Local Government Committee evidence and conclusions at Stage 1 of the Housing (Scotland) Bill

Local Government Committee Stage 1 Report to the Social Justice Committee

Local Authorities

Aberdeen City Council
Angus Council
Clackmannanshire Council
Comhairle nan Eilean Siar
Dundee City Council
East Dunbartonshire Council
Edinburgh City Council
Falkirk Council
Glasgow City Council
Highland Council
North Lanarkshire Council
Renfrewshire Council
Scottish Borders Council
South Ayrshire Council
West Dunbartonshire Council
West Lothian Council

Other organisations

Convention of Scottish Local Authorities (COSLA)
North East Housing Planning Alliance (NEHPA)
Scottish Council for Single Homeless (SCSH)
Shelter Scotland
Society of Local Authority Chief Executives (SOLACE)
Housing (Scotland) Bill

Written evidence from Aberdeen City Council to the Scottish Parliament Local Government Committee

After consultation with colleagues, Members and service users, I wish to make the following observations on the areas of the Bill you requested comments on before the 26 January 2001, these being:

- The Strategic Role of Local Government (including the right to buy)
- Homelessness
- Improvement and Repair Grants.

The Strategic Role of Local Government (including the right to buy)

The implications of this section of the Bill are that local authorities would not be given additional strategic powers unless there was a transfer of stock. Local authorities already have a significant strategic role, which they perform to the satisfaction of the Executive. Therefore I must express my concern that additional strategic housing functions should be dependent on transfer of stock.

In relation to Section 80, grants for housing purposes, officers expressed concern regarding the impact on the Council’s Housing Revenue Account (HRA) if there was a stock transfer. Queries were raised regarding the term “community ownership” and request that clarification and/or a proper definition of “community ownership” was provided within the Bill.

In addition this Council has made separate representation through the North East Housing and Planning Alliance (NEHPA) about how the strategic role could be discharged along with partners and irrespective of stock transfer. For local investment however it is important to give local flexibility regarding the former Block B monies and the use of capital receipts from house sales.

Impact of Right to Buy

The changes in terms of the Right to Buy were welcomed by the Council. Issues of concern centred around the exemptions from Right to Buy and the importance of providing flexibility, especially concerning adaptations of housing for special needs and care in the community. In terms of Section 37 (Exemptions from Right to Buy) clarification is required regarding the term “housing support” – a better definition of what this means would be helpful.

In relation to Section 39 “Limitation on Right to Buy: Pressured Areas” we wish to query the definition of “pressure areas” i.e., does a pressured area apply to an individual area, or the whole local authority area. Further, often the situation is more
than a pressured area, but a particular pressured house type. This section requires to contain more flexibility, e.g. could the local authority apply for an exemption in a particular area for a certain house type?

In relation to Section 40 (Limitations on Right to Buy: include Arrears of Rent, Council Tax, etc.) it was felt that “other charges” requires clarification in the view of the fact that the term could also include tenant re-charges, legal expenses as well as rent arrears.

Homelessness

The Council are content with the legislation regarding homelessness and that the main concern is in relation to the additional financial responsibility placed on local authorities in terms of providing interim accommodation for a homeless person awaiting assessment. We have been assured that additional money would be available, however, no detail is available at this stage.

Section 8 (2) states that reasonable preference in allocation of housing must be given to persons homeless or those threatened with homelessness. It was felt that some people on our waiting list are equally “homeless” as those designated as homeless and therefore the potential to “queue jump” seemed more likely. Consideration should be given to some type of quota system, which would be a fairer way of allocating housing to those in most need.

Improvement and Repair Grants

Generally we welcome the proposals under this section. However it may be more difficult for applicants to gain a higher level of grant. It is likely that those owners who currently obtain a 50% grant will possibly obtain a 40% grant under the new provisions. The overall effect of these changes on grant expenditure will not be known until the new system has been operating for some time. We have noted the Bill proposes to amend the tolerable standard in that dwellings must also be provided with a bath/shower and a wash-hand basin to meet this standard. Essentially, all changes in relation to improvement and repair grants will have resource implications for the Council in terms of staffing and possibly finance.

ADDITIONAL COMMENTS

Short Tenancies

The number of cases which would fall within this section are very few and consequently, the Council was looking for something wider, as the current provision (as set out in Section 29) is not enough of a deterrent to continuing anti-social behaviour. The Council would suggest a five year period as a more realistic timescale for tenants evicted for anti-social behaviour and also to apply the above to people who may lose or abandon their properties due to rent arrears and other unsatisfactory tenancy issues.
We seek clarification regarding the position of tied tenancies as assurance for e.g. caretakers’ and wardens’ accommodation was important for continuity of services to residences.

**Scottish Secure Tenancy**

The Bill does not make it clear that all current tenants will be issued with a new Scottish Secure Tenancy. This will mean there will be a considerable cost to local authorities that retain their stock. It will also mean there will be two tiers of tenants’ rights under the right to buy, with different qualifying periods and different discount rates. Taking the above into consideration this should be made more clear in the Bill so that landlords are aware of the implications of implementing the Scottish Secure Tenancy.

**New Regulatory Framework**

Under the Bill, Scottish Homes have the authority to appoint a manager in relation to a particular matter of concern (Section 62: Appointment of Manager). I must express grave concern in this regard, particularly in a situation where a local authority retains their housing stock. The appointment of such a manager would impact on local democracy. Members would have no problem with the appointment of a manager who had the same authority as e.g. His Majesty’s Inspectorate of Schools. I must also raise my concerns regarding the local authority taking on the expenses in the event that such a manager is appointed.

**Grants for Housing Support Services**

Following a NEHPA seminar which took place in Aberdeen on 19 January 2001 the following issues were raised with regard to Section 81 of the Bill, supporting people and care in the community. There seems to be a lack of consistency in the implementation of the transitional scheme and no mention of complementary legislation of regulation of care. We are also still awaiting consultation on charging policies.

**Tenant Participation**

The Housing Bill indicates that the sum of £4.5m would be made available through a “Capacity for Change” initiative to help develop tenant participation in a number of ways. Clarification is required as to the manner in which the £4.5m is to be distributed (whether by grant, borrowing consent or bid for funds etc.) and legislation needs to clearly indicate what type of tenant body would quality for access to the funding.

**Factoring**
It has been noted that no mention is made in the Bill with respect to a requirement for grant recipients to make formal arrangements for the repair and maintenance of their property. We did suggest previously that grant applicants should be obliged to enter into a factoring arrangement as a condition of grant. This is an important issue especially in the case of grants involving extensive works in flatted property. The requirement to make formal factoring arrangements should be a condition of grant and the condition should apply to all subsequent owners upon the sale of property.

I trust this information is of assistance, but if you require to discuss this response further please do not hesitate to contact me on the above telephone number.

