

**Consultation
Response**
Evidence to the
Scottish Parliament's
Rural Affairs and
Environment
Committee on rural
housing

April 2008

www.shelter.org.uk

© 2008 Shelter. All rights reserved. This document is only for your personal, non-commercial use. You may not copy, reproduce, republish, post, distribute, transmit or modify it in any way.

This document contains information and policies that were correct at the time of publication.

Shelter

Rural Housing in Scotland

Key points

- The Rural Housing Inquiry should support the case for a programme of Rural Housing Enablers in Scotland. This would have an immediate impact within this parliamentary term.
- As well as important issues of housing supply and development, the importance of sustaining households within their homes is equally worthy of attention.
- Scotland's flagship commitments on homelessness form an important backdrop to the Inquiry. However, some concerns are not well-evidenced and the evidence which is available tends to affirm the importance of addressing the housing shortage.
- The planning system has much greater potential to deliver affordable housing than is currently the case; for the immediate period Shelter believes the focus should be on enhancing capacity and skills rather than necessarily seeking further high-level change.
- The Inquiry should press the Scottish Government to make clearer its intentions in funding affordable housing if and when council tax is replaced.
- Proposed reforms to exempt new build homes from Right to Buy should be extended to give a general discretion to determine the scale and rate of sales dependent on market circumstances.
- Shelter has detailed specific proposals to facilitate a separate sub-sector of private landlords, operating at the boundary between social renting and commercial letting.

Shelter would welcome the opportunity for further dialogue with the Committee

1. Introduction

Shelter welcomes the opportunity to contribute to the Scottish Parliament's inquiry on rural housing. We would be delighted to give further evidence or assist the Committee in other ways in this timely and important exercise.

From discussions with Committee members and staff we understand that the specific questions posed by the call for evidence paper are not intended to constrain the scope of responses. This flexibility is welcome as we think there are important issues around social support and housing allocation which do not fit easily within the core questions on planning, finance and development posed by the inquiry. While we attempt to address some of the latter, we are also keen to highlight some of our experience in what might be called 'softer' areas of policy which are equally vital to making housing 'work' in rural areas.

Finally, a running thread of our submission is on the theme of Rural Housing Enablers, drawn partly from our own experience of direct service provision but also from a longstanding policy commitment to this form of working. We elaborate more fully below.

2. Shelter and Rural Scotland

Around 80 per cent of Shelter's work is direct service provision to people in housing need. Both these services and our policy, campaigning and training work are available to people throughout Scotland. Indeed, we have added resources specifically to our telephone-based and web-based advice (Advice Online) to ensure that these are accessible throughout Scotland.

However, Shelter has also recognised over many years the need to have a distinctive presence in parts of rural Scotland. Over twenty years ago, we were pioneering empty homes initiatives in the rural Highlands and, until the mid 1990s ran a specialist rural housing initiative which is one of the fore-runners of the present Rural Housing Service charity.

Around ten years ago we collaborated with the Rural Housing Service (then located within Rural Forum) to publish 'Scotland's Rural Housing: at the heart of communities', a publication which was able to set an agenda for the new government and subsequently the early years of the Scottish Parliament. Among our recommendations was an expanded programme of Rural Housing Enablers and in 2000, running until 2007, Shelter operated its own Rural Housing Enabler service in the rural south west of Scotland.

That project has now come to an end, with a successor in the Dumfries and Galloway Small Communities Housing Trust, which Shelter, in partnership with community representatives, was instrumental in setting up. However, Shelter's commitment to direct service provision in rural Scotland continues with a housing support service for vulnerable families and single people in rural Dumfries and Galloway. We also employ a worker in Argyll and Bute whose role is to identify the potential needs of homeless households and

work with other service providers to address those needs more effectively (this includes measures like referrals, assessment processes and training).

3. Rural Housing Enablers

Attached as an appendix to this paper is our earlier submission to the Committee on the case for a programme of Rural Housing Enablers which we would ask to be considered fully as part of our evidence. The Committee may also have seen a similar proposal from the Rural Housing Service. Although the two proposals differ in some details, these are largely the product of a continuing process of refinement rather than any differences in substance. Shelter and the Rural Housing Service share the same aims for such a programme.

