

Position paper
Submission to the
Scottish Executive
Review of Social
Housing

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Shelter

Introduction

The Scottish Executive is undertaking an internal review of social rented housing in Scotland, which is due to report to Ministers in June 2007. This review follows the publication in February 2007 of *Ends and Means: The future roles of social housing in England*, conducted by Professor John Hills and commissioned by Department of Communities and Local Government, and the publication in November 2006 of a discussion paper from Newhaven Research for the CIH looking at the future for social renting in Scotland. Both of these reports reflect on the position of social renting; rather than presenting solutions or recommendations, they focus on the current situation and future trends. It is the role of the social housing sector and the Executive in Scotland to focus debate on shaping the future that it wishes to create.

This position paper sets out Shelter's initial contribution to the debate by outlining the role that tackling homelessness and providing good quality housing for all should play. Everyone in Scotland should have a decent, warm, affordable home. A good home is also the foundation for everything else that is important for Scotland's people – good health, good education, a sustainable environment and a thriving economy. With housing now being included in the 'Health and Wellbeing' portfolio, the role that housing plays in the lives and livelihoods of Scotland's people should be at the centre of the agenda of government.

Shelter is committed to ensuring that the groundbreaking homelessness legislation is fully implemented, and that by 2012 every unintentionally homeless household will have the right to permanent accommodation. But ensuring a viable future for social housing means establishing it as more than a sector of last resort for people in the community who have urgent housing need or those with high support needs. We want to see a thriving social housing sector that can provide good quality affordable homes to a wide range of households, and also guarantees that everyone has the right to a home. We do not see these two aims as in conflict.

What is true, however, is that these twin ambitions have implications for many areas of public policy including allocations, taxation, planning, regeneration strategy and finance. We cannot do justice to these broad agenda here; instead we would like to focus on four central issues for ensuring that the 2012 target is delivered. These are increasing the supply of new affordable homes to rent, reforming the Right to Buy, ensuring that the planning system delivers affordable housing, and the role of the private rented sector in meeting housing need.

Achieving the 2012 target

Scotland has blazed a trail by passing a law that gives every unintentionally homeless household the right to a home by 2012. This key commitment is part of an internationally acclaimed programme to tackle homelessness which received cross-party backing in 2003, with the passage of the Homelessness etc. (Scotland) Act. Scotland has the most ambitious homelessness programme in Europe, which won an international human rights award in 2004 and has countries such as France looking to follow our lead. With such widespread acclaim, the eyes of the world will follow how successfully Scotland puts the new rights into action. The 2012 target is a monument to social justice and Shelter wants to see this agenda at the heart of future social housing provision in Scotland.

The 2012 target should be an unquestionable and underpinning element of the review of social housing. There are significant challenges to be faced, many of which were anticipated during the passage of the legislation. But with genuine commitment from government and the sector these challenges can be addressed and overcome to achieve the vision of a Scotland where everyone has the right to a home.

At an early stage in the discussions about solutions to homelessness there was strong consensus that homeless households needed a stability to rebuild their lives: hence the focus on securing lasting solutions to homelessness. Of course, a secure tenancy is far from being all that many homeless households need but Shelter sees no inconsistency between that as a building block and homeless people needing other more tailored services. So local authorities and RSLs may need more flexibility to offer a variety of housing options: for example the power to offer current and new housing at mid-rent or shared equity where a need and demand can be demonstrated and where it is consistent with the long term interests of the person or family. The needs of homeless and other vulnerable households should continue to be met through affordable rented housing with an ongoing secure tenancy, but this model does not necessarily suit all households. Offering different tenure and purchase options may not only contribute towards the creation of mixed communities, but enable the sector to appeal to a wider range of households and overcome some negative characterisations of social rented housing.

Supply of affordable housing to rent

The review of social housing has implied that the homelessness agenda has impacts for the wider role and sustainability of social housing in Scotland. Implicit in this is the assumption that homelessness is making polarisation within the sector worse. Shelter thinks this is simplistic: it is almost like saying that the only way that social housing can be made viable is to exclude some of the most vulnerable people.

