

# Consultation response

## Housing: Fresh Thinking, New Ideas

From the Shelter Scotland policy library

September 2010

[www.shelter.org.uk](http://www.shelter.org.uk)

© 2010 Shelter Scotland. 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  
Scotland

## Summary

- Shelter Scotland welcomes the opportunity to feed back on the Scottish Government's housing discussion paper 'Housing: Fresh Thinking, New Ideas'. We believe that the paper poses important and challenging questions about current and future housing policy in Scotland. In our response we have highlighted our thoughts on the main issues discussed in the paper but we have also raised some vital questions that we feel are absent.
- It is important moving forward into the period of economic recovery, that government investment in housing supply is focused on those in greatest housing need and those who are especially vulnerable. The supply of new affordable rented housing is vital to meeting this need and must be a national priority.
- With the deadline for the Scottish Government's 2012 homelessness commitment only two and a half years away, it is imperative that more is done to improve processes and to focus on the prevention of homelessness.
  - Shelter Scotland believes that the recommendations we have made to strengthen section 5 of the Housing (Scotland) Act 2001, would ensure consistency in homeless referrals from local authorities to Registered Social Landlords (RSLs). This would improve communication and the exchange of information and would be particularly beneficial in relation to support needs.
  - Scottish Government statistics show an increasing reliance by local authorities on temporary accommodation due to a lack of permanent housing stock. This is an area of concern for Shelter Scotland as an interim measure until the supply of affordable housing is redressed, we have developed a series of proposals for temporary accommodation standards to ensure consistency. We are working with Chartered Institute of Housing (CIH) to develop and consult on these.
- We welcome the discussion around innovation in housing finance although any new models or funding structures should be fully assessed for their long and short term impacts and return on investment and where this return will be seen.
  - There is potential to explore how rents could be used to support higher borrowing and capital investment, but any changes would have to be based on empirical evidence of affordability and local viability.
  - We support the idea of a single Social Housing Grant since both local authorities and RSLs are targeting the same client group and are subject to similar legal and regulatory regimes.

- We are open to the proposal for a National Housing Trust providing that the various costs to government and local authorities do not displace significant amounts of public funding.
- Shelter Scotland welcomes the wider use of 'housing options' approaches as a way of assessing an individual or family's needs and considering the range of housing options and tenures available to them.
  - It is important that this approach is used in conjunction with existing statutory duties towards homeless and other vulnerable groups.
  - We also feel that this holistic approach to housing choices will require significant investment into staff training and a reconfiguration of services to deliver housing options successfully. We would recommend that a specific fund is set up to encourage this development and to allow for the dissemination of learning and best practice.
  - Shelter Scotland rejects any suggestion that a housing options approach and the use of regular housing 'health checks' should be linked in any way to the weakening of tenancy rights. The move towards widening housing choice should be in no way coercive.
- We believe there are opportunities to make better use of existing stock, although we see no need for any move towards the introduction of income caps on access to social housing as unnecessary and potentially divisive.
  - The preservation of existing stock can be ensured through the reforms to Right to Buy being introduced through the Housing (Scotland) Bill currently going through parliament. We believe these reforms should go further and we are seeking an amendment to expand modernised Right to Buy terms to existing tenants.
  - Through the Scottish Empty Homes Partnership hosted by Shelter Scotland, there is potential to build a strong cross-sectoral partnership to reintroduce uninhabited properties to the market which would have positive economic and social implications for communities.
- Shelter Scotland believes that the private rented sector (PRS) has an increasingly important role to play in housing policy but have concerns over the degree of emphasis the Scottish Government is placing on bad landlords and rogue practices. While we agree this is an area that requires reforms, we feel it would be more productive to build a thriving sector on a consensus of best practice and through empowering tenants as consumers.
- There is discussion in the paper around the particular housing and support needs of the ageing population and disabled people. Shelter Scotland welcomes all interventions to support people in their own homes wherever possible. In addition to the particular needs of these two groups, research shows that additional housing

support for vulnerable groups more broadly, can result in a range of positive outcomes<sup>1</sup>. This includes tenancy sustainment practices for young people, care leavers amongst others, and those facing eviction for rent arrears.

- Directly linked to tenancy sustainment, Shelter Scotland is campaigning for an amendment to the Housing (Scotland) Bill currently going through parliament to provide better support for homeless people. We recommend an assessment of their needs when they register as homeless, which would give people advice and support to get the services they need and reduce repeat homelessness.

---

<sup>1</sup> 'Towards 2012: Homelessness Support Project' Report to COSLA, ALACHO and the Scottish Government (2008) <http://www.scotland.gov.uk/Resource/Doc/217529/0058279.pdf>

## Introduction

This is Shelter Scotland's submission to the discussion paper "Housing: Fresh Thinking, New Ideas". As we understand it, the intention is to make the process more fluid than a conventional consultation, with written submissions part of a dialogue that precedes and follows on from what we write here.