The appendix details the case for a programme more fully and in other parts of this paper we refer to instances where a Rural Housing Enabler initiative could help address the Committee's core concerns. In brief the case rests on:

- Convergence with larger policy directions such as: greater community engagement in the planning system; unlocking barriers to housing supply; and more sensitive analysis of housing needs.
- Substantial and expert testimony as to the value of such a scheme elsewhere in the UK, which means that it carries low risk as a form of innovation.
- Very modest costs in relation to benefit.

Of some interest to the Committee, we believe, is the fact that a programme could be easily set up and be operational well within this parliamentary term. Although the Committee will rightly want to make some long-term and fundamental suggestions as to the direction of policy, a programme which can have a fairly immediate impact has a lot to recommend it as well.

4. The Rural Housing Problem

Shelter believes that affordable housing is the highest priority in many rural areas. This echoes the conclusions of the recent OECD review of rural policy in Scotland.

For Scotland's rural communities to be sustainable and thrive, it is crucial that people in those areas can access good quality housing at a level that they can afford. This applies to newly forming households in rural areas and for people wishing to relocate to those areas. For this to occur, and for the full potential of Scotland's rural communities to be realised will involve increasing the number of new build homes for affordable renting. Of

course, new developments have to be sensitive to their environmental impact and enhance the community that they are built in. As part of this they have to carefully site, in areas where people actually want to live; where there is a clear need for additional housing, based on a robust assessment of existing and emerging housing need in communities.

Of some interest to the Committee is the extent to which housing problems in rural areas are specific and distinctive or whether they are more or less amplified versions of the problems that are found throughout Scotland. This is important in considering whether a specific set of policies is needed in response.

Rural and rural housing specialists will tend, quite understandably, to emphasise the distinctive nature of rural housing problems. From our perspective, many concerns that arise in our rural work are equally echoed in urban areas.

To take an example: Scotland has an internationally-regarded tradition of community-based housing associations. Rural Scotland came late to this model and it was not until the mid 1980s that the first community-based housing associations were set up in rural areas. Over the next ten years the number of such associations gradually increased. However, in our 1997 report we noted that coverage was still far from widespread and called for a further programme of expansion. However, since then there have been no new rural housing associations; indeed, the direction of travel has been mostly the other way, towards merger. The proposals in 'Firm Foundations' for new forms of funding and development of RSLs, while not in themselves leading towards loss of small associations, have certainly raised fears of a further contraction. So this is an example of a longstanding policy in Scotland as a whole which has been imperfectly applied in rural Scotland.

In a number of other areas the emphasis is also in degree rather than kind. Housing shortages, loss of homes through right to buy, high house prices, constipated planning processes are common to many parts of Scotland. In rural areas these problems may simply be greater and in some cases accentuated by geography or lack of services.

However, some issues are characteristically rural: second and holiday homes; local land monopolies; access to utilities - these are all either absent in urban areas or substantially different. And, for some problems, the difference in degree is so significant that it is effectively a difference in kind: for example, the economies of scale in providing housing support or temporary accommodation for homeless people require a different response in remote rural areas.

This means that a distinctive policy response in rural Scotland is merited. We turn now to look at some specific policy areas and responses.

5. Tackling homelessness and housing allocations

Although this theme is not directly addressed in the call for evidence, it did come up as an issue in the Committee away day in Aviemore in December 2007.

One of the major targets for government over this parliamentary term is ensuring that all homeless people have the right to permanent accommodation. Although set as a target back in 2002 and enshrined in law in 2003, the target has been enthusiastically endorsed by the Scottish Government, placing Scotland, as it does, in the vanguard of programmes to deliver social justice.

As part of the progress of moving towards 2012 local authorities have been increasing the number of allocations going to homeless people (currently standing at around 35-40 per cent). This has given rise, in some quarters, to suggestions that too many allocations are going to homeless people and that this is counter to measures to build stronger, more sustainable communities. This last argument is heard frequently in a rural context.

Shelter is aware of these concerns and not at all dismissive of them. But much of the discussion can be poorly-evidenced and an area in which myths flourish. This can be seen in a number of ways.

Some landlords are concerned that moves to abolish the 'local connection' requirement in homelessness law will mean that high pressure areas will increasingly be under further pressure to house homeless people from throughout Scotland. However, the number of homeless people moving across boundaries is only a tiny percentage of overall numbers and is as likely to be in the direction of urban areas (where services are more fully available) than rural areas. Further, the local connection rule applies only to the council area as a whole not to any individual part. If a person applies as homeless in a particular community, the legal obligation is to provide accommodation within the council area rather than necessarily in that community.