We believe that homelessness targets are not the problem; rather the problems lie with much more fundamental changes – failure to invest in new homes for rent; polarisation

effects amplified by right to buy, for example. Shelter's CSR submission¹ shows that 30,000 homes can provide new lets without intensifying competition between homeless applicants and households on the waiting list.

We need more choice for people – for those who can't get rented housing and can't afford to buy into the inflated housing market there are very few options in between. Investment should continue in new low cost home ownership and "mid-rent" initiatives. Some of these schemes don't need much public subsidy and they need to be funded in addition to – not instead of – funding for rented homes.

Reform of the Right to Buy

The Right to Buy is not the sole cause but is one of a number of elements leading to the shortage of affordable housing. There are over 188,000² people currently on waiting lists for housing in Scotland and yet we currently sell council housing at twice the rate we build new ones. The impact of Right to Buy on homelessness and waiting lists may have a delayed effect since people often stay in their homes for several years before selling them on. The consequences for the availability of affordable homes and for the ability of local authorities to meet their commitments under homelessness legislation may be more significant in the future.

The Right to Buy runs roughshod over a number of strands of government policy; impacting on the ability of local authorities to meet targets such as an end to bed and breakfast use for homeless families, to narrow the gap between deprived neighbourhoods and the rest of the country, and to create sustainable communities and to provide more affordable housing in high demand areas. The ability to plan supply to meet demand through Local Housing Strategies has become central to the emerging role of local authorities as overseeing housing across all tenures.

Reforming the Right to Buy should be done in the context of making it more compatible with wider housing policy goals. It is time to bring the Right to Buy, the single most significant housing instrument of the last 25 years, in to line with the rest of housing policy in Scotland, and Shelter welcomes the SNP manifesto commitment to reviewing the current legislation. Shelter argues that local authorities and other social landlords should be given discretion over the pace and scale of sales of remaining housing stock, allowing local flexibility to meet local circumstances.³

¹ <http://scotland.shelter.org.uk/policy/policy-421.cfm/ct/2/pg/1/plitem/263>

² Scottish Executive Statistical Bulletin, November 2005 Housing Trends in Scotland.

³ See Shelter briefing, The RTB in Scotland: Options for Reform (2005)
<http://scotland.shelter.org.uk/policy/policy-421.cfm/ct/2/sb/36/pg/1/plitem/193>

Ensuring planning delivers affordable homes

Shelter welcomes the SNP manifesto commitment to ensuring that a minimum 25 per cent of all new housing developments are reserved for affordable housing. There is some evidence that current provisions under PAN74 are not delivering affordable housing effectively. The status of the advice note means that it is taking some time to filter into local housing policies. Local authorities should be given stronger powers and a clearer message that a minimum element of 25 per cent affordable housing is required from new developments.

The key contribution here is that, over time, planning policy, effectively delivered, can result in mixed estates. In this context, the profile of any one landlord's tenants would matter less.

Reviewing how the Private Rented Sector can meet housing need

The demand and need for social rented accommodation is interwoven with that for private rented accommodation. In some areas, for example, remote rural areas or city centre locations, accessing private rented accommodation is likely to be more of an option than social housing. There will be some people who might be more suitably housed in the private rented sector due to the lack of available social houses. While this may be a suitable option for some people, it will not suit all. People with long experience of homelessness or with high support needs will need a more tailored service than the private rented sector can offer.

Shelter favours a more thorough look at the private rented sector to see if and under what conditions, some tenancies might be made more suitable for hitherto social tenants, including some people who are homeless or at risk of homelessness. This would include looking at tenancy length and management standards.

Conclusion

No-one could disagree with a vision of a sector that is more than just last resort; which offers genuine choice and mobility to households; which provides quality homes within neighbourhoods where people want to stay. In this paper we have focused on the kinds of policies that are consistent with that vision. The key challenges for the sector will be to become more flexible about housing provision, for example across different tenures and providers, and enabling delivery of more affordable homes to rent. It is vital the Scottish Executive supports the sector by reforming the Right to Buy to give councils more discretion over its application and by reviewing planning policy to enable delivery affordable housing. These measures will go some way towards meeting the 2012 target, but there is a pressing case for a housing investment programme of no less than 30,000

rented homes over the next three years to come out of the comprehensive spending review.