That being the case, we have broadly followed the structure of the discussion paper below. However, we have not addressed all questions equally. Not all questions arise from obvious analysis in the paper; and there are some important issues raised in the text, for which there are no questions.

In general, Shelter Scotland endorses the two main themes of the paper; to look at innovation in housing finance and supply and to consider better use of existing stock. We feel that there is scope to carry out more research into many of the initiatives proposed, in order to assess fully what the need is for changes in policy and practice and where changes in processes or delivery could be targeted most effectively.

In particular, we would welcome the opportunity to discuss further:

- Housing Options
- Further reform of Right to Buy
- Measures to tackle empty homes
- Runaways and youth homelessness
- Tenancy sustainment

## Responses to questions

### Chapter 1: Scottish Housing need

- **Should the Government aim to focus its spending on those households in the lowest income groups and those most in need through rental products, or continue to try and meet the ownership aspirations of lower and middle income groups?**
- **What is the appropriate balance between Government support for housebuilding, through subsidies and incentives, and Government support for individuals through housing benefit?**

Government investment and resources should be focused on those in greatest need and where they can have the most positive impact. Any investment should be channelled through mechanisms which deliver a targeted response and provide both long and short term benefit.

It is clear from the data in the paper that the majority of social housing lets are going to those in the lowest income groups and that for the lowest income deciles owner occupation remains out of reach. With this in mind, Shelter Scotland believes that affordable rented housing should be the priority when allocating public funds.

In a recent report “The Forgotten Households: is intermediate housing meeting affordable housing needs?<sup>2</sup>”, our colleagues in England looked at the extent to which various different low cost home ownership schemes in England had proved an effective use of public money. The report concluded that “disproportionate amounts of public money are being spent on the intermediate market without a clear policy goal”.

There are a number of caveats in considering whether that conclusion can be applied directly to Scotland. The low cost home ownership (LCHO) products are somewhat different in Scotland, in addition, the share of the budget allocated to LCHO has not been as large. We are sceptical that LCHO per se should be a policy priority and any public funding allocated to this purpose should be limited and very carefully targeted. For example, the evidence suggests that funding for “shared ownership” has simply created an alternative form of tenure rather than a significant route into owner-occupation. In general, assistance for low cost home ownership should be both genuinely “additional” i.e. not a substitute for private funding and encourage sustainable owner occupation. The

---

<sup>2</sup> ‘The Forgotten Households: Is intermediate housing meeting affordable housing needs?’ [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0003/279651/The\\_forgotten\\_households\\_policy\\_discussion\\_paper.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0003/279651/The_forgotten_households_policy_discussion_paper.pdf)

funding should also be time limited and refundable so that the resources can be recycled in due course.

The sole interest of government should not be in the non-market part of the housing system. Shelter Scotland has argued<sup>3</sup>, for example, that government has tools other than capital investment to help shape a better functioning housing system overall: legislation; information and analysis; dissemination of good practice; provision of advice; and the simple forging of consensus and alliances of interest. In our response to “Firm Foundations” we set out a number of suggestions to improve local and national housing needs assessment and planning<sup>4</sup>.

- **What policy measures, reserved to Westminster or devolved to Holyrood, might prevent volatile fluctuations in future house prices and promote sustainable economic growth?**

Shelter Scotland believes that the time is right to re-examine the role that Land Value Taxation (LVT) might have as a means of damping house price inflation. Although the Burt Review<sup>5</sup> looked at LVT in some detail, this was in the context of its potential to raise revenue for local government, as an alternative to Council Tax, rather than explicitly as a measure to influence the housing market. We would support further review and feasibility testing of LVT in this latter context and believe it could potentially have the dual benefits of encouraging effective use of land while stabilising and lowering land values. It could be argued that LVT is a form of capital gains tax and the revenue from this tax could be used to abolish stamp duty (which would shift the burden of taxation from purchasers to sellers) and to provide funding for LCHO.

- **How could public services and Government funded bodies work better together to improve housing and related services to vulnerable groups?**

With the deadline for the 2012 commitment to reduce homelessness only two and a half years away there is an imperative to do more to improve processes that respond to and prevent homelessness. Many RSLs play a significant role in tackling homelessness but the RSL sector as a whole needs to do more. It seems conspicuous that in chapter 5 of the paper that under RSL responsibilities and improvements, there is no mention of the 2012 homelessness commitment or their role in provision to those in most acute need. It is the responsibility of the Scottish Government and the Housing Regulator to bring this about but Shelter Scotland believes that the existing legislation in the form of Section 5, is

---

<sup>3</sup> <http://news.scotsman.com/politics/Graeme-Brown-Housing-policy-must.6340321.jp>

<sup>4</sup> ‘Firm Foundations: Consultation Response’

[http://scotland.shelter.org.uk/\\_data/assets/pdf\\_file/0011/30701/Firm\\_Foundations\\_final\\_response.pdf](http://scotland.shelter.org.uk/_data/assets/pdf_file/0011/30701/Firm_Foundations_final_response.pdf)