Yours Sincerely

Mike Scott
Director of Housing
Aberdeen City Council
Angus Council

HOUSING (SCOTLAND) BILL

I refer to your e-mail and subsequent letter of 18th December requesting a submission for the Local Government Committee on issues surrounding the Bill. Within your correspondence you mention Friday 24th January 2001 as your deadline. I have assumed this to be Friday 26th and accordingly have worked to that timescale.

This matter has now been considered by a group of officers comprising the Directors of Housing, Finance, Planning and Transport and Law and Administration and a number of issues of concern have been raised which we would wish to bring to the Committee’s notice:-

1. The Council considers it essential that there is further clarification of the Council’s proposed strategic role and the relationship with the proposed new Executive Agency. In particular, however, the interplay of this relationship with the Council’s responsibilities for community planning requires detailed scrutiny. It is agreed that councils are best placed to lead and deliver local housing strategies. However the linkages between housing and other services provided by councils, together with services provided by councils’ community planning partners, is extremely important. The delivery of “joined up” strategy formulation and service delivery should be at the heart of any new arrangements.

2. The Council has concerns regarding the range of powers and functions likely to be invested in the new Executive Agency. It is accepted that the Bill does not address this issue directly but the Council considers it essential that full scrutiny is given to the proposals in this regard. It is considered that a clear relationship with local government will be fundamental to ensure mutual understanding and cooperation and the emphasis should be on the lead by local government, subject as it is to local democratic accountability. There is a danger within the regime being suggested of an imbalance of power away from local control.

3. With regard to homelessness the Council would point out that there are resource implications for local government concerning homelessness and, in particular, resource implications inherent in the extended powers of homelessness especially where the Executive’ preferred option of stock transfer has taken place. It is essential that an adequate and appropriate supply of housing underpins the delivery of a homelessness service and that adequate resourcing of local authorities is in place to enable them to fulfill their statutory obligations in this regard.

4. Greater clarity is required regarding the interface between the new Executive Agency and existing local authority inspection and control regimes such as the Accounts Commission. Much is made of partnership and integration but it is possible that an increase in monitoring and inspection will simply add to the current burden on local government in this regard.

5. In particular, requirement under Sections 68 and 69 regarding provision of information could lead to an open ended uncontrolled regulatory environment.

6. Angus Council would wish the Committee to examine the remit of the taskforce in relation to Part 6 of the Bill concerning Repair Grants so that the likely impacts on local government can be assessed. Whilst it is accepted that the changes proposed in the Bill are intended to be improvements, there is some danger
that the system of means testing etc. will not produce the positive results being looked for. It would appear that the effect on the private market is being calculated with regard to outputs rather than inputs.

7. Fundamentally, the options being offered to local government regarding the future of its housing stock in England appear to be fundamentally different to those being suggested in Scotland. The recent change in legislation allowing arms length local companies does not appear to be one which is on offer in Scotland. As the ultimate removal of housing will make a fundamental difference to local government, it may well be that the Committee would wish to look at why differing options are being offered, in what would appear to be similar circumstances.

I would emphasis that the above comments are from officers and that this matter has not yet been submitted to a meeting of the Council’s Housing Committee, given the timescale for reply. If required, the Director of Housing would be prepared to give evidence to the Parliament’s Local Government Committee on behalf of the Council.

Yours sincerely,

Catherine A Coull
Director of Law and Administration

Cath Bowman
Secretary to Director of Law and Administration
Angus Council
St James House
St James Road
Forfar DD8 2ZE

Tel: (01307) 473459 Fax (01307) 464834
E-Mail bowmancs@angus.gov.uk
Housing (Scotland) Bill

Written Evidence from Clackmannanshire Council to the Scottish Parliament’s Local Government Committee regarding Local Authorities’ Proposed Strategic Housing Role

1. INTRODUCTION

Clackmannanshire Council welcomes the opportunity to provide evidence to the Local Government Committee of the Parliament in relation to the Housing (Scotland) Bill’s proposal that local authorities assume an enhanced strategic role in Housing. (Appendix 1 gives some key statistics on housing and related issues in Clackmannanshire.)

The Housing Bill, as published, makes good the Executive’s objective stated in “Better Homes for Scotland’s Communities” that local authorities should:

“take a comprehensive view of housing need across all tenures and work with other bodies and agencies to address this need.”

This is seen as:

“consistent with the Executive’s view of the importance of the local authority role in taking forward community planning in their areas.”

Clackmannanshire Council welcomes this proposed widening of the strategic and funding responsibilities of local housing authorities and feels well-placed to discharge these new duties in a way which harmonises the national agenda and objectives of the Executive with the local needs and preferences of the Clackmannanshire community.
2. EXPERTISE & REPUTATION of CLACKMANNANSHIRE’S HOUSING SERVICE

The local authority in Clackmannanshire has an excellent and long-established reputation for pursuing and delivering

- a comprehensive and inclusive approach to housing strategy
- a pragmatic and innovative approach to housing investment
- efficient, responsive, and accountable strategic planning and investment services
- and in parallel with these achievements, an excellent record on delivering quality housing management services.

Over the past two decades, there is ample evidence of substantial achievement in these areas. That evidence confirms that the Council’s perspective on housing strategy and housing investment rises above dogmatic views on tenure and stock ownership. On the contrary, it emphasises that meeting local housing needs demands that opportunities for developing a wide range of ownership and resource funding vehicles must be identified and exploited.

The evidence also exemplifies the Council’s approach, based on long experience, that housing strategy must be firmly located within a wider strategic framework. Moreover, it must directly engage in delivering wider social and economic strategic goals – in partnership with the community and other agencies working in the field.

Finally, the evidence in favour of the Council’s abilities and capacities is impressive. It ranges across the following:

- delivering successful public/private regeneration initiatives and innovative (shared ownership) tenure developments as far back as the 1980’s;
- over the past 20 years, prudent investment and good management practice have secured the Council’s own stock as one of the best maintained, most energy efficient, and most affordable in the country;
- the early 90’s saw the Council successfully promoting and supporting the local housing association, then working with it and Scottish Homes and others to deliver one first and most success Smaller Urban Renewal Initiatives in Alloa;
- the mid 90’s are marked by the production (1997-2002 Housing Plan) of a housing strategy based upon extensive consultation with the community and other strategic partners and which addressed the needs of all housing tenures; during the same period, links between Housing, Health, and Social Services were further strengthened with the advent of a joint Housing & Social Services function within the Council; the Council successfully promoted a local Care & Repair scheme in partnership with Scottish Homes and the local housing association; and a dedicated Housing Occupational Therapy service was established to maximise service delivery improvements.
• the Council’s most recent achievements of note demonstrate how the impetus for progress in partnership is being maintained across a wide strategic front:
  ➢ the promotion of a mixed funded intermediate labour market (ILM) initiative with Heatwise Ltd to combine the delivery of training and employment with community safety and energy efficiency services, now in its third year;
  ➢ securing the 6th highest funding award in the 1997/98 NHP bidding round to deliver an innovative new build housing development partnership scheme of 100 low cost homes – and successfully delivering this on time whilst exceeding investment and quality targets;
  ➢ the launch of another major ILM project to tackle training, employment, community safety and environmental upgrading issues within the context of the Alloa South & East Social Inclusion Partnership;
  ➢ a major housing contribution in support of the new joint Clackmannanshire/Stirling Councils Structure Plan;
  ➢ development of the Council’s Community Planning Framework.