Secondly, there is a misconception that the only response to homelessness is provision of a council house. Some authorities have given high priority to prevention of homelessness and to new assessment processes which allow the council to explore with homeless applicants a full range of options open to them. Indeed, it is this kind of approach which has allowed Angus Council to be the first to aim to meet the 2012 target 4 years ahead of schedule.

Thirdly, the concern about allocations to homeless people in rural communities seems partly to stem from views that homeless people are different from other parts of the population. The Scottish Social Attitudes Survey shows that stereotypes of homeless

people still abound. In fact, homeless people are pretty much the same as anyone else in need of housing; just that their housing need has become more pressing.

Analysis by Shelter casts some doubt on whether there is uniquely rural pressure to deliver on the 2012 target. Based on the 2006-07 homelessness data we have looked at local authority progress towards that target¹. From that we found that there was no consistent rural-urban divide. Some of the areas with furthest to go were rural, certainly, but two of Scotland's largest cities were in the same category. There is also good representation of rural areas in the group of councils making most progress.

We also looked ahead at possible policy interventions which could help achieve the 2012 target. Once they had been taken into account, a similar pattern emerged. Both rural and urban councils are represented in high and low pressure cohorts.

So it is too simplistic to say that there is a uniquely rural dimension to the delivery of the 2012 target and its impact on housing allocations.

Of course, Shelter agrees that to meet the target we need many more affordable homes. Tackling homelessness effectively is fundamentally about providing more decent affordable homes. It is also about effective prevention of homelessness and ensuring people can sustain housing. We look at the latter first before turning attention to the supply of housing (which more directly relates to the questions posed by the Committee).

6. Housing support in rural areas

One of the issues which the Committee has not raised is sustaining housing in rural areas. This is quite understandable giving the glaring evidence of overall housing shortage and the need to look at funding and development to address that. Nevertheless, part of what makes housing work in rural areas are services to ensure that vulnerable people can access support to remain in their homes. Further, housing arrangements that repeatedly break down simply fuel repeat homelessness and adds pressure to housing allocations.

As above, given our direct service experience in Dumfries and Galloway and Argyll and Bute, Shelter would be happy to provide further evidence on the particular issues for support provision in rural settings:

¹ We actually looked at progress towards an interim target set for 2009, which is a staging post for 2012.

- The difficulty of providing specialist services from a single base where there are no economies of scale and where needs are intermittent.
- The challenge in meeting duties to provide temporary accommodation for all applicants who present as homeless, especially those in remote locations where it is not viable to provide accommodation directly.
- The impact on the number of clients who can engage with home-based 'floating' support as a result of travel times.
- The greater need to maximise use of existing generic services and staff roles and the way they work together.
- Developing community-based capacity such as mentoring, befriending and informal support.

A number of organisations providing support have raised concerns about the pace with which the former Supporting People funding stream has been abolished and whether services in rural areas with quite high unit costs will suffer with greater competition for funds. It is too early to judge this but we urge the Committee to press the Scottish Government to have robust mechanisms to assess the impact of changing funding regimes.

7. The Role of the Planning System

The Committee asks if changes are required to planning legislation or guidance to make the planning system more effective in rural areas.

At a time when the major Planning (Scotland) Act 2006 is being implemented and SPP3 – Land for Housing is being revised, we do not think that the immediate priority should be further fundamental change. We believe that there is already scope within the planning system as it is emerging to make it more effective.

Recent research by Newhaven Consulting ('All Pain, No Gain') is fairly critical of the centrepiece of planning and affordable housing: the use of site-by-site quotas, delivered through section 75 agreements. While Shelter agrees that progress so far has been disappointing, we consider the quota policy system to be single best mechanism for securing additional affordable housing. One constraint in relation to rural areas is that there tends to be a unit threshold applied: typically, the requirement that around 25 per cent of homes be affordable will kick in only in developments of 20 homes or more, thus excluding smaller-scale rural schemes. However, at least one council does not have a unit threshold and requires a developer contribution no matter the size of development. In

very small schemes this could take the form of a commuted sum, allocated into a central pot to fund affordable housing off-site. Argyll and Bute Council has set up a strategic housing fund for just this purpose and we commend this model elsewhere.

