



Socio Economic Impact Study Report



KINGDOM Group



More than a home

Chair's Introduction

Our mission is to provide **More than a Home** and we feel we deliver on this, through the diverse range of activities we provide.

The ability to demonstrate and quantify the impact and added value we deliver is often difficult, therefore, during 2017 we commissioned consultants to undertake an independent Socio Economic Impact Study; through an assessment of our activities.

The attached report has been produced independently by Optimal Economics and provides an assessment of the economic and social impact of our activities on Fife and Scotland.

The report highlights our housing stock numbers and the social impact this has in the communities where we operate. We provide around 3800 affordable homes, in 63 areas, which helps meet housing needs and sustain communities.

The Kingdom Group is one of Fife's largest employers with over 400 staff and the report identifies the positive economic impact this provides. Our activities create 700 jobs and £40m income in Scotland each year.

As a large developing housing association, we have invested around £134m, in the last 5 years, through developing 1,070 new homes. The report recognises the wider social and economic impact of this investment, in the construction sector and the local communities.

In addition to our affordable housing activities, over the last 4 years, we have also carried out 974 medical adaptations to meet people's particular needs and undertaken 3,200 small repairs, for older and disabled private owners. The report estimates that this activity has generated savings of £48m in hospital and care costs, by enabling people to remain living independently in their own homes.

Other impacts identified from our activities include; providing support and care to 256 people in 2016, assisting 2,000 people into sustainable employment and helping to regenerate 8 local communities, through providing around 1,000 new homes.

The report clearly demonstrates the added value we are able to provide through the work we undertake.



Freya Lees
Chair, Kingdom Housing
Association



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Summary

The Kingdom Group provides quality affordable housing, support and care and undertakes a range of complementary activities across East Central Scotland. It comprises Kingdom Housing Association (KHA) and two subsidiary companies – Kingdom Initiatives (KI) and Kingdom Support and Care (KSC). The Kingdom Group (referred to as Kingdom in this report) commissioned Optimal Economics to prepare an independent assessment of the socio-economic impact of its activities on Fife and Scotland.

How Kingdom creates socio-economic impacts and benefits

Providing homes:

Social housing, mid-market rent, low cost home ownership

Operational activities:

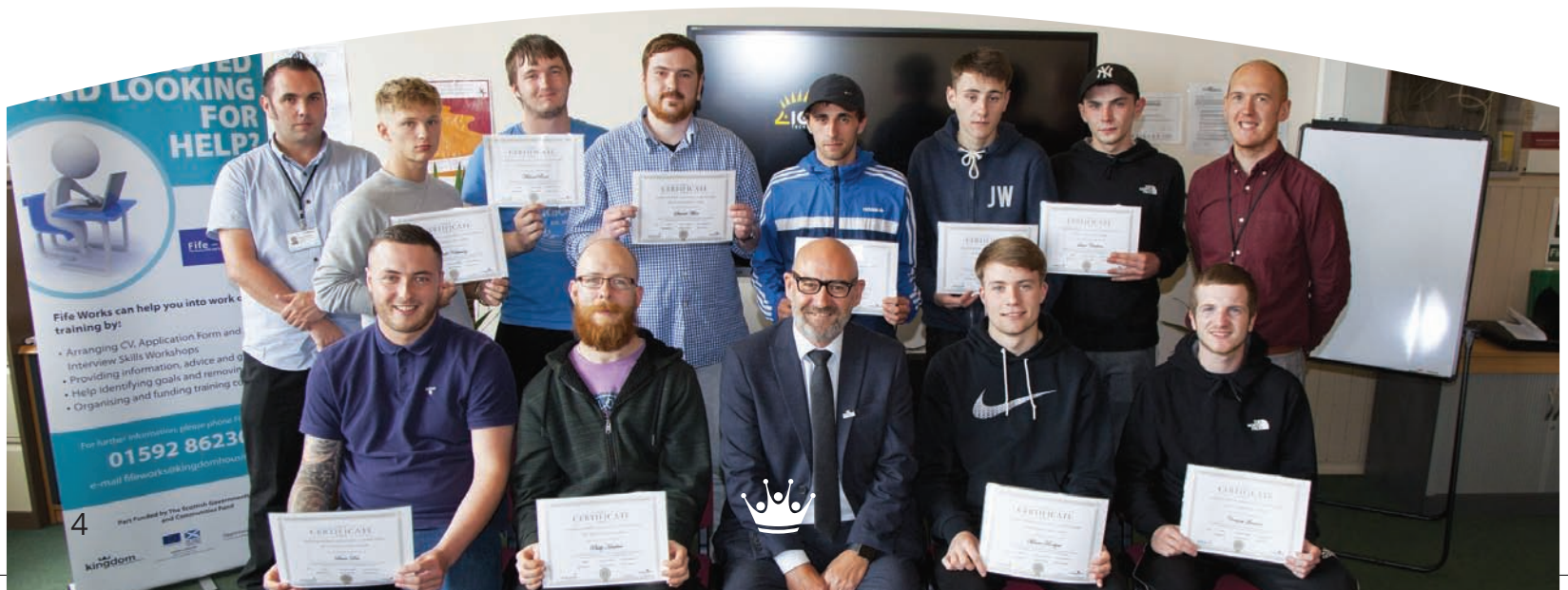
Creating employment and income through housing management and services

Development:

Creating employment and income through investment in housing

Sustaining communities through regeneration

Sustaining households by providing support and care, care and repair and training and employment initiatives (Fife Works)





The main impacts and benefits created by The Kingdom Group

3,800 homes provided or managed in 63 areas: helping to sustain tenancies and communities

One of Fife's biggest employers with over 400 staff

780 jobs and £40 million annual income created in Scotland

Investment of £134 million and construction of 1,070 new homes in 5 years

974 adaptations and 3,200 small repairs over 4 years: saving £48 million in hospital and care costs by enabling people to live at home

256 people helped by Support and Care in 2016

Over 2,500 people helped with training and 2,000 assisted into sustainable jobs

Regeneration of eight communities with over 1,000 new homes in regeneration areas



Details of Kingdom's impacts are set out below:

Housing Provision

- Kingdom owns or manages over 3,800 homes. Some 3,600 are in 50 communities across Fife and almost 200 in 13 communities in neighbouring local authorities.
- Most of the homes (93%) are for social rent which is a key "anchor" in areas and communities facing economic challenges. This housing enables people to remain in communities and by providing decent affordable housing it helps combat poverty and sustain the local service economy.
- Kingdom provides a range of services to maintain its housing stock, help tenants maintain tenancies and deliver projects which provide community benefits.

Operational Activities

- With approximately 400 employees, Kingdom is one of the largest employers in Fife.
- Kingdom also creates employment in Fife and Scotland through the purchase of goods and services to support its operations (indirect employment) and through the spending of its employees and the indirect employees (induced employment).

- In 2016/17 Kingdom generated 490 full-time equivalent (FTE) jobs in Scotland and contributed £22 million to income.
- Of these jobs and income, the majority were in Fife - 470 FTE jobs and £20 million of income.

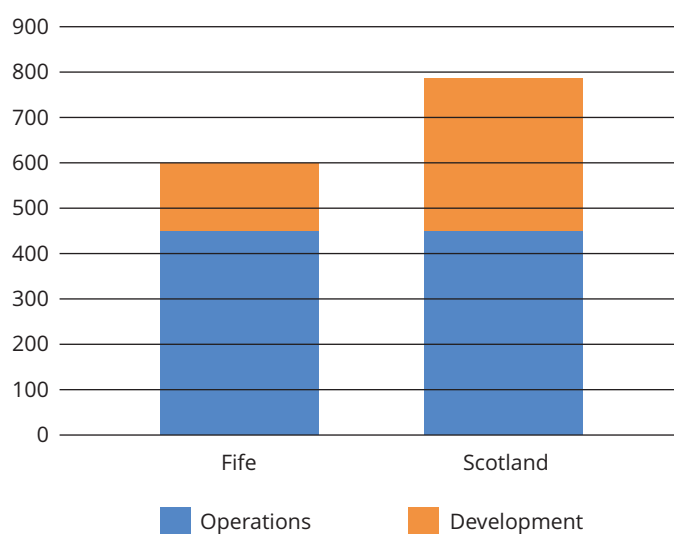
Investment Activities

- In the five years to March 2017 Kingdom has spent £134 million building over 1,070 new homes.
- This expenditure has supported 290 jobs and £18 million of income in Scotland each year over the five year period, 2012/13 -2016/17.
- Of the 290 jobs created each year, 130 jobs are in Fife. Income of almost £10 million was also created in Fife.

Total Economic Impact – Operational and Investment Impact

- In total Kingdom generates 600 jobs and £29 million of income in Fife and 780 jobs and £40 million of income in Scotland in a year. Future growth in investment will see these levels rise substantially.

Employment



Income, £m



Sustaining Communities

- Kingdom sustains communities by providing quality, affordable homes and through innovative and integrated regeneration projects.
- Kingdom is a major force in regeneration in Fife and has provided more than 1,000 new houses in regeneration areas while bringing about the transformation of around 8 local areas which were failing as places to live into sustainable communities.
- Fraser Avenue, Inverkeithing is a major ongoing regeneration project which will create major community benefits. The project has been commended by the Saltire Society as an exemplary approach to redeveloping one of Britain's most deprived housing areas.
- In 2015/16 around 100 homeless people were provided with temporary accommodation as a step to resolving their housing problems and around 150 others have been given support which improves their quality of life and reduces the risks of homelessness and loss of independence.
- In the four years between 2012/13 and 2015/16, Kingdom's Care and Repair service has carried out 974 disabled adaptations and 3,200 small repairs to be made. This has enabled many hundreds of households to continue to live independently.
- It is estimated that resulting savings from reduced demand on hospital services and for support amounted to £48 million over the last five years.
- The Fife Works employment and training programme has delivered support to over 3,500 people. Over 2,500 people have been assisted into training and 2,000 assisted into employment.

Sustaining Households

- Kingdom provides a very wide range of services to tenants and the community which extend beyond the core landlord function.
- In 2016, 256 people were supported by support and care services, the majority of these people had learning difficulties and mental health issues.



1. Introduction

1.1 KINGDOM GROUP

1.1.1 The Kingdom Group (hereafter referred to as Kingdom) consists of Kingdom Housing Association (KHA) and two subsidiary organisations: Kingdom Initiatives (KI) and Kingdom Support and Care (KSC). The group provides quality affordable housing, support and care services and undertakes a range of complementary activities across East Central Scotland. The mission of the Kingdom Group is to provide “More than a Home”.

1.1.2 The Kingdom Group commissioned Optimal Economics to prepare an independent assessment of the economic and social impact of its activities on Fife and Scotland.

1.1.3 KHA is a registered social landlord providing housing to meet a wide range of needs; provision includes social rented housing, mid-market rent (MMR) and low-cost home ownership initiatives. KHA currently manages almost 4,000 homes and provides factoring services to approximately 1,400 further owners and sharing owners. KHA also delivers a range of projects which create wider social and economic benefits for the community and help to promote social inclusion and improve the environment. These include the Fife Care and Repair and Small Repairs project and the Fife Works project. KHA is a member of the Fife Housing Association Alliance which is a partnership between the four Fife based housing associations – Kingdom, Fife, Ore Valley and Glen. The Alliance aims to promote community, education, employability and environmental projects throughout Fife.

1.1.4 KI was established as a non-charitable wholly owned subsidiary of KHA in 2010 to carry out activities which complement the objectives of Kingdom, but which KHA cannot undertake by virtue of its charitable status. The main activities of KI are property development, property management and maintenance, leasing and letting properties for MMR, factoring and agency services.

1.1.5 KSC was established during 2016 as a wholly owned subsidiary of KHA to provide all of Kingdom’s support and care services from 1st April 2017.

KSC is currently providing support and care services to Fife and Falkirk councils which include services for older people, care at home, homelessness services and services for people with a range of disabilities.

