

# **Housing to 2040**

## **Consultation on outline policy options**

**December 2019**

2 December 2019

Dear stakeholder

## **Housing to 2040: consultation on outline policy options**

The Scottish Government's ambition is that everyone in Scotland should live in high quality, energy efficient homes that are affordable and that meet their needs. In last year's Programme for Government, we committed to work with you on a vision for how our homes and communities should look and feel by 2040 and the options and choices to get there. This year we reaffirmed that commitment. We want to publish our final vision and route map for 2040 in summer 2020, aligned with our new Infrastructure Investment Plan, and the Capital Spending Review, which will take account of recommendations from the Infrastructure Commission for Scotland on strategic priorities.

In July, we published a draft vision for our homes and communities in 2040, and supporting principles to guide policy development. This built on the wealth of material received in response to our stakeholder engagement in 2018 and I want to thank you for all your contributions to date. **I am writing to you now to seek your views** on the draft vision and principles and **your suggestions for bold, imaginative and innovative proposals** in order to deliver the housing to 2040 vision.

We would very much like this to be an open public debate so that we can work together towards building a consensus around the vision and route map. In support of this, we are running a programme of stakeholder events and I am planning to attend as many of these as possible so I can hear your views. These will provide a forum to explore your suggestions and some of the difficult choices that necessarily follow. As it may not be possible to engage with everyone with an interest, we are also inviting written submissions.

Now is the time to reimagine our housing system and we want to work together with the whole of Scotland to create a shared vision for 2040. Housing is embedded in so much that we want to achieve. It has a vital role to play in meeting many of our aspirations, including eradicating child poverty and homelessness, ending fuel poverty, tackling the global climate emergency and promoting inclusive growth. We face a number of challenges which mean that **business as usual is not an option**. We need to think open-mindedly about how to respond and **I am clear that nothing is off the table**.

You have asked us to work towards cross-party political consensus on the future direction of housing policy. If the vision and route map are to be long-lasting, then they need to be created by, and belong to, all of us. I have invited other political parties to work with us on this and I look forward to engaging with them once I have

heard from you about how you would like us to deliver the vision. We all know that house building, and housing systems don't fit neatly into a parliamentary cycle. I want to provide you with the long-term certainty you need to plan ahead, whether as an individual or organisation, and to invest in housing and housing services, in order to deliver and enjoy our shared vision for 2040.

Attached to this letter you will find: details of how to engage (**Annex A**); some guideline questions (**Annex B**); and some points to consider (**Annex C**). A copy of this letter is available on the Scottish Government website.

This is an exciting opportunity for housing policy for Scotland and I want everyone to play their part in creating the homes and communities of 2040. This period of consultation will continue until **28 February 2020** and I look forward to engaging with you.

**AILEEN CAMPBELL**

## HOW TO ENGAGE

Everything you need to know, including a copy of this letter, can be found at:

[www.gov.scot/publications/housing-2040/](http://www.gov.scot/publications/housing-2040/)

Please consider using **social media** - twitter **#housing2040** - to make a public contribution and encourage debate.

If you want to make a **formal written submission**, please respond to this consultation using the Scottish Government's consultation hub, Citizen Space. Further details can be found within **Annex D** – Responding to the Consultation.

The Scottish Government will be organising a series of **engagement events**, some of which will be open and some of which by invitation only, and details of these will be made available on our website.

As part of this engagement, a **housing exhibition**, *Present Voices, Future Lives*, has begun touring twelve locations across Scotland. Exhibition events have been running since 4 November and will conclude on 16 December. The exhibition is travelling to urban, rural and island locations in order to hear from local communities and young people across Scotland about what matters to them. It aims to convey some of the challenges and themes such as liveability, adaptability, and accessibility, as well as providing an opportunity to better understand people's lived experiences of housing and place.

The exhibition spends a full day in each of the locations, and involves daytime workshops with young people to explore how we want to live in future, followed by a curated evening exhibition. The evening exhibition is open to all and showcases the findings collected from the workshops during the day. You are most welcome to attend any of the upcoming evening exhibitions and there will be other opportunities to view the full exhibition during the consultation period. The full list of exhibition dates and venues is signposted on the Scottish Government website.

Please also consider **arranging your own events** and discussions and using these to shape your contribution. We have produced a step-by-step guide for running your own Housing to 2040 consultation event or workshop. If you would like to do this, please get in touch with the Housing to 2040 team as they may be able to offer further advice and assistance.

You can **contact the Housing to 2040** team at: [housing2040@gov.scot](mailto:housing2040@gov.scot) (but please note we may not be able to reply to each e-mail individually).