To the extent that unit thresholds are a problem we also think that it is legitimate for councils to allocate specific sites for affordable housing. In an urban context this runs the risk of residential segregation, but there is very little risk of this in truly rural schemes.

Much of what we see as needing done in the planning system is about delivery rather than overall policy. As a discipline, planning has developed quite separately from housing. Planners often seem more comfortable with the fair and consistent application of rules which, in such a politically-charged policy area, is quite understandable. Nevertheless, as an approach it does not sit easily with the negotiation, compromise and even brinkmanship that is often needed to secure the best deals from new development. We have been impressed with the Aberdeenshire Council model of Planning Gain Co-ordinator, which seems much more geared up for this new environment.

The Committee also asks how effective is the implementation of local authority policy and decision making, in conjunction with other relevant organisations, in addressing rural housing need.

The question of rural housing needs is central here. In our submission to both 'Firm Foundations' and draft SPP3 Shelter has queried the headlong rush towards strategic planning on a wider geographical scale. Much of this is based on search patterns in the owner-occupied market, none of which might reflect more localised needs for people lower down the income scale or otherwise disadvantaged. We have also drawn attention to the crucial role that Rural Housing Enablers can play in charting need at a community level and using that as a reality-check on housing market-wide assessments.

8. Funding Considerations

The Committee asks how can public funds most effectively be deployed in rural areas to increase the supply and quality of affordable housing?

In our appendix we show that a Rural Housing Enablers programme could be set up for a very modest cost but that this would help to unlock potential additional sources of supply: for example, from private landowners.

We think it would also be useful for the Committee to emphasise the importance of the additional funding that is earmarked for affordable housing from local taxation. Under a discretionary scheme, introduced in 2005, all councils have the power to raise council tax on second homes from 50 per cent to 90 per cent, with all that additional revenue being

earmarked for affordable housing. This amounts to around £17 million a year but, of course, its distribution is very skewed towards rural areas like Argyll and Bute and Highland. Indeed, in Argyll and Bute, the £2 million additional revenue makes up a significant part of the budget for new affordable homes. In its consultation on local income tax ('A Fairer Local Tax for Scotland') the Scottish Government has acknowledged the value of this funding source and has pledged to ensure that around the same amount is raised from any replacement. In fact, it also raises the possibility of greater market flexibility in the replacement levy, which would be welcome.

However, the consultation paper makes clear that a great deal of detail is needed before the agreement in principle can translate into a workable form of tax. The Committee might usefully press for such detail. Further, the consultation paper declines to give an assurance that the additional revenue would be earmarked solely for affordable housing. It is important that this is clarified.

9. Affordability

The Committee ask what does affordable mean in the context of rural housing, given the differential incomes available (and applicable) in communities across Scotland.

Shelter agrees that Scotland requires a more meaningful definition of the phrase 'affordable housing' than that which is currently used.

Within a rural context, however, where wages are often lower and employment may be more seasonal than in other areas other mechanisms, which subsidise the accommodation rather than the individual's income, should also be considered. An example of this is in Ireland where **social housing** (that which is provided by public organisations for rent) is completely different to **affordable housing** which is available for sale but with some form of subsidy in place to ensure that it can be accessed by people on incomes that mean that market owner occupation is outwith their reach. To keep this housing in the affordable bracket clawback systems are in operation for defined periods after the house has been bought should the property be re-sold.

The Committee further asks what factors prevent the housing that is available in particular local communities being affordable for the people who need it most.

The sale of homes through the Right to Buy has seriously diminished the stock of social housing available and this has been particularly pronounced in some rural areas where virtually all of the local authority housing has been sold. As new development of affordable rented housing through RSLs has not kept pace, coupled with the difficulties

with developments in some rural areas, there are now communities in rural Scotland where affordable rented housing is at best scarce, and at worst non-existent.

The impact of second/ holiday homes can also have an impact on affordability. Above we have highlighted the need for a replacement to council tax to continue to tax second home use effectively. In the past we have also called for the power to levy the tax to be set at rates higher than the 90 per cent currently allowed. We have also suggested that second and holiday home use should be considered a change in use in the planning system.

Finally, the Committee asks what are the most effective ways of ensuring that housing that is affordable when first put on the market (for rent or for sale) remains affordable in the longer-term.

Perhaps the most effective way of ensuring that housing remains in the affordable sector is for it to be available for rent and for it to remain within that sector.

The Scottish Government's intention to end Right to Buy for new build property is welcome but would have no impact on the rate of sale of existing property. Shelter believes that the current powers to apply for suspension of Right to Buy should be enhanced so that local authorities and other social landlords have a general power to determine whether and at what pace and under what terms Right to Buy should continue to operate in their areas.

This could involve exempting particular property types or geographical areas being exempted from the Right to Buy where there is particular pressure on affordable housing. Shelter believes that these decisions should be made at a local level without the necessity of recourse to Scottish Ministers for decisions on this. Rural Housing Enablers can be a vital part of assembling the evidence and winning support from communities for locally-generated responses.

Where properties are made available with subsidy for sale there are further methods that can be applied to ensure that they remain within the affordable sector. Clawback periods can be included within the title conditions ensuring that an appropriate portion of any subsidy is reimbursed at the point that the property is resold and mechanisms put in place to ensure that this can be reapplied as a subsidy either to another property replacing that which has been sold or incorporated within that sale to ensure that it is available to the purchaser.

Rural housing burdens, established through the Title Conditions (Scotland) Act 2003 can also be used to ensure that rural housing organisations have a right of pre-emption in buying back properties that they have sold using subsidy to make them affordable.

10. An enhanced role for the private sector

In our submission to Firm Foundations Shelter sets out a detailed proposal for an enhanced role to be played by private landlords in housing people who otherwise only have recourse to social housing. There is a particularly rural dimension to this, as in many remote rural areas, private landlords are the majority providers of rented housing. Indeed, some private owners (including, in this context, community land ownership initiatives) can already claim to be playing a semi-social role.

Such is the shortage of affordable housing that Shelter believes that this direction of travel should be accelerated. We have proposed a new sub-sector of private landlords, letting on longer-term tenancies, meeting enhanced management standards and accessing financial support in order to keep rents affordable. We would be delighted to explore this further with the Committee.

Conclusion

Shelter is encouraged that the Committee has given such high priority to the pressing need for affordable housing and looks forward to further dialogue.

APPENDIX

The case for a Scottish rural housing enablers programme

Summary

- Over the last ten years, rural housing enablers have shown themselves to be effective catalysts for the assessment of housing need, overcoming barriers to development, and engaging communities in new housing supply.
- However, in comparison to other parts of the UK, the work of rural enablers in Scotland is fragmented: patchy in coverage; inconsistently funded; and lacking any central support.
- New initiatives by the Scottish Government on housing supply and policy provide a unique opportunity for rural housing enablers to help deliver on the Government's agenda.
- A programme supported by the Scottish Government, in partnership with local authorities, could be implemented at very modest cost.

Rural housing enablers

'Rural housing enablers' is a term used to describe work which engages with rural communities in order to better chart their housing needs and to bring forward solutions to meeting those needs. Enablers are seen as local brokers of housing solutions, bringing together communities with expressed housing needs and potential providers of solutions such as landowners, housing associations and public bodies. This briefing sets out a case for their work to be put on a firmer footing in Scotland.

Rural housing enabling work has been around in Scotland for at least twenty years, but has only become more prominent in the last ten. The recent housing discussion paper, 'Firm Foundations' recognises, '**In remote areas, price increases can have a magnified effect due to sparse supply in those locations**'. Typically, these areas have very little social housing, either because, historically, none was built or because it has been sold through Right to Buy. As a result people in housing need tend to be displaced to other areas – nearby towns, for example. In addition, in these smallest communities it is often more difficult for local councils and housing associations to have an active presence, so people are unaware of what housing options might be open to them, whether in the form of social housing, private housing or grants that might help with home ownership.

Rural housing enablers help to demonstrate hidden housing needs and also to bridge the gap between those needs and possible solutions. A project may carry out some or all of the following functions:

- Community-based surveys, in tandem with community groups, to assess local housing needs.
- Identifying sources of housing supply: in particular, identification of sites or empty properties.
- Providing information and advice to individuals: for example, on access to grants.
- Building community capacity to develop housing solutions for themselves.
- Feeding into wider area housing strategy or needs assessment.

To date, the first of those tasks – carrying out community-based needs assessment² – has loomed largest. However, the role of any one enabler can be adjusted to focus more fully on other tasks: most obviously, the practical task of identifying land for housing, which is a major theme of the Housing Supply Task Force.

Shelter has run one such project – Shelter Housing Action with Rural Communities (SHARC) – in the south west of Scotland, between 2000 and 2007. Over the period it carried out 24 community surveys and was instrumental in setting up Dumfries and Galloway Small Communities Housing Trust, only the second trust of its kind in Scotland. SHARC also acted as a signpost for common queries like planning and access to grants.

The Rural Housing Service is a national service which provides advice and support on housing issues, free of charge, to rural communities and helps deliver new housing opportunities for local people. As well as offering a national service the RHS has developed two area-based Rural Housing Enabler projects. These projects in the Argyll Islands and in Aberdeenshire have demonstrated the crucial role that local housing enablers can play in increasing affordable housing opportunities. They have utilised a *toolbag* of housing options to meet the need for affordable housing; such as Rural Home Ownership Grants, Rural Empty Property Grants, community housing initiatives as well as housing association development. The funding for the projects has come from a number of different sources: Aberdeenshire is funded by a partnership between statutory bodies and voluntary funds. Argyll was funded by a one-off grant from the Nationwide Foundation as a pilot.

² Highland Small Communities Housing Trust has recently decided to develop another form of community engagement: locally-based surgeries. These are anticipated to add more qualitative information to supplement the quantitative information gathered from community surveys.

There are a few other instances of this kind of work – Highland Small Communities Housing Trust, for example – but most parts of rural Scotland do not have access to a locally-based service.

Rural housing enablers elsewhere in the UK

The fragmented pattern of provision in Scotland is in contrast to that in England where the Department of Environment, Food and Rural Affairs (DEFRA) supports a rural housing enabler programme. This includes core funding for posts, training, information exchange and development of shared tools such as survey forms and software. There are over 40 Rural Housing Enabler posts in England.

The influential ‘Affordable Rural Housing Commission’ report in 2006, said **‘We have been particularly impressed by the commitment and enthusiasm of RHEs’** and recommended their expansion. In this it echoed the Joseph Rowntree Foundation’s Rural Housing Policy Forum, also in 2006, which described rural housing enablers as **‘the essential requisite’** for all of its other policy recommendations. A recent review of land and planning policies for the Scottish Executive concluded that rural housing enablers could be relevant in parts of rural Scotland³.

A recent report from the Scottish Consumer Council, ‘Rural Advocacy in Scotland’, documented current weaknesses in capacity building at community level in rural areas, particularly outside the Highlands and Islands. In the study, housing issues were a major concern for younger age groups. We believe that rural housing enablers can help to address those concerns.

Rural housing supply

The Scottish Government’s new Housing Supply Task Force re-inforces the value of the work that rural housing enablers carry out. The Task Force has already identified tension within communities as one potential barrier to increased housing supply. Because enablers work with communities to identify housing needs for themselves, they are essential to the process of building support for new development and heading off opposition. Further, by working at community level, enablers are often able to secure land that otherwise would not be on the market⁴. Finally, the very locally-specific nature of the housing surveys that enablers carry out complements wider market information to ensure that housing is built exactly where it is needed.

³ ‘Allocation of Land for Affordable Housing through the Planning System’, Scottish Executive Social Research 2006.

⁴ This is very important in rural areas, where the focus is on allocation of small sites, either through ‘exceptions policies’ or identifying sites specifically for affordable housing.

The Task Force has identified rural housing shortages as one of its main themes. A rural housing enablers programme could be a very cost-effective way of unlocking new housing supply and making effective use of mechanisms such as Rural Empty Properties Grant, Rural Home Ownership Grants and shared equity.

An important point in relation to the Housing Supply Task Force's remit is that housing enablers are as relevant to home ownership and private rented initiatives as they are to provision of social housing. Indeed, in some areas, these private sector initiatives may be most important.

Developing a Scottish model

Shelter believes that there is a strong case for rural housing enabling to put be put on a firmer footing in Scotland. We recognise that this case needs to be developed more fully, if and when, support in principle is secured. One of the consequences of the weak funding framework in Scotland is that no formal evaluation of rural housing enablers has taken place to date. As we outline below, it would be important to address this as a more co-ordinated programme takes off.

Central Government could play a key role in establishing rural housing enablers as a priority. 'Firm Foundations' offers positive signals in this respect, saying: **'We feel that more can and needs to be done to assist delivery, to encourage innovation and to address obstacles that currently exist. There are lessons to be learned from the good practice that is being promoted elsewhere...'**

Central Government should:

- Set a series of core objectives⁵

⁵ The initiative as it initially evolved in England has had 7 core objectives:

- a) To raise awareness of the need for affordable housing in rural areas;
- b) To enable the provision of affordable housing in a geographical area;
- c) To influence regional and local housing strategies;
- d) To provide information to address national policy issues on affordable housing;
- e) To work with local authorities to provide information and advice;
- f) To address particular issues of local concern (eg empty homes; supported housing)
- g) To undertake research to contribute to local solutions.

These core objectives need not be replicated in Scotland; nor should it be assumed that they are all of equal priority. In relation to the current context in Scotland, we suggest that something along the lines of objectives b) and c) are particularly relevant.

- Identify a funding stream to cover set up and core costs. See implementation below.
- Develop a support infrastructure – either directly or through a contract with a third party – which would pool some of the development and delivery mechanisms.
- Set a monitoring and evaluation framework.

Local government is the lynchpin to the programme delivery on the ground. A good working partnership with local authorities across a range of functions – housing, planning, estates and corporate services, for example – is essential for the potential of enablers to be realised in full. For this reason we think that it is important that the local authority has a direct stake in the programme delivery in its area. We suggest that this should include a financial stake, with the local authority providing, say, 25 per cent of core costs, from sources such as additional council tax revenue from second homes or developer contributions from commuted sums in planning policies.⁶

The question as to whether rural enablers are or should be *employed* by local authorities arises frequently. In our view, there are significant advantages in enablers being independent of local authorities or, indeed, any major housing provider. If one of the aims of the initiative is to build community support for development, then that is much more readily achieved when the enabler can be seen to be working *with* the community and detached from direct interest in the funding, planning or delivery of homes. Further, we recognise that, in hard-pressed local authorities and housing associations, it is easy for enabling posts to get pulled away from specific objectives into more immediate development needs⁷.

In our view, the optimal arrangement is for rural enablers to be independent of local authorities and the main housing providers but to forge strong working relationships with both. A variety of models might be adopted. For example, a rural housing enabler post could be employed and managed by a local body such as a trust, while drawing on central support services from a national body. Alternatively, a single agency could act as employer for all or most of the local posts, with these in turn being guided by local

⁶ The recently announced 'Strategic Housing Fund' in Argyll and Bute, which pools second homes income and developer contributions, among other sources of income, provides one example of a local funding source.

⁷ An additional issue is whether it is right to have enablers focused specifically on rural housing. Other programmes, such as 'Initiative at the Edge' have supported generic local development workers. While it is certainly true that, in practice, rural housing enablers do pick up views on other aspects of development, it is important to send a strong signal on the importance of housing. Since a housing enablers work in any area is always community-led there is little prospect of inappropriate priorities being pursued.

advisory boards. In either of these models, we recommend that advisory boards draw from the range of other organisations active locally: for example, local authorities, RSLs, community councils (and other community bodies) and landowners. There may also be a role for economic development agencies and major employers.

Implementing the programme

Provisionally, we estimate the cost of such a programme to be around £500,000-£600,000 per year⁸. Some of these project costs at a local level could be shared with local authorities. This level of funding would allow for a number of 'field' posts to be created or sustained as well as developing a contract for central provision of services to support the programme as a coherent whole. We recommend that the programme is placed on a three year footing.

The programme could be overseen by the Housing and Regeneration Directorate and/or the Rural Directorate within the Scottish Government. The programme could either invite local organisations or partnerships to bid for core funding from a central pot, or seek tenders to run a core programme as managing agent. In line with our recommendation on the key role of the local authority, we suggest that, typically, central funding should cover 75 per cent of costs, with the remainder being sourced locally. The Scottish Government could also set up a separate contract with a third party to provide the central services, either separate from or linked to the role of managing agent.

November 2007

**Contact: Gavin Corbett⁹, Shelter Scotland, 0844 515 2468 or
gavin_corbett@shelter.org.uk**

⁸ These costs would support around 6-8 local projects as well central overheads such as management fee; training and events; website development; standard materials.

⁹ We are grateful to the following people for providing comments: Derek Logie, Chief Executive of the Rural Housing Service; Di Alexander, Development Manager, Highlands Small Communities Housing Trust; Professor Mark Shucksmith, Professor of Planning at the University of Newcastle upon Tyne.