1.2 AIM OF THE REPORT

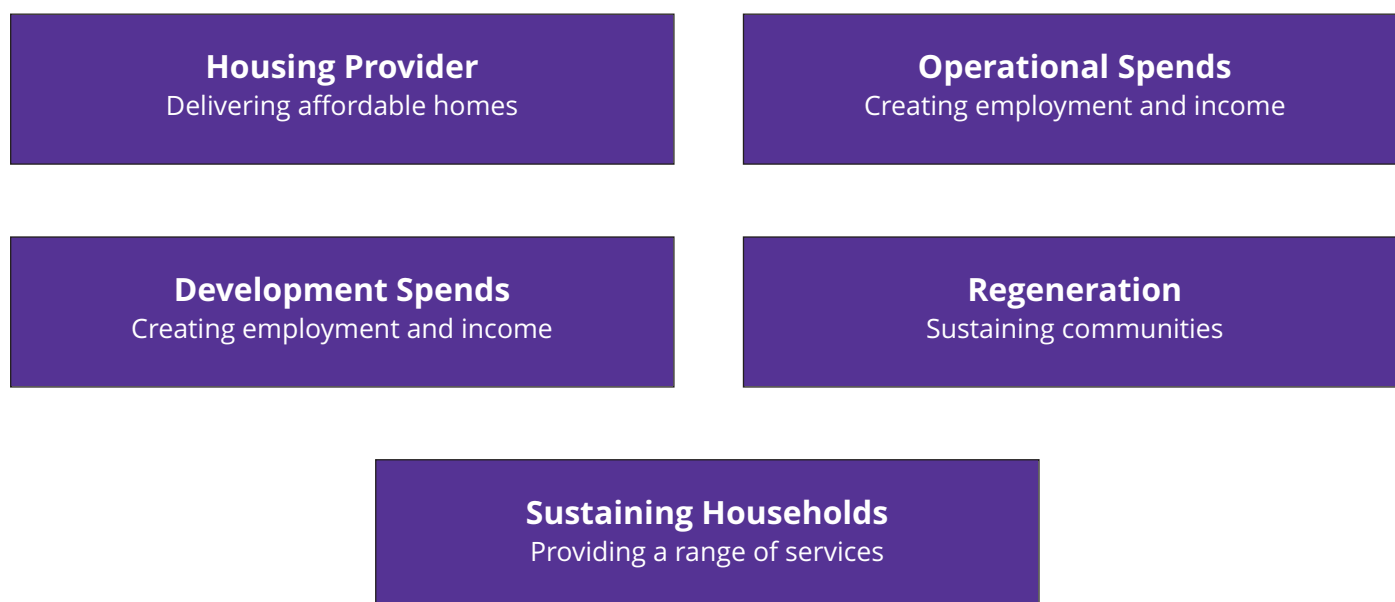
1.2.1 While the primary purpose of a housing association is to meet housing need and provide housing related services, the existence of the organisation and its activities create an array of economic and social benefits for tenants and communities. This includes the activities of the organisation as an employer and investor and the activities which sustain local communities and households.

1.2.2 As Figure 1.1 shows, there are several channels through which the activities of Kingdom generate economic and social benefits. The first channel involves the creation of jobs and income from day-to-day operations. The second is the creation of jobs and income through investment activity (primarily housing development). These are the two main sources of economic impact. Kingdom also creates economic and social impacts by providing houses and by sustaining local communities and households in Fife, through its wider role activities.

1.2.3 Economic impacts from day to day activities and development are measured in two ways as employment and income. The employment impact is measured as jobs supported by Kingdom’s spending and investment where one full time equivalent (FTE) job equals the employment of one person full time for a year or two persons half time for a year and so on. The impact on income is measured as Gross Value Added (GVA) which is the sum of all incomes associated with those jobs including the wages/salaries of the people employed and the surpluses and profits of their employers.



Figure 1.1: Kingdom Socio-Economic Benefits: Channels of Impact



1.3 STRUCTURE OF THE REPORT

1.3.1 The key impacts of Kingdom activities are highlighted in the Summary at the front of this report. Details of the data and methods used to calculate those impacts along with more detailed results are set out in three sections below.

- Section 2 analyses the impact of the organisation's day to day operations in terms of the creation of jobs and incomes. The analysis is based on data for the financial year 2016/17.

- Section 3 details the impact of investment spending on building homes.
- Section 4 analyses the wider economic and social benefits of Kingdom's activities.

1.4 ACKNOWLEDGEMENTS

1.4.1 In preparing this report we have been greatly assisted by staff in Kingdom who have provided the large amounts of data and information which we have requested. However, the report is an independent assessment and all findings and conclusions are the sole responsibility of Optimal Economics Ltd.



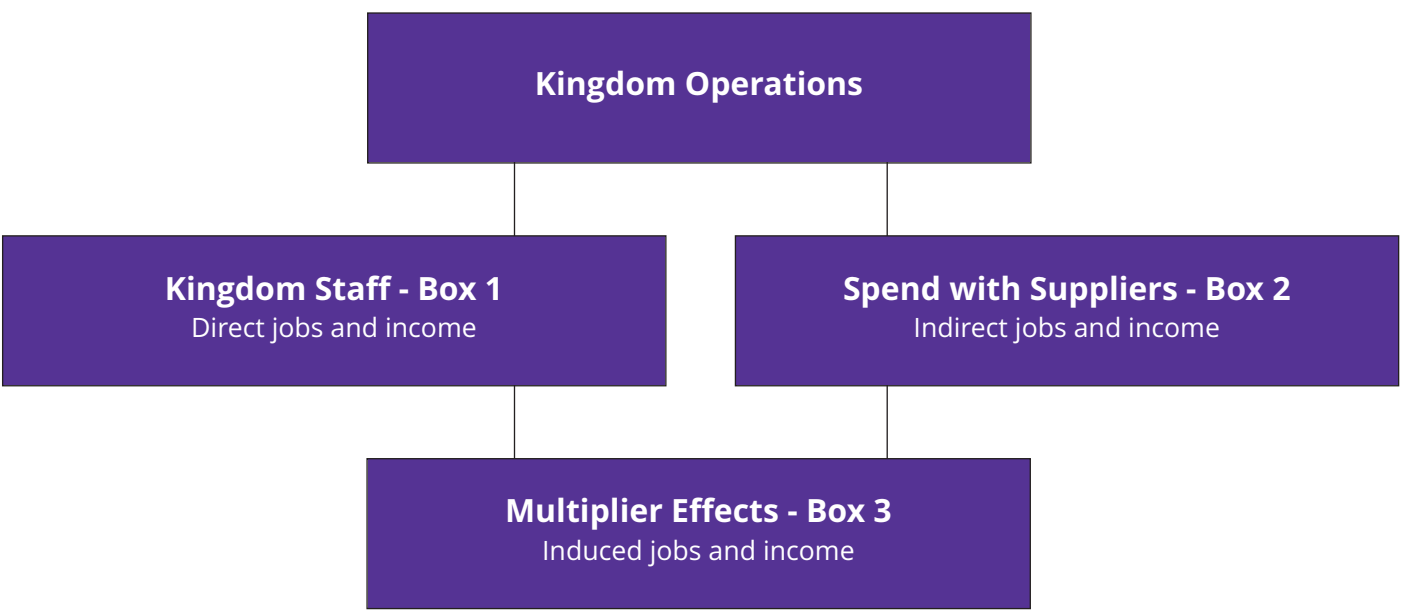
2. Operational Economic Impact

2.1 INTRODUCTION

2.1.1 As noted above, the economic impact of the activities of Kingdom in Fife and in Scotland can be measured by the number of jobs and the income created by its activities. The economic impact arises from three effects shown in Figure 2.1:

- Direct impact: this is the employment of people by Kingdom on a day to day basis and the income created by these jobs (Box 1 in Figure 2.1);
- Indirect impact: this is the employment and income created in other Scottish and Fife based business as a result of Kingdom buying goods and services to support their day to day operations (Box 2); and
- Induced impact: as the direct and indirect incomes described above are spent, further employment and income are created in a wide range of Scottish and Fife businesses (Box 3).

Figure 2.1: Economic Impact Assessment Framework



2.1.2 To enable these impacts to be measured Kingdom provided the study team with detailed information on the organisation's employment levels, wages and salaries and expenditure with suppliers in Fife and Scotland for the financial year 2016/17.

The economic impact estimates have been made independently by the study team by combining the company data with other information including official government statistics and economic data.

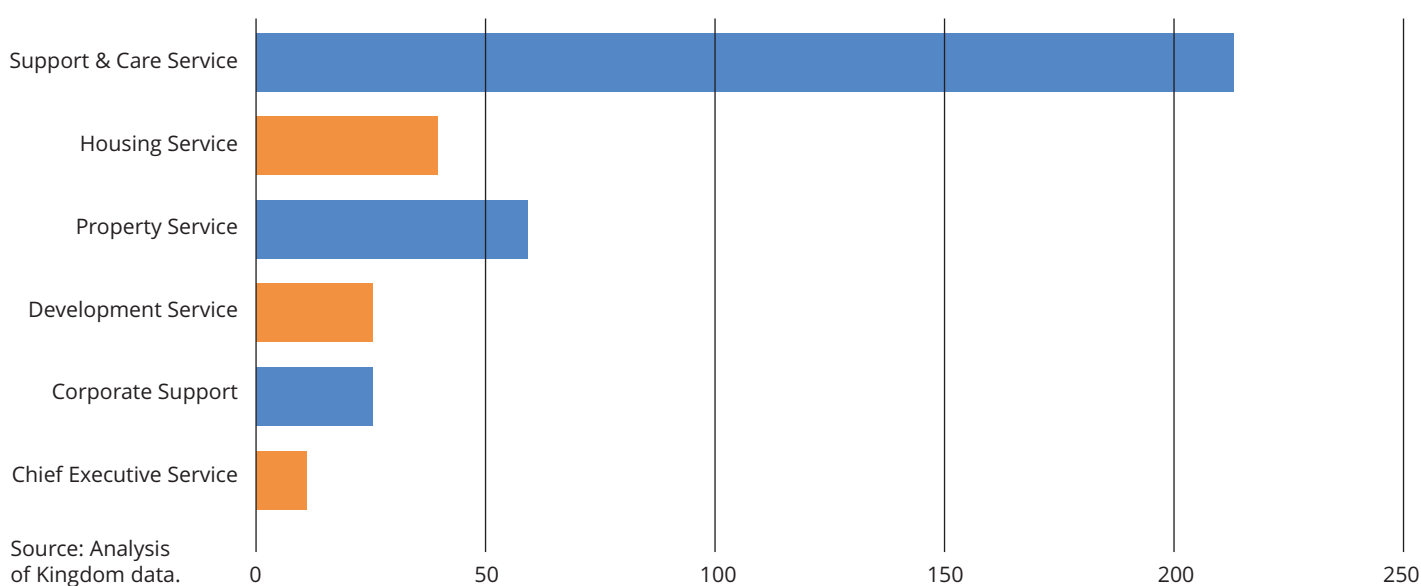


2.2 CHARACTERISTICS OF DIRECT EMPLOYMENT

2.2.1 Kingdom employs people directly to deliver its services, primarily within Fife; in addition, some support and care services are delivered outside Fife. As at March 2017 there were 402 people employed by Kingdom which equals 337 FTEs. The number of people employed across the different service areas is

shown in Figure 2.2. The largest employer is support and care services with over 220 people employed. Property services (asset management) employ over 60 people in maintenance activities and providing the care and repair service. The housing services for tenants help ensure that people receive the best advice and information on their housing options and almost 40 people deliver these services.

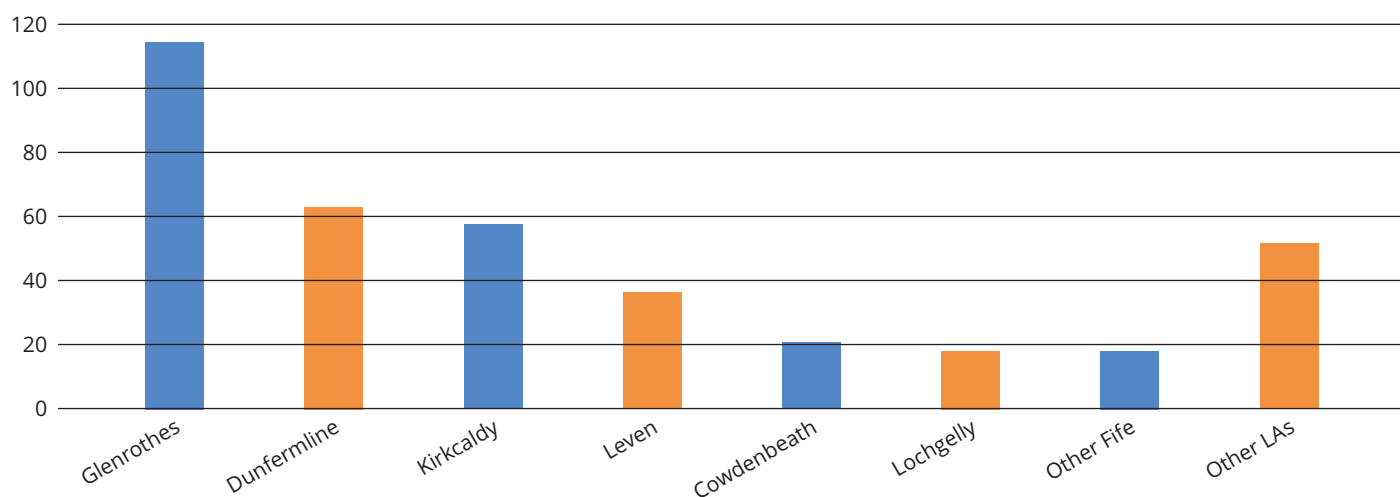
Figure 2.2: Kingdom Direct Employment by Service, 2016/17



2.2.2 Kingdom has three offices in Fife in Glenrothes, Dunfermline and Cowdenbeath, although many of the support and care employees travel to clients throughout the area. In terms of the home location of

Kingdom staff, the majority (87%) of employees live in Fife with Glenrothes, Dunfermline and Kirkcaldy accounting for over 60% of employees. Details are shown in Figure 2.3.