<sup>5</sup> ‘A Fairer Way: Report by the Local Government Finance Review Committee’

<http://www.scotland.gov.uk/Publications/2006/11/06105402/0>

currently being applied inconsistently. We argue that strengthening Section 5 of the Housing (Scotland) 2001 Act would help to ensure better outcomes for those in housing need as recognised by the Scottish Housing Regulator<sup>6</sup> and also relieve some pressure on local authorities<sup>7</sup>. The amendment we have proposed to the current Housing (Scotland) Bill would ensure that all referrals are made through Section 5 which would increase transparency and improve the exchange of information, especially in relation to support needs. More consistent application of Section 5 would enable local authorities to identify whether RSLs are doing all they can to help alleviate homelessness.

Standards in temporary accommodation are important as Scottish Government statistics show that local authorities are becoming increasingly reliant on temporary accommodation as they move towards abolition of priority need status and expand their duty to house all homeless applicants. The long term answer to this is better prevention of homelessness and greater supply of appropriate permanent accommodation. However, this is not a quick fix and temporary accommodation will loom large on the housing landscape for a while yet. That is why Shelter Scotland has published proposals for a consistent temporary accommodation standard<sup>8</sup> and also argues for greater use of the periods spent in temporary accommodation to prepare homeless households for managing a subsequent tenancy. We are currently working with the CIH Scotland to develop those proposals further.

While the delivery of crisis homeless services is crucial and should continue to be regulated closely, Shelter Scotland believes that more could be done to focus on the prevention of homelessness and repeat homelessness before it occurs. Considering high-risk groups such as those leaving care, resources should be made available to put in place intervention strategies to provide the support and guidance needed for individuals to retain tenancies and keep their homes. This should include interventions to stop unnecessary evictions, to provide money and debt advice where appropriate and to meet any additional support needs. Prevention can also include very basic support such as providing essential furniture and furnishings when this is needed by homeless families who are being rehoused and a recent survey by the Community Recycling Network Scotland (CRNS) suggests that funding for this has reduced and is likely to reduce further.

---

<sup>6</sup> 'RSLs and Homelessness', Scottish Housing Regulator, 2009: "We have also identified some specific areas where current practices could be improved, to help councils move towards the 2012 target and RSLs to make more of a contribution. We recommend that councils should work more effectively with RSLs to agree evidence-based targets for their contribution to housing homeless people, and share information to maximise the availability and suitability of lets. This may mean setting aside their current reluctance to use section 5 powers".

<sup>7</sup> For example, the discussion paper (paragraph 8 of chapter 1) notes that 45% of council lets go to homeless households. However, this is a misleading figure. Once RSL lets are taken into account, the proportion of lets to homeless house is a more modest 32%.

<sup>8</sup> 'Raising the standards of temporary accommodation'

[http://scotland.shelter.org.uk/data/assets/pdf\\_file/0015/231324/Temp\\_Accomm\\_standards\\_Nov\\_09\\_Shelter.pdf](http://scotland.shelter.org.uk/data/assets/pdf_file/0015/231324/Temp_Accomm_standards_Nov_09_Shelter.pdf)



Finally, chapter 1 raises the diverse and changing nature of housing needs with particular reference to older people and young people. As regards the latter we are aware that they tend to be the chief victims of economic downturn and, unfortunately, we see no reason to think that things will be any different this time. We believe that more can be done to identify young people at high risk of homelessness. Care-leavers are mentioned by the discussion paper but we think that equal attention must be paid to pre-16 runaways. We are currently working with a number of accommodation providers to better understand the connections between running away and homelessness. We suggest there is a need for more work to be done around mediation services and interventions to prevent pre-16 runaways becoming homeless later in life and we would welcome further discussion in this area.

There is no mention in the paper of the needs of gypsy/traveller communities which must be considered when looking at diverse housing needs. Shelter Scotland believes that local authorities should be doing more to provide advice and services, including good quality sites for travellers, to these communities in line with the Code of Guidance on homeless support.

## Chapter 2: Increasing the supply of affordable housing

- **Which funding and delivery models have the most potential to meet housing need cost-effectively?**
- **How can we best use tightly constrained public funding to bring in additional resources for housing?**
- **Should Government spend less on building and improving social houses and more on providing the underlying and supporting infrastructure?**
- **What other barriers to new funding and delivery models need to be removed?**

The independent budget review is critical of the tendency by governments of all hues to cut capital expenditure disproportionately at times of overall cuts. It argues for capital investment to remain a national priority for the next spending review period but recognises that this will have to be achieved in diverse ways.

Shelter Scotland agrees with the priority attached to capital investment. The public sector housing budgets are largely about capital spend, so any across the board cuts to capital would disproportionately impact on housing programmes. This would be to the detriment of not only those families stuck in temporary accommodation or house waiting lists, but also economic performance. For example, because housing activity is relatively job-intensive and because, it draws in additional private capital, then each £1 of public investment generates £3.51 of economic output<sup>9</sup>. So direct housing investment should be a national priority for the period 2011-12 and beyond.

That is not to say that we are opposed to the paper's invitation to innovate in investment. As above, we are open to the current proposals for the National Housing Trust (NHT), providing the guarantees from the Scottish Government, the prudential borrowing by local authorities and the cost of running the NHT itself doesn't displace any significant amounts of public funding. However, we need to recognise that the current NHT proposals will not address the needs of those households in most acute housing need as market rents will be charged.

More broadly, however, it is difficult to comment meaningfully on much of this chapter as there is insufficient information given on how each of the mechanisms which are briefly

---

<sup>9</sup> 'Shelter Briefing. Housing Investment: Part 1' [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0008/276668/Briefing\\_Housing\\_Investment\\_Part\\_1.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0008/276668/Briefing_Housing_Investment_Part_1.pdf). The way in which these data apply in Scotland may vary as a result of different mixes of public/private finance but the broad argument – that housing investment is a good generator of added value – remains true.

mentioned, might work in practice and what the prospective costs and benefits might be. We therefore feel it is unrealistic at this stage to make a judgment on the viability or value of each model. Innovation is welcome but a more detailed analysis and assessment is required before funds are diverted into new initiatives.

On a single social housing grant, we are aware that this has been a discussion point for some years. We now believe that the case for proceeding with a single grant is stronger than the case against. The quite separate financial regimes for capital investment by councils and RSLs is hard to defend, given that both are targeting the same client group and are subject to very similar legal and regulatory regimes. The recent challenge funding schemes to support new council house building demonstrated that this is a potentially viable option, but the grant levels provided appear arbitrary, challenge funds are administratively cumbersome and the process lacks transparency. The different grant systems also give rise to comparisons between the two sectors that might be misleading.

The paper also raises the prospect of rents supporting higher borrowing and hence greater capital investment. While Shelter Scotland would, of course, like to see more supply, higher standards and lower rents, we realise that there is a trade-off to be made and as such rents do need to be explored, but based on evidence rather than subjective views. More supporting data will be needed to assess viability and we would need to establish, for example, how much rents would have to rise by to fund what level of capital investment. It should be possible to establish empirically where affordable rents might lie, given the likely incomes of those entering the labour market and hence at greatest risk of being caught in punitive benefit withdrawal traps. In addition, we recognise that, other things being equal, higher rents mean higher housing benefit costs and the possibility that any excess spending would need to be covered by the Scottish block grant rather than by the DWP Budget.

We are aware of occasional examples of social landlords having explicitly asked tenants to endorse higher rents in return for a specific package of capital investment. There is merit in evaluating these as to whether the investment pledges were fully delivered and what tenants subsequently thought of the choice they made.

Finally, we think the paper focuses more on finance and procurement options rather than other elements of the cost equation – construction costs and land. On the former, at the very least, we would urge equal attention on innovation. On land, we believe that greater efforts should be made to reduce the price paid for land meant for affordable housing development<sup>10</sup>.

---

<sup>10</sup> See submission by Liz Shiel Associates to PAN 74 in January 2009. Liz is a member of Shelter Scotland's Committee. In her submission she argues that the price paid through public funds for affordable housing land is artificially high and could be subject to caps, either a per unit cap or as a percentage of open market value.

### Chapter 3: Choice, fairness and best use of stock

This is the most important chapter for Shelter Scotland but, as with much of the paper, the questions raised at the end of the chapter do not always relate well to the issues raised and analysis which precedes them. Some important questions are left implicit, while others are confusingly articulated.

- **How can we move to a 'housing options first' approach, across tenures, so that households can plan for the future and avoid housing crises and homelessness?**
- **What ideas do you have for enabling households to change tenure more flexibly or adjust their financial stake in housing whilst staying in their existing homes?**

The presentation of issues by the paper is unclear but there seem to be two core questions:

- At the point of potential household formation or housing difficulty – how can households be helped to look at a range of possible options?
- While occupying social housing (mainly) how can we ensure that households are continuing to stay in a home which is most appropriate to their needs?

The preferred way of addressing the first is through housing options approaches. These have been employed by a couple of councils in Scotland – namely Edinburgh and Perth and Kinross, and the Scottish Government has recently made £500,000 available for further development. Housing options has been employed much more widely in England, and further evaluation and analysis of the strengths and weaknesses of these different approaches would be worthwhile.

Shelter Scotland welcomes wider use of housing options approaches. We see a lot of merit in a broader assessment of a person's needs – rather than simply their eligibility for a council house or referral to a RSL. Housing options can look at the person's financial position as regards affordability of private accommodation, should be able to address any additional support needs and, equally importantly, might be able to suggest ways in which current accommodation could be sustainable. Within our broad support, we would make a couple of observations, however:

- Housing options approaches must be seen as complementary to, not a replacement for, the legal rights that people have (mainly under homelessness legislation but also Community Care legislation and the Children (Scotland) Act

1995). It should be perfectly possible for Scotland to pioneer an approach to housing options which integrates statutory duties.

- This more holistic approach to housing choices will require reconfiguration of services and significant investment in staff training and working culture and, in the short term, staff capacity.
- We recommend that housing options are delivered to some degree, by independent advice bodies with no direct interest in the allocation of stock and who represent the needs of the client.

We recognise the merit of a specific fund being set aside to encourage development. It would be useful to allocate some of that money to capturing learning from new approaches and Shelter Scotland itself would be interested in piloting additional housing options approaches as part of our advice and support and training services.

At the same time, the development of housing options should not simply be about information or navigation through what is already there but, rather, should seek to expand the options themselves. An example of this would be improving knowledge about those private landlords – through accreditation or rent deposit guarantee schemes – who are inclined to offer more than just a basic service. Hybrid social and commercial lettings services also have a role here.

The second suggestion made in the paper is that of having regular housing “health checks” (say, every five years). We strongly reject any suggestion that these be linked to a weakening of tenancy rights as that would introduce a coercive tone which would be quite at odds with the intention to widen housing choice. So, as a purely voluntary approach we welcome regular visits to assess the suitability and affordability of accommodation and, where appropriate, alternative options (such as down-sizing or looking at home-ownership) being suggested, along with means of achieving them. Where individuals are living in large family homes with rooms over and above their needs, advisors should be equipped to explain the implications in terms of energy cost and additional expenses as a way to encourage possible downsizing. It might also be appropriate to offer removal cost grants and other incentives but it must be re-emphasised that this should be done without compromising tenants’ rights. Beyond advice and support to make sure individuals are aware of their options, there should be no formal limit or legislation to make people move from their homes if they don’t wish to.

Shelter Scotland has proposed an amendment to the Housing (Scotland) Bill currently going through parliament to help address issues of under-occupancy arising from succession. Currently, the law provides that alternative accommodation be offered to a succeeding tenant where the accommodation is specially built or adapted. Shelter

believes that this principle should be extended to deal with situations where succession would result in significant under-occupation at a time when there is a shortage of accommodation for larger families. In this situation, the social landlord would be able to meet the request to succeed by offering suitable alternative accommodation. This would be a discretionary power rather than a duty and social landlords would have the option of allowing the succession in the existing house where they considered that there were special factors that justified this approach.

It would be very helpful to ensure that there is adequate monitoring and evaluation of schemes so that we can understand if people, having made choices, subsequently feel that they made the *right* choices.

In addition, there seems to be no need to introduce income caps on access to social housing and that any system of caps would be bureaucratic and resource-intensive. Any changes to allocations based on income would have to vary by area, household type and would need to take account of any special circumstances. The Scottish Government's own data (in 1.18 and 2.2) shows that new entry to social housing is already well-targeted on those on lower incomes. In addition, the reform of Right to Buy will tend to reduce any incentives among those who might have sought social housing solely as a route to home ownership.

Finally, we would point out that the problem of under-occupation is far more prevalent in the owner-occupied sector (at 51% of all homes) than in the social rented sector (at 22%). If we are concerned about maximising the "fit" of the housing stock then a focus on solely social housing is unlikely to be successful. Clearly, the owner-occupied sector is not as easy to influence as the social sector but, at the very least, we would welcome further analysis of the motivations behind under-occupancy and what possible range of measures might assist home-owners achieve closer fit to their current household circumstances. These might include support and advice services, incentives and, in the longer term, an understanding of how fiscal measures might support optimal use of the housing stock<sup>11</sup>.

- **What further restrictions in tenants' right-to-buy or increases in social landlords' powers to dispose of social rented stock would help social landlords provide a better service to all tenants?**

Shelter Scotland strongly supports the reforms of Right to Buy introduced in the Housing (Scotland) Bill currently going through parliament - that all new tenants and newly acquired or built houses should be exempt from Right to Buy. But we also believe that the

---

<sup>11</sup> Progressive forms of property-based taxation could achieve this. Council tax, at present, does so only very weakly.

changes proposed in the Bill could and should be strengthened to safeguard the remaining rented stock

We recognise that there is a willingness to see Right to Buy reform as continuing work. This is important because recent analysis has shown that Right to Buy still operates in Scotland at a significantly more generous level than elsewhere in the UK<sup>12</sup>. We believe that the settlement introduced by the modernised Right to Buy in 2002 offered a reasonable balance between the public interest and the aspirations of would-be homeowners. However, these reforms have, as yet, had relatively little penetration because of the protection provided to tenants whose Right to Buy preceded the 2001 reforms. This is why we would also recommend that all current tenants be given RTB on modernised terms. It has been suggested that there is a possible tension with human rights legislation here but, in our view, this would not apply in these circumstances where the so called “rights” are simply benefits to a section of the community provided by legislation. Indeed,

- changes to Right to Buy in England (e.g. setting regional caps on discounts) have applied to existing tenants as well as new tenants and
- some of the changes to Right to Buy in Scotland in the 2001 Act applied to existing tenants as well.

Challenges under human rights legislation would be more likely were the state seeking to reverse previous sales under Right to Buy. No-one is suggesting this.

The paper also asks whether councils be given greater rights to dispose of assets subject to certain principles. While we are not opposed to councils having greater autonomy, it is not clear to us that councils are generally crying out for greater freedom to dispose of assets; nor is it clear what the advantages in so doing are. At the very least, it would be helpful for the Scottish Government to spell out how these powers might be used to advantage homeless and badly-housed people.

- **How might we make progress in improving the fairness of rent structures across the housing system?**
- **How can we make sure that rents remain affordable for existing tenants but also build more homes for future tenants?**

The paper notes disparate rent levels across Scotland but also that the Scottish Government has limited control over this. It would be beneficial to tenants to have greater transparency in rent levels across Scotland. It may be helpful for the Scottish

---

<sup>12</sup> <http://www.insidehousing.co.uk/analysis/in-depth/alternative-route/6508942.article>

Government and COSLA to provide good practice on linking average rents to local wage levels and on rent structures and relativities between properties. There also needs to be a wider discussion about what affordability means in real terms. We addressed this issue in our comments on chapter 2.

Tenants should have access to information relating to how their rents are being invested. The Scottish Government and COSLA should therefore investigate the benefits of publishing all transactions on the Housing Revenue Account on local authority websites.

- **How could investing in the private rented sector be made more attractive to institutional investors, such as pension fund managers and life insurance companies?**

Much of the formal responsibility for tax and investment lies with the UK Parliament and we have enclosed a report prepared along with our colleagues in England with some possible suggestions<sup>13</sup>. In addition, Shelter Scotland will be contributing directly to this policy area through our role of the Private Rented Sector Strategy Group.

However, there is a broader question here about the role that the PRS has in future housing policy. In Shelter Scotland's view the Scottish Government has been sending out mixed messages. The early years of the Parliament, as characterised by "Firm Foundations" were about recognising the importance of the PRS and creating a thriving sector, promoting responsible action while, quite rightly, taking firm action against bad landlords.

Over the last year, the emphasis seems to have switched fairly dramatically, such that the focus now seems to be almost exclusively on bad landlord practice. Again, Shelter Scotland backs Scottish Government efforts to weed out appalling practice but we think that is more powerfully done by building common cause with responsible landlords and by empowering tenants as consumers. This is because there will always be limits to the effectiveness of regulation when there are so many landlords. Consumers too need to have a more effective role. With Consumer Focus Scotland we recently produced a report about how the weak consumer position of private tenants could be strengthened and we welcome discussions as to how well the 22 year old tenancy regime fits future circumstances.

The risk is that the reputation of private renting as a whole will be undermined by a switch in focus to rogue practices and that, in those circumstances, private renting will continue to be an amateur-based activity based on high turnover and short term gain. This is

---

<sup>13</sup> 'A new settlement for the private rented sector'  
<http://www.jrf.org.uk/publications/new-settlement-private-rented-sector>



hardly likely to attract long term institutional investment. A sector, by contrast, which enjoyed a higher reputation and offered greater stability – to tenants as well as investors – would be in a stronger position.

We share with fellow members on the Scottish Government's Private Rented Sector Strategy Group the view that our remit was to make recommendations leading to a flourishing private rented market, especially given limits to funding for social housing and the plateau reached in achievable home ownership. There remains work to do around informing consumer understanding of their rights and responsibilities which will help to strength the PRS. Shelter Scotland supports the measures proposed in the forthcoming PRS Bill as far as they go however, once work on the Bill has been completed the Strategy Group should prioritise the longer-term reform agenda.

Added to this, the UK Government's proposed changes to local housing allowance – particularly moving the calculation of the allowance level to the 30<sup>th</sup> percentile of rents – will, other things being equal, concentrate people on lower incomes on that part of the market most populated by unscrupulous landlords.

- **How can we balance the interests of existing and prospective future tenants by ensuring better and more flexible use of available social rented stock?**
- **How could the housing system be reformed to encourage greater participation in the labour market?**

Shelter Scotland believes that the implication that the housing benefit system discourages participation in the labour market is only part of the picture. We welcome a discussion on reforming housing benefit in response to the needs of individuals making it more flexible to changing needs and circumstances. For many people seeking to rejoin the job markets on low-level or minimum wage incomes, the steep taper of housing benefit can make rents unaffordable once in employment. Further, the frequency with which changes in income or circumstances have to be reported affects those in marginal employment or the self-employed. Within the scope of Scottish policy, local authorities have some potential to improve the delivery of housing benefit to make it more customer-oriented. Discussion around these issues would be welcome, but ultimately to see greater participation in the labour market there needs to be significant investment and support services for those struggling to access the skills, training and opportunities they require to find jobs in an increasingly challenging labour market.

The paper also raises the possibility of a national housing list as a way of easing problems of geographical mobility. We welcome this as an antidote to the use of the “local homes for local people” slogan that occasionally disfigures public debate. However, we think that any such development be undertaken at a methodical pace given the major ICT

implications and the fact that the track record of such major ICT projects has not always been positive. It is also unclear to us what the demand for such a development would be and whether that is proportionate to the scale of the task. Again, feasibility testing would help to establish this.

- **How can we work to ensure that vacant or second homes in the private sector contribute more towards meeting local housing need - either in the private rented sector or as affordable housing?**

As the paper notes, Shelter Scotland has recently taken on a staff secondee from CoSLA, as the Scottish Empty Homes Partnership Coordinator – supported by public, private and third sector partners and looking at long term empty property in the private sector. The post-holder only began in June 2010 so it is early to be drawing conclusions. However, we would be delighted to produce a more detailed set of policy recommendations later this year as the discussion paper develops. At this stage it is already clear that information would be welcome on

- Ways of identifying the scale and distribution of empty property at a local level.
- Sources of finance and taxation implications

Both of these form part of the Partnership's early workplan.

The paper also asks about the scope for reducing empty property in the public sector. The nature of the problem is quite different here and we are not convinced that there are significant numbers of long term empty homes that could otherwise be used. We are open to alternative uses being explored (such as the Dalmellington pilot mentioned) but would want to be reassured that any such disposal is genuinely long term surplus and will not otherwise be needed for households who have few other options.

One area we think may merit further scrutiny is empty homes held for demolition. Shelter Scotland recognises that many homes and estates earmarked for demolition have come to their end of their lives, having been the product of poor planning and construction failures (as well as potential under-investment in management and maintenance). But Scotland has been demolishing relatively high numbers of public sector homes in the last 10-15 years and it would be consistent with the current emphasis on making the most of what we have got, to look critically at whether the only option for all of these homes was, and is, demolition.

- **To what extent should individuals be financially responsible for meeting their own support needs and housing adaptations as they grow older and to what extent should the state support them?**
- **To what extent should RSLs be expected to meet the cost of adaptations to their stock from their overall rental income, in line with what we expect of Local Authorities? Do current building standards in Scotland meet the needs of an ageing population, and would common standards across tenures make a difference?**

Shelter Scotland agrees that there needs to be greater consideration in the housing sector of the needs of older and disabled people. It is clear that there is a major mismatch between the housing stock we have inherited and the population now and in the future.

The 2007 revision to building standards was welcome although the Scottish Building Standards Agency has recognised that new homes built to this standard will not meet the needs of all disabled people. So, there are a number of complementary approaches:

- Looking at specifying a certain proportion of homes be wheelchair usable in developments above a certain size.
- Ensuring that there is good information about homes in all tenures that are accessible and have had adaptations fitted: for example, accessible homes and adaptations registers.
- Developing information and publicity campaigns so that disabled citizens know their rights and possible options open to them.

Although disabled people have, on average, lower incomes it is wrong to assume that this is universal. There may be merit in developing social enterprise models for provision of services to disabled customers who would be happy and able to pay for services.

As well as the support needs of older and disabled people, Shelter Scotland believes that there is a need to consider more broadly the range of support needs that people have. Wherever possible individuals and families should be supported to stay in their homes, this would include greater proactive interventions to support those at risk of losing their homes and those who are homeless. Shelter Scotland has submitted a proposal to be included in the Housing (Scotland) Bill that anyone who registers as homeless should receive a simple assessment of their support needs. They would then be directed towards relevant advice and support services to meet their support needs to prevent repeat homelessness and minimise the impact of homelessness.

## Chapter 4: Physical Housing Quality

- **How can we improve the design and sustainability of the places we build to improve our health, wellbeing and environmental impact?**
- **What can we do to help partners to find, prepare and develop land and provide infrastructure? How can it be funded with reduced resources?**
- **What more could local communities do themselves to improve the places in which they live and work? How could this be encouraged?**
- **How can we ensure that homeowners take responsibility for the energy efficiency of their properties?**
- **How can housing stakeholders and the housing system help to promote the new green industries in Scotland?**

Shelter Scotland campaigns for decent housing and we believe an energy efficient housing stock is vital not just to reduce greenhouse gas emissions but also to help tackle fuel poverty amongst low income households. The projected cost of the energy efficiency measures needed to meet the 2020 targets is £16 billion. This not only requires a significant financial investment, but also a commitment across the sector to change cultures and prioritise energy efficiency. If emission reduction targets are to be met then there is going to need to be wholesale buy-in and significantly more up-front investment. In particular there must be adequate incentivisation and support for home owners to encourage domestic backing for the necessary energy efficiency measures. In addition, there should be targeted help for those who do not have the resources necessary to make improvements to their properties. There may be a need for powers to compel private landlords to undertake energy efficiency measures, given the lack of any direct financial interest in reducing energy usage

