

Consultation response

**Firm foundations: the
future of housing in
Scotland**

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Shelter

Executive summary

- Shelter welcomes the ambition to build more homes, but we believe that the Scottish Government has attached too much importance to increasing **overall** housing supply alone as a means of tackling access to housing. The following issues arise from the broad ambition that we believe have not been fully addressed:
 - What is the rationale for the specific figure of 35,000?
 - How fully will increasing general supply alone address problems of access for low income households?
 - What proportion of these homes will be rented from social landlords?
 - How can the housing supply needs be better evidenced?

Shelter would like the Scottish Government to set a target for **affordable** housing for rent that is based on a robust analysis of housing need. Specifically we urge the Scottish Government;

- to update the 'Bramley' model which estimates affordable housing need across Scotland, as well as producing an economic model of housing supply and demand in Scotland.
 - set a well evidenced target for new housing to meet established and future needs, and specify the proportion of houses that are to be built in each sector and tenure range.
- We agree that there is a role for local authorities to cooperate regionally to ensure delivery of housing, but we do not agree that, within a context of setting realistic housing targets, housing needs assessments should be conducted primarily on the basis of housing market areas. This is because search patterns of people looking for social housing are more limited than those of people who are looking to buy a market house. Specifically, we urge the Scottish Government to:
 - Conduct research that aims to better understand the search patterns for homes between different tenures and income levels.
 - Consider the potential role for Rural Housing Enablers to work locally to establish housing need and contribute towards delivery of houses.
 - Government support for low cost home ownership should be modest in scale and targeted at groups for whom market housing is out of reach. In addition, any subsidy given to support owner occupation should be recyclable and provide value for money. On the basis of these four criteria, Shelter strongly opposes the proposal to give direct cash grants to first time buyers. We are not convinced of the need for more varied mortgage products per se and would like to see investigation of where the gaps in the market lie.

- Shelter is encouraged to see many local authorities developing their capacity to engage with private landlords. We are disappointed that equal attention is not given in this consultation to communicating with tenants and potential tenants in the private rented sector (PRS).
- We recognise that the PRS has a possible role in housing homeless people, but there are three areas which must be addressed to make this possible: security of tenure, cost and tenancy management. We propose a new type of tenancy alongside the assured and short assured tenancy which would give up to 3.5 years fixed term. We want to see measures to reduce costs and benefits traps, and we would like to see an mandatory 'accreditation-plus' standard for landlords who let to people who have been homeless.
- We would like the Scottish Government to explore further ways to encourage a sub-sector of private landlords who could offer a semi-social role. One way of doing this would be to encourage an intermediary sub-sector of landlords who choose to let to people who are homeless or on low incomes. A key element of this would be to secure the flow of rent payments and give direct support with administering applications for housing benefit.
- We would oppose a tenant accreditation scheme designed to exclude some tenants. Securing the flow of rent payments to landlords who let to homeless households by considering paying local housing allowance directly would address the central concern that landlords have.
- There is a strong case for better use to be made of empty homes in the private sector in Scotland that could make a small but significant contribution to meeting overall housing need and the demand for social housing. The Scottish Government should give attention to the issue of income from council tax on second homes when considering the reform of local government taxation, and we would like to see consultation on powers for local authorities to take temporary management control of long-term empty property.
- We support the creation of sustainable and mixed communities, but argue that the way to achieve this is through development and creating tenure choice rather than through allocations. Shelter would like to see a review of the operation and interaction between common housing registers, choice based letting and section five referrals in the context of homelessness to see whether they produce positive outcomes for tenants, prospective tenants and homeless people.
- We support the proposal to end the Right to Buy for new homes. Exceptions to this should be limited to people who are forced to move due to demolitions. Shelter also agrees that changes should be made to the wider Right to Buy to limit its impact further. We support the idea of varying discounts more generally but believe that the

Government should consider going further than this by giving local authorities and RSLs more local flexibility to determine where sales take place.

Introduction

Housing is central to people's lives, and having an adequate supply of good quality affordable housing is the key to securing the health and wellbeing of people in Scotland. A recent survey by Ipsos MORI¹ showed that housing is the number one issue in MSPs' postbags. Ensuring that there is a step change in the number of homes built in Scotland is one of the biggest challenges that this Government faces. It will mean making sure that the benefits of a good supply of affordable homes are realised in this parliamentary term. Benefits such as: reductions in children living in temporary housing which will impact positively on their education; stable accommodation for marginalised groups of young people who are not in employment or training; improvements in people's health from more new and better quality homes; greater flexibility to support economic change; positive impacts on community cohesion and tackling crime; and building on the positive contribution of social housing providers to environmental sustainability. These benefits reflect and support the Scottish Government's objectives to create a wealthier, healthier, safer, smarter and greener Scotland.

This Consultation focuses on the challenge of ensuring that more houses across all tenures are built in Scotland to meet housing demand. There is clearly a need to increase the supply of housing available to people on a range of incomes, and to ensure that the houses built are suitable for all households in Scotland. But while Shelter supports the intention of the proposals to address the full range of housing need, we would like to see a greater emphasis and greater Scottish Government support being given to households for whom the open market is not an accessible solution to their housing needs.

One of the biggest challenges in this Parliamentary session will be to ensure that the legislative target to abolish the categories of priority need for people assessed as homeless is met by 2012. Meeting this target will not only require a significant programme to expand the supply of affordable housing for rent, but also a creative response from local authorities using the range of tools available to them to meet housing need. These range from homelessness prevention strategies aimed at tenancy sustainment and managing rent arrears, to making better use of the private rented sector. Shelter is pleased to see that the consultation paper focuses attention on some of these approaches and is keen to see a proper examination, in particular, of the use of the private rented sector to house homeless and low income households (see further our response to question 10).

Finally, as a general point, Shelter disagrees that creating sustainable and mixed communities is best done through managing allocations. The consultation paper suggests

¹ Ipsos MORI (December 2007) Survey of Members of the Scottish Parliament.

that landlords would like to see changes to the statutory requirements on allocations to help them achieve sustainable and mixed communities while helping to meet the needs of the most vulnerable in society. We believe that allocations policies should work to ensure that the needs of the most vulnerable households are prioritised, and that using allocations to potentially exclude homeless or badly housed people is not an appropriate way to create 'mixed' communities. Homeless people are not a homogeneous group and it is quite wrong to suggest that, by excluding them, a better 'mix' can be secured. In addition, this issue also relates to debates about value for money from public subsidy. Shelter would question the rationale for giving substantial subsidy to organisations whose prime purpose is not to meet the most pressing needs. If social housing organisations do not meet these needs as a priority, who does?

Instead we should be focusing on planning policy, diversifying tenure and the type of housing offered by social landlords at different levels of public subsidy to achieve the long term aim of mixed communities. Suggesting that landlords can build sustainable communities by allocating housing other than on the basis of housing need is misguided and opens up highly subjective judgements about who merits which house and what, indeed, constitutes a sustainable community. We address this concern fully in our response to question 23.

The future role of social housing

There has been an active discussion for many years, but especially in the last two years, about the direction of social housing. Through wider social and demographic changes and through the effect of specific policies like Right to Buy, it is clear that the role of social housing has changed. The much smaller social housing sector now houses a higher proportion of people at the margins of society and the mainstream economy.

There is little doubt that some social housing is unpopular. But it is a mistake to caricature it as a sector of last resort. Huge waiting lists and the experience of choice-based lettings show that good quality rented accommodation is still much in demand and social housing providers have been among the most innovative developers of new homes in the last two decades.

One of the consequences of the changes we allude to above is that policy-makers are very rarely in direct contact with the social housing sector. Impressions of the sector can often be distorted by popular images rather than solid evidence. Shelter does not accept that there is a crisis in the present and future direction of the sector. Through the kinds of measures we suggest below (expanding the scope of social landlords to act as development hubs for their neighbourhoods and diversifying the range of activities they

undertake) we believe it is perfectly possible to address such problems of poor image and performance which are rightly raised.

There is a danger that without a proper understanding of the role the social sector plays in meeting the housing needs of people in Scotland, we might inadvertently adopt policies that reinforce the received wisdom of a sector in terminal decline. Instead we need to set out a vision for the future. We believe that there is a role for a strong and vibrant social rented sector and that this should be a major driver of future housing policy.

Issues not covered by consultation questions

There are two issues that we would like to comment on specifically that are not covered in the paper. They are: the importance of guarding against managing demand for homelessness services; and the provision of housing that meets the needs of all people in Scottish society, including people with disabilities. We think that they should be more fully considered as the Discussion Document is taken forward.

Managing demand for services and prevention of homelessness

The discussion paper focuses on housing supply and development in the run up to 2012. Shelter fully supports the need for more affordable housing to meet our commitments under the homelessness legislation and to ease the pressures on waiting lists. But this is not the only approach to meeting the 2012 target. In recent years, many local authorities have been putting increased emphasis on the prevention of homelessness, and these strategies have been supported and encouraged by the Scottish Government.

Strategies to prevent homelessness and repeat homelessness are many and varied, and local authorities have been building up capacity in this area. It is, however, vital that with the demise of priority need categories, and a disappointing settlement for housing in the 2007 Strategic Spending Review, prevention strategies do not turn into ways of managing demand and access to homelessness services, otherwise known as gatekeeping.

There is a long running debate over whether prevention services are operated as a means of merely preventing people from getting access to statutory homelessness services. For homelessness prevention to be worthwhile it must be complementary to the framework of rights that exists under homelessness legislation. It must be about facilitating access to services that can provide people with suitable, sustainable solutions to any housing related difficulties that they are experiencing. Where appropriate, households should be assisted to remain in their current accommodation. However, homelessness prevention should not be about forcing people to remain in accommodation that is unsuitable or about restricting access to suitable accommodation.