Figure 2.3: Home Location of Kingdom Employees



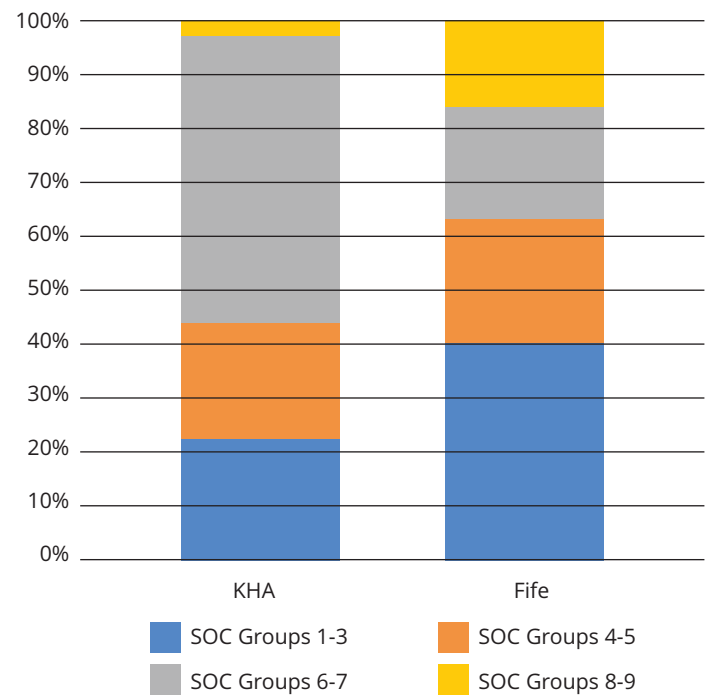
2.2.3 The activities of Kingdom require and provide jobs for a wide range of skills. The occupational mix of jobs is shown in Figure 2.4. That occupational mix is compared in the figure to the mix of occupations of all workers in Fife. Occupations are classified using the Standard Occupational Classification (SOC) as follows:

- SOC 1-3: managerial and professional;
- SOC 4-5: administrative and skilled trades;
- SOC 6-7: caring and leisure and sales/customer service; and
- SOC 8-9: process plant and machinery operatives and elementary occupations.

2.2.4 The occupational structure of employment at Kingdom is quite different to that of Fife as a whole with a smaller proportion of staff in managerial and professional occupations, almost no staff in elementary occupations and a very high proportion in the caring occupations.

The latter reflecting the importance of the support and care employees within Kingdom.

Figure 2.4: Kingdom and Fife Occupational Structure



Source:
Analysis of Kingdom data. Fife data from Annual Population Survey.



2.3 CALCULATION OF DIRECT EMPLOYMENT AND INCOME

Methodology

2.3.1 Kingdom provided information on the number of people employed by the organisation and the wages and salaries bill. This enabled total direct spending on wages and salaries to be calculated. To estimate the directly created income we used official government data on the proportion of GVA accounted for by wages and salaries¹. Wages and salaries account for 58% of Scottish GVA and this ratio was used to “gross up” the Kingdom wages and salaries data to calculate total income.

Results

2.3.2 Table 2.1 provides a summary of Kingdom’s direct impact on employment and income. Kingdom employed 402 people or 337 FTE staff in 2016/17 and this employment generated income of £14.4 million. The majority (87%) of the jobs and associated income benefitted people who live as well as work in Fife.

2.3.3 Official data indicate that in Fife there are 425 enterprises (4.4% of registered enterprises) which employ over 250² people. With approximately 400 staff, KHA is one of the largest employers in Fife, in the top 4% by size.

Table 2.1: Kingdom Direct Employment and Income, 2016/17, (FTEs)

	FTEs	GVA, £m
Kingdom	337	14.4

Source: Kingdom and Optimal Economics.

2.4 INDIRECT EMPLOYMENT AND INCOME

Methodology

2.4.1 The activities of Kingdom support employment and create income through the purchase of goods and services from businesses in Fife and elsewhere in Scotland. This indirect impact was estimated using the following steps:

- Total expenditure by Kingdom on different types of goods and services in Scotland was calculated from data provided;
- The impact of this spending in the production of goods and services (final output) in Scotland was calculated using the Scottish Government’s Input Output tables³ - these tables show how purchases from different types of business lead to increased output in businesses across Scotland;
- The employment created across Scotland was calculated by applying to the estimates of increased output the ratio of employment to output⁴ in each economic sector;
- The indirect employment created in Fife was estimated to be equivalent to the share of all spending with suppliers which was in Fife.
- Income created was calculated by applying GVA per employee by sector⁵ for Fife and Scotland to the estimates of employment.



¹ Data tables supporting “Regional Gross Value Added 2015” Office for National Statistics, December 2016.

² “Businesses in Scotland 2016” Scottish Government.

³ “Scottish Input Output Tables” Scottish Government.

⁴ Turnover (output) per employee from Scottish Annual Business Statistics 2014, Scottish Government (August 2016) and updated to 2016 prices.

⁵ GVA by sector for Fife and Scotland from “Scottish Annual Business Statistics 2014” Scottish Government August 2016.



Results

2.4.2 In 2016/17 Kingdom spent almost £5 million on goods and services with suppliers in the UK. Most of this expenditure (£4.2 million) was with suppliers in Scotland.

This was expenditure to support the organisation's day-to-day activities and excludes capital expenditure on new development which is discussed in Section 3. Much of the expenditure is on routine repairs and planned maintenance and on upgrading which includes new kitchens, heating systems and windows.

2.4.3 The scale of maintenance expenditure (both planned and reactive) in overall spending had the consequence that the construction sector received most of expenditure (75%).

2.4.4 Table 2.2 sets out the indirect employment and income supported by Kingdom's activities in Fife and Scotland in 2016/17. Kingdom's expenditure supported over 70 indirect jobs and income of £3.4 million in Scotland with most of the employment and income, over 50 FTEs and £2.2 million of income, being in Fife.

Table 2.2: Indirect Employment and Income, 2016/17, (FTEs)

	Employment	GVA, £m
Fife	50	2.2
Scotland	70	3.4

Source: Optimal Economics.
Note: Fife figures included in Scotland total. Data have been rounded.

2.5 INDUCED EMPLOYMENT AND INCOME

Methodology

2.5.1 Induced employment is that supported by the expenditure of people whose jobs and income depend directly or indirectly on Kingdom's activities in Scotland. It is standard practice in economic impact studies to estimate induced employment using an employment multiplier. Scottish level multipliers are available from the Scottish Input Output tables. Across all sectors of the Scottish economy, the induced employment multiplier is 0.28 – that is for every 100 direct plus indirect jobs there would be a further 28 induced jobs. These jobs will be created in a wide range of business in Scotland – for example in shops where people spend the money they have earned and in the businesses which make the goods sold. Because the Fife economy is a relatively small part (in income and employment terms) of the whole Scottish economy, some of the induced impact will be felt in businesses outside Fife so that the employment multiplier at the Fife level will be lower than at the Scottish level.

We have assumed a multiplier of 0.2 at the Fife level. Having calculated induced employment, the income associated with induced employment is estimated using national and regional data on income per employee.



Results

2.5.2 Table 2.3 sets out the estimates of induced employment and income supported at the Fife and Scottish levels in 2016/17. Almost 85 induced jobs are

supported throughout Scotland and income generated is estimated to be £3.7 million. Not all, but most of induced jobs and income accrue in Fife. This amounts to almost 80 FTE jobs and £3.4 million of income.

Table 2.3: Induced Employment and Income, 2016/17, (FTEs)		
	Employment	GVA, £m
Fife	80	3.4
Scotland	85	3.7

Source: Optimal Economics.
Note: Fife figures included in Scotland total. Data have been rounded.

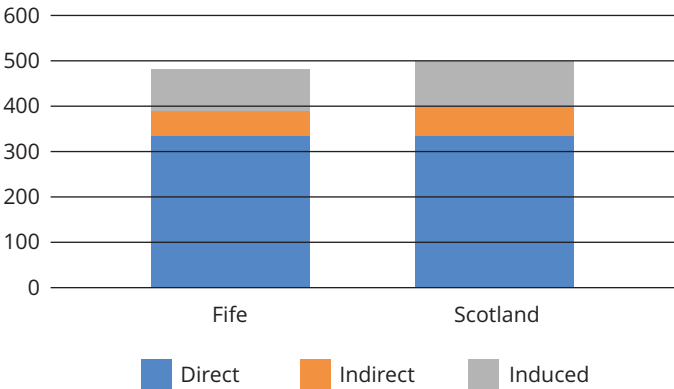
2.6 TOTAL EMPLOYMENT AND INCOME

2.6.1 Figure 2.5 provides a summary of the employment and income at the Fife and Scottish levels supported by Kingdom's operations in 2016/17. Kingdom is estimated to have generated 490 FTE jobs in Scotland and to have contributed almost £22 million to income.

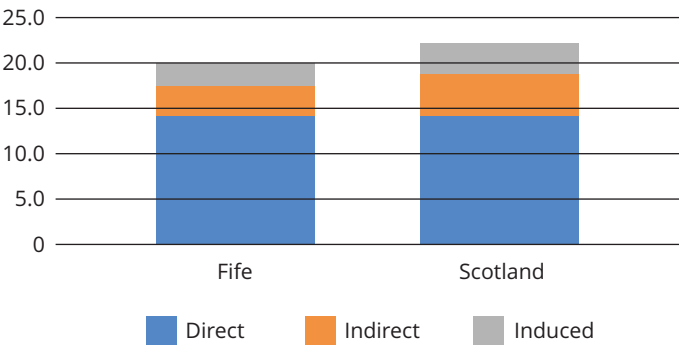
Most of this impact was in Fife where almost 470 FTE jobs and £20 million of income were generated. Direct employment is the largest component of employment in Fife.



Employment



Income, £m



Source: Optimal Economics.
Note: Scotland data includes Fife.



2.7 SUMMARY

2.7.1 The key points of the analysis set out below are as follows:

- Kingdom directly provides the equivalent of 337 full time equivalent jobs in Fife and directly creates £14 million of income each year.
- It is one of the largest employers in Fife.
- Kingdom spent £4.2 million with suppliers in Scotland, the majority (70%) of which was with businesses in Fife.
- This expenditure created 50 full time jobs in Fife and generated almost £2.2 million of income.
- The further multiplier effects of Kingdom's activities supported another 80 jobs and £3.4 million of income in Fife.
- In total Kingdom supported over 490 full time equivalent jobs in Scotland in 2016/17 and contributed almost £22 million to Scottish income. Most of this impact was in the Fife where almost 470 jobs and £20 million of income were generated.



3. Capital Investment and Total Economic Impact

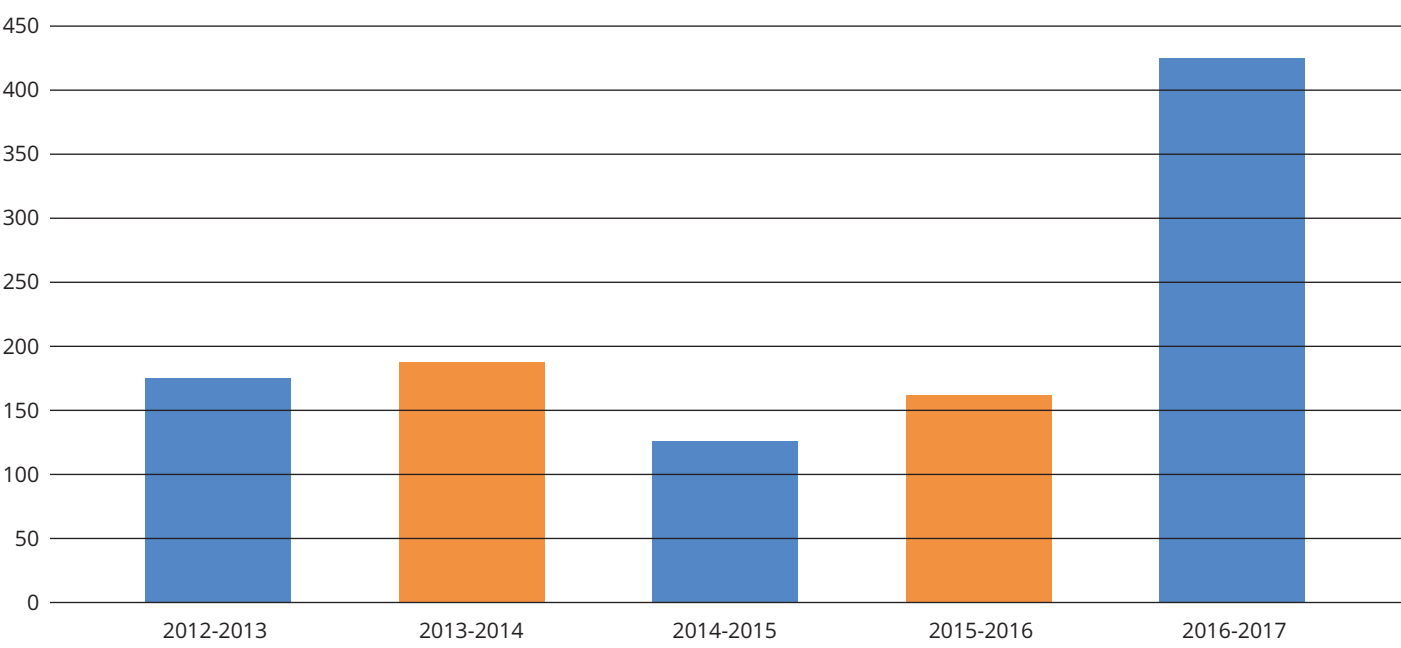
3.1 INTRODUCTION

3.1.1 The development of housing is an important priority for Fife with the Local Housing Strategy⁶ identifying that 1,146 homes are required to be built each year. According to the strategy, most of the need is for affordable housing. The development of new affordable homes through the Fife Housing Partnership is delivered principally through the Fife Housing Association Alliance with Kingdom the lead developer working in partnership with Fife Council.