Finally, the Service has just taken delivery of an NHP-funded Investment Strategies Option Appraisal report prepared on its behalf by HACAS Chapman Hendy and is currently in consultation on the report’s conclusions. The study addresses issues of own stock reinvestment and new build investment for unmet needs. The study findings, which are now being developed in consultation, support the Council’s established partnership approach to new investment, whilst pointing to the desirability of both the Council and the Executive seeking innovative solutions to the issue of reinvestment in existing Council stock.

These findings arrive in a context where there is virtually unanimous cross-party support within the Council for it to retain a landlord function, and strong evidence to confirm that this is currently the favoured option of its tenants.

Overall, the Council sees no grounds for anticipating a conflict of interest between strategic and landlord functions, and its track record strongly supports this position.

In essence, the Council’s confidence in its ability to discharge an enlarged strategic role is built upon strong foundations:

− A strong suite of existing complementary corporate and inter-agency plans and working

− A record of vigorous and constructive consultation and debate with the community and partner agencies on Housing and other issues

− A history of cross-party / cross-community consensus on key social and planning issues including:

  • the response to the Housing Bill
• the form and direction of the Social Inclusion Partnership in Alloa
• the response to Forth Valley Health Board’s proposals for restructuring acute hospital services
• The importance of a transportation strategy centred on reconnecting Clackmannanshire to the rail network, eliminating blockages in road links with Clackmannanshire and the need and siting of a new Forth crossing
  – The compact size and flexible structure of the Council, which facilitates cross-service working, individual initiative and rapid action
  – A committee structure which is informal, ‘fleet of foot’ and tackles cross-agency agendas, e.g. Housing, Health & Social Services Committee

3. THE MAJOR ELEMENTS of a STRATEGIC HOUSING ROLE
   ➢ LOCAL HOUSING STRATEGIES
   ➢ LOCAL HOUSING BUDGETS

Clackmannanshire Council looks forward to the opportunity to take on these two essential and related functions. Potential issues regarding appropriateness and capacity for the Council to take on these roles can be dealt with as follows:

a) Council Boundaries

Convergence of council boundaries with the private sector housing market areas is not considered a prerequisite for effectively discharging a housing strategy role, whereas a commitment to joint working certainly is.

Being constrained to the North by the Ochil Hills and to the South by the River Forth, the local housing market area is largely contained within the Council areas of Clackmannanshire and Stirling. There is a strong complementarity between the Council areas in the specific market sectors which they service. This contrasts favourably with the major urban authorities like Glasgow and Edinburgh where five or more Councils may be interacting and competing within the same housing market area.

Existing protocols for joint working with Stirling on structure planning can be built upon to develop a common market model and to co-ordinate strategy and investment in the two Council areas.

b) Council Size and Resources and Expertise
A proven capacity for developing and implementing strategic and investment planning, which is based upon partnership working, and which extends well beyond purely housing issues are essential attributes for leading and delivering local housing strategies.

We already plan and successfully control a very complex and sophisticated housing investment programme for both the private and public sectors. We lead and are delivering on even more complex joint funded projects, utilising European and other non-housing funding sources. The addition of a more developed market analysis role and the associated housing development budget to be transferred from Scottish Homes would, therefore, in our view be an extra resource requirement at the margin only – particularly if synergies can be achieved via co-operation with Stirling Council.

c) Wish to Retain the Council’s Landlord Role

Separating the strategic planning role from control of the strategic development funding role, has no more to commend it than the current system of split planning & funding roles which it is now recognised needs to be replaced. Divorcing responsibility for devising and delivering strategy from resources, runs counter to accepted wisdom through the public and private sectors worldwide. Finally, preferring a non-elected government funding agency over directly elected agencies flies in the face of this country’s democratic system.

As stated earlier, since development funding for RSLs is not eligible for investment in the Council’s own stock, we see no conflict of interest between managing a strategic housing budget and retaining a landlord role. As CoSLA has pointed out, this has not proved to be a difficulty for Scottish Homes itself.

Moreover, the council has not ruled out stock management options at arms-length within Council ownership which would reinforce the ‘Chinese Walls’ between a development strategy function and a landlord function.

Indeed, it is our view that, with a national housing policy framework, the strategy and funding roles for Councils are logically and practically inseparable. The changes in housing governance being proposed by the Executive, if they are to be successful, must be able to deliver:

– Greater synergies and focus through Councils’ own investment resources being directed side by side with RSL investment in community and area renewal to combat Social Exclusion
- Greater responsiveness to Community Care needs identified by Social Services and other partner agencies
- The ability to plan and phase investment across housing tenures consistently with General Fund infrastructure investment and in the knowledge of new economic and communal development

This can only be done satisfactorily if Councils have responsibility both for the Local Housing Strategies themselves together with the means and funding to implement these strategies.

4. HARMONISING LOCAL AND NATIONAL HOUSING STRATEGIES

The major changes now being considered by the Scottish Parliament are proceeding by bringing together institutions, structures, and approaches, which have hitherto operated separately though in parallel.

Where the one sector (Scottish Homes & housing associations) has been characterised by a relatively high degree of central control and has specialised overwhelmingly in housing, the other, local authority based housing system, has operated with much more decentralised, local control & accountability in discharging its responsibilities for planning and delivering a much wider range of community services, and social & economic regeneration functions. Both approaches are widely recognised as having much to commend them, as well as scope for improvement.

In shaping the proposed new systems, a widely shared concern is to achieve a new framework which allows for the development of a productive balance between local housing strategies and priorities, and national ones; and housing strategy at all levels, in relation to other social and economic strategies and priorities.

The framing of the primary legislation will be a key factor in achieving this balance between local and national strategies. However, it will be an equally important consideration in developing the supporting raft of secondary legislation, codes of practice and other guidance.

An initial priority should, therefore, be to ensure that the consultation provisions for the secondary development of the new legislation are as robust as for the Bill itself, perhaps even more so, given the challenges posed by the magnitude and complexity of the detail to be processed in these subsequent stages.

Provisions for comprehensive monitoring and reviewing the actual performance of local and national housing strategy systems, and how they interact, would also be highly desirable. The inclusion of facilitating provisions within the legislation
would therefore seem desirable, preferably including the involvement of parliamentary committees in these future monitoring & review functions.

Just as the drafting of legislation and guidance on this topic can best achieve balance between local and national perspectives through an adequate and meaningful consultation process, so with the mechanics of the proposed new system. There two such emerging issues where the adequacy of consultations will bear heavily on the success of the new arrangements. These concern the production by the new Scottish Executive Agency of, firstly, national and regional housing strategy ‘context statements’ which will serve as a framework for local housing strategy development and, secondly, the production of ‘data sets’ to inform the overall strategy process.

Debates in the recent past over the respective strengths and weaknesses of national as opposed to local Housing Condition survey data, and interpretation, illustrate well the pitfalls awaiting any approach whether ‘top down’ or ‘grass roots up’, which fails to develop robust methods and user confidence in the product.

In summary, this section of the Council’s response highlights what are already shared concerns to develop a legislative framework which, at one and the same time, provides a robust strategic planning and funding system, which avoids being over-prescriptive and inflexible or, conversely, lacking in adequate direction. The scale of the change proposed clearly indicates that objectives such as these will only be achieved over time. Therefore, constructing a system which is capable of responding and adapting quickly once it is in use, seems of paramount importance. The principle of subsidiarity can provide a guiding light in such circumstances.
APPENDIX 1

CLACKMANNANSHIRE CONTEXT

Some key statistics, which may be helpful to committee members in considering Clackmannanshire Council’s context, are as follows:

Population : 49,161 (1996 estimate)
Total Households: 21,300 (2001 estimate)

Housing Tenure :

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<th>Clacks</th>
<th>Scotland</th>
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<tbody>
<tr>
<td>Local Authority</td>
<td>35%</td>
<td>30%</td>
</tr>
<tr>
<td>Housing Association</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>Owner Occupation</td>
<td>55%</td>
<td>59%</td>
</tr>
<tr>
<td>Private Rented</td>
<td>2%</td>
<td>7%</td>
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Council House Waiting List :
(Sept. 2000)
1802 Tenancy Application
1022 Transfers Application
2044

Homeless Presentations:

1999/2000
213 Duty to rehouse (priority homeless)
427 Non-priority homeless
640 Total

Household Incomes :
83% of Scottish average

Unemployment :
7.4% (M+F total compared to Forth Valley & Scottish totals of 4.9% & 4.4% respectively.)

Council House Sales through RTB, 1979 to Present :
3000 plus (over 33% of original stock)

Housing Association/former Scottish Homes Sales through RTB, 1979 to Present:
800 plus

Council Section 94 Capital Borrowing Consent 2000 / 2001: £1.597m
Capital Investment by Housing Service 2000/2001: £3.7m
Response to Draft Housing Bill - Improvement and Repair Grants

REFORMING THE SYSTEM OF IMPROVEMENT AND REPAIR GRANTS

1.1 Since the introduction of Improvement Grants in 1969, local authority administered housing Improvement and Repair grants have played a vital role in assisting the owners of private sector housing in the Western Isles to bring their houses up to the Tolerable Standard and to carry out essential repair works. However, given the general acceptance that the legislation is cumbersome and dated, the proposals for reform are welcomed by the Comhairle.

TARGETING RESOURCES AND INCOME TESTING OF APPLICATIONS

2.1 The Comhairle is already committed, through Key Tasks and approved Housing Grant Policies, to target its resources towards those in greatest need. There is an expectation that the proposals will refine the approach already being taken in the Western Isles. The proposal to introduce a “Statutory Test of Resources”, underpinned by a new system of minimum grants for all eligible applicants, is generally welcomed.

2.2 Those least able to afford to carry out improvements and repairs to their homes should receive higher grant awards, with those able to provide a financial contribution receiving lesser assistance. The possibility of 100% grants being awarded to householders who do not have the wherewithal to fund essential improvement or repair works is welcomed.

2.3 The success of the “Statutory Test of Resources” will depend upon the method of testing employed and the qualifying threshold that is set for obtaining higher grant awards. The Comhairle considers that the Scottish Executive must give recognition to variances in income levels across different parts of the country. Influencing factors such as the local economy must be taken into account. A system, such as previously employed to determine eligibility for grant using different rateable value limits for each Local Authority area, could be beneficial.

2.4 At present it is up to each Local Authority to determine the method of income testing employed for grant applications. A national form of testing should assist authorities in providing a method, which is clearly defined. However, this may also remove the ability of an authority to “take views” on individual applications. For example, the Comhairle’s Housing Sub-Committee has taken the view that some cases, which under present Comhairle policy are initially classed as “Modest Means” can, following review, are awarded at “Extreme Financial Hardship” level. Under the new legislation the ability to review “financial hardship” locally may therefore be removed, or at least restricted, to the detriment of the grant applicant.

2.5 In drawing up the proposed “Statutory Test of Resources” it is hoped that the Executive will give clarity on areas of difficulty presently being encountered in determining applications under current legislation. For example, will mortgage payments be taken into consideration in the “Statutory Test of Resource”? Arguably one of the most important factors in assessing income levels and hardship is the disposable income available to a household after all bills, mortgage, etc. have been paid. The disposable income of the household often determines the ability of the applicant to obtain loan finance for items such as home improvements and repairs.

2.6 Another area of concern is where a depressed housing market restricts the value of houses and as a result it may not be possible for a grant applicant to obtain loan finance to fund the balance of costs over the grant award, due to the ‘negative equity’ of the completed, improved house. This is particularly significant in fragile rural communities, already subject to depopulation, where it may no longer be cost effective for families to improve their homes.

2.7 The Draft Bill includes proposals to introduce minimum percentage grants, currently suggested at 40% level. Whilst this will potentially increase private investment levels it is our view that the qualifying level of income for higher percentage grants will be critical to the success of the targeting measures in the Western Isles.
EXTENDING THE SCOPE OF THE PRESENT GRANT SYSTEM

3.1 The Executive intends to widen the scope of Improvement and Repairs Grants to include such measures as energy efficiency, installing hard-wired smoke detectors, fire and security protection and replacing unsafe electrical wiring. The Comhairle has already taken steps towards providing some of these items through existing grant policies and welcomes the qualification of enhanced energy efficiency measures within a grant application, particularly in areas subject to extreme weather conditions.

3.2 The increase in prescribed expense limits, currently suggested at £20,000, for both Improvement and Repairs grants is welcomed. It is also appreciated that the ability for this threshold to be increased in exceptional cases will be retained within the new proposals, particularly where it is acknowledged that the costs of improving and repairing houses in remote rural areas is significantly higher than in other parts of the country.

3.3 Amendments that will give greater clarity regarding second or successive grant awards is also welcomed. The Comhairle agrees with the Executive that multiple applications in respect of the same property should be discouraged, but also recognises that circumstances may change to the extent that it is reasonable for a further application to be approved. Further details from the Executive would be helpful on this matter.

3.4 The transitional period proposed for dealing with applications under either the new or old system is noted. However, given the very high demand for grants in the Western Isles, it is anticipated that this will introduce an expectation on the part of the applicants to have their grants approved before the system is changed. This is likely to introduce quite unreasonable demands on an already pressured system.

3.5 The Comhairle welcomes the proposal to provide elderly people with adequate heating systems within the new legislation. However, at present there is insufficient detail to comment in any depth on this matter. Clarification on what is considered “an adequate system” would be welcomed, as there appear to be conflicting views, following the Minister’s announcement, on the scope of work which will qualify for grant if any form of heating system, or partial heating, system exists. Furthermore, the proposed limit of £2,500 for heating and insulation measures is considered to be inadequate for rural areas where, for example, no mains gas supplies exist. Therefore, it is hoped that the limits for this work will be increased for the more remote areas of Scotland; particularly those that are subject to severe weather conditions.

Suggested Other Areas For Consideration Which Do Not Appear To Be Included In The Draft Bill

SIMPLIFYING THE PRESENT GRANTS SYSTEM

4.1 One of the stated intentions in the reform of Housing Grants is to simplify the system for applicants. For the sake of simplicity, consideration should be given to having only one type of grant for improvements and repairs. Since it appears that the approved expense for these grants are to be the same, there seems little benefit in maintaining a nominal separation. An additional spin-off benefit would be a reduction in the number of differing application forms required to be completed by applicants. Disability Grants, Conversion Grants, Lead Plumbing Grants etc. could all be applied for using one form.

HOUSING ACTION AREAS AND REVOCATION OF HOUSING ACTION AREA STATUS

5.1 The Comhairle notes that the proposals do not appear to make any specific comment on Housing Action Areas, although Mandatory Grant awards are mentioned. As Housing Action Area grant applications are presently mandatory, the Comhairle would wish further detail on proposed changes in legislation regarding Housing Action Areas.

5.2 Under the proposed legislation it would appear that a house that has been served with a Repairs Notice would qualify for a minimum grant award. Confirmation is required that this intended change would not introduce a potential anomaly between houses in a Housing Action Area, and a house that has been served with a Repairs Notice, both of which carry similar obligations for the owner, but which presently attract different percentages of grant award.

5.3 To prevent the present inequity from continuing into the new legislation, the Comhairle would wish to see the amounts of grant for properties within a Housing Action Area and those subject to either a Repairs Notice or an Improvement Order being the same.
5.4 The Comhairle would also welcome amendments to the legislation that would enable the revocation of the Housing Action Area status. Experience has shown that some houses, previously improved to the Tolerable Standard, now require further repairs.

5.5 However, due to the Housing Action Area status these applications can obtain mandatory grants at the higher level of 75% without testing the household income. Outwith a Housing Action Area the same work presently qualifies for a 50% discretionary Repairs Grant. This anomaly would appear to conflict with one of the main objectives of the proposed legislation, (social justice in grant awards).

5.6 Therefore, in light of this, legislation to remove houses from a Housing Action Area, once the property has been improved to meet the Tolerable Standard, should be considered by the Scottish Executive.

GRANT CONDITIONS

6.1 A further area, which does not appear to have been considered within the Draft Bill, relates to the conditions of grant that apply to a property after grant has been awarded. Under one interpretation of the present legislation, a house could be improved or repaired and remain empty for the five year period without breaching the conditions of grant. The Comhairle would therefore welcome revisions to the grant conditions to prevent potential misuse.

6.2 In addition, clearer guidance on the circumstances where a house could be described as a “Second or Holiday home” would be welcomed by the Comhairle within the new legislation. Present legislation states that “the house shall not be occupied by the owner or a member of his family except as his only or main residence within the meaning of Part V of the Capital Gains Tax Act 1979.” Present legislation is not simple enough to enforce and a clearer definition of “Second or Holiday home” would be welcomed. At the moment it is not possible to cross reference with, for example, Comhairle Tax records (due to Data Protection), but this type of information would be useful in determining main residences. Perhaps the re-wording of this part of the Act to say “the house shall be occupied by the owner or a member of his family, (or by a tenant on a short assured tenancy) as his only or main residence within ....” would be helpful.

6.3 The Comhairle does not knowingly approve applications for houses that are likely to be used as a second or holiday home, but clearer guidance on this matter, such as a minimum period of occupation of a house in a year, would be helpful. Stronger powers to reclaim grants paid where the conditions have been breached would also be beneficial. Present legislation regarding reclaiming grant monies paid are weak and may not be robust enough for court action. In any event a breach could be remedied overnight by ‘installing’ a tenant or family member for the duration of the grant conditions period.

6.4 In view of the variety of potential issues that may arise following the award of a grant, and in particular their impact on the local housing market, it may be prudent to give local authorities discretionary powers to apply additional conditions of grant, within prescribed criteria.

Examples of additional conditions could be:

a) Where a house is to be improved and a tenancy created it would be of great assistance if an authority were able to impose an additional condition that, for example, the house should, in the first instance (or for any subsequent re-letting within the five year grant condition period), be made available to people currently at the top of the housing register for that area.

b) Where a property developer intends to improve or convert for sale that the completed houses be offered, in the first instance, to people who have expressed an interest in home ownership and are currently in social rented accommodation, or on the housing register.

c) Where substantial investment has been made by the Comhairle improving a house, for example, through the “Care and Repair” scheme, and where the recipient of the grant has subsequently died, then the Comhairle may wish to introduce a clause to reclaim some or all of the grant should the house be sold (for profit?) within the five-year period. Alternatively, this scenario could enable a person on the housing register to be housed, albeit for the remainder of the grant conditions period only.

BLOCK CAPITAL CONSENT

7.1 Following the change in funding of Housing Grants from Housing Block B to a Block Capital Consent to local authorities and Capital asset accounting being employed by local authorities, new financial disincentives to funding Housing Grants have occurred. Since the local authority does not gain an asset, a separate funding method is required if investment in private housing is to be maintained or enhanced.
1. **INTRODUCTION**

1.1. Dundee City Council responded in detail to both the Green Paper and to the Scottish Executive’s subsequent proposals. We welcome the opportunity to submit written evidence to the Local Government Committee and hope it will help inform their deliberations.

1.2. We note the Committee’s intention to emphasise particular issues and will concentrate on these. There are other areas, however, which we would wish to draw to the attention of the Committee.

2. **STRATEGIC ROLE OF LOCAL GOVERNMENT (INCLUDING IMPACT OF RIGHT TO BUY)**

2.1. Dundee welcomed the Single Housing Plan in principle, and the need for a focussed response to community care needs.

2.2. At the same time, we recognised the limits placed on local authorities in practice through specific budgets and individual priority needs.

2.3. We reject the view that the local authority cannot be both a provider and an enabler, or that the local authority’s strategic role should be tied to stock transfer proposals.

2.4. **We welcome, therefore, the proposed duty of local authorities to carry out assessment of housing needs and provision in their area and to prepare a local housing strategy. We still believe, however, that this would be enhanced if local authorities were also responsible for the Strategic Housing Budget.**

2.5. Dundee City remains committed to consulting and engaging with our tenants and to giving them maximum choice in how social housing is provided.

2.6. **We do not believe that this is best delivered through an exclusive concentration and emphasis on stock transfer. It is regrettable, therefore, that the option of “arms length” housing companies has been ruled out in Scotland, unlike the situation in England. We would urge very strongly that this issue is revisited. We also argue strongly for a provider role for local authorities where appropriate.**

2.7. In welcoming the moves on qualification and discount we pointed out that extension of Right to Buy was against the principles of tenure diversification. We also stressed the need to address the loss of resource to local authorities through Right to Buy of fully adapted houses.

2.8. **While fully adapted housing within groups has been given increased protection, individual dwellings still appear to be unprotected. If this is so then this is an anomaly which should be addressed.**

2.9. The definition of pressurised area has been clarified substantially. Section 39(3), however, appears to say that this will apply only to new tenants. **If this is the case, then much of the aim of this policy will be nullified. This point needs further clarification.**

3. **HOMELESSNESS**

3.1. Many of the concerns which we raised regarding the homelessness proposals in the consultation document have been addressed in the draft bill. Definitions of permanent accommodation, enhanced duty, right to reasonable preference and right of appeal against suspension have been provided, as has the statutory responsibility of the local authority.
3.2. Dundee was concerned, however, that the current role of the voluntary section in this particular area had not been recognised, and that no mention of the future role of the voluntary sector was made.

3.3. This issue has not been addressed and it would be unfortunate if the vast expertise built up over the years was lost.

3.4. While the issues have been addressed much of the provision in practice will be determined through ministerial guidelines. It is crucial that these guidelines are clear and precise in defining the roles, duties and responsibilities of various agencies.

4. IMPROVEMENT AND REPAIRS GRANTS

4.1. In our submission on the Green Paper and again on the consultation document we highlighted the problem created by the removal of “ring fencing” of grant funding. We emphasised in particular the problem in areas of multiple ownership where some owner occupiers had very limited resources. We went on to suggest it might be appropriate to allow local discretion to award 100% discretionary grants in some of these circumstances.

4.2. While the draft bill seems to leave it open to award 100% grants, depending on the financial circumstances this seems dependent on ministerial regulations and remains unclear in the bill. Considerable clarification is required.

4.3. We further highlighted the problem of ongoing repairs in multi ownership situations and the reappearance of serious repair in tenemental property previously improved at considerable expense, mainly through the Housing Action Area programme. In many situations this went beyond property issues and was actually creating public health problems.

4.4. While recognising that there are significant problems associated with the concept we firmly believe that Compulsory Factoring should be investigated. This suggestion does not appear to have been addressed in the draft bill.

4.5. Finally we expressed concern that the minimum standard for habitable housing continued to be Below Tolerable Standard. We pointed out that even at its introduction BTS has been the lesser of two proposed standards. Over the years it has become less and less acceptable as a reasonable definition of habitable housing.

4.6. Again, while recognising problems associated with the introduction of a new standard we asked the Scottish Executive to investigate alternative option for a new housing standard. No mention is made of this in the bill and we would continue to urge that this matter is investigated at an early date.

5. REGULATION AND MONITORING

5.1. We commented in previous responses on Scottish Homes history in regulation and monitoring of housing associations and the increased need for monitoring given the growth of the Registered Social Landlord sector.

5.2. We also suggested, however, that this would be effective only if local authorities were given a central role at local level. There is no indication in the draft bill that this will happen and we would urge reconsideration of this issue.

5.3. The problems associated with the private sector (see (4) above) could and should be addressed through the introduction of a monitoring regime for this sector. This need has been ignored in the bill and is an omission that should be addressed.

*** *** ***
1. **PURPOSE**

1.1 The purpose of this report is to inform Committee of proposals by the Scottish Executive with reference to the forthcoming Housing Bill as outlined in the consultation document “Better Homes for Scotland’s Communities” which was published on 5 July 2000.

2. **SUMMARY**

2.1 This consultation document is the next stage in the process of preparing the Housing Bill. It builds on the responses made by various individuals and organisations to the Green Paper “Investing in Modernisation - An Agenda for Scotland’s Housing”. A number of discussion papers on these specific issues were published by the Scottish Executive in December 1999.

2.2 The Scottish Executive hopes to introduce and establish the following in the forthcoming Housing Bill. Proposals include:-

- a single tenancy which will include a “short” version of the tenancy.
- reforms to the Right to Buy
- changing the role of Scottish Homes from a quango into an Executive Agency directly accountable to the Scottish Ministers.
- a single regulatory framework for all social landlords as well as changes to the landlord status of Local Authorities
- enhancing Local Authorities strategic housing role including single housing plans.
- reforming the system of repair and improvement grants

2.3 Some of these proposals have remained relatively unchanged since various Scottish Executive discussion papers were issued. However, in some instances there have been quite extensive alterations to previous proposals, especially with regards to the Right to Buy.

3. **RECOMMENDATIONS**
It is recommended that Committee

3.1 Agrees to write to the Scottish Executive expressing East Dunbartonshire Council’s views, as contained in this report, on the proposals, and

3.2 Take note of the content and comments of this report.

ALAN McKNIGHT
Head of Housing & Community Development
4. **BACKGROUND**

4.1 The consultation document acknowledges that at present there are various problems with Scotland’s housing including 350,000 Scottish children growing up in damp housing, an estimated £8 - 10 billion required to improve and repair its housing stock as well as there being an increase in the number of homeless applications. It is hoped by the Scottish Executive that Scotland’s new Housing Bill will significantly improve the country’s Housing for the better and will promote social inclusion.

4.2 Single Tenancy

The Scottish Executive state that the current system of assured and secure tenancies should be altered to become a single social tenancy which will retain many of the core statutory rights of the secure tenancy. However, there will be more flexibility at the local level as some additional contractual rights will be supplemented.

There will be some changes to the statutory core rights. These include:-

- **Rights of Succession**

  Provisions will be made for the allowance of a second round of succession where the members of a succeeding tenants family can succeed the tenancy should that person die. This is currently the policy of East Dunbartonshire Council.

- **Consultation and Participation**

  Landlords will have a duty to consult tenants on significant changes to housing management and maintenance policies and any proposals to change management structures.

4.3 In the recent consultation document the Scottish Executive proposed the introduction of a short version of the single tenancy with regards to:-

- probationary tenancies, where tenants have been evicted from any tenancy because of anti-social behaviour.

- temporary accommodation, where the accommodation is on a short term basis or is tied to employment.

- special needs housing, where there are common facilities or services provided for tenants and where landlords offer, at present, occupancy agreements.

In the above circumstances the short single tenancy will be offered to tenants who will not have the rights of security of tenure, rights of succession and right to buy.

**Comment**

4.4 The single tenancy has been broadly supported by those who responded to the Green Paper, including East Dunbartonshire Council, as it promotes clarification of tenant and landlords rights especially with regards to consultation and participation. It will additionally make all tenants of social landlords equal. The consultation document does not clearly state how the single tenancy will be implemented. This should be indicated clearly at an early stage to enable both landlords and tenants to be aware of their rights and responsibilities.

4.5 The Chartered Institute of Housing, in its response to the consultation document, states that the additional grounds for possession rights effectively weaken tenants current security which
could cause there to be legal obstacles in the implementation of the single social tenancy. The Scottish Executive should take such factors into account with regards to the forthcoming Housing Bill.

4.6 East Dunbartonshire Council believes that short single tenancies should not be allowed to become continuous temporary accommodation. Tenancy agreements should be reviewed on a regular basis. For example, every six months. Tenants should also be made aware of their right to appeal to a Sheriff Court if they believe that they should have the full single tenancy.

5. REFORMS TO THE RIGHT TO BUY

5.1 In December 1999 the Scottish Executive published a discussion paper which proposed that the Right to Buy would be included in the single tenancy and extended to Housing Associations who, at present do not have this right because of their current assured tenancy status.

5.2 In the consultation document “Better Homes forScotland's Communities” there have been further changes to the Right to Buy. These changes will not affect current “secure” tenants who will still possess this right under the conditions of the secure tenancy agreement. The Scottish Executive proposes to allow tenants to apply to buy property only after 5 years of tenancy where discounts will start at 20%. After each further year of occupancy discounts will rise by 2% per annum until after 15 years, discounts will reach a maximum level of 50%. They will be capped at £20,000 which is a somewhat substantial reduction of the Scottish Executives previous proposals of the maximum discount being £30,000.

5.3 The Scottish Executive stated in the recent consultation document that Local Authorities may be able to apply for the Right to Buy to be suspended when the area has a high demand for rented housing. Councils will be able to apply for suspension under the Housing Plan for a set period of time (up to five years) which may be renewable.

5.4 Local Authorities will also be able to give cash incentives to people, who have applied to buy the property but have had this right suspended. The purpose of this is to enable these people to purchase property in the open market.

Comment

5.5 East Dunbartonshire Council approves of the further changes in the Right to Buy especially the decrease in the maximum discount to £20,000 as well as the extension to five years before tenants may apply for the Right to Buy. East Dunbartonshire has a high demand for rented housing whilst there is relatively low stock available. Therefore the new discount rate may alter tenants decisions on purchasing property and the extension from the two to five year period before tenants can apply for the Right to Buy may delay demand.

5.6 In addition the Council believes that the designation of high pressure areas should be identified. This may be done within the housing plan. It is important that Authorities who have low levels of rented stock available are aware of the ways in which the Right to Buy may be suspended in such areas.

5.7 The Scottish Executive states in the consultation document that in such high pressure areas if the Right to Buy is suspended then tenants may be able to buy property in the open market. This could create some beneficial consequences as it may make more Local Authority stock available. The Scottish Executive must clarify, however, the funding implications for such arrangements.

5.8 Housing Associations which have applied for charitable status will still be exempt from the Right to Buy. The Scottish Executive have extended this principle to any Housing
Association which caters for individuals who have particular needs. The extension of the Right to Buy will not affect Hillhead Housing Association.

5.9 The Chartered Institute of Housing had previously queried the relationship between the extension of the Right to Buy to all registered social landlords and the development of Housing Partnerships. The Scottish Executive, as stated in the recent consultation document proposes to ensure that Housing Associations which are non charitable or non special needs will have the Right to Buy suspended for 10 years as there is a need to protect the financial viability of all stakeholders.

5.10 The Chartered Institute of Housing and East Dunbartonshire Council welcome the reform of the Right to Buy as it helps to make the system less onerous on landlords selling property and its flexibility makes it more responsive to local housing markets.

5.11 For the Right to Buy to become a successful policy it is vital that in the long term the degree of discount is maintained and is fair, the ways in which Authorities are determined as being high pressure areas needs to be identified. Additionally the Right to Buy should be monitored and reviewed if necessary.

6. THE INTRODUCTION OF A SINGLE REGULATOR

6.1 The Scottish Office Green Paper asked for views on the future role of Scottish Homes at a local, regional and national level. In response to these views the Minister of Communities in December, 1999 outlined proposals to change Scottish Homes to an Executive Agency.

6.2 The recent consultation document builds on these proposals and stated that the new Executive Agency will take over responsibility for regulating both Housing Associations and Local Authorities.

6.3 The Scottish Executive hopes this will introduce all social landlords to a framework of regulation which is consistent. At the moment the functions and roles of many Housing Associations and Local Authorities are somewhat similar and the two often work in conjunction with each other. The Scottish Executive therefore believes that it makes sense to introduce a single regulator to provide effective and constant maintenance of all social landlords. In terms of legislation regulatory powers will be vested in the Scottish Ministers, however in practice the powers will be with the new Executive Agency which will take over from Scottish Homes.

6.4 Several consequences would arise if there was to become a single regulator. It would ensure that all landlords would have a constant set of standards, the regulatory system would be streamlined, reviewed and improved. Additionally performance comparisons between different landlords would be accurate and they would be regulated by the same body. The Executive Agency would also have the powers to question and impose measures on social landlords who perform badly and could aid landlords when necessary.

6.5 There is a proposal that within the new Housing Bill the Executive Agency will maintain a register of all Social Landlords in Scotland. Additionally non housing community bodies will be able to voluntarily apply to be registered as long as they are non profit making. The Scottish Executive states that many of the non housing bodies play an important role in the promotion of social inclusion and community regeneration. Therefore, there may be merit in providing measures to promote efficiency and good practice which could result in being supervised by the Executive Agency.

Comment

6.6 East Dunbartonshire Council approves of the Scottish Executives proposal of the introduction of a Single Regulatory framework as it should provide continuous improvement in the
provision of housing services where there should be consistent standards of housing management independent as to who the landlord may be. The Council also agrees that a single regulator should be given this responsibility.

6.7 The extension of a single regulatory framework to non housing bodies additionally should create benefits as community regeneration and social inclusion is important to East Dunbartonshire as an Authority. However it could prove to be prudent for the Scottish Executive to make registration compulsory as opposed to voluntary for such community bodies as this would promote efficiency to all landlords and community groups. This would also allow a more accurate indication of performance comparisons to be maintained.

6.8 The Council, however is concerned about the possibility of double regulation. Currently the Accounts Commission is responsible for securing the audit of Local Authorities. This includes statutory audit of management arrangements under Best Value. Local Authorities also have a duty to publish reports, on an annual basis, to the Accounts Commission with reference to Performance Indicators. Whilst Scottish Homes has the role of audit and inspection review and also monitors the performance of RSL’s. It is essential therefore that when single regulation is introduced that all key stakeholders know in detail their roles and responsibilities to ensure that the burden of double regulation does not occur. In addition the new regulatory framework should be streamlined as it is important that the positive aspects of both of the current systems should be used in the new system and should not disappear.

7. THE STRATEGIC ROLE OF LOCAL AUTHORITIES

7.1 In the Scottish Executives most recent consultation document it expands on its plans for the role of Local Authorities. Proposals include the introduction of Single Housing Plans.

7.2 At present Local Authorities and Scottish Homes have their own planning and funding processes and although they often work in conjunction with each other the Scottish Executive believes that a different approach is needed. It therefore proposes to allow each Local Authority to prepare a single housing plan for its own area. The plans should provide a framework of the development of local housing markets. They should assess the housing needs and conditions for each areas. The plans would prove to be an important source of information regarding Scottish housing. There will also be a duty on Local Authorities to submit the plans on a periodic basis to the Scottish Executive.

7.3 The Scottish Executive also proposes in the consultation document that Local Authorities should have a more strategic role with regards to housing management and funding. At the moment Local Authorities manage expenditure on its own housing stock whilst Scottish Homes allocate funding to Housing Associations. It is proposed that where Local Authorities have transferred stock to new community landlords then the Authority should have control over the development funding. It is proposed therefore that in the forthcoming Housing Bill there will be powers for the Local Authority to draw up local housing budgets. This will replace the Scottish Homes Development Programme.

7.4 The Executive proposes to allow Local Authorities to take on a more strategic role to give financial assistance to bodies who intend to provide, repair, maintain or manage housing and related purposes. These powers should allow Authorities to deal effectively with various issues in line with local needs. The Scottish Executive states that Authorities will also be able to acquire shares or equity, provide guarantees and indemnities and they may provide advisory services. It is stressed in the consultation document that strategic budgets may not be used on housing which may continue to be owned by the Local Authority.

7.6 Local Authorities will have to prove to the Scottish Executive that they have the necessary skills and ability to manage the strategic housing budget. Until such times as they are in a position to take on these responsibilities the Executive Agency will have the function of development funding.
7.7 The Scottish Executive also proposes to modernise legislation relating to the landlord role of Local Authorities. Where the Authorities transfer housing stock to community based housing bodies they will no longer be obliged to maintain a Housing Revenue Account. This would ensure that the income and expenditure measures used by each Local Authority would be altered. There will also be powers to enable the Scottish Ministers to make resources available to the transferring Authorities to meet any residual housing debt which is left over after the transfer.

7.8 It is vital that tenants are fully consulted in relation to stock transfer. The Scottish Executive states therefore, that before transfer begins a ballot should take place to ensure that tenants have the opportunity to vote as to whether they wish housing in that area to be moved to community ownership. If the majority of tenants vote against the move then the housing stock will remain under the remit of the Local Authority.

Comments

7.9 East Dunbartonshire Council believe that targets should be set for tackling housing problems and improving housing conditions and services. Single Housing Plans could help achieve this. The plans should contain detailed information with regards to various aspects of housing for each Authority. Therefore, specific shortfalls or problems should become more easily identified and dealt with in an appropriate manner which may be at a local, regional or national level. The Authority also agrees that Local Authorities powers should be increased under the Housing Plan. Examples of such powers include responsibility for funding Housing Associations and being able to suspend the Right to Buy when necessary.

7.10 The Authority also believes that it is appropriate that Local Authorities are being given the option to develop a strategic role to fund housing development and renewal. It will be essential that adequate resources should be allocated to enable this to be successful. Before such changes take place it will be vital that Local Authorities demonstrate the necessary expertise for such a position as well as gaining the confidence of all relevant stakeholders in the area. Information as to how this may be achieved should be given as the earliest stage possible by the Scottish Executive to allow Local Authorities to make preparations for their new role.

8. HOMELESSNESS

8.1 The Green Paper proposed that there needs to be a review of the national and local policies on homelessness. The Homelessness Task force issued a report on Homelessness to the Scottish Executive in April 2000. It is planned that the proposals made in the report will be introduced in the Housing Bill.

8.2 Some of the most important proposals include:-

   i) Local Authority will have a duty to place people who are in priority need and unintentionally homeless, in permanent accommodation which is adequate to their needs unless temporary accommodation proves to be more suitable.

   ii) Every person over 16 years will have the right to be registered on the allocation list unless they are specifically excluded by legislation.

   iii) Housing Associations will have a duty to accommodate people who are homeless and in priority need, should the Local Authority request this.

   iv) When disagreements between the Local Authorities and Housing Associations arise with regards to allocating homeless individuals then an arbiter will intervene to resolve any disputes.
v) Homeless people who live in temporary accommodation will have minimum rights and responsibilities including a written statement and conditions of such accommodation as well as a minimum period of notice.

8.3 Local Authorities will have a responsibility to produce strategies to prevent and reduce homelessness, they will also have a duty to ensure that within the Authority information regarding the prevention of homelessness is readily available.

Comment

8.4 East Dunbartonshire Council approves of the legislative proposals made by the Homelessness Task Force as well as the introduction of these in the Bill. It is important that homeless people should not be adversely affected by the transfer of stock to community bodies. The Scottish Executive acknowledges this as the Housing Associations will be under a duty to provide appropriate accommodation for homeless people under the supervision of Local Authorities.

8.5 An extra burden may be placed on Local Authorities with respect to the duty which they will have to produce strategies and information to help alleviate homelessness. The Scottish Executive makes no reference to funding arrangements which will be necessary to enable Local Authorities to perform such a duty. This must be clarified by the Scottish Executive.

9. REPAIR AND IMPROVEMENT GRANTS

9.1 The Scottish Office Green Paper recognised that substandard housing conditions in Scotland are not only in the area of Council housing. This problem can also be applied to a significant number of houses which are privately owned by individuals. The Scottish House Condition Survey have already reported that there are concerns about the long term repair and maintenance of property in the private sector.

9.2 The Scottish Executive asked for views on the principle of resources for grants in aiding home improvement. In January 2000 it was announced, by the Minister of Communities that in the forthcoming Bill that a new needs based system of grants for home repair and improvement would be included.

9.3 The recent consultation document explains these proposals fully. The Bill will include a statutory test of resources for grant applications where there will be a system of minimum grants. This will entail that all eligible householders will receive a minimum contribution of resources towards costs. People who are unable to contribute very much money from their own funds will receive a higher level of grant. The Scottish Executive proposes that the procedures which Local Authorities will be asked to follow should be administered by the Scottish Ministers who will be responsible for setting up appropriate regulations.

9.4 At present Local Authorities can issue improvement grants for the conversion, alteration, improvement and enlargement of private sector housing for works to make the properties suitable to the needs of any disabled occupants. Repair grants are especially available to replace lead plumbing or exposure to radon gas as well as for work to the outside of buildings which if neglected would threaten the buildings future life expectancy. The Scottish Executive proposes to extend the grants system to include:

- Works to extend thermal efficiency
- The installation of mains supply smoke detectors
- The installation of fire retardant front doors at the entrance of individual dwellings in buildings in common ownership
9.5 The total grant payable by a Local Authority will be subject to a maximum approved expense limit to be set out by the Scottish Ministers. The Scottