



Housing Debate 21 June 2007

Key points

- The recent commitment to the 2012 homelessness target is welcome; the new Executive now needs to commit to funding 30,000 new affordable rented homes between 2008-11.
- Targeted initiatives to support house-buyers are important but there are major misgivings about the effectiveness and value for money of a broad-based first-time buyer grant.
- Ministers should give early priority to improving the delivery of private landlord registration; and make a commitment to giving tenants the same security over deposits as in England.
- Decisions about the future role of Communities Scotland should not be made without considered analysis of the agency's many functions and where they might best be placed.

Homelessness and affordable housing

The First Minister confirmed on 14 June that the new Executive is committed to delivering on the internationally-acclaimed target that, by 2012, every homeless person in Scotland will be entitled to a home. Shelter is delighted that the commitment continues to command Executive support and continues to place Scotland in the vanguard of homelessness policy in Europe.

The period between 2008-2011 will be pivotal for delivering that commitment. Over that period Shelter has estimated that 30,000 affordable rented homes will be needed and we have submitted the detailed case to the Minister for Finance and Sustainable Growth. The *additional* cost of this programme would be 0.8% of the Scottish budget.

Housing investment

Over the last ten years whole stock transfer has been the main vehicle for investment in the existing housing stock. Shelter believes that the policy now has real credibility problems and that a wider appraisal of possible investment options is needed. These options need to be accompanied by serious discussion with the UK Treasury over which might open up housing debt write-off.

Support for home-ownership

The new Executive is right to emphasise the difficulties faced by marginal home-owners, including first time-buyers. We welcome the Scottish Housing Support Fund, which, we understand, will build on existing equity-sharing schemes to offer targeted help for house purchasers. We also welcome the commitment to align the right to buy to make it more locally responsive. The previous Executive made important steps forward in this respect; we believe that more local discretion is consistent with the focus placed on local housing strategies.

Shelter has many more reservations about any form of first time buyer grant. We see this as expensive, inefficient, untargeted (that is, providing funds to many who do not need it) and ultimately ineffective as it simply feeds further house price inflation. We hope that ministers will look carefully and take further evidence before deciding whether to proceed with this scheme.

Planning and land release

It is absurd, in a country where only 3% of the land cover is urban, that we should be talking of land shortages. We welcome practical measures to unlock water and sewerage capacity and to ensure that all public land is appropriately audited for potential use for affordable housing. We also believe that the planning system can do far more to release *and* retain land for affordable housing. The Executive is looking at quota policies such that a proportion of developments is set aside for affordable homes. Many councils already have such policies: the key is improving practice to ensure that developers actually provide the land. Shelter also wants to see further consideration of policies which ensure that specific sites are earmarked for affordable homes.

Private renting

Private renting has undergone a minor renaissance in recent years and Shelter believes that a professional well-run sector has a vital role in offering housing choice, particularly for younger and more mobile groups. We believe that comprehensive landlord registration, which was implemented on 30 April 2006, is a policy which is simply not delivering, with thousands of applications still to be approved. The policy's intention – to weed out the cowboy landlords – is the right one. But the danger is that, unless the delivery is improved, the sector will lose the well-intentioned landlords whose support is needed for the sector to thrive.

Shelter also believes that early progress can be made in providing protection for tenancy deposits. Tenants in England have had this protection since 6 April this year. In Scotland, ministers have powers to introduce protection. Shelter would like to see a commitment to using these powers in the course of this parliament.

The institutional framework

The Executive has signalled an intention to transfer the functions of Communities Scotland, in some cases to local authorities; in other cases to other sections or agencies of government. However, the Howat Report recommended that some aspects of Communities Scotland be enhanced, through transfer of smaller scale investment programmes from the core Executive to the agency. Further, some tenants groups have commended the role that the agency has had in co-ordinating and championing better tenant participation throughout the country.

Shelter believes that any decisions about transfer of functions should only be made after detailed analysis of all the many functions of the agency and where else they might more appropriately lie. We fear that hasty decisions might create bureaucratic gridlock which would distract the housing sector, at this time, from the vital task of changing services at the frontline.

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