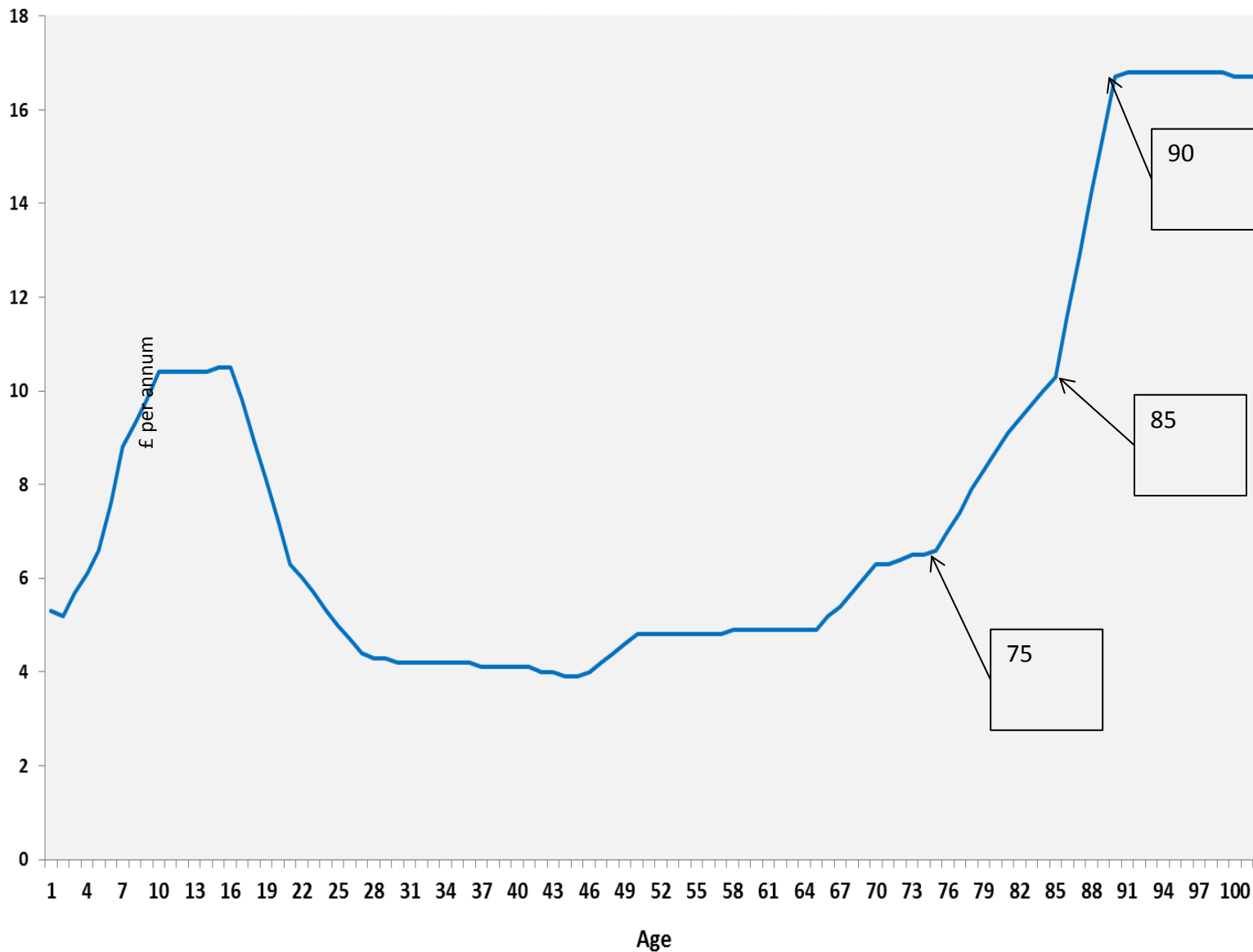
- ages 75-84 yrs
- 85+ yrs



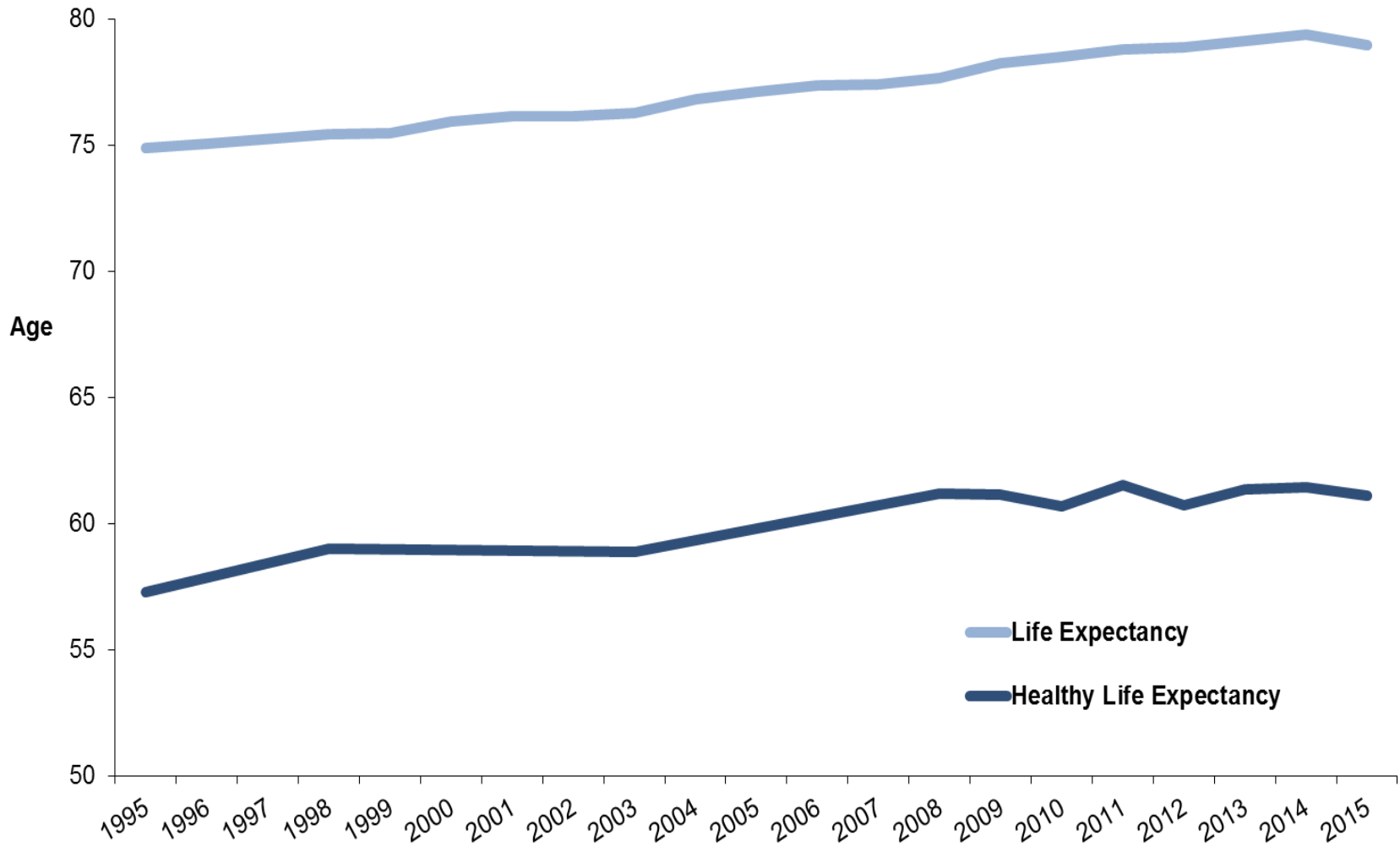
Total (£000)

Age Profile of Total Public Services Spending - Representative UK Person

Source: OBR



Scotland - Life Expectancy and Healthy Life Expectancy at birth 1995 to 2015



3. Current interventions

Expenditure

Benefits

Taxation and rebates

Rents

Legislation
and guidance

Standards

Land markets
and supply

Infrastructure

Regional economic
development

Competition and
consumer
protection

Intention,
influencing and
confidence

4. Group discussion

To identify and confirm the actual or potential benefits of government intervention in the housing market.

Benefit – *measurable improvement ... perceived as an advantage by one or more stakeholders*

- Consider one Housing and Regeneration outcome – see **page 2**:
 - **What** we are trying to achieve?
 - **How** it might be measured?
 - **Who** benefits?