Taking a long-term view, any developments need to balance the need for more homes with good homes. The design of new developments and the refurbishment of existing housing must consider aspects of community cohesion and shared space principles to increase safety, improve health and help regenerate and restore communities. There should be no repeat of building cheap housing which can cause long term social and health problems. Investment to help Scottish housing meet its energy efficiency commitments should be targeting low income households. It is not unreasonable to expect those in the private sector to self-fund (in part or in full) improvements to their properties.

The proposed Energy Security and Green Economy Bill would, as we understand it, apply in Scotland and allow householders to take out loans against repayment from future savings on energy bills.

## Chapter 5: Excellence across the housing system

- **How can the various parts of the system – in particular lenders, social landlords and housebuilders – best work together to support each other’s interests and the interests of the system as a whole?**
- **How can people be empowered to influence performance and housing outcomes?**

Sharing and applying best practice is important to help drive up standards and ensure good outcomes for both housing professionals and consumers. All stakeholders have a role to play in evaluating their own contribution and how improvements can be made across the sector to improve efficiency and ensure excellence.

Shelter Scotland supports proposals in the current Housing (Scotland) Bill which will help to regulate and improve performance across housing and homelessness services. This includes a new framework for the regulation of social landlords through the introduction of the Scottish Social Housing Charter (SSHC) (due to be introduced in April 2012). A Charter that identifies priorities for all service users, the responsibilities of landlords and the outcomes that will be measured could improve consistency and service delivery, although we are conscious that it must be applicable across the whole spectrum of social landlords to be of value. While we are supportive of a revision of guidance for social landlords linked into explicit outcomes in the Charter, for it to be effective and drive up standards across RSLs and local authorities, a balance will need to be struck between robust performance measures and a framework for inspection which is valuable to both tenants and landlords. During consultation to formulate the Charter it is vital that all tenant and potential tenant groups are consulted. In particular consulting homeless service users will be vital to inform the Charter’s outcomes on homelessness services which must be a priority.

Shelter Scotland continues to have concerns over areas of poor practice in some local authority homeless/housing management services and believe amendments to existing legislation would improve practice and increase efficiency. In particular, the current homeless referral process between local authorities and RSLs is inconsistent across Scotland. We think an amendment to Section 5 of the Housing (Scotland) 2001 Act would ensure that all referrals are made through Section 5, ensuring transparency and better outcomes for homeless households.

Since 2005/2006 twenty eight inspections of local authority homelessness services have been conducted by the Scottish Housing Regulator. Only the City of Edinburgh Council have ever been granted an ‘A’ rating in 2006/2007. Of the other twenty-seven three have been granted a ‘B’; nineteen granted a ‘C’ and five granted a ‘D’ rating.

Shelter Scotland welcomes the work currently underway to improve the use and development of 'housing options' as a means of improving outcomes for homeless people and other residents. The 'housing options' approach alone however will not resolve the area identified for improvement in the regulator's reports. Shelter Scotland therefore supports the intention in the current Housing (Scotland) Bill to create an independent housing regulator with the responsibility for driving up standards across the social rented sector as a whole and that homeless services are a core part of regulators function. The Bill provides a range of powers for the regulator, but in moving away from the previous reliance on inspections, it is important to know how the new powers will be used in practice. We recommend that effective scrutiny and examination of the Bill would be enhanced by asking the Regulator to explain how inquiry powers would be used.

Another key amendment to help improve housing outcomes is the introduction in primary legislation of measures to help reduce the number of evictions for rent arrears in the social rented sector. In 2008/09 over 3000 tenants in the social rented sector were evicted for arrears. Shelter Scotland believes that more can and should be done by social landlords to prevention eviction and to try wherever possible to help people to stay in their homes. The proposed Pre-Action Requirements (PARs) would be a mechanism for social landlords to use when a tenant falls into arrears, to resolve the debt issue without recourse to court action. This would represent both an efficiency measure in terms of unnecessary court actions, but also increase tenancy sustainment and outcomes for individuals and families who would otherwise be made homeless. These amendments are in line with the wider prevention agenda and would help to keep people in their homes wherever possible.

- **How can stakeholders pool knowledge and resources to take forward a more personalised housing options approach?**

The improvements brought in through this proposed range of legislative changes will help to improve performance and strengthen the sector as a whole. In addition a shift to a housing system which focuses on individual choice and aspiration rather than eligibility will help to ensure that households are aware of the housing options available to them.

**Shelter Scotland, September 2010**

**For further information contact Fiona King on 0344 515 2456 or [fiona\\_king@shelter.org.uk](mailto:fiona_king@shelter.org.uk)**