3.1.2 During the five-year period to March 2017, Kingdom has spent £134 million on the development of new housing and built over 1,070 new homes. The distribution of completed new homes is shown in Figure 3.1. Between 2012/13 and 2015/16, an average of 160 homes were completed each year, but in 2016/17 the number of homes was much higher at over 425.



Figure 3.1: New Houses, 2012/13 - 2016/17



Source: Kingdom.

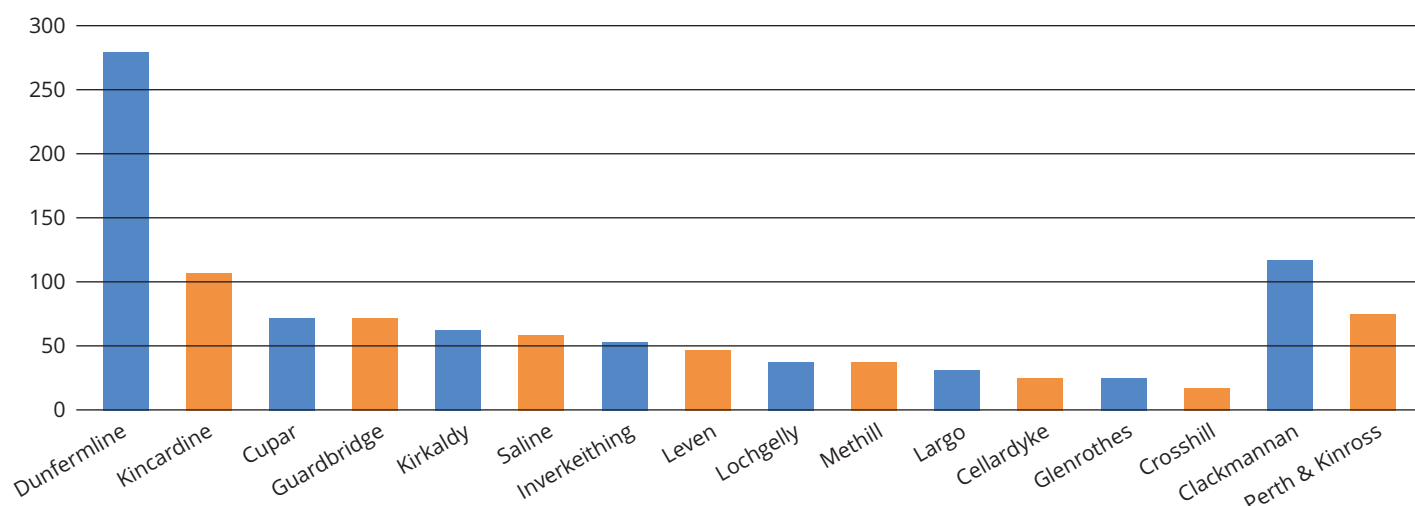
3.1.3 The majority (almost 890 or 83%) of these new houses were built in Fife with a further 120 in Clackmannan and 70 in Perth and Kinross.

There has been development across Fife, with the largest number of new houses in Dunfermline. Details are shown in Figure 3.2.

⁶ Fife Housing Partnership. Local Housing Strategy 2015 to 2020.



Figure 3.2: New Houses by Town in Fife or Other Local Authority, 2012/13 - 2016/17



Source: Optimal Economics analysis of Kingdom data.

3.2 EMPLOYMENT AND INCOME

3.2.1 Over the last five years, Kingdom has spent an average of almost £27 million each year developing new housing stock in Fife. The majority (75%) of this spending is with contractors based in Fife. The direct employment supported by this expenditure has been calculated by applying figures for output per employee from official statistics to the expenditure data.

3.2.2 The estimation of the indirect and induced employment associated with this investment has been done by applying to the direct job estimates employment multipliers (which show the ratio of indirect and induced jobs to direct jobs) taken from the Scottish Government's input-output tables. Having calculated employment impacts, income generated was calculated by applying to the employment figures estimates of GVA per employee derived from official statistics.

3.2.3 The direct impacts were, as noted above, mainly in Fife. Indirect effects (supply chain purchases) have been assumed to be spread around Scotland with the share of the impact in Fife being proportional to the share of Fife in the Scottish economy. The induced effects were calculated using multipliers.

3.2.4 Over the last five years (2012/13 to 2016/17) capital investment by Kingdom has supported, on average, 290 jobs in Scotland per year and associated annual income of £18 million. Most of the direct jobs and income created is in Fife while the indirect effects are spread throughout Scotland. In total, development activity by Kingdom has created an average of 130 jobs and income of £9.7 million in the Fife economy. Details are shown in Figure 3.3.



Figure 3.3: Employment and Income Supported by Capital Investment Annual Average, 2012/13 - 2016/17

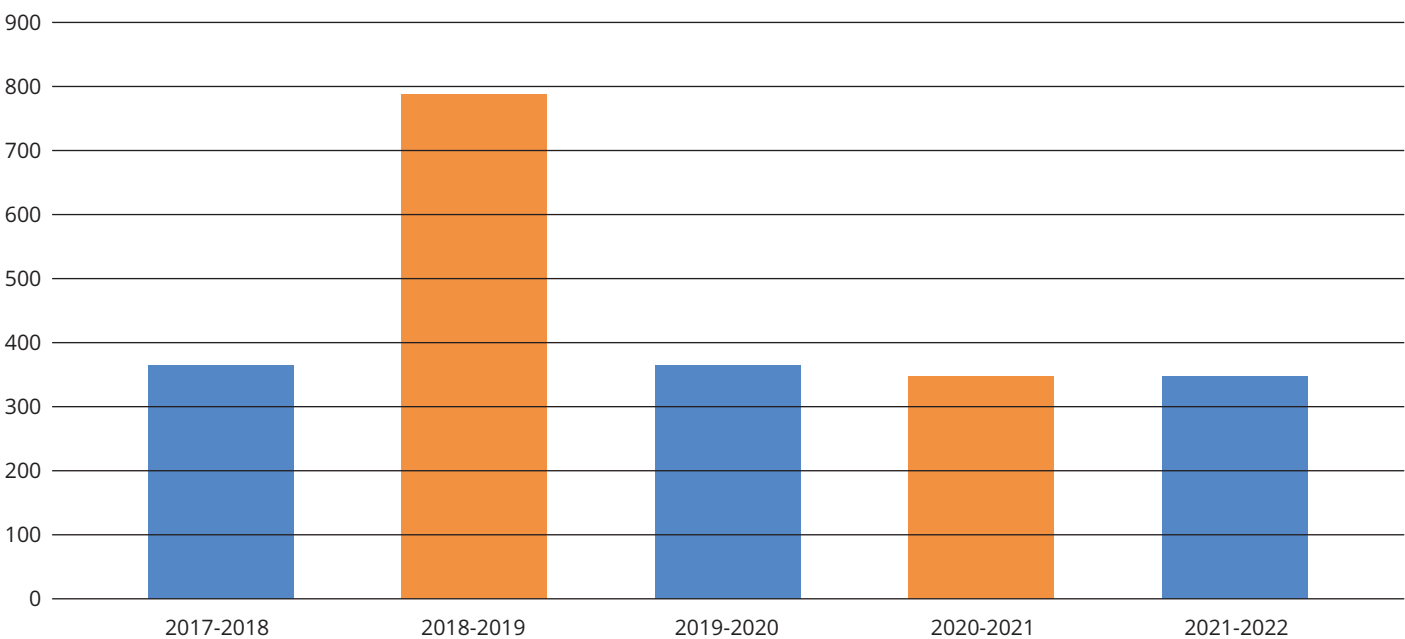


Source: Optimal Economics.

Future Developments

3.2.5 Kingdom has development plans over the next five years to build almost 2,300 homes which represents a doubling of its development activity of the last five years. Details are shown in Figure 3.4.

Figure 3.4: Planned Development Activity, New Homes, 2017/18 to 2012/22



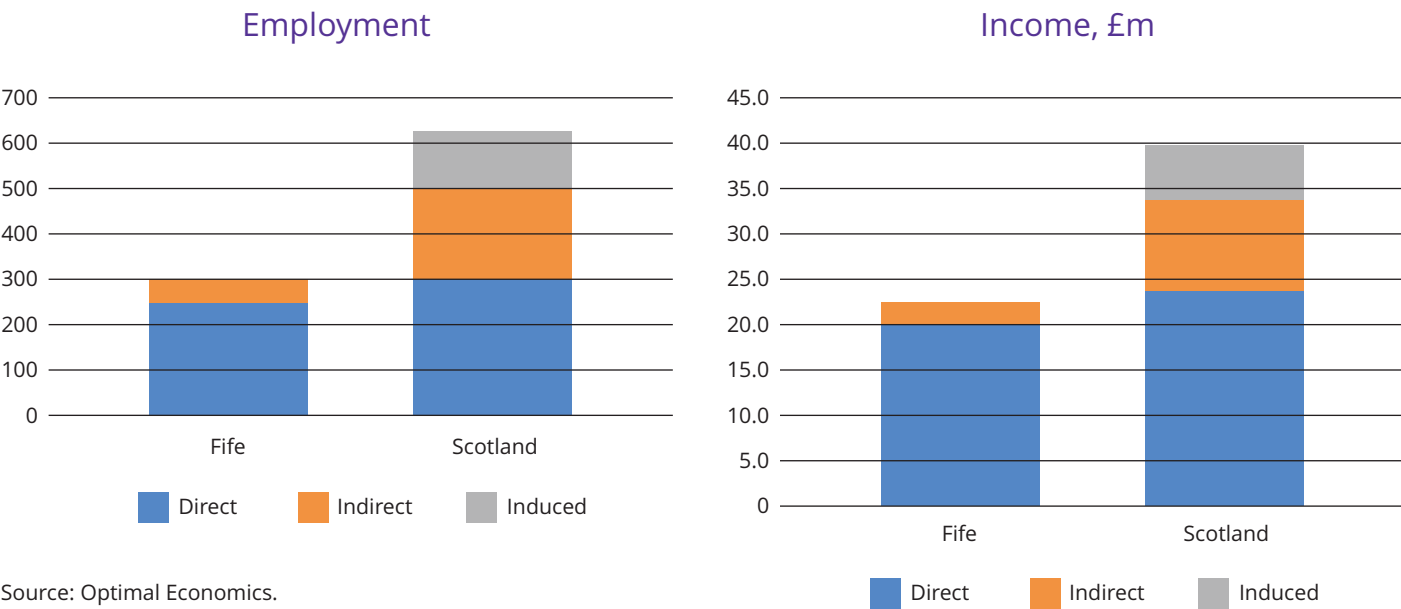
3.2.6 Planned expenditure on these 2,300 homes is estimated to be £324 million with the majority (90%) expected to be spent in Scotland.

Over the next five years (2017/18 to 2021/22) capital investment by Kingdom is expected to support, on average, over 600 jobs in Scotland per year and associated annual income of £39 million.

Most of the direct jobs and income are expected to be created in Fife while the indirect effects are spread throughout Scotland.

3.2.7 In total, development activity by Kingdom over the next five years is estimated to create an average of 300 jobs and income of £22 million in the Fife economy. Details are shown in Figure 3.5.

Figure 3.5: Employment and Income Supported by Capital Investment, Annual Average, 2017/18 to 2021/22

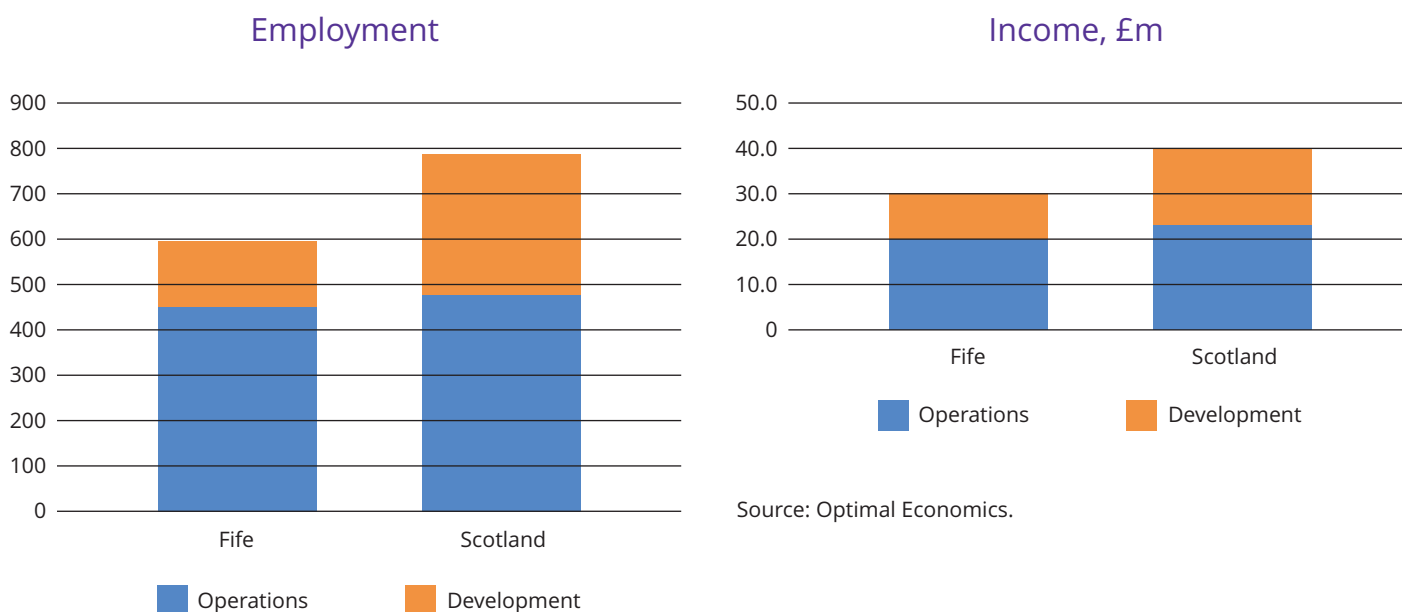


3.3 TOTAL IMPACT OF KINGDOM OPERATIONS AND CAPITAL INVESTMENT

3.3.1 If we combine the annual impact of Kingdom's operations in a year as set out in Section 2 with the impact of the capital programme (Section 3.2 above) then we can say that in an average year, the activities of Kingdom have created the impacts shown in Figure 3.6 over the page.



Figure 3.6: Total Employment and Income Supported by KHA, 2016/17



Source: Optimal Economics.

3.3.2 On average, the activities of Kingdom, have supported 600 jobs in Fife and created almost £30 million of income each year. At the Scottish level, almost 780 jobs and almost £40 million of income have been supported each year.

3.3.3 The future development programme of Kingdom

is much greater than over the last few years. If this level of investment is realised and Kingdom's day to day operations continue as at present, Kingdom is forecast to support, an average of 770 jobs in Fife and 1,120 jobs in Scotland each year over the next five years. The annual income associated with these jobs is £42 million and £61 million in Fife and Scotland respectively.

3.4 SUMMARY

3.4.1 Capital investment in Fife by Kingdom has brought 1,070 new properties into the social rented sector in the last five years. Capital expenditure is primarily with contractors in Fife and this expenditure supports, on average, a total of 130 jobs and income of £9.7 million each year. In Scotland, capital expenditure supported an average of 290 jobs and £18 million of income each year.

3.4.2 Combining the operational (section 2) and capital expenditure (Section 3.2) yields the total economic impact of

KHA activities in 2016/17 which is:

- The creation of 600 jobs in Fife with associated income of almost £30 million.
- The creation of almost 780 jobs and almost £40 million of income at the Scottish level.

3.4.3 Over the next five years Kingdom is forecast to support an average of 770 jobs in Fife and 1,120 jobs in Scotland each year. The income associated with these jobs is £42 million in Fife and £61 million Scotland.



4. Social Impacts and Benefits

4.1 INTRODUCTION

4.1.1 The previous sections of the report have identified the effects of spending and investment by Kingdom on the creation of jobs and income. As set out at the beginning of the report, Kingdom's activities also create an array of social and economic benefits which are over and above its primary purpose of meeting housing need.

4.1.2 Kingdom makes a major and critical contribution to the Fife Local Housing Strategy⁷ which in turn supports the Scottish Government's vision of "a housing system which provides an affordable home for all".



4.1.3 The diverse wider social and economic benefits created by Kingdom can be categorised under two headings:

- Sustaining communities which involves actions which enable local areas and communities to thrive; and
- Sustaining People and Households which involves actions which help individuals and households to enjoy better economic and social opportunities and a better quality of life.

4.1.4 These two types of benefit are detailed below with reference to case studies which exemplify Kingdom's approach and the benefits generated.

4.2 SUSTAINING COMMUNITIES - HOUSING PROVISION

4.2.1 Sustaining communities involves helping local areas to thrive and prosper, making them places where people want to live and where they can enjoy a high quality of life.

4.2.2 Kingdom owns or manages over 3,800 homes throughout Fife with a small number of homes (just under 200) in Perth and Kinross, Falkirk and Clackmannanshire. The majority of homes are for social rent (93%) with the remainder for mid-market rent or in shared ownership. Kingdom's housing stock is distributed across 53 locations in Fife and 13 locations in the neighbouring authorities. The Fife Housing Strategy identifies ten local housing market areas and the distribution of Kingdom stock is shown by area and rent type in Figure 4.1.

4.2.3 Kingdom has stock for social rent in all areas of Fife, although over 60% of its houses are in the areas of Dunfermline and the coast, Glenrothes, Kirkcaldy and Levenmouth. Social rented housing is a mainstay of all communities but especially of those facing economic challenges. It enables people to remain in communities and by providing decent affordable housing it helps combat poverty and sustain the local service economy.



⁷ Fife Housing Partnership. "2015-2020 Local Housing Strategy."



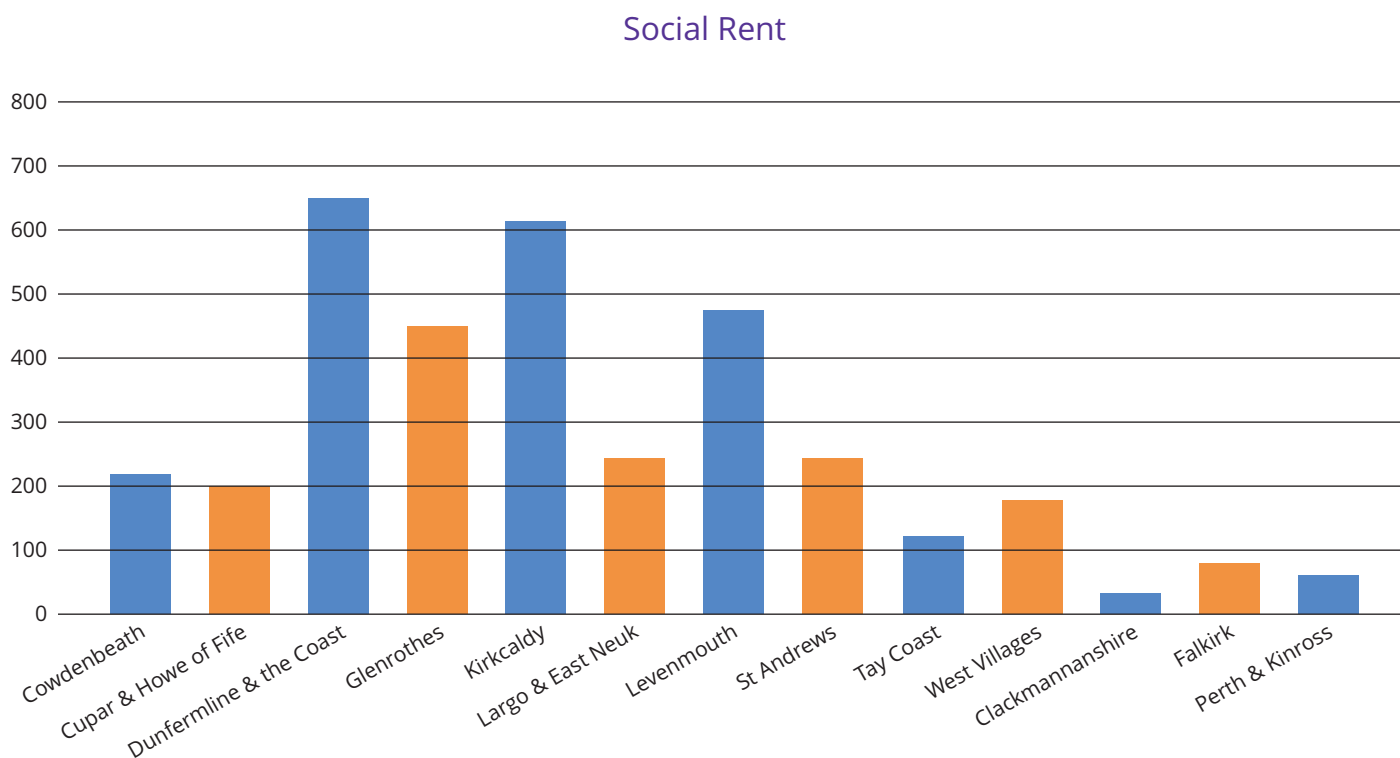
4.2.4 Moreover, the quality of Kingdom's housing management maintains confidence in the social housing system and supports the quality of life in the communities it serves. The Scottish Housing Regulator's report on Kingdom for 2016/17⁸ found that Kingdom performed above the Scottish average in terms of speed of completing repairs (both emergency and requested) and that tenant satisfaction with the repairs service was above the Scottish average. Dealing with anti-social behaviour is critical to maintaining sustainable communities: the Regulator's report showed that Kingdom had a far higher rate of success in resolving such issues than the Scottish average for Housing Associations. Finally, the time taken by Kingdom to re-let a property which falls vacant is 65% of the Scottish average; keeping properties occupied and avoiding long vacancies is important to maintaining confidence in neighbourhoods.

4.2.5 Since 2012, Kingdom has provided MMR housing. The aim of this form of housing is to enable households

who cannot afford to buy or to pay a full market rent, but who can afford more than a social rent, to obtain accommodation at what is an affordable level for them. As well as providing housing at lower rents than the private rental market, MMR offers tenants assurance that they will be getting a good quality home with a landlord who offers high standards of service. Kingdom has over 250 properties for MMR with over 230 of these properties in Fife. Kingdom has properties in seven of the ten local housing markets in Fife, but Dunfermline and the coast and Kirkcaldy account for almost 75% of MMR stock.

4.2.6 Through mid-market rents Kingdom is providing access to housing to people who might not otherwise be able to stay in the community if they had to secure housing from the private sector. Mid-market rental properties are often taken up by key workers providing essential services and thus helps to sustain these communities and help secure their economic future.

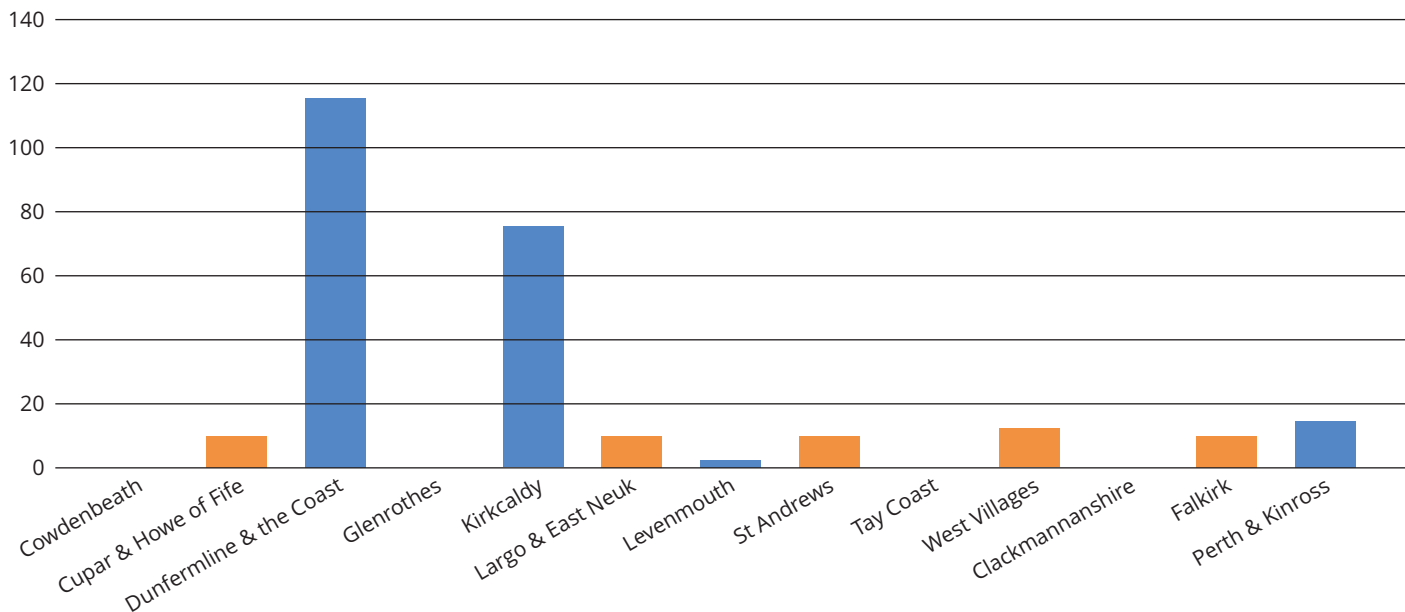
Figure 4.1: Location of Kingdom Housing



⁸ Scottish Housing Regulator Landlord Report on Kingdom 2016/17



MMR



Source: Optimal Economics Analysis of Kingdom data.

4.3 SUSTAINING COMMUNITIES - REGENERATION

4.3.1 Kingdom is a lead partner in the regeneration of communities in Fife and beyond. Examples of major projects which have been and are being carried through by Kingdom are described below. The first example is the most recent project which exemplifies Kingdom's developed approach. It is described in detail and is followed by summary accounts of other major projects.

4.3.2 Fraser Avenue is the latest example of Kingdom's role in the regeneration of areas. Fraser Avenue is an area of Fife Council housing in Inverkeithing consisting mainly of 3 and 4 storey blocks built in the 1950s and 1960s. It has suffered for many years from low demand and high turnover. The houses themselves are unattractive and have poor thermal efficiency which exacerbates the risk of fuel poverty for tenants.

4.3.3 The Fraser Avenue area (with the adjacent Barr Crescent) was designated an "Estate Action Area" by Fife Council in 2004.

4.3.4 In 2011 Fife Council decided that the only realistic option for the future of Fraser Avenue was full demolition and complete redevelopment.

Fife Council appointed Kingdom Housing Association in 2015 to be its delivery partner for the redevelopment of Fraser Avenue. Kingdom will manage the new housing developed post demolition.

4.3.5 Building work on the first 53 new homes at Fraser Avenue started in May 2017.

4.3.6 The approach taken at Fraser Avenue incorporates and develops earlier experience. The key aims of the development are to:

- Produce a high quality, mixed tenure development.
- Promote high quality standards of planning and urban design.
- Provide a safe, secure and pleasant environment.
- Create a development which is sustainable and efficient.
- Promote the involvement of tenants and residents in the design and decision making process.
- Provide housing which is accessible and adaptable by observing Housing for Varying Needs principles.
- Meet housing need.



4.3.7 It was established that about 100 tenants wanted to remain in the area after development. Consultation with tenants was undertaken through a series of community meetings and by means of a regular newsletter. All returning tenants were given the choice of ground floor layouts for their homes. All tenants will choose fixtures, fittings and colour schemes from a tenant choice brochure.

4.3.8 The creation of community benefit from the regeneration works was a major feature of Kingdom's approach to the project. To achieve this, Kingdom promoted and implemented a Community Benefits Charter as part of the contracts. The community benefits were to be achieved through Kingdom working collaboratively with Fife Council, the Project Contractor and Consultants, the local community and other partners and stakeholders

4.3.9 Community benefits were envisaged as encompassing the following:

- Employment Initiatives: i.e. job creation, training opportunities and work placements related to the works.
- Resident and community projects including health initiatives and building capacity in community organisations.
- Environmental projects with a focus on sustainability, energy conservation, renewables and tackling fuel poverty.
- Education initiatives including business partnerships with schools and colleges
- Public art.

4.3.10 Where appropriate, all contractors, consultants and suppliers, were required to sign up to the Charter and make a commitment to community engagement.

4.3.11 Contractors tendering for work on the project were required to answer questions on their approach to realisation of community benefits as part of the tender process. The questions in the tender documents asked the tenderers to set out the steps which would be taken by the contractor to realise community benefits, how these steps would be implemented and what benefits would be delivered.



4.3.12 Contractors were referred to the benchmarks approved through the National Skills Academy (NSA) Client Based Approach being delivered and monitored through the Construction Industry Training Board (CITB) in relation to wider community benefits that can be provided through redevelopment contracts.

4.3.13 Fife Works, the employability initiative hosted by Kingdom, provided support to the employment and training aspects of the strategy.

4.3.14 From an early stage Fife Works was engaged in assessing training and employment opportunities related to the regeneration work and the first substantial initiative arising from this will be the establishment of a "Construction Academy" at which successful currently unemployed applicants will be given initial 2-week training courses in relevant construction skills followed by work placements of up to one month at sites elsewhere in Fife. The aim of the initiative is to help (generally young) unemployed people to take a step up the career ladder and to improve their ability to apply for and secure permanent employment.



4.3.15 Other actions underway include development of plans for new retail units; the plans will go out to community consultation in due course. A number of innovative art initiatives (promoting sustainability of materials) linked to the redevelopment have also been established with local schools and the community.

4.3.16 While the creation of the main tangible benefits of the project lie in the future it has already increased confidence among residents and created training opportunities. Moreover, the project has been awarded a Commendation for Innovation in Housing, at the Saltire Society Housing Design Awards 2017. The commendation describes the project as “An exemplary approach to redeveloping one of Britain’s most deprived housing estates” and stated that “the clients and architects should be commended for thorough levels of community engagement which are informing the design of up to 200 replacement homes. There is a strong ambition to create an integrated and cohesive new place whilst holding on to a strong community spirit. Breathable and low carbon construction methods which are innovative in this sector are being developed.”

4.3.17 Tanshall Glenrothes was an area of 11 Fife council house blocks which were hard to let and beset by problems of dampness. The design of the properties made the properties unsuitable for families and made a diverse tenant mix hard to achieve. The properties were experiencing high turnover and high vacancies and the lack of sustainability in the community had led to high levels of anti-social behaviour. Kingdom has led a multi-phase regeneration project which has replaced these unpopular houses with 157 new homes which will improve the quality of life in the area and secure a sustainable future. The project incorporated features which are core to Kingdom’s regeneration approach. For example, the completed project achieved Secured by Design accreditation which has a proven track record of reducing crime in the areas where this standard has been obtained. Moreover, a number of successful training opportunities were provided through the regeneration projects. Kingdom worked closely with the local primary school, as part of the regeneration work being carried out in the area with site visits enabling pupils to see the project taken from demolition stage through to completion of the new

homes. Kingdom commissioned artwork for the Phase 3 development and in partnership with the school, their pupils created picture images which were carved onto volcanic rocks and placed throughout the development.



4.3.18 Caldwell Court in Inverkeithing is the development of an area of low demand/high turnover housing formerly known as Barr Crescent. Barr Crescent was demolished in 2008 and the cleared site was redeveloped by Kingdom. The Caldwell Court development was planned in partnership with the local community, residents and Fife Council. Key features of the development included:

- A mix of tenure and a wide mix of housing types.
- Incorporation of renewable energy and energy efficiency features to reduce energy bills.
- A procurement approach which incorporated good practice in terms of accountability and supply chain management.
- Provision of training placements for unemployed people through Fife Works.

4.3.19 The Kincardine Redevelopment was a programme to regenerate the High Flats area of Kincardine. The site involved three 16-storey tower blocks which had become unpopular with tenants and in which vacancies had reached over 30%. In 2008 the decision was taken to demolish the flats and a development brief produced which set out the aims of creating a development which would be sustainable, innovative and resource efficient. Further, the development process was to promote tenant/community involvement in design and decision making.



4.3.20 Kingdom was appointed to develop the site and produced new homes comprising 71 social rented and 13 MMR homes. This included new homes for 49 returning tenants.

4.3.21 The project was overseen by a governance structure which included Fife Council staff, Kincardine Tenants Association, community representatives and residents.

4.3.22 As with other projects undertaken by Kingdom there was a strong focus on the creation of community benefits. This included forming links with the local Secondary School and representatives from the Design Team attending Careers Evenings to answer questions from students about their professional disciplines. Kingdom's Fife Works team arranged for trainees to work on the site; with some local residents securing full-time positions and apprenticeships.

4.3.23 A Focus Group was established to input into associated projects, including the park, art trail and street naming. The wider community was also involved in creating plans for the new park to arise from the then underused open space. An art trail was installed on the suggestion of the Focus Group.

4.3.24 The success of the project is demonstrated by the popularity of and high demand for the new housing with dramatically reduced turnover and few vacancies.

4.3.25 In addition to the above projects Kingdom has carried through six other regeneration focussed development projects across Fife.

Sustaining Communities Outputs

4.3.26 The provision of social rented housing sustains communities across Fife by anchoring people in those communities. By providing decent affordable housing it helps combat poverty and sustain local service economies. Mid-market housing is often taken up by people who cannot afford market rents but may not meet need criteria to secure social rented housing. This housing thus also helps to sustain communities to secure their economic future by retaining people in employment and key workers.

4.3.27 High quality management, as provided by Kingdom maintains confidence in the housing system and in communities.

4.3.28 Kingdom's regeneration activities have produced multiple outputs. Quantifiable outputs are:

- Over 1,000 new houses in regeneration areas and five commercial units.
- The transformation of around 8 local areas which were failing as places to live into sustainable communities.
- Over 20 training places and 13 apprenticeships linked to the regeneration work.

4.3.29 In addition, Kingdom regeneration approach creates less quantifiable but equally valuable benefits in terms of:

- Involvement of tenants and residents in the design of projects and the decision-making process, helping to build community "buy in" and ensuring that the development meets resident needs and aims.
- The development and implementation of a comprehensive Community Benefit Strategy and Charter which extracts as much value as possible from the development for the local community.
- A clear focus on tackling economic and social challenges as well as housing need by addressing energy efficiency/fuel poverty, economic opportunity and local services.



4.4 SUSTAINING HOUSEHOLDS

4.4.1 Kingdom provides a very wide range of services to tenants and the community. In particular, it is heavily involved in a range of care and support services tackling diverse challenges from physical disability to mental health to employment. Three examples of services provided by Kingdom are detailed below:

- Support and care
- Care and repair
- Fife Works

SUPPORT AND CARE

Introduction and Objectives

4.4.2 Kingdom has provided support and care services for over 30 years, initially providing accommodation for people with additional needs, but now providing a

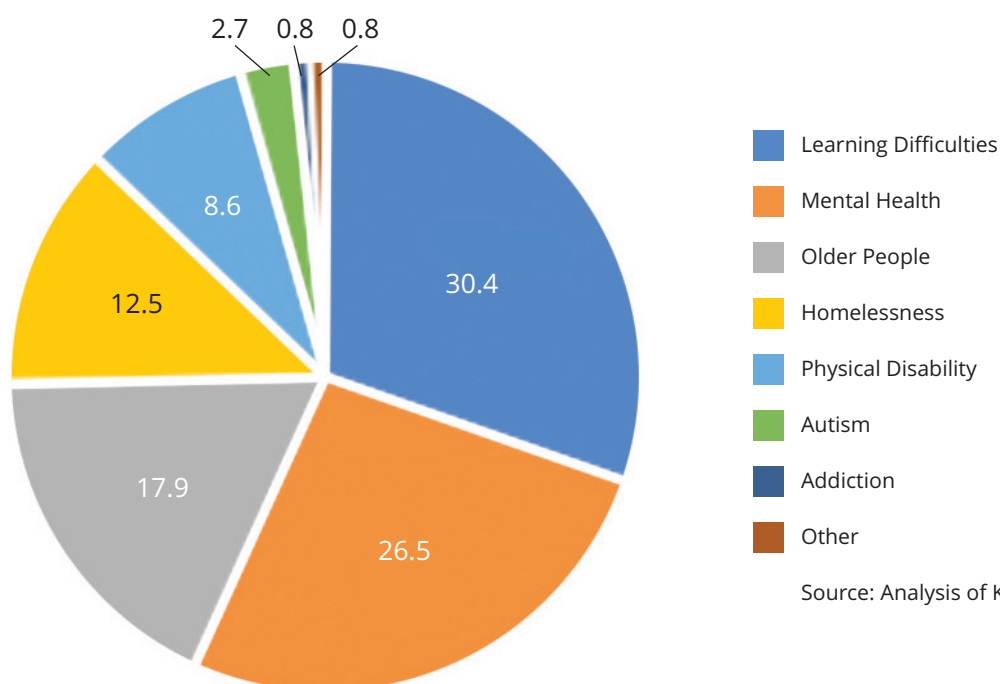
variety of services ranging from customised support (e.g. for a pre-agreed number of hours per week) through to 24 hour support and care in Kingdom staffed houses or individuals' homes. Kingdom support and care services are available throughout Fife with some services also available in Falkirk.

4.4.3 Kingdom's support and care services' aim is: "to promote social inclusion by supporting people to maintain their home, increase their independence and to be actively involved in their local community."

4.4.4 In 2016 Kingdom gave support to 256 people across a range of different needs, as shown in Figure 4.2 opposite. Most clients supported have either learning difficulties or mental health issues. Kingdom can also support clients with very specific needs such as addiction or autism.



Figure 4.2: Distribution of Support and Care Clients by Category of Need, %



Source: Analysis of Kingdom data.

Service Delivery

4.4.5 Although most services are provided to people who have their own tenancies or live with their families, on-site support in shared or single houses with 24 hour support is also available. Kingdom have three shared houses where people can live with their own tenancies but there is 24 hour, seven day a week support cover. These clients tend to have learning difficulties or physical difficulties.

4.4.6 In Falkirk, Kingdom have designed and developed a tenancy for clients leaving long-term care. While Kingdom were building new housing in the area, discussions with the council led to the development of a specific service whereby Kingdom provide four flats to people with their own tenancies and have a support contract with the council. Kingdom use technology to link the flats to the staff house. Initially support was provided on a 2:1 basis for all clients with a shared sleepover, but now two clients only require 1:1 support and the other two require 2:1 support for less time. This is a successful "model" of delivering care and one which KHA hope to develop in other circumstances.

4.4.7 Kingdom also provides specific accommodation to tackle homelessness through a direct access homeless hostel and shared living supported flats. Between June and December 2016, 56 people used the homeless hostel staying an average of 42 nights which is an occupancy rate of 92%. Additional support hours are provided to the users to address issues which are preventing them moving out of homelessness. Almost 30% of people leaving the hostel move in to the supported flats. Between June and December 2016, 31 people were supported in the shared living flats staying for an average 116 nights and representing an occupancy rate of 93%. Of the twelve-people leaving supported accommodation during this time, one third were able to take over their own tenancy or return to their families.

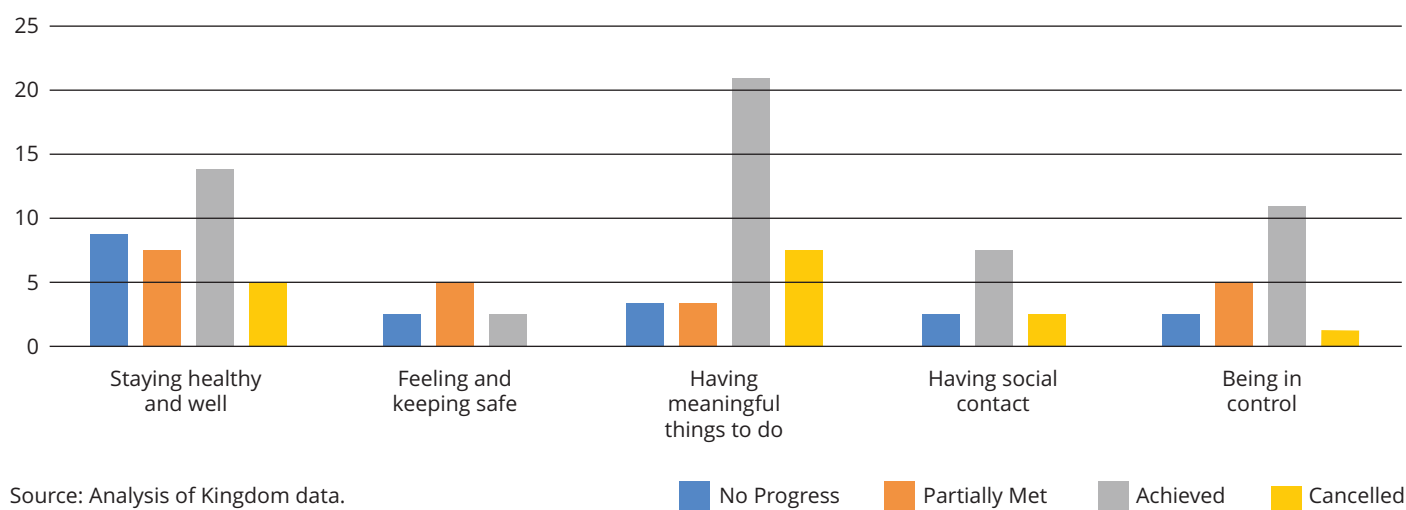
4.4.8 Kingdom believes it is important to equip employees with digital technology and skills to provide an improved customer service. In 2014 all client facing support and care staff were issued with mobile devices to access their rotas, email and apps to help them and their clients. This was followed in 2015 with senior support and care workers trialling the use of tablets with mobile internet access.



4.4.9 The tablets have been very successful in preparing clients personal plans. Using the tablets with services users, support and care workers have found that clients have become more engaged with aspects of their plans which means the support worker learns more about clients and how they want to be supported. The use of the tablet enables a more natural conversation to take place rather than a more formal question and answer approach which can be inhibiting for some clients. Some clients also like to type their own plans which gives them a sense of control over the support plan and enables the support worker to see the best language to use with each client. While it is not possible to put a monetary value on these benefits, the use of technology helps support workers to deliver the best possible service to meet client needs.

4.4.10 Kingdom are also introducing an outcome based assessment which will be agreed with clients and their families. Clients will identify outcomes which they want to achieve in addition to their basic support needs against a range of topics - staying healthy and well, feeling and keeping safe, having meaningful things to do, having social contact and being in control. This system was introduced in 2016 and between June and December 322 framework outcomes were assessed. Progress on the majority (67% or 215) of outcomes had not started, but of the remaining 107 outcomes, 55 had been achieved (51%) and 20 had been partially met (19%). Details are shown in Figure 4.3. Monitoring reports will show client journeys to achieving the outcomes.

Figure 4.3: Progress Towards Outcomes



Benefits

4.4.11 Kingdom operates its support and care service in a very competitive market in Fife with almost 30 providers on the Fife Council framework contract. Other providers include national companies and very specialised providers dealing with specific client groups. Kingdom's support and care service is listed first on the framework contract but clients are free to choose their own support service provider.

- Around 100 people will have been provided with temporary accommodation of whom about 10% will have been directly helped to move on to more permanent accommodation.
- A further 150 people will have been given support which improves their quality of life and reduces the risks of homelessness or loss of independence.

4.4.12 Each year Kingdom provides support to over 250 persons. Based on the data in the outcome based assessments, we estimate that:



4.4.13 Kingdom strives to deliver a high-quality service which meets the individual needs of their clients. That it is achieving this is shown by the most recent Care Inspectorate report which have graded Kingdom as follows:

- Quality of care and support ✓ **Excellent**
- Quality of staffing ✓ **Excellent**
- Quality of management and staffing ✓ **Very Good**

4.4.14 The added benefits which Kingdom creates through its support and care services in Fife involve high quality services resulting from the concentration of resources in the area, good relationships with social work and health colleagues and a detailed understanding of the local geography. Having a senior team based in the area enables Kingdom to ensure that its support and care services respond to changing circumstances in an efficient and effective manner and to deliver the service to the highest possible standard.

CARE AND REPAIR

4.4.15 Kingdom has been delivering a Care and Repair service in Fife for over 20 years. Fife Care and Repair is managed by Kingdom, funded by Fife Council and aims to give older people and those with disabilities the opportunity to stay on their own homes by providing practical help with repairs, improvements and household maintenance. Kingdom Care and Repair offers two services:

- **Disability Support Service:** This service helps clients to have major permanent adaptations made to their homes. The service can organise surveys and drawings, obtain costs for works from approved contractors, provide advice on sources of funding and organise and oversee the work.
- **Small Repairs Services:** This service tackles little jobs that need to be done in the home which, if left unattended, might affect the integrity of people's homes as well as addressing security and safety issues. Small repairs could include repairing locks, fitting safety chains, putting new washers in taps and replacing cracked window panes.



4.4.16 In the four years between 2012/13 and 2015/16, Care and Repair has delivered £5.7 million of investment. This has enabled 974 disabled adaptations and over 3,200 small repairs to be made. This is an average of 244 disabled adaptations and 800 small repairs per year. In addition, around 800 clients per year received advice on disabled adaptations and small repairs.

Disability Support Service

4.4.17 Adaptations are modifications to dwellings that remove or reduce a disabling effect that the dwelling has on an older person. Adaptations can produce substantial benefits in terms of:

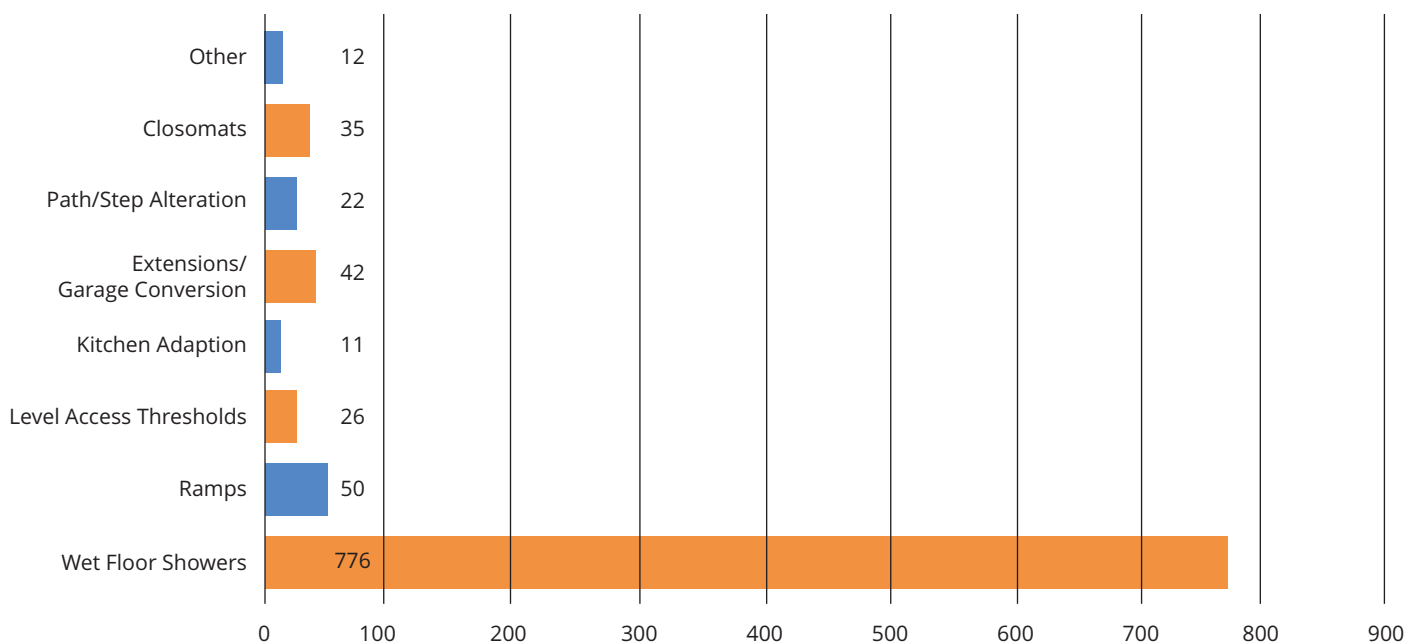
- Preventing falls.
- Reducing the need for home care services.
- Reducing the need for residential care.
- Enhancing the quality of life of people receiving the adaptations and enhancing their ability to live independently.
- Improving the quality of life for carers as the people they care for can lead more independent lives.



4.4.18 Figure 4.4 shows the type of adaptations undertaken by Kingdom over the last four years. The majority (80%) of adaptations are wet floor showers. Other adaptations include ramps, extensions/garage conversions and closomats.

In addition, the small repairs service has also undertaken a number of minor adaptations to ensure early delivery of the works. These minor adaptations include over 150 grab rails and over 100 spy holes safety chains since 2012/13.

Figure 4.4: Disabled Adaptations by Type, Number, 2012/13 - 2015/16



4.4.20 The Kingdom client satisfaction survey⁹ for clients who had either permanent equipment or adaptations installed during 2015/16 found that the overall level of satisfaction with the disability support component of the service was very high at 98%. The following levels of satisfaction were also noted:

- 95% of respondents felt more confident that they can continue to live independently in their home.
- 96% of respondents felt it was easier for them to use the facilities in their homes.
- 90% of respondents felt less likely to have a fall at home thanks to the work that was carried out.

4.4.21 It is clear that the disability support component of Care and Repair has a major impact on its client confidence and has significantly enhanced the ability of clients to live independently.

The work has also increased quality of life for clients. Reduced risks to and increased independence of clients also represent benefits to those relatives who act as full-time carers.

4.4.22 Kingdom has streamlined its processes for dealing with referrals for adaptations which ensures that they deal with all referrals each month without the need to maintain a waiting list. The quick turnaround of adaptations is a major benefit to both clients and carers. The use of mobile technology and tablets ensures that clients can provide input into the design of their adaptation and agree the details in one visit by the Care and Repair officer rather than the officer returning to the office to print plans and send to the client for agreement. This increases the efficiency of the team in delivering the service and its cost effectiveness.

⁹ Disability Support Service: Client Satisfaction Survey 2015/16, KHA in partnership with Fife Council.



4.4.23 Quantifying the value of benefits (or cost savings) achieved from adaptations is challenging. For example, to value the benefit of adaptations designed to prevent falls it is necessary to identify the reduction in the number of falls and the “cost” of each fall. Estimation of the reduction in the number of falls would, ideally, be based on data on the prevalence of falls among similar people living in homes with and without adaptations. The cost of a fall includes the cost of any consequent medical treatment and a valuation of the pain and distress experienced.

4.4.24 Although we do not have evidence specific to Kingdom on these issues, some conclusions can be drawn from other studies. A review of the evidence on cost effectiveness of housing support services produced by the University of York which drew on earlier research directed by Peter Wood¹⁰ found that adaptations and Handyperson services (i.e. Care and Repair) were the most cost effective of all support services with benefits in terms of fewer hospital admissions (fewer falls etc.) and reduced demand for supported accommodation.

4.4.25 A study in the London Borough of Newham¹¹ found that 20 level access showers installed at a cost of £110,000 produced a five year saving of £1.86 million in personal care services. Figure 4.4 shows that wet floor showers are the most frequent adaptation undertaken by Kingdom with almost 200 installed per year. Adopting the cost savings from the Newham study implies that the cost savings over five years from the wet floor showers installed each year would be approximately £18 million.

Small Repairs Service

4.4.26 The small repairs service charges clients a flat rate fee of £10 plus the cost of materials. An analysis of the repairs undertaken by the small repairs service of KHA estimates the cost of the work to clients if an independent trades person had been employed. Since 2012/13, clients have had work undertaken which would be valued at £315,000 using independent trades persons. The actual cost to clients from using the small repairs service was just under £49,000.

Hence, elderly homeowners in Fife have avoided costs of £266,000 over the last four years by using the small repairs service.

4.4.27 There are also other benefits from the service by getting small jobs done before they deteriorate into more significant pieces of work.

4.4.28 The Kingdom client satisfaction survey¹² for clients who had repair works completed during 2015/16 found that the overall level of satisfaction with the Small Repairs Service was very high at 100%. The following impacts of the service were noted on quality of life:

- 90% feel more confident that they can continue to live independently in their own home.
- 83% feel it is easier for them to use the facilities in their homes.
- 81% feel less anxious about safety and security in their home.

4.4.29 Kingdom also offers an advice service on repairs which are not grant funded in terms of guidance on the work required and possible contractors.



¹⁰ The Costs and Benefits of Support Services for Older People, Centre for Housing Policy University of York 2011.

¹¹ Home Adaptations for Disabled People Equality and Excellence in Future Provision, Home Adaptations Consortium, 2010.

¹² Small Repairs Service: Client Satisfaction Survey 2015/16, KHA in partnership with Fife Council.





4.4.30 As with the provision of housing for people with particular needs, the Care and Repair service is a major factor in enabling people to live independently and in avoiding the need for more expensive interventions. Moreover, Care and Repair services reduce the need for sheltered housing (which is much more expensive than general needs housing)

4.4.31 A study for Horizon Housing of Care and Repair in West Lothian¹³ concluded that every £1 invested in Care and Repair produced a return of £4.5 through such savings as reduced hospital admissions, more rapid discharges from hospital and reduced need for other support.

4.4.32 Fife Council via Kingdoms Care and Repair service have invested £5.7 million between 2012/13 and 2015/16 which is approximately £1.4 million per annum. Applying the results from the West Lothian study implies that this annual investment produces estimated benefits of £6.4 million each year.

Benefits

4.4.33 The main benefits created by the Fife Care and Repair service may be summarised as follows:

- 244 disabled adaptations each year enabling over 200 households to continue to live safely and independently
- 800 small repairs each year increasing the ability of around 800 households to live independently
- Advice on repairs and adaptations to 800 clients each year
- Savings from reduced demand on hospital services and for support amounting to £48 million over the last five years
- Savings in repair costs to elderly householders of over £266,000 over the last five years

FIFE WORKS

Origins

4.4.34 Fife Works is an employment and training initiative hosted by Kingdom which was established in 2008. The initiative has as its main aims to increase training and employment opportunities for unemployed people in Fife.



4.4.35 The initiative had its origins in research commissioned by Scottish Enterprise, Fife Council and the Fife Housing Associations in 2007 which examined the scope for and effectiveness of mechanisms to use capital spending programmes as a means of increasing employment opportunities for unemployed people.

4.4.36 The report concluded that the capital spend on housing projects provided a major opportunity to generate training and employment openings for local people who need transitional support to access employment.



¹³ An evaluation of social value added for Horizon Care and Repair West Lothian, Sheila Maxwell 2013.



4.4.37 The report recommended the creation of a team to act as an intermediary or broker building links between employers and training/employability organisations.

4.4.38 Fife Works was created to fulfil that role. While Fife Works is hosted by Kingdom, it is entirely funded from grants for specific projects and programmes. However, while Kingdom does not fund Fife Works, the association's involvement has, as discussed below, been a significant source of "added value".

4.4.39 When the economy was entering the recession created by the 2008 financial crisis and unemployment was rising sharply: the number of persons in receipt of job seekers allowance in Fife reached over 10,000. The recovery in employment in recent years has seen that number fall to under 4,000. This welcome improvement in unemployment has had the consequence that the client group for the Fife Works programmes is increasingly made up of long term unemployed persons and people facing greater employability challenges.



Objectives and Activities

4.4.40 The principal objectives of Fife Works are to:

- Assist unemployed Fife residents move into sustainable employment.
- Increase the skills of unemployed Fife residents.
- Enhance delivery of community benefits within public sector contracts.
- Support and encourage employers to recruit from unemployed Fife residents.
- Reduce dependency on welfare benefits.

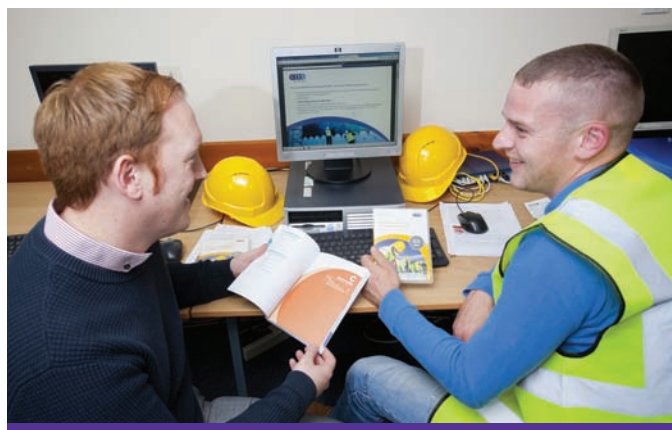
4.4.41 These objectives are delivered through a series of programmes involving four main strands of activity. These are:

- Advice and support to people seeking employment.
- Matching job opportunities with people seeking work.
- Organising training.
- Working with employers on work experience, traineeships and recruitment.

4.4.42 The specific programmes delivered by Fife Works have varied over time in line with funding opportunities. In the most recent period the activities of Fife Works have focussed on the projects outlined below.

4.4.43 The Community Benefit Project which is funded by the Scottish Government's People and Communities Fund aims to increase the community benefits of social housing investment through training and employment opportunities.

Fife Works engages with contractors to create opportunities for unemployed people to access apprenticeship, training and work experience opportunities. Funding is also provided for training courses to enable unemployed people to access identified job opportunities and assistance given to employers in accessing recruitment incentives from bodies including Skills Development Scotland and Fife Council's Fife Jobs Contract which subsidises the recruitment of unemployed people into new jobs. A specific focus has been on people who have been made redundant from previous apprenticeships.





4.4.44 Fife Works is a partner organisation in the Fife Employability and Training Consortium which is a service with the objective of increasing the employability of unemployed persons in Fife.

Within the consortium Fife Works provides individually tailored support to help people back into work. The service is promoted to all unemployed residents in the areas where Kingdom operates through various media and direct contact. Support provided includes:

- One to one careers advice, guidance and information.
- Workshops covering various aspects of the job search and application process.
- Organisation and funding of training.
- Training within sector based Work Academies.



4.4.45 The Rural Skills Project focusses on the rural and land based sectors of the economy and has the aim of increasing the number of local people able to access job and volunteering opportunities in the sector. It uses broadly the same mechanisms as in the other programmes: unemployed persons are provided with careers advice, guidance, workshops and training courses while employers in the sector are helped to access funding for recruitment and training.

4.4.46 Through Skills Development Scotland funding has been granted to develop the role of Fife Works in employability to deliver Stage 4 Employability training (predominantly construction training) to 80 Fife residents.



Benefits

4.4.47 The benefits created by Fife Works are diverse. The main quantifiable benefits are as follows:

- Support with training and employability issues has been provided to over 3,500 people
- Over 2,500 people have been enabled to take up training places
- Over unemployed 2,000 persons have been placed in work
- Fife Works initiatives linked to the capital programme of the Fife Housing Alliance have enabled 19 people to secure apprenticeships and 76 additional jobs have been created.



4.4.48 While the funding for Fife Works programmes has come from sources which could, in principle, have been accessed by other bodies, it is very unlikely that the full benefits created by Fife Works could have been delivered by another body. The fact that Fife Works is hosted by Kingdom, means that it can “add value” in delivering programmes. This added value arises from three features of Kingdom as set out below:

- **Administrative and Financial Resources:** The administrative and financial resources of Kingdom were critical in setting up the organisation and in enabling Fife Works to proceed with its mission during the process of applying for funding and while awaiting receipt of funds which have been awarded. For many voluntary bodies depending on grant funding delays in the process of fund allocation and provision can pose serious problems. For example, a recent report by the Lloyds Bank Foundation¹⁴ reported that cash flow problems related to grant payment mechanisms are a major problem for small to medium sized third sector organisations.
- **Role as a Housing Provider:** Kingdom’s core function as a social landlord with a strong commitment to tenant involvement and to communication with tenants has enabled it to target employability programmes on a population group which includes substantial numbers of people who are unemployed and facing employment difficulties.
- **Capital Programme:** Because Kingdom delivers a substantial programme of capital investment in new housing each year Fife Works has been able to harness this investment to generate significant community benefits, which would not otherwise have been secured, in the form of jobs, apprenticeships and work experience for unemployed people.

¹⁴ Lloyds Bank Foundation Facing Forward: How Small and Medium Sized Charities can adapt to survive March 2017.



5. Glossary

Direct Employment	People employed by the Kingdom Group.
Gross Value Added (GVA)	The sum of all incomes associated with either direct, indirect or induced employment including wages, salaries, organisational surpluses and profits.
Income	Measured as GVA.
Indirect Employment	People employed in companies who supply goods and services to Kingdom Group.
Induced Employment	People employed in companies as a result of the spending of direct and indirect employees.



6. Conclusions

As our Chair identified in the introduction our mission is to provide **More than a Home** and the independent report by Optimal Economics highlights many of our achievements that contribute to this aim.

The report demonstrates the economic value generated through our investment in new homes and our other activities. The economic benefit has a positive local and wider national impact.

Our primary activity is the provision of affordable housing and this assists in meeting housing needs and provides added value related to tenants health and well being.

Our activities provide various community benefits, related to employment and training, the environment, schools and education programmes and community initiatives, which build capacity and helps sustain communities.

We have a large support and care programme which facilitates independent living, improves quality of life and reduces the risks of homelessness.

Our care and repair service provide services to older people in private housing, and people with disabilities and this delivers a significant social return on investment, through the estimated savings to other health and social care budgets.

Through our Fife Works programme we have helped over 2000 people into sustainable employment which provides both social and economic benefits.

At Kingdom we have a long and successful record of collaborative working and I would like to take this opportunity to thank all our partners, funders and stakeholders who have worked with us over the years to deliver our achievements and provide social and economic benefits.



Bill Banks,
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