## GUIDELINE QUESTIONS

Q1	<p>Earlier this year we published our draft vision and principles. A short and longer version are available here: <a href="https://www.gov.scot/publications/housing-to-2040/">https://www.gov.scot/publications/housing-to-2040/</a>. Do you have any comments on the draft vision and principles?</p> <p><i>Please be specific and identify what you would change and why.</i></p>
Q2	<p>Do you have any comments on the scenarios and resilience of the route map or constraints?</p> <p><i>These are set out in sections 3 and 4 of <b>Annex C</b>.</i></p>
<p><i>For questions 3 to 7 below, when making proposals, please be as specific as you can about:</i></p> <ul style="list-style-type: none"> <li>• Who needs to make it happen and what type of action is required? E.g. facilitation, regulatory, financial, infrastructure, training etc.</li> <li>• How much it costs and who will pay?</li> <li>• Who is needed to do the work (workforce)?</li> <li>• How long the proposal would take to implement and whether it is a temporary or permanent measure?</li> <li>• When in the period 2021 to 2040 should it begin and does anything need to be done first?</li> <li>• Who will benefit (who is it for)? And who might lose out and how could this be mitigated? (Think about equality groups and different types of organisation and geography and the impact on the wider community.)</li> <li>• How does it help deliver the draft vision? Does it align with the draft principles?</li> </ul> <p>We recognise you may not be able to answer all of these questions – please do not let that put you off responding to us with your proposals.</p>	
Q3	<p>Do you have any proposals that would increase the <b>affordability</b> of housing in the future?</p>
Q4	<p>Do you have any proposals that would increase the <b>accessibility and/or functionality</b> of existing and new housing (for example, for older and disabled people)?</p>

<b>Q5</b>	Do you have any proposals that would help us respond to the global climate emergency by <b>increasing the energy efficiency and warmth and lowering the carbon emissions</b> of existing and new housing?
<b>Q6</b>	Do you have any proposals that would improve the <b>quality, standards and state of repair</b> of existing and new housing?
<b>Q7</b>	Do you have any proposals that would improve the <b>space around our homes</b> and promote connected places and vibrant communities?
<b>Q8</b>	Any other comments?

## SOME POINTS TO CONSIDER

### 1. Introduction

- 1.1. We are inviting views on the draft vision for 2040 and the underpinning principles as well as your suggestions for radical policy proposals to make the vision a reality.
- 1.2. This paper takes forward the commitment in the Scottish Government's 2018-19 Programme for Government<sup>1</sup> to work on a vision for how our homes and communities should look and feel by 2040 and the options and choices to get there.
- 1.3. We are adopting a whole-systems approach to housing and, for this to be effective, we need to make the most of connections between different policy areas across government. We want to align housing to 2040 with longer term planning already underway, for example around infrastructure investment and the Infrastructure Commission, the Scottish National Investment Bank, and Scotland's inclusive growth agenda.
- 1.4. The Scottish Government has already taken significant steps to improve the housing system in Scotland and people's experience of it. This includes: a renewed commitment to social housing through record investment and ending 'Right to Buy'; improving protections and standards for tenants in the Private Rented Sector: and alleviating poverty through full mitigation of the bedroom tax through Discretionary Housing Payments and the introduction of the Universal Credit Scottish choices. Since 2013, over 120,000 homes throughout Scotland have benefited from our Home Energy Efficiency Programmes, making them warmer, greener and more energy efficient, and we have set out an Energy Efficient Scotland route map to 2040 describing how we will improve the performance of all our buildings. We are taking action to ensure everyone has a home, ending homelessness and rough sleeping in Scotland. In addition, our Affordable Housing Supply Programme is on track to deliver our target of more than 50,000 affordable homes by 2021. For each policy affecting housing, we must make the right changes at the right time to help us converge on the 2040 vision.

---

<sup>1</sup> 'Delivering for today, investing for tomorrow: the Government's programme for Scotland 2018-2019', September 2018 (page 98-99) <https://beta.gov.scot/publications/delivering-today-investing-tomorrow-governments-programme-scotland-2018-19/>

## **2. Vision and principles**

- 2.1. Housing, and our approach to 2040, has a substantial role to play in contributing to the Scottish Government's Purpose, National Outcomes<sup>2</sup> and UN Sustainable Development goals. It can help us achieve many of our ambitions for Scotland, including eradicating child poverty and homelessness, ending fuel poverty and tackling the effects of climate change; housing must play its part in tackling the global climate emergency.
- 2.2. The draft principles we published in July 2019 are designed to provide a coherent framework for future housing policy development in Scotland. The advantages of setting out principles are that they help improve:
  - the consistency and focus of housing policies and actions; and
  - the connection between housing policy and other priorities, e.g. around inclusive growth, health and education.
- 2.3. Housing to 2040 is for all of Scotland. Rural communities face particular issues, for example with higher housing costs, both build costs and living costs, than in Scotland's towns and cities. The vision and principles are designed to work across Scotland and include important implications and protections for rural communities. As we develop the route map, we will be subjecting it to an islands impact assessment and considering how to ensure it is rural-proofed, in line with the recommendations of the National Council of Rural Advisers.

### *Development of the vision and principles*

- 2.4. The Housing to 2040 draft vision and principles emerged as a result of extensive engagement which concluded on 30 November 2018, and attracted contributions from over 800 people representing more than 100 organisations. A Scottish Government report on this stakeholder engagement in 2018 was published in May 2019 and you can find a copy of the 2018 discussion document and the final report on the website.

## **3. Drivers of change**

- 3.1. The high level policies to deliver the 2040 vision will, in due course, be included in a route map to 2040. For the route map to have lasting value, it has to be resilient around different possible futures. Some major influencers

---

<sup>2</sup> See [Scotland's National Performance Framework](#).



of the housing system include: population and health; political; economic; technology; transport; energy and climate change; and climate adaptation.

- 3.2. When suggesting your policy proposals, you might like to consider how resilient your proposals are against the following variables or “drivers of change”, noting that change may come faster or slower than forecast or be altogether different. (Note that this is not an exhaustive list.)

*Population and health*

- More single person households
- Relatively smaller working age population
- Geographical shift in population – areas of rising population and depopulation, especially in rural areas
- No natural growth in population – falling birth rate and an increase in the number of deaths
- Need for inward migration to maintain population
- Ageing population
- The gap between life expectancy and healthy life expectancy

*Political*

- Increased devolution of powers or full independence for Scotland
- Relationship with the EU
- Role of local government
- Public appetite to pay to fund public services
- Public engagement in decision-making

*Economic*

- Relative economic performance between Scotland and rUK
- Negative impact of Brexit
- Greater financial innovation, especially “green finance”
- Exchange rates

- Scottish Government borrowing limits
- Balance of imports, exports and internal consumption, e.g. around timber and forestry

### *Technology*

- Increasing automation and artificial intelligence affecting the way we work - different jobs, changing work patterns and skills requirements
- Technology as enabler for communications, care and longevity
- Data gathering and integration to improve policy-making and service delivery
- Balance between on-line and physical interaction, e.g. in retail, and the impact on urban planning
- Speed of technological development and regulatory lag
- Growing need for robust cyber security
- Rollout of 5G and superfast broadband
- Greater customisation and personalisation

### *Transport*

- Increased use of electric vehicles – could mean a way of storing energy for homes or, in the case of autonomous cars, the depot is a storage node on the grid
- More walking and cycling
- Smart public transport, responding to demand

### *Energy and climate change mitigation*

- Growing public support for climate action
- More renewable energy generation and changes to energy infrastructure
- Improved energy performance for homes and businesses
- Future of the gas grid – closed or repurposed?
- Carbon capture and storage

- Changing patterns of land use and farming methods, re-wilding, re-planting forests, protecting peat lands
- Changing patterns of consumption of food and other goods

*Climate change: adaptation*

- Increased flood risk from sea level rise and excess rainfall
- Prolonged periods of low rainfall with increased drought and fire risk
- Higher temperatures and greater need for cooling measures
- Changes to land use

#### **4. Constraints: financial and labour market**

*Financial*

- 4.1. Scottish Government's capital budget of over £827 million for the Affordable Housing Supply Programme in 2019-20 represents 16% of the total capital budget<sup>3</sup>. The current level of funding, however, will be difficult to sustain, especially considering the number of demographic, societal and fiscal challenges we face.
- 4.2. In the course of this Scottish Parliamentary term (2016-2021), it is anticipated that the Scottish Government will spend over £4 billion on housing in Scotland, primarily through affordable housing supply, shared equity schemes, energy efficiency measures and mitigating UK Government welfare cuts. The UK Government will spend over £8 billion on housing in Scotland, primarily through housing benefits and energy efficiency measures. This brings the total government spend to around £13 billion. Householders and the private sector will have made significant investment in housing infrastructure over this period too; publicly-funded housing infrastructure also attracts at least 50% private finance.
- 4.3. There are four major areas of investment and activity required in housing infrastructure in the period to 2040:
  - delivering more homes across all tenures;

---

<sup>3</sup> The total capital budget is £5,106 million, including Financial Transaction Capital.

- adaptations of (some) existing homes to make them more accessible for disabled persons and appropriate for an ageing population;
  - delivering the Energy Efficient Scotland targets through retrofitting energy efficiency measures in our existing homes; and
  - addressing the backlog of major improvements, maintenance and repairs to existing homes across all tenures, but especially owner occupied homes.
- 4.4. The total cost of all this work might be expected to be of *order of magnitude* £100 billion<sup>4</sup> over the 20 year period, apportioned between the public and private sectors and households. (By way of comparison, the total Scottish Government budget for 2019/20 is around £34.7 billion<sup>5</sup>.) One important constraint is the need to spread the cost of this work equitably across all sectors and distribute sensibly over time. In particular, public sector costs must be bearable and also take account of any revenue impact (positive or negative) from the policy options.
- 4.5. A whole systems approach to housing delivery needs to take account of all public sector housing-related costs and receipts. We need to bring more new and innovative forms of finance into the housing system and make sure that public investment complements, rather than displaces, private investment.

#### *Labour market*

- 4.6. Similarly, the work will need to be done by an evolving workforce and different skills will be required in different combinations for each activity. The planning and sequencing of the work in the route map will need to take account of the availability of people with the right skills in the different regions of Scotland. For example, there may be only so many electricians available at any given time in the Highlands and they cannot be overcommitted. This is a second important constraint.
- 4.7. Some important factors affecting availability include: the overall workforce size, shaped by demographic changes, including an ageing population and migration to, from and within Scotland; worker mobility across Scotland and between sectors of the economy; opportunities for training and re-training; the need for skills to evolve to suit new and emerging technologies; and the latency of the system – recruitment and training take time.

---

<sup>4</sup> This means closer to £100 billion than either £10 billion or £1 trillion.

<sup>5</sup> DEL only, i.e. excluding AME.

- 4.8. We also need to be active in shaping the future workforce to deliver the route map and the vision for 2040. For example, Scottish Government is already considering the future skills requirements to deliver new housing and more broadly<sup>6</sup>.
- 4.9. We need to think about efficient deployment too – if a home needs adapting and retrofitting, then it might make better use of skilled workers to do this in a combined effort. This is in line with the Place Principle<sup>7</sup>, requiring a more joined-up, collaborative, and participative approach to services, land and buildings, across all sectors within a place.
- 4.10. When we consider the sequencing of options, both these constraints need to be borne in mind.

## 5. Your policy suggestions

- 5.1. You might want to consider how your suggestions:
  - contribute towards delivery of existing commitments post-2021, such as those around child poverty and tackling the global climate emergency;
  - recognise the scale of the fiscal, demographic and climate challenges - we cannot simply continue with business as usual;
  - facilitate an evolutionary approach, starting in 2021 and avoiding sudden shocks insofar as this is possible; and
  - focus on the “win-win” of delivering wider objectives, e.g. housing and health.
- 5.2. You might want to consider how your suggestions fit with the financial and workforce constraints and how resilient they are in the face of the possible drivers of change.
- 5.3. Finally, we received a wealth of material in response to our stakeholder engagement in 2018 and this can be found in the report on the website. You might like to develop one of your earlier suggestions, or someone else’s, and, informed by the draft vision and principles, develop it into a more detailed policy proposal.

---

<sup>6</sup> See the [New Housing and Future Construction Skills Report](#), May 2019, and the [Future Skills Action Plan](#), September 2019.

<sup>7</sup> See the Scottish Government’s [Place Principle](#).

## RESPONDING TO THE CONSULTATION

We are inviting responses to this consultation by **Friday 28 February 2020**.

You can access and respond to this consultation online at:

<https://consult.gov.scot/housing-services-policy-unit/housing-to-2040>.

The response form takes you through the guideline questions (**Annex B**) and also allows space for your own views. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 28 February 2020.

If you are unable to respond using our online consultation hub, please complete the Respondent Information Form (**Annex E**) and send it:

- by email to [housing2040@gov.scot](mailto:housing2040@gov.scot); or
- by post to Housing to 2040 Team, Scottish Government, 2J North Victoria Quay, Edinburgh, EH6 6QQ

### Handling your response

Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

To find out how we handle your personal data, please see our privacy policy:

<https://beta.gov.scot/privacy/>

### Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <http://consult.gov.scot>. If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

### Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or to [housing2040@gov.scot](mailto:housing2040@gov.scot).

## **Scottish Government consultation process**

Consultation is an essential part of the policymaking process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: <http://consult.gov.scot>. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise, the responses received may:

- indicate the need for policy development or review;
- inform the development of a particular policy;
- help decisions to be made between alternative policy proposals; or
- be used to finalise legislation before it is implemented.

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.



ANNEX E

**RESPONDENT INFORMATION FORM**

**Please Note** this form **must** be completed and returned with your response.

Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name  
 Publish response only (without name)  
 Do not publish response

**Information for organisations:**

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.



We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

No



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

© Crown copyright 2019

**OGL**

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.scot](http://www.gov.scot)

Any enquiries regarding this publication should be sent to us at

The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

ISBN: 978-1-83960-384-6 (web only)

Published by The Scottish Government, December 2019

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA  
PPDAS669743 (12/19)

W W W . g o v . s c o t