In England services aimed at prevention have been in place for a longer period, but there are significant differences in the policy frameworks between Scotland and England. The target to reduce the number of households in temporary accommodation in England has led to an expectation that local authorities should reduce both the numbers of applications that they accept and the numbers of applicants that are assessed as being in priority need. This is markedly different to the policy direction in Scotland where there is no equivalent target to reduce temporary accommodation use, and priority need categories are to be phased out by 2012. In addition, one of the top-level outcomes for homelessness is to ensure that it is more visible by encouraging people to come forward and exercise their rights.

The policy in Scotland should mean that there is less pressure on local authorities to protect resources through gatekeeping. However, social housing, in Scotland as well as in England, is a resource for which demand outstrips supply and there are concerns that increasing the rights of people assessed as homeless will lead to similar responses to limit homeless assessments.

There may be some evidence of this beginning to occur. For example, although the number of applications received by councils has risen in recent years, there has been no accompanying increase in households being assessed as homeless. In 2002/03 there were 52,043 homeless applications received and 40,115 were assessed as homeless. However, in 2006/07 there were 59,096 applications, of which 41,123² were assessed as homeless. This is a reduction in the proportion of applications that were assessed as homeless from 77 per cent to 70 per cent over this three year period. Without knowing the circumstances of each household we cannot tell whether this fall is a result of stricter practices or an underlying change in the nature of homeless applicants. But, at the very least, it merits further investigation.

A local authority has a duty to accept an application for assistance if there is a reason to believe that a presenting household is homeless or threatened with homelessness. It appears that, in Scotland, the majority of local authorities accept at face value an applicant's claim of being homeless (or at risk of homeless) and accept their application. However, criticisms of practices such as reception staff screening out applicants and local authorities not recording initial enquiries from homeless or potentially homeless households have been noted in Inspection Reports published by Communities Scotland. For example:

- Communities Scotland reported that Orkney Island Council did not record initial approaches from people who contact them for assistance, which means it could not

² Scottish Government Statistical Bulletin, Operation of the Homeless Persons legislation in Scotland. National and Local analysis 2006-07, October 2007

accurately track all initial enquiries to ensure that they were responded to appropriately and meant that the Council was under-reporting the number of people seeking assistance³.

- Communities Scotland found that South Ayrshire Council did not record approaches from people seeking assistance as formal applications until they are interviewed by homeless caseworkers or placed in temporary accommodation. As a result, it could not accurately track all initial enquiries to ensure that they were responded to appropriately, monitor how long it took to interview people or monitor how many people it lost contact with prior to interview. A further consequence is that the Council may have been underreporting the number of people who approach them for assistance.⁴
- In Aberdeen, Communities Scotland found that almost half of all applications assessed in 2004/05 were closed as lost contact/ withdrew before assessment, which is more than five times the national figure of 9 per cent for 2003/04. In part, they put this down to a two stage interview process which made applicants who came forward with an initial enquiry return on another day for a second interview. A high proportion of applicants never returned for the second interview meaning that many applicants did not receive the advice or assistance which could have helped them resolve their situation⁵.

In the context of integrated or shared assessment there is a real debate as to how homelessness rights are woven into the assessment framework, or whether assessment diverts people away from that framework. Similar questions arise in relation to housing options interviews, which, in some cases, can be seen to precede homelessness assessments (and explicitly do so in England).

Shelter understands and supports the motivations of integrated assessment and housing options interviews, both of which, at best, are about better understanding the needs of a person and the different ways in which these needs can be met. We think that more attention needs to be paid to how these developments can, in practice, be underpinned by the statutory duties towards homeless people. **The Scottish Government should consider commissioning some analysis and development of templates that would allow this to be achieved.**

³ Communities Scotland Inspection Report: Orkney Islands Council, October 2006.

⁴ Communities Scotland Inspection Report: South Ayrshire Council, October 2005.

⁵ Communities Scotland Inspection Report: Aberdeen City Council, November 2005.

Housing that meets the needs of people with disabilities

Housing should be built to meet a wide range of housing need, including people with disabilities. There is only one brief reference in the discussion paper to 'Homes for Life' with no mention of the variety of need. At present Shelter is working with Capability Scotland and other housing and disability organisations to highlight the gap between the need for housing which is suitable for disabled people and the actual provision. This project will look at:

- The extent to which the housing stock is suitable for the needs of all Scotland's population.
- The effectiveness of existing legislation and policy at addressing the needs of disabled people.
- How the housing needs of disabled people can be given greater priority.

To the extent that 'Firm Foundations' is about securing the future supply of housing, we think issues of suitability and access need to be given greater emphasis.

Responses to questions

Our responses to the questions are listed below. We have not responded to all questions.

Question 1 - Do you agree that aiming to increase the rate of new housing supply in Scotland to at least 35,000 a year by the middle of the next decade is a sensible and realistic ambition, and that this will help set a necessary political context for acceleration in housing supply?

We welcome the Scottish Government's ambition to build more homes. However the following issues arise from the broad ambition that we believe have not been fully addressed:

- What is the rationale for the specific figure of 35,000?
- How fully will increasing general supply alone address problems of access for low income households?
- What proportion of these homes will be rented from social landlords?
- How can the housing supply needs be better evidenced?

In February 2007, Shelter Scotland along with a coalition of other organisations (Scottish Council for Single Homeless, Scottish Churches Housing Action and the Chartered Institute of Housing in Scotland) submitted a detailed case for additional spending to build

30,000 affordable homes in Scotland over the next three years⁶. This estimate was also backed by the Scottish Federation of Housing Associations. The additional spending would have represented 0.8 per cent of the total Scottish Budget over that time. We are extremely disappointed that following a concerted campaign that saw more than 30,000 expressions of support from the people of Scotland, that the spending plans announced on 14th November fall well short of this amount.

Firm Foundations sets out the Scottish Government's ambition to oversee the building of 35,000 houses a year, 10,000 more than the present rate, by the middle of the next decade. The consultation document also projects around 500 to 600 council houses being built a year, based on current prudential borrowing capacity but there is no projected target for housing association development. In subsequent discussion around the budget, the Scottish Government has confirmed that it aims to build at least 21,500 affordable homes over the spending review period, equivalent to the target in the past spending review period. This falls well short of what is needed in a number of ways.

The Discussion Document does not specify what proportion of the target will be affordable houses for rent, and despite the Scottish Government's ambition (rather than target) to build no less than the target in the previous spending review, the budget allocation casts doubt on this being realisable. While there is a good case for ensuring that more houses are built across all tenures as the consultation sets out, the Scottish Government priority should be to ensure that a minimum of 30,000 **affordable rented** homes are built over the next three years.

- While we broadly support measures to improve the efficiency of housing development, we do not believe that these efficiencies can be substantially delivered within the spending period immediately ahead, which, in turn is central to increasing the number of lets to meet the 2012 target.
- We would question the assumption that increasing building across the board will increase the proportion of affordable housing that is built through the 'trickle down effect'. It is not clear either, to what extent simply increasing the supply will lead to an overall reduction in house prices. Because housing supply is mainly in the second-hand market, the price-response to new supply is relatively sluggish.
- So it would take a huge increase in overall new supply to effect noticeable changes in prices. The limited evidence in the Scottish Government's Housing Market Review (2007) suggests that a 50 per cent rise in supply (that is, the order of magnitude of

⁶ Shelter Scotland, The Comprehensive Spending Review in Scotland (February 2007) can be found at:
<http://scotland.shelter.org.uk/files/docs/26110/Comprehensive%20spending%20review%202007.pdf>

supply is far greater than the order of magnitude change in price to income ratios) would improve affordability by 6 per cent.

- The Discussion Document and statements in Parliament by the Minister for Communities and Sport have suggested that options other than social renting can play a large part in meeting the housing need of people who are currently waiting for a social rented home. As we go on to discuss in our response to later questions, Shelter accepts that there is a role for the private rented sector and mid rent housing, but would question the scale of contribution that such options could make. We have yet to see any clear evidence that the proposals outlined for alternatives to social renting would play a significant role in meeting housing need across Scotland.
- In our view it is better to tackle problems of access and affordability more directly and in a more focused way through a target driven programme of additional affordable homes for rent. If placed alongside reforms to the private rented sector to make it more attractive and some initiatives to make home ownership more affordable, such a programme offers the prospect of a swifter and more targeted response to the problems of affordability and urgent housing need.
- The statutory commitment that all homeless people should be entitled to a home by 2012 adds extra urgency to the case for additional affordable homes. The programme we set out for 30,000 homes over the next three years could help substantially house newly-eligible homeless people, without any further reduction in lets to people on house waiting lists. We have serious concerns that a building programme which falls short of this amount will continue to add to the pressure on waiting lists and see more people spending longer in temporary accommodation waiting for a permanent home.

We believe that it was premature for the Scottish Government to have adopted a target of 35,000 based on very scant evidence⁷ as to its impact and capacity to deliver. The 30,000 target – for affordable rented homes - over the next three years was founded on firmer evidence; indeed it erred on the conservative side. Finally, we believe that it is simply not sustainable or credible for the Scottish Government to decline to set a target for affordable rented homes over the next three years. We support the commissioning of a Scottish-specific model of the housing market but we also believe that the Scottish Government should commission an update of Professor Bramley's housing needs model.

So in summary:

Shelter welcomes the ambition to build more homes, but we believe that the Scottish Government has attached too much importance to increasing overall

⁷ The Scottish Housing Market Review borrowed on a model developed for the north of England as a proxy for Scotland. We find this a curious approach for a Government so determined to develop Scottish solutions to Scottish problems.

housing supply alone as a means of tackling access to housing. The following issues arise from the broad ambition that we believe have not been fully addressed:

- What is the rationale for the specific figure of 35,000?
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- What proportion of these homes will be rented from social landlords?
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- to update the 'Bramley' model which estimates affordable housing need across Scotland, as well as producing an economic model of housing supply and demand in Scotland.
- set a well evidenced target for new housing to meet established and future needs, and specify the proportion of houses that are to be built in each sector and tenure range.

Question 2: Do you agree that, to give practical effect to the ambition, local authorities should co-operate regionally in setting realistic housing targets for housing market areas, and in enabling the delivery of these targets? If so, what arrangements should be put in place to support and provide incentives for such co-operation between relevant local authorities?

While we support the principle of cross regional planning and cooperation, it is important that it is firmly based on good quality assessments of local need. Basing development plans and housing needs assessment on whole local authority or even cross regional areas will not give an accurate picture of **where** housing should be built, particularly housing for people on lower incomes. Taking whole local authority areas as single housing systems is like saying that a person looking for an affordable home is able to choose equally from all corners of the local authority area. This might be valid in some small, compact local authority areas, but is very unlikely to be true in many areas, especially rural ones.

Further, it is least likely to be true of the people most in need of council or housing association housing, who, by reason of income, access to private transport, social networks, illness and disability, or caring responsibilities are likely to have much more restricted search patterns for housing. There is a strong hypothesis that households

whose needs are to be met by social housing are much more limited in the distances they can travel, and we need to have a much better idea of what search patterns for different types of housing are. If we scale this up to planning for need on a cross-regional basis, without a clear sense of locally where the houses need to be built, we are in danger of failing to meet housing need and exacerbating the problems people face in finding homes where they need to live.

So the assumption that housing needs which have traditionally been met in social housing can be met in wider housing markets (which themselves are defined by search patterns in the owner occupied sector) is deeply flawed. There is no evidence to support this. The Scottish Government needs to get a better understanding of actual practicable search patterns for people on lower incomes or who are otherwise more marginal, before it pins too much hope on supra-local authority areas being able to cancel out surpluses and deficits.

We are disappointed that the Discussion Document does not emphasise the importance of good quality local needs assessment within local authority areas. The proposal for a specialist national support function could be expanded in order to ensure that local authorities have the skills and expertise to identify and track local needs. One way of doing this in rural areas would be to give national support to Rural Housing Enablers who could feed into local authority strategic planning systems.

Shelter ran a Rural Housing Enabler model through the Shelter Housing Action with Rural Communities project, which ran in Dumfries and Galloway from 2000 to 2007. This project developed and ran a community survey model to establish local housing need within rural communities. Over this period it carried out 24 community surveys and was instrumental in setting up Dumfries and Galloway Small Communities Housing Trust. Active community engagement and consultation ensured that there was solid local support for development. Shelter believes that there is a strong case for Rural Housing Enablers to be rolled out across Scotland and have developed proposals more fully in a separate paper.⁸ While our project was focussed on the needs of rural communities, elements of this model of community engagement could be adapted for urban communities.

So in summary:

We agree that there is a role for local authorities to cooperate regionally to ensure delivery of housing, but we do not agree that, within a context of setting realistic housing targets, housing needs assessments should be conducted on the basis of

⁸ Shelter: The Case for a Rural Housing Enabler Programme. November 2007 can be found here: <http://scotland.shelter.org.uk/files/docs/33554/the%20case%20for%20rural%20housing%20enablers%202.pdf>

housing market areas. Specifically, we urge the Scottish Government to:

- **conduct research that aims to better understand the search patterns for homes between different tenures and income levels.**
- **consider the potential role for Rural Housing Enablers to work locally to establish housing need and contribute towards delivery of houses.**

Question 3: Is there a role for a specialist national function to provide expert support for local authorities in strategic planning for housing? What expertise do you think this function would require?

Yes, Shelter would support a role for the Scottish Government to set targets, disseminate good practice, monitor the effectiveness of local strategic planning and to intervene where necessary. Clearly, however, the authority that any national function would have would depend on the extent to which the Scottish Government was able to practise what it was preaching: hence the importance of setting robust national targets for the number of affordable homes.

In order to be genuinely effective, the capacity of such a function, and the skills of the staff involved would have to be at a reasonably high level. This might best be done, at the outset, through secondments of senior staff in local authorities and from the academic, research and consultancy community.

Question 4: Even when land has planning permission there are still blockages that prevent new housing being built. What additional arrangements would, or could, accelerate development on land with planning permissions to help ensure that future housing supply targets are met?

While Shelter has little direct engagement with the planning system, the role of land use planning in the delivery of affordable homes in Scotland has featured in our recent work. This includes our membership of the Housing Supply Task Force, and also joint work with the Royal Town Planning Institute of Scotland, Scottish Federation of Housing Associations and Chartered Institute of Housing, and a round table event where we heard from a number of experts in planning and housing development. There are a number of points about the role of the planning system in ensuring the development of affordable housing that we would like to make that have come out of this work:

- As a general point, better integration of the different approaches taken by planning and housing departments, and getting them to work better together is of key importance in ensuring an efficient system. Within planning functions, it is important to

invest in both capacity and skills. Capacity is an issue so that strategic planning can be kept up to date and on top of market trends. New skills are also vital. The future points in the direction of a more engaged planning function, equally at home with negotiation as it is with the consistent application of rules. Joint working between housing and planning departments could be encouraged through joint planning and housing policy and practice guidance;

- Equally, the development of planning for infrastructure and general land-use planning needs to be better integrated. One of the major problems raised with Shelter was the huge amount of time it takes to conclude section 75 agreements in order to secure planning gain, and this, at least in part, is down to the different timescales adopted for investment planning, land-use planning and infrastructure provision.
- The ongoing review of SPP3 is aimed at giving better direction to local authorities to provide adequate and well located land for development, and to ensure that section 75 agreements deliver affordable housing. Shelter welcomes the consultation on SPP3, which was published in January 2008. The review should be focused on securing a more generous allocation of land for housing in development plans, releasing land more quickly through the planning system, ensuring that development plans identify sufficient land for housing where a need has been identified, and utilising new powers under the Planning etc (Scotland) Act for Ministers to intervene when a development plan does not reflect housing needs.
- The Housing Supply Task Force's work has been focused on addressing supply blockages. It has identified the disposal of public sector land and infrastructure constraints as key and we look forward to contributing to addressing these specific blockages through the Task Force.

There are a number of more specific points that could be considered to accelerate development on land that has planning permission:

- One of the frustrations articulated across the housing sector is the time taken between land being allocated for housing and development actually commencing, especially where ownership may change hands one or more times in the interim. One option would be to reduce the period for which an allocation of land for housing applies.
- Better project management and local authority intervention where blockages have been identified. This could include mediation between the planning authority, the developer and infrastructure providers to overcome stalemate situations
- A common blockage to development of housing and other accommodation is opposition from local communities. Shelter has developed and published a toolkit to address this problem called 'But Why Here?⁹'. The resource pack focuses on addressing what developers can do to prevent and deal with community opposition to

⁹ The Toolkit can be accessed via our website at <http://www.shelter.org.uk/butwhyhere>

building accommodation for homeless or socially excluded people. We believe that its lessons can also be applied to other types of development.

Question 5: We have proposed that much expanded or new, stand-alone settlements may be a valid solution. How should we best encourage the development of new, sustainable communities that are sympathetic to Scotland's landscape and environment?

NO COMMENT

Question 6: How should different types of assistance within LIFT be targeted?

The Discussion Document sets out several new initiatives to provide support for first time buyers. Shelter accepts that home ownership is an aspiration for a large number of people in Scotland. In the current housing market, it may well be that some limited and targeted government support to first time buyers may be appropriate. But while home ownership may be an aspiration for some, it is not necessarily an appropriate housing option for all people at all points of their life. Nor is it necessarily the job of government simply to meet aspirations, without any regard to the impact on other groups who may be in greater need of support to meet more fundamental needs. Most studies show that shared equity schemes and low cost home ownership merely accelerate entry to owner occupation rather than providing choices for people who are waiting for social housing.¹⁰

So while we support targeted government assistance to open up home ownership to households for whom the first step on the housing ladder is too high, Shelter would not like to see a focus on low-cost or subsidised home ownership substitute for a targeted programme of additional affordable housing for rent. The largest proportion of Scottish Government support should be directed into supporting affordable housing for rent, with additional initiatives addressed at supporting home ownership taking a smaller proportion of Scottish Government spending and investment.

With the exception of a £2,000 grant, which we discuss further in question 8, the proposals as part of a 'Low-cost Initiative for First Time Buyers' (LIFT) and the Scottish Housing Support Fund set out in the Discussion Document, appear to be reasonable and proportionate responses to the problems faced by first time buyers.

In particular, we support the approach represented by the Scottish Housing Support Fund. The main gain here would be increased volume of equity sharing arrangements. If lenders

¹⁰ Initial Evaluation of the Open Market Homestake Pilot. Communities Scotland. March 2007

take out a half share of the residual equity stake then public money could support twice as many approvals. Lenders have signalled willingness to discuss this further and it represents an excellent partnership model between public purse, individual consumer and private lender. Shelter believes that this new model should be developed and piloted to run alongside existing open market and new supply shared equity schemes. However, if the return to the lender was by way of equity gain rather than interest paid on debt we would query whether this is consistent with the quite legitimate aspiration to stabilise or even drive down prices.

Shelter would support targeting of the various LIFT initiatives on the basis of income relative to local house prices according to an affordability model. We think more could be done by RSLs and local authorities to better understand the needs of people on their housing registers and the extent to which a variety of options, not just housing lets, might meet these.

In addition, there is clearly a case for greater support to be given to households who need to live where less choice exists, or where the constraints of the housing market relative to income are greater. We think that consideration should also be given to extending the Rural Home Ownership Grant through changing it to a shared equity model rather than a grant. Overall, however, we believe that better understanding of the actual impact and incidence of subsidy is needed. It is not in the public interest to have subsidies the main impact of which is to stoke up land values and so benefit existing owners of land.

So in summary:

Government support for low cost home ownership should be based on four criteria:

- **It should be modest in scale**
- **Targeted at groups who would not otherwise have access to market housing and yet do not qualify for priority in social housing**
- **Any subsidy should be recyclable and value for money.**

Question 7: How could the Government stimulate more innovative mortgage and related products and services to assist people in purchasing their first home?

Shelter does not believe that innovation per se is what is required. There are already thousands of different mortgage products. We should first get a better understanding of what products are available and where the gaps are for people who need assistance in purchasing their first home. There is a clear danger that in creating products to enable people who are on the margins of being able to enter owner occupation, we will be encouraging people into debt that they cannot sustain.

Shelter would like the Scottish Government to give urgent attention to people who are encouraged into owner occupation that is unsustainable: in particular, the unregulated mortgage rescue scheme market. Due to recent problems with the sub-prime mortgage market, Scotland, in common with the rest of the UK, has seen the growth of private mortgage rescue companies. These companies offer struggling homeowners a way out of their mortgage commitments by buying their homes and renting them back. While some of these services may be offered by not-for-profit organisations, by and large, the market is dominated by unregulated private companies. Shelter has seen a rise in the number of clients who come to us having experienced problems with these private companies in recent years.

Homeowners in difficult financial circumstances are targeted by companies who claim to offer an immediate solution to avoid the threat of repossession and to clear their debts. The reality for many people is that these companies purchase properties at well below the market value. Tenants are usually charged market rents following the purchase, which may not be much more affordable than their mortgage payments. In addition, these companies offer very little security of tenure. The usual model is a fixed term followed by a rolling contract which effectively leaves the company able to terminate the contract at the end of the fixed term.

Shelter has had a number of cases recently where clients have fallen victim to a sale and rent back scheme and subsequently been in danger of losing their home. These are two typical examples:

- A woman and her 81 year old mother sold their house to a mortgage to rent company in order to clear their mortgage and raise money for home improvements. They became joint tenants in the property but were only given a 12 month Short Assured Tenancy. They are being charged a monthly rent of £880, and are trying to apply for housing benefit. They live in an area where Local Housing Allowance is in operation and benefit is restricted to £600 a month, and since they also claim incapacity benefit and pension credit they will struggle to make up the difference in the rent. They fear that their contract will not be renewed once the tenancy period is up.
- A woman whose marriage had ended lost her job and got into mortgage arrears. Fearing that her flat would be repossessed she sold it to a mortgage to rent company. Her claim for housing benefit has been refused on the basis that she cannot provide enough information about her circumstances when she sold the property. She is being charged a monthly rent of £975 and has fallen into arrears while the housing benefit decision is appealed.

There are growing calls for the activities of these companies to be regulated by the Financial Services Authority, and for the Office of Fair Trading to investigate and

scrutinise advertisements distributed by these companies. But Shelter believes that there is more that the Scottish Government should be doing to make people aware of the dangers of such schemes and to encourage them to seek proper financial advice before signing up to a purchase to rent scheme.

In particular, the Scottish Government could take action to better inform people about the Mortgage to Rent Scheme funded by Communities Scotland. The Mortgage to Rent Scheme provides a subsidy to a social landlord to buy a property at the market value and then rents back the property to the former owner at a social rent level with a Scottish Secure Tenancy. The benefits of this scheme are that the homeowner is offered a way out of their financial difficulties and would then pay an affordable rent while providing security of tenure. The new tenant would also be eligible to apply for housing benefit. At the same time it avoids further cost to the public purse of a potential homelessness application, while bringing into the social sector a new source of housing supply.

So in summary:

Shelter urges the Scottish Government to reflect on the necessity for more varied mortgage products and specifically:

- **to investigate the options that are already available to first time buyers and where the gaps lie, as well as considering the risks that encouraging more marginal first time buyers into home ownership may bring, before encouraging the market to develop new products**
- **conduct an information campaign to inform the public about the possible risks of mortgage rescue schemes and encourage people to seek financial advice before agreeing to sell their home to rent back.**
- **take action to better inform people of the Mortgage to Rent Scheme operated by Communities Scotland.**

Question 8: Should the Government provide direct cash grants to first-time buyers?

No, Shelter does not support direct cash grants to first time buyers. The proposal to provide a grant to first time buyers of £2,000 was met by widespread scepticism, with academics, lenders and house-builders querying whether it is the most cost effective way to support home-ownership. We are concerned that most of the money would be spent on providing financial help to those who do not need it (one estimate suggests that for only around 2 per cent of first time buyers would the grant be critical in their ability to purchase). At the same time it provides little support to marginal would-be home-owners:

the grant would make little impact on average first time buyer prices of over £120,000¹¹; while other costs related to house purchase are readily included in the loan and spread over the repayment period.

The consequence of giving a relatively small subsidy to a lot of people would be that some of the impact of the grant would be modest as the result of inflation as house prices in the first time buyer market are bid up across the board. The main beneficiaries would then be landowners and existing home-owners. Meanwhile, the cost of a first time-buyers grant would be between £40-£70 million per year (depending on the number of first time buyers) plus set-up and administrative costs at a time when the Scottish Government is giving additional emphasis to the need for greater efficiency in the use of public money. Shelter believes that this amount of money could be used more effectively both to target assistance on marginal home-owners and also to help other people in housing need.¹²

Public subsidy should be more effectively used through continuing support for existing measures to subsidise low cost home ownership schemes, particularly in areas of regeneration.

So in summary:

Shelter opposes the proposal to give direct cash grants to first time buyers. If Government support is provided to first time buyers it should be targeted to help those most in need, be maintained at a low level of public subsidy and focused on where its benefit can be recycled.

Question 9: How can the private house-building sector play a bigger role in providing, without public subsidy, increased provision of affordable starter homes?

We would like to see the Scottish Government extend the eligibility for open market shared equity schemes to owners who are struggling to pay their mortgage.

In addition, as part of a package of measures to support the development of low cost home ownership, we would like to see consideration of means by which developers can be encouraged to provide unsubsidised but below market shared equity products, for example as part of planning gain.

¹¹ Fifth Annual Halifax First Time Buyer Review, HBOS, December 2007

¹² Support for Home Owners: Briefing From Shelter Scotland. June 2007

Making greater use of the private rented sector to house homeless people

This box brings together the main points of our responses to questions 10-14. These points are discussed in more detail in answer to the individual questions below.

Shelter broadly welcomes the examination and debate around local authorities making greater use of the Private Rented Sector (PRS) to provide homes for people who are in housing need. Local authorities are already using the PRS to supplement their own stocks of temporary accommodation, but the Discussion Document goes further to suggest the possibility that the PRS could be used to provide accommodation to allow a local authority to discharge its statutory duty to households who are homeless.

It would be helpful for the Scottish Government to set out more explicitly where these policy directions are taking us. We believe that we are moving towards a specific sub-sector of private renting made up of landlords with long-term motivations and a commitment to higher and consistent management standards. They would be letting out longer-term tenancies and entering partnerships with local authorities or social landlords to house people normally housed in the social sector (although, as we explain, not at the higher end of the support spectrum). This intermediate sector would, potentially, be eligible for additional funding.

Shelter would like to see further in-depth consideration and consultation on the development and encouragement of such a sub-set of private landlords. We would be keen to work with the Scottish Government, landlords' representative and voluntary sector homelessness groups to set out firm proposals for providing incentives and supporting the role of private landlords in housing homeless people.

Shelter envisages a scheme where landlords who choose to get involved in housing homeless people would either meet an 'Accreditation Plus' standard or would be supported by an intermediary agent who may give advice and information, direct tenancy support or mediation. A key incentive for landlords to take on this role would be for the local authority to secure the flow of rent payment, including support from a housing benefit officer dedicated to resolving problems in administration. Incentives might also include access to specially negotiated insurance policies, rent deposit guarantee schemes and grants or loans to carry out repairs and maintenance. Our discussions with landlord bodies suggests that there is an appetite among some landlords for taking on this role, and this can be demonstrated further by the large numbers of landlords who have applied to join the Private Sector Leasing Schemes in areas such as Edinburgh.

We also want to see such landlords let on a new kind of tenancy regime: one which offers greater security than the 6 month SAT. We suggest examination of the 'Part 4' tenancy in

Ireland, which offers 3.5 year tenancies.

Moving towards opening up the PRS to households who are homeless is a significant development that may take 5-10 years to reach its full potential. The discussion document sets out changes that will blur the traditional distinction between social and private landlords. As social landlords take on more market-oriented activity, some private landlords may form a sub-set that makes them semi-social. The blurring of these distinctions raises important questions about regulation and accountability which should be explored further and in more detail. It also presents a challenge to housing professionals in both sectors to take on elements of the approach and philosophy followed by each other, which will take time to transfer. The consequence of this is that the extent to which the PRS can help to address the looming 2012 target is modest.

One important consideration that is not properly reflected in the Discussion Document is that it is very difficult to talk about the PRS as a homogenous group of landlords. There is a big difference between why landlords are letting, and how they view their role. Indeed it could be argued that some landlords in rural areas are already providing a semi-social role. We are strongly supportive of the research the Scottish Government is carrying out that will go some way towards establishing a strong evidence base for policy making on the PRS, and we hope that this research is reflected in the design of policy to meet the needs of homeless people.

Finally, it is important to be realistic about the scale of the contribution that the PRS may make to meeting the needs of homeless people. For example, the Discussion Document does not recognise the considerable variation in the size and significance of the PRS between different areas, in large cities such as Edinburgh it accounts for a large proportion of housing stock and could probably make a significant difference, but in other areas it may only account for a tiny proportion of local stock and its contribution will therefore be limited. Success in encouraging landlords to let to households who are homeless, and take on additional risks when there is already a strong demand for PRS tenancies in their area, will depend on the support they receive in doing this and the incentives they are offered.

That is not to say that the PRS could not play a specific and targeted role in meeting the housing need of people who are homeless or on low incomes, but that the contribution to meeting overall housing need should not be overstated. We are clear that we agree that the PRS can play a larger part in housing homeless people than it currently does, as long as the considerations over security, cost and management outlined in answer to question 10 are addressed, but we do not think that the PRS would be a suitable choice for every or even many households coming through the homelessness route.

Question 10: What issues do you consider should be taken into account when considering the increased use of private sector lets to house low-income and homeless households?

As the Discussion Paper sets out, the PRS may offer increased choice, opening up options that otherwise might not be available to homeless people in terms of the accommodation type and location. For some people at certain points in their lives, private rented accommodation may well be a good option. But it is also the case that a high proportion of clients come to Shelter as a result of leaving the PRS. Over 20 per cent of our clients cite a problem with a private tenancy as a reason for seeking our advice. This is a disproportionately high number when the PRS only houses 7.5 per cent of households in Scotland. Shelter has concerns about the security, cost and management quality of accommodation available to people in the private rented sector, and we set out these issues and recommendations below:

- **Security of Tenure**

Problem -

The vast majority of tenants in the PRS are given a Short Assured Tenancy. This generally only offers 6 months security of tenure, which is nowhere near enough to be considered settled accommodation or a permanent home. Shelter argues that there is a strong case for considering greater security of tenure or specific contractual arrangements to promote longer term tenancies. This is an issue not just for people seeking accommodation in the PRS after a period of homelessness, it is also a significant factor in enabling tenants to exercise their rights. For example, experience from our clients shows us that many tenants who experience ongoing problems with poor repair in their properties are reluctant to take their case to the Private Rented Housing Panel for fear that the landlord will seek to bring their tenancy to an end.

Recommendation -

Shelter does not agree that statutory duties to homeless people can be met with a Short Assured Tenancy. We think that as part of the review of the PRS, the Scottish Government should consider the ongoing suitability of the assured/short assured tenancy as the only tenancy type in the sector. This review should consider either revising the existing tenancy used in the PRS, or creating a specific tenancy option alongside the existing regime. A specific tenancy option could be designed to offer greater security to people who are being housed as a result of a homeless application (and perhaps other categories of household who might otherwise be in social housing). We think there is merit in investigating a model similar to the 'Part 4' tenancy in the Republic of Ireland:

A Part 4 tenancy introduces greater security of tenure for the tenant while still allowing the landlord possession of the property under certain circumstances. During the first six months, the tenant or the landlord can terminate the contract by giving 28 days notice without the need for a reason. After this period, the tenancy converts automatically to a 3 ½ year fixed term. During the fixed term, the landlord can only terminate the lease on one of a number of fixed grounds, and the notice period for both the tenant and the landlord increases over the period.

If this model were adapted for private landlords in Scotland who house people who have been homeless, during the first six months the tenancy would constitute temporary accommodation. We then regard it as possible that, for some households, moving seamlessly into a 3 ½ year fixed contract could be considered sufficient to stabilise their housing crisis, bearing in mind that if it did not do so then a further homelessness application could be made.

- **Cost**

Problem –

Rent levels in the PRS are significantly higher than the social sector, though these averages mask a wider variation in quality and type of accommodation. As the discussion paper identifies, households in receipt of housing benefit often find it difficult to access PRS accommodation. These difficulties arise from a combination of high rents, the structure of benefits (for example, the taper) and poor benefit administration which can lead to delayed payments and subsequent rent arrears.

The planned implementation across Scotland of the Local Housing Allowance (LHA) may add to the existing problems of affordability of PRS accommodation for people in receipt of housing benefit. The Department of Work and Pensions has announced that LHA will be paid according to average rent levels across a very wide housing market areas. The consequence of this will be that property in areas where rents are higher than the average will be out of reach of most people claiming housing benefit. This may concentrate lower income households in the parts of the housing market area where rents are lower than average.

Paradoxically, this could be in areas where most of the properties for rent are former social homes sold through the Right to Buy. It will have the impact of undermining rather than opening up choice of housing to people on lower incomes. Thus a set of

proposals designed to open up choice to wider areas and house types may simply end up reinforcing the distribution of people on lower incomes in particular areas.¹³

More generally, housing benefit tapers steeply when people get paid work, which creates a powerful disincentive to move into employment. The job opportunities available to people who are out of work are generally low paid, and the consequence of accepting even these positions is that rent becomes unaffordable, creating an increased risk of eviction and homelessness.

A further factor is that the Single Room Rent restriction means people under 25 who are on housing benefit have difficulties accessing PRS accommodation at all. The 'Room Mate' scheme operated by the Cyrenians in West Lothian aims to overcome this problem, but a limited voluntary sector initiative cannot respond to the scope of the problem across Scotland.

We discuss in more detail the problems with housing benefit administration in answer to question 14. But we also want to make a more general point about the wider cost implications of a policy to increase the use of the private rented sector. Expanding the role of the PRS in housing people on low incomes means increasingly relying on an income stream which is not under the direct influence of the Scottish Government. There are times in the past where a policy direction which relies on housing benefit has had the rug pulled from under it by the Department of Work and Pensions in Westminster.

Recommendation –

The problems associated with housing benefit administration and policy are largely outside the control of the Government in Scotland. While we continue to urge the Scottish Government to raise these issues with the Department of Work and Pensions in Westminster, it is also important to keep in mind the relative costs and benefits of subsidising rent payments within the private sector versus other forms of funding when making Scottish housing policy.

It may be that a separate form of subsidy will be required to be made available to landlords who are focusing on providing homes to homeless people to required standards.

¹³ An example of this is in Edinburgh, where, in the LHA pathfinder, there were 4 rental areas, of which one, Central Edinburgh, had significantly higher allowances than the remaining three areas. If a single market area had been used instead, many Central Edinburgh rents would have been out of reach of those on LHA. Since Central Edinburgh is the area with least social housing, the advantages of extending choice would have been lost.

- **Tenancy Management**

Problem -

The Housing (Scotland) Act 2006 recognised the poor state of repair of properties in the PRS and gave tenants rights to ensure that landlords carry out repairs. Shelter campaigned during the passage of that Act for tenants to be given similar protection to tackle poor standards of management in the PRS. We have extensive experience through advising our clients about the appalling management practices that persist in some parts of the PRS. The list of poor practice will be familiar to most people and includes unlawful eviction, harassment and unfair withholding of deposits. While we have never contended that poor management is endemic in the PRS, the number and scale of cases we deal with, which are themselves the tip of the iceberg, suggest that landlords who mismanage their tenancies are numerous. Question 11 deals with the more general need for better regulation of management in the PRS, but the point here is that we must address these variable standards when we consider greater use of the PRS for housing homeless people.

Recommendation -

With this in mind, Shelter would argue that the PRS is not necessarily suitable for people with high support needs. We would support consideration of using specially accredited landlords who would follow a letting code and could provide greater security of tenure, as discussed above, or using a form of intermediary housing management function which would operate to high standards. We also think that access to an independent dispute management or mediation system is necessary for all tenants in the PRS, and this role could be performed by an expanded Private Rented Housing Panel

So in summary,

We recognise that the PRS has a possible role in housing homeless people, but there are three areas which should be addressed to make this possible: security of tenure, cost and tenancy management. While we support further consideration of the role that the PRS can play in meeting the needs of homeless people, we think that the scale of this contribution will be modest. We propose a new type of tenancy alongside the assured and short assured tenancy which would give up to 3 years fixed term. We want to see measures to reduce costs and benefits traps, and we would like to see an mandatory accreditation plus standard for landlords who let to people who have been homeless.

Question 11: How should we ensure an appropriate balance between safeguarding tenants' rights and encouraging the private rented sector to achieve its full potential in Scotland's overall housing market?

We are not clear about the starting point for this question. If, implicitly, it is suggesting that the balance is too much in favour of tenants, this is not a position we would support. Since the 1988 Housing Act, landlords have had the balance of power. More recent changes, such as the repairing standard and the Private Rented Housing Panel, only modestly redress the balance. The problems with delivery of registration are largely about administration rather than the structure of regulation per se. One of the problems may be, again, a conceptualising of PRS as a single entity. In some parts of the market, tenants may well be assumed to negotiate their own best interests; while in the sub-sector we have described as intermediate there is a case for more consistent regulation and enhanced standards.

One issue that has been omitted from the Discussion Document is the problems that private tenants across the sector experience with the management of deposits by their landlords and letting agents. Shelter continues to believe that this is a significant and underreported issue for many tenants across Scotland and looks forward with interest to contributing to the research that will be taking place early in 2008. We think that the Scottish Government should commit to ensuring that deposits are protected for tenants in Scotland during this Parliamentary session.

Developing professionalism amongst private landlords means encouraging a view of tenants as customers. And as any customers in other contexts, tenants need to be assured of and enabled to exercise their rights. Landlords need to be encouraged to invest in the sector and tenants need to be confident they are getting a good service with rights of redress if things go wrong. Along with others in the housing sector we are concerned that changes to date have not been well thought out. Some significant problems with implementation have created a real risk that tenants are left confused, and landlords discouraged. We strongly support the proposed review of the regulatory and legislative framework surrounding the PRS, and the research that has been described.

So in summary:

Shelter argues that despite recent changes in regulation of the PRS, landlords still hold the balance of power in tenancy arrangements. We look forward to the proposed review of the legislative and regulatory framework surrounding the PRS and the proposed research as a vital opportunity to address some of the problems that tenants face, and to generate confidence among landlords and tenants alike.

Question 12: Do you think there is sufficient engagement between the public sector and private landlords? If not, what else should national and local government be doing?

Over recent years, the Scottish Government has encouraged local authorities to engage and communicate with private landlords. While we welcome this initiative, we would question whether local authorities have the capacity to do this well. Many are just beginning to develop private rented sector teams in response to registration, and the level of commitment to engaging with landlords varies widely across Scotland.

Perhaps more significantly though, is the fact that there has been very little communication between local authorities or the Scottish Government, and private tenants in Scotland. When taking the Discussion Document forward, the Government should consider further engagement with landlords, and also communicating more effectively with tenants and potential tenants in Scotland. That tenants know about their rights and can act to ensure they're upheld is the underpinning principle of much of the regulation that has recently been introduced. If the Scottish Government is committed to light touch regulation of the Private Rented Sector, then supporting and equipping tenants and landlords to exercise self regulation should be given a higher priority. This means investing more in publicity and information at local and national level.

The implementation and success of Private Landlord Registration and the Repairing Standard is dependent on tenants of private landlords understanding and exercising their rights. For example, local authorities are encouraged to rely on information already available to them to make decisions about whether a landlord is fit and proper to let. A vital element of this information will be complaints made to the local authority by tenants. But without proper publicity, many tenants may not be aware that local authorities have an interest in the operation of their tenancy, let alone have any powers to intervene to protect their rights, and without this knowledge they would not automatically contact their local authority with a complaint.

Landlord Registration should also be a means of allowing potential tenants to check whether their prospective landlord is properly registered. The effectiveness of such consumer-led regulation also depends, however, upon prospective tenants knowing about the national database. In addition, the recent introduction of the Repairing Standard has given tenants a form of redress when their landlord fails to maintain a property. But unless tenants are made aware that they can refer their complaints to the Private Rented Panel, the Panel will be underused and measures to address poor repair in the private rented sector will fail.

Advertising aimed at tenants and potential tenants has been well below what is necessary to ensure recent regulatory changes are efficiently communicated. For example, the

introduction of the Right to Roam in Scotland was accompanied by a dedicated publicity budget, with TV and radio adverts that were guaranteed to reach a wide audience. By contrast landlord registration has not been given a specific budget to ensure that landlords and tenants are made aware of their rights and responsibilities, and as a consequence the level of publicity and awareness raising by local authorities has been limited to websites and leaflets. The majority of people who come to Shelter seeking advice in relation to problems with their private sector tenancy are unaware of either landlord registration or the Private Sector Housing Panel, and very few have an understanding of their rights in cases of illegal eviction, harassment or in relation to payment of deposits and charges.

The establishment of a National Landlord Accreditation Scheme for Scotland presents an excellent opportunity to communicate with tenants across Scotland. Promoting the Scheme should also raise the profile of good tenancy management standards and inform tenants and potential tenants about their rights and responsibilities.

So in summary:

Shelter is encouraged to see many local authorities developing their capacity to engage with private landlords. We are disappointed, however, that equal attention is not given in this consultation to communicating with tenants and potential tenants in the PRS.

Shelter would like to see more effective and dedicated publicity and information aimed at informing people of their rights and responsibilities as tenants, and encouraging them to exercise those rights. In addition, we look forward to the introduction of the National Landlord Accreditation Scheme which presents an opportunity to raise the profile of good tenancy management standards and give information to tenants across Scotland.

Question 13: What other options should we consider for increasing the supply of private rented housing for low income and homeless households?

Currently, as the Discussion Document identifies, tenants in receipt of housing benefit are often disadvantaged by the benefits system and routinely discriminated against by landlords. Forthcoming changes to the housing benefit system, with the introduction of Local Housing Allowance in April 2008, are designed to eliminate the ability of landlords to refuse to let to tenants on housing benefit by paying benefit directly to tenants.

Local Housing Allowance rates will be based on much wider housing market areas than benefits levels are currently, which may mean that fewer properties in more restricted locations are available to people claiming housing benefit. The decision to take such wide

market areas to set the LHA rate undermines a fundamental rationale for LHA. The consequence will be that households on housing benefit will be restricted to properties at the bottom of the market, or properties in areas that are otherwise hard to let.

In reality, this may mean that in urban areas, ex-right to buy properties will be all that are available to housing benefit recipients, and in rural areas, people on housing benefit are excluded from their own communities and pushed further away from social networks and employment. Instead of opening up the PRS and removing discrimination, it may instead restrict and remove the key benefit of the PRS: choice.

Private Sector Leasing Schemes offer landlords incentives to hand over the management of their properties in order that intermediary managers can let to people who are most in need. In the context of rising demand for temporary accommodation and the challenges presented by meeting the changes to priority need by 2012, Shelter thinks that PSL schemes have a significant role to play in expanding the availability of housing for local authorities to meet housing need. But while we accept that these schemes have a role to play, they are not the only way to encourage landlords to let to homeless households or households in receipt of housing benefit.

As we have set out in our answer to previous questions, it is unhelpful to consider the PRS as a homogenous group of landlords and properties, and this is particularly the case when we are considering how increased use can be made of the PRS to house homeless and vulnerable households. Incentives targeted at landlords who are willing to adopt a 'semi-social' role or to accept the sometimes more problematic relationship with housing benefit administration systems could be given a special status or recognition along with additional benefits. As we introduced in the preliminary comments to questions 10-14, Shelter would like to see a form of specialised voluntary accreditation/intermediary support system for such landlords introduced. In recognition that landlords are undertaking the added commitment of meeting public policy goals, a range of incentives could be developed along the following lines:

- be supported in providing information and advice to tenants
- have security that the local authority would ensure the flow of rent payments
- have access to a dedicated housing benefit administration officer to fast track claims and deal with problems
- have access to rent deposit guarantee services and deposit dispute resolution.
- have access to a tenancy support project to work with tenants and mediate where problems arise

In addition there could be specific incentives for landlords who choose to join such a scheme. A subgroup of the Housing Improvement Task Force reported specifically on the

PRS, and recommended that the Scottish Government take forward with the UK Government proposals for tax measures such as VAT relief on repairs and maintenance. We think that consideration should be given to similar incentives for landlords who are accredited in this way.

So in summary:

We agree that the operation and administration of housing benefit is the most significant disincentive to landlords to let to people on low incomes or who are homeless. While we accept that private sector leasing schemes have an important role to play, particularly in helping local authorities meet the 2012 deadline, we would like the Scottish Government to explore further ways to encourage a sub-sector of private landlords who could offer a semi-social role. One way of doing this would be to establish a form of specialised accreditation/intermediary support system for landlords who choose to let to people who are homeless or on low incomes. A key element of this would be to secure the flow of rent payments and give direct support with administering applications for housing benefit.

Question 14: How could more private landlords be encouraged to let to tenants on benefits and homeless households?

Shelter's understanding is that landlords do not have concerns about letting to people who are homeless per se; rather that issues with payment of housing benefit act as a barrier. This has been reinforced by discussions with private landlord bodies and with organisations and public bodies who work with private landlords and with homelessness. We recommend that this important point be tested more fully by research.

The main disincentive for landlords is failure and unreliability of the administration of housing benefit which leaves them open to rent arrears and financial difficulty. It is our understanding that if problems with housing benefit administration were addressed then the majority of landlords would have no qualms about letting to tenants who are in receipt of benefit.

In our response to questions 10 and 13, we have sketched out a possible scheme to support and incentivise landlords to provide a 'semi-social' role. The most important element of this scheme is to give landlords security that the rent would be paid, and that they would not incur a loss due to hold-ups or failures in the system. One way of achieving this is for local authorities to consider using the facility to make sure that Local Housing Allowance is paid directly to the landlord rather than the tenant. This can be used currently when a local authority believes that the tenant may have difficulty paying the rent

themselves. Landlords whose tenants receive housing benefit but do not pay their rent are also allowed to apply to a local authority after eight weeks of non payment for the direct payment facility to be considered. We are suggesting that local authorities consider giving private landlords the security of direct rent payment from the start of a tenancy when they are housing people through the homeless route.

We do not think that the idea of a 'Tenant Accreditation Scheme' is a solution to the problems that landlords encounter with tenants on housing benefit. Quite apart from our concerns with the operation and fairness of such a scheme, we are strongly of the view that a tenant accreditation scheme would not address the central concerns that landlords have about letting to tenants on housing benefit.

It is not clear from the Discussion Document the form tenant accreditation would take. If the intention is a scheme intended to certify that potential tenants were aware of their rights and responsibilities we would be broadly supportive, although it is difficult to see what advantages that would have over the current system of references. But we would strongly resist a scheme that has the potential to exclude tenants. We have understood from our discussions with landlord bodies that landlords would not be in favour of a list of 'bad' tenants either. Such a scheme would be unfair, difficult to administer, and crucially, not address the key concerns that landlords have over the payments of benefits. Any further consideration of Tenant Accreditation should be accompanied by detailed consultation.

So in summary:

We agree that the operation and administration of housing benefit is the most significant barrier to accessing PRS accommodation faced by people on low incomes or who are homeless. However we would oppose a tenant accreditation scheme designed to exclude some tenants. Securing the flow of rent payments to landlords who let to homeless households by considering paying local housing allowance directly would address the central concern that landlords have.

Question 15: What other schemes or incentives might help us to recycle empty properties more effectively?

There are a considerable number of homes in the private sector in Scotland that have been empty for more than six months. Given the shortage of affordable housing and housing market pressures, it is counter productive to have houses lying empty. The issue of empty homes is particularly important at a time when the lack of affordable housing is resulting in increasing numbers of homeless families being housed in temporary accommodation, including bed and breakfast hotels. Empty homes represent waste in

terms of unmet housing needs and generate financial cost to a landlord or property owner through rent losses and council tax payments. Properties that are vacant for long periods can also have an adverse effect on the local community as they can attract vandalism, arson or antisocial behaviour.

There are at least 87,000 empty homes in Scotland (3.8 per cent of stock in Scotland compared with an average of 3.4 per cent across the UK). 48,091 of these empty homes are in the private sector, which accounts for 55 per cent of all vacant residential properties. A large number of these properties are transitionally empty as owners move between houses or while repair work is undertaken. However, 46.7 per cent of vacant properties (around 22,500) in the private sector have been empty for more than six months. Addressing the problem of empty homes in Scotland would benefit communities, add to the supply of houses for local authorities to meet their housing duties and generate revenue for the property owners.

Making better use of empty homes is part of the response to meeting 2012, albeit a small part of the solution. We would strongly encourage the Government to consider the range of tools that local authorities have to encourage owners to bring empty homes back into use. For example, existing tools consist of commissioning surveys of empty properties to identify where homes exist that can best meet local need, and establishing incentive schemes or leasing schemes to refurbish and bring properties back into use.

Local authorities should be setting out their approaches to empty homes as part of local housing strategies. However, to date, Shelter understands these to be fairly patchy. One authority that has recently attempted to set out a longer term approach to empty property is Argyll and Bute Council which has set up a strategic housing investment fund, drawing on additional income from second homes and from developers' contributions through the affordable housing policy.

If council tax is abolished, there is uncertainty over the continuation of income generated from the reduction in council tax discount on empty and second homes. This is a potential problem for local authorities seeking to address the problem of empty homes. Under the scheme, any additional income generated by cutting the discount must be retained locally and used to provide new-build affordable social housing. The income from this source, nationally, amounts to an estimated £17 million annually, which would be lost to local authorities if council tax were abolished.

An additional concern is that the council tax discount is the only accurate way of identifying the number and location of second and empty homes for strategic purposes. Any reform of local authority taxation must consider and make allowances for these issues, and the potential of creating a perverse incentive to keep homes empty by removing the council tax payment on them altogether.

Finally, we would like the Scottish Government to consult on adopting powers similar to Empty Dwelling Management Orders (EDMO's) which exist in England and Wales¹⁴. These Orders enable a Local Authority to take temporary management control of long term empty properties to bring them back into use where an owner refuses to take part in any other scheme that is offered. Early signs from England where similar orders were implemented in July 2006, are that very few EDMO's are enforced but that hundreds of houses have been brought back into use now that local authorities have this sanction. In addition, establishing a legislative power has given local authorities a new impetus to engage with owners of empty properties and seek solutions to local housing needs. Shelter would like to have further dialogue with the Scottish Government on these issues.

So in summary:

There is a strong case for better use to be made of empty homes in the private sector in Scotland that could make a small contribution to meeting overall housing need and the demand for social housing. The Government should give attention to the issue of income from council tax on second homes when considering the reform of local government taxation, and we would like to see consultation on powers for local authorities to take temporary management control of long-term empty property.

Question 16: Do you agree that we should exempt new build social housing from the Right to Buy?

Shelter agrees with the policy of exempting all new build social housing from the Right to Buy (RTB). It is a measure that will self-evidently protect new build social housing from leaving the social sector in the long term and get value for money from public subsidy. It also sends a strong signal to local authorities that they are being encouraged to invest in new social housing.

Shelter believes that for the policy to be credible and have some impact there need to be very clear rules around exceptions. We think it is legitimate for householders removed as a result of a demolition to retain RTB, because the house is being taken away and they are being moved compulsorily. However, we would argue against further exceptions along the same lines. On the face of it, we can see a case for RTB to be retained if a family moves to a new property to relieve overcrowding or in a number of other circumstances where it is to improve the quality of life of the household. However, it is important to bear in mind that no-one is having a RTB removed. It will continue to exist (and continue to

¹⁴ Shelter, Compulsory Leasing of Empty Homes in Scotland. March 2005 can be found at: <http://scotland.shelter.org.uk/policy/policy-421.cfm/ct/2/sb/36/pg/2/plitem/166>

accumulate discount) even while the household remains in the new property; it simply will not be able to be exercised during the time of that tenancy. If and when the household moves to another property built before the cut-off date, the Right to Buy will go 'live' again.

The modernised RTB, introduced by the Housing (Scotland) Act (2001), set a clear precedent for tightly defining the criteria under which the preserved RTB could be retained. It also established that households should be informed of the implications for their Right to Buy before any move. In implementing this welcome policy change, the aim should be to maximise its coverage and limit any exceptions to the absolute minimum.

While we support this specific policy change, we would like to emphasise that there should also be a more wide ranging review of the Right to Buy in Scotland, and we explain this in more detail in our answer to Question 26.

Question 17: Do you agree that we should subsidise local authorities in areas of need to use their prudential borrowing capacity to build new council houses?

We find this part of the paper difficult to respond to, not least because it is not clear what kind of subsidy might be in place and how it would dovetail with the allocation of grant for RSLs. The distribution of prudential borrowing capacity doesn't necessarily relate to housing need in every local authority, which would mean that in some areas local authorities would not have the capacity to invest in new social housing despite a high level of housing need. The rationale for subsidy may be to even out these historical anomalies. However, we are also surprised that there is no cross-reference to the Scottish Government's separate consultation on the Scottish Futures Trust where housing is mentioned among the early priorities.

Question 18: Do you agree that we should introduce large-scale competitions for subsidy?

A system designed to achieve greater efficiency should not be at the cost of affordability, quality and location. While moving to a funding model that emphasises competition may lead to better value for public money, it may also compromise the quality and diversity of social housing development. We are concerned that in the drive to reduce costs, the value of the finished product, lifespan, quality, and suitability to meet needs may be lost to maximise savings. Small-scale rural schemes and housing to meet the requirements of people with disabilities are just two examples where development may be more costly.

Question 19: If not, how would you ensure that public subsidy is used to build as many good quality RSL houses as possible?

NO COMMENT

Question 20: Do you agree that we should subsidise the development of houses for mid-market rent?

Shelter agrees with this approach to expanding the range of options for increasing choice, but we argue that investment in houses for mid-market rent should not come at the expense of investment in affordable housing. We also argue that there needs to be a much clearer definition and understanding of exactly what we mean by ‘mid-market’ rent. The term implies a rent set at the middle of the range of market rents, rather than our understanding of the more commonly used term ‘mid-rent’ which signifies a rent between a market and a social rent.

Local authorities and Registered Social Landlords need to develop a better understanding of their tenant base and future tenants needs in order to plan for the range of housing options that they should invest in. There needs to be a better understanding of the relationship between mid-rent property and property for rent in the private sector. If the intention of developing mid-rent is to provide alternative choices to social rented housing, then this will be undermined if the main group of tenants attracted to mid-rent come from the private sector.

Question 21: If so, should the subsidy be awarded as part of the competitive regime for awarding HAG that we are proposing?

Yes, it should be awarded as part of the prevailing HAG regime.

Question 22: If not, how would you increase variety in social housing?

NO COMMENT

Question 23: Do you agree that we should encourage landlords to look at means of adjusting the mix of their stock in the interests of achieving more sustainable mixed communities?

Shelter believes that sustainable communities are communities where there are a mixture of tenures, and a mixture of types of housing. The best way for local authorities to achieve

this balance is through encouraging them to diversify the range of stock that they hold and to be able to provide housing across a range of tenures, including mid rent and shared equity, and for planning authorities to encourage the creation of mixed developments through proper use of Section 75 agreements. We envisage that in developments over a certain size there are a combination of open market housing (including private sector rented), private shared equity, public/social shared equity, mid-rent and affordable rented social housing. This would have a mix of housing types and styles to suit local housing needs, but there would be no difference in the quality or design between different tenures.

Shelter has a particular concern with the implication in the Discussion Document that allocation guidance may be amended to encourage local authorities to engineer mixed communities through selection of tenants. This will inevitably mean undermining the principle that social housing should be allocated primarily on the basis of need. In the context of demands on local authorities to meet 2012 we should guard against any potential for pressure to change both the guidance associated with and rationale for allocations policies to the disadvantage of vulnerable and homeless households.

Shelter is not convinced that varying allocations mechanisms is the right way to create sustainable and mixed communities. We believe that allocations policies should work to ensure that the needs of the most vulnerable, people who are homeless or badly housed should be prioritised, and that artificially manipulating allocations is not the best way to create 'mixed' communities. As we said in the introduction to this response, giving local authorities and RSLs the responsibility of engineering sustainable communities through picking and choosing tenants, is neither desirable nor practically possible. In principle, we see the merit in the introduction of choice based allocations systems that are properly designed to ensure that people assessed as having a pressing housing need are given a degree of priority. The Discussion Document highlights the difficulties of introducing real choice into allocations systems in the context of restricted supply. In these circumstances, research suggests that applicants in greatest need may be significantly disadvantaged as opposed to other applicants in a system designed to facilitate choice¹⁵. Where choice based systems are adopted, it is imperative that people who are disadvantaged in their ability to exercise choice, for example because they are homeless, should be given support and advocacy to navigate the system.

The opportunity to exercise real choice is one that will not be realised until there is a step change in the availability of affordable housing for rent in Scotland. In the meantime, we must ensure that guidance given to social landlords on their allocations policies continues to prioritise the principle of need, while enabling real choice for people who are in a position to exercise it.

¹⁵ Shelter, *A Question of Choice: Good Practice and Issues in Choice Based Letting*. 2005
Pawson, H et al. *Monitoring the Longer Term Impact of Choice Based Lettings*. 2006

Finally, the Discussion Document also refers to a commitment to ensure that common housing registers are fully implemented across Scotland, including considering making them mandatory. While we support the principle of common housing registers (CHRs) in terms of opening up opportunities for people looking for social housing, Shelter believes that more consideration should be given to the way that CHRs, choice based lettings systems and the Section 5 referral system work in practice. In addition, although it is possible to legislate for all social landlords to participate in a CHR, it is not possible to legislate to ensure that they are well set up and run. If mandatory CHRs are proposed there should also be proper independent regulation of how they are managed.

Given the uncertainty that some landlords are expressing about the requirements of allocations, the different directions that CHRs, choice based letting systems and section 5 referrals are taking us, and the implementation of homelessness legislation, we think that the Scottish Government should implement a more wide ranging review of the purpose of allocations to social housing in Scotland. We welcome a consultation as set out in the Discussion Document, but would like this consultation to be based on a more thorough analysis of the direction that allocations should take.

So in summary:

We support the creation of sustainable and mixed communities, but argue that the way to achieve this is through development and creating tenure choice rather than through allocation. Shelter would like to see a review of the operation and interaction between common housing registers, choice based letting and section five referrals in the context of homelessness to see whether they produce positive outcomes for tenants, prospective tenants and homeless people.

Question 24: Do you think that subsidies for development should be provided to bodies other than registered social landlords?

Yes, but see our qualifications in answer to question 25 below.

Question 25: What sorts of protections should be offered to tenants in these circumstances?

Shelter would not oppose further consideration of subsidy to bodies other than social landlords. Indeed, this is consistent with our arguments for an intermediate form of private renting. New, not-for-profit organisations such as trusts formed in the exercise of community right to buy may also have a valid case to make for support to build homes.

However, we believe strongly that access to funds needs to be proportionate to the benefit which will accrue to tenants/residents and to the public purse in the long term. We do not want to encourage one-off subsidies, the impact of which is lost quickly after being passed over. This implies:

- Some form of accountability in the nature of the organisation receiving subsidy – in particular a commitment to meeting needs not otherwise met by the market.
- Assurances about what happens if the asset is sold (wider application of the model Rural Housing Burden may be valuable here).
- Some form of regulation.

If a high level of public subsidy is given to private developers to invest in affordable housing, their tenants should be offered a range of rights consistent with tenants in the social rented sector. There needs to be careful consideration and consultation on the type of tenancy offered to tenants of landlords who have benefited from public subsidy, in addition to the management arrangements for the property. In some circumstances it may be appropriate for the management of the tenancy to be subcontracted to a RSL. In the very least, consideration should be given to how tenancies would be allocated, and who would regulate and oversee their operation.

Question 26: Do you think that the Scottish Government should vary Right to Buy discounts by (a) locality and/or (b) type of property?

Shelter, along with other housing organisations in Scotland has been calling for radical reform of the Right to Buy (RTB)¹⁶. We strongly support the Scottish Government's intention to give urgent attention to this reform especially since the RTB is continuing to deplete housing stock at the same time as social landlords' responsibilities to house homeless people are increasing. When a house is sold through RTB it will still be used to house someone, but in the long term it will no longer be available for a council to meet its statutory duties.

Most of the time RTB has operated in a fairly uniform way throughout all of Scotland and has led to the sale of almost half a million rented homes to sitting tenants. Many of the problems are not necessarily inherent to RTB itself; rather they stem from the way it operates in this uniform way. With the exception of the 'pressured area' status, the RTB offers very little flexibility with regard to local context. So in one area, RTB sales may be

¹⁶ Shelter Scotland, Impact of the Right to Buy, January 2006, and Shelter Scotland, The Right to Buy in Scotland: Options for Reform, December 2005 can be found at: <http://scotland.shelter.org.uk/policy/policy-421.cfm/ct/2/sb/36/pg/2/>

quite benign, genuinely introducing greater diversity; in other areas, their impact may be to seriously undermine attempts to ease pressure in local housing markets.

We support the suggestion in the Discussion Document that the Scottish Government will explore ways to achieve greater local flexibility within the scheme, but think that this should not be limited to the Scottish Government varying the terms of the RTB as they apply locally.

Shelter is calling for a more fundamental overhaul of RTB to make it much more flexible – to make it align with local housing strategies rather than being an obstacle to delivering them. Such flexibility could give greater discretion to landlords to determine the scale, pace and terms of sales in a way that supported the local market. If we are serious about local housing strategies being the driving force of housing provision locally then councils need the tools to do the job.

There is a case for giving local flexibility as to how RTB is determined, but local authorities would need to improve how they analyse local housing markets in order to justify exercising discretion. RTB would then become a tool of local housing strategy rather than riding roughshod over it and, to the extent that RTB has had positive benefits, the distribution of these benefits could be shaped by public policy rather than being – as at present – the arbitrary outcome of a national scheme with no respect for local conditions.

We argue that centrally determining the level of discount would not give local authorities the discretion that they need to manage RTB sales. Modelling research conducted by Newhaven¹⁷ suggests that simply reducing discounts has a modest impact on overall sales numbers, though it might influence where sales happen. It would be useful to evaluate the modernised RTB in Scotland in light of this. A benefit of reducing discounts may be that by generating a higher per unit receipt to redirect back into investment, discounts can be made better value for money and receipts could be reinvested into new stock where there are no constraints on land or infrastructure. However, local circumstances may be such that no amount of reinvestment of receipts will replace a RTB property once it is lost to the social sector.

The policy of enabling councils and other landlords to determine the properties on which the RTB should be allowed is an extension of the principle of the Scottish Government granting pressured area status (PAS) that was introduced in the 2001 Housing (Scotland) Act. Our proposals could allow councils and other landlords much greater discretion over which properties in which areas are covered by RTB, or how RTB affects them.

¹⁷ Newhaven Research (October 2005) Right to Buy in Scotland: Impacts of the Current Policy Framework and Options for Reform

Within the context of providing local flexibility, there are a range of options that local authorities and registered social landlords could have to better manage the supply of housing stock and vary the application of the RTB. These options can be summarised as

- Varying the terms of the RTB, including varying discounts, extending the qualifying period for discounts and extending the claw-back period for discounts.
- Allowing exemptions to be extended, for example either by area, type or size of property.
- Enable recovery of a former RTB property, for example by building a right of pre-emption for the social landlord into the sale of the property under the RTB.

Although allowing more flexibility, discretion should not equal a complete freedom to determine RTB. A landlord would still have to justify their decisions based on local housing need and set out their approach in the Local Housing Strategy. This approach may be more acceptable as it is an extension of existing powers to designate pressured areas and existing exemptions to certain types of housing. We believe that consideration should be given to making these powers to vary the terms of the RTB also apply equally to existing and modernized RTB where local pressures justify restrictions on sales.

So in summary:

Shelter agrees that changes should be made to the Right to Buy to limit its impact further. We support the idea of varying discounts more generally but believe that the Government should go further than this by giving local authorities and RSLs more local flexibility to determine where sales take place.

Question 27: Do you agree that ALMOs can provide a satisfactory alternative to stock transfers?

As before, in relation to councils using prudential borrowing capacity, we find the reference to ALMOs hard to respond to because it is not set out in the context of other ways in which additional finance might be brought into housing (for example, the Scottish Futures Trust).

As regards ALMOs specifically, their value is almost entirely in how they can bring new investment and focus for existing stock, so we have restricted our comments on how effectively authorities can discharge homelessness duties if an ALMO is set up.

Shelter set out its position on assessing stock transfer proposals that would also have some relevance in the context of ALMO's¹⁸. Some local authorities in England have subcontracted management of their homelessness assessment and allocation function as temporary accommodation. In the same way as with the process of stock transfer, the statutory duties would remain with the local authority, and Shelter would expect to see proper consideration of the relationship between the local authority's residual housing functions and the role of the ALMO.

Question 28: Do you think that additional help from Government to enable landlords to meet the SHQS should be linked to improvements in a landlord's performance?

NO COMMENT

Question 29: If so, what measures do you think would be beneficial? If not, why not?

NO COMMENT

Question 30: Do you agree that we need to find new ways of focusing on the quality of place/open space and greenspace within deprived neighbourhoods?

Shelter's experience of working with families who are experiencing homelessness or poor housing conditions has underlined for us the importance of green spaces and play areas to families and the whole neighbourhood. Children whose housing situation is insecure or temporary can feel isolated from the communities around them, and the opportunity to play safely in open spaces adds immeasurably to their quality of life at a time when they are experiencing stress and uncertainty. Children and families who are forced to live in poor quality housing or in overcrowded situations should have access to outdoor spaces where they can escape from their home environment for a time and have fun together.

Most families, especially in urban areas, will not have access to private garden space, and so the quality of public play areas and greenspaces becomes even more important. Playing outdoors gives children and parents an opportunity to make new friends and feel part of a community that is not connected to either their homelessness or housing situation. In addition, the weight of research shows that exercise and fresh air can contribute to the ability to manage stress and lead to longer term health benefits.

¹⁸ Shelter Scotland, Criteria for Assessing Future Stock Transfer Proposals, December 2005 http://scotland.shelter.org.uk/files/docs/15060/assessing_stock_transfer.pdf

We would encourage the Scottish Government to consider providing incentives and targets to landlords to encourage them to make better use of public space around social housing, as well as additional emphasis on the design of future development to incorporate good quality public green spaces.

Question 31: Do you have suggestions for approaches that are not resource intensive and that include stakeholders?

NO COMMENT

Question 32: Do you agree that the lead role (and recipient of any resources) to undertake this work should be open to a range of stakeholders?

NO COMMENT

Question 33: Do you agree with the features and principles we have set out here for a modernised regulation framework?

Shelter supports that general features that have been set out for a modernised regulation framework. We have called for a move away from cyclical inspections and towards inspection and intervention where it is necessary or concerns have been highlighted; however, we are not clear that any new capacity is available to pursue this meaningfully. Protecting tenants from risks means having both the flexibility to intervene when concerns are identified and an inspection system geared up to address failing services and management.

Question 34: How would you like social housing regulation to be organised? (For example, should it be a separate organisation or part of a group of other regulators?)

Our main concern about the new arrangements are that the regulatory role should be independent of local authorities and national government. Communities Scotland accrued a great deal of expertise which should be transferred as far as possible into the new regulator. Finally, we endorse the position set out in the Discussion Document that regulation should be focused on protecting the interests of future tenants as well as current tenants. This means having as much regard for people held on waiting lists and for those making homeless applications as for existing tenants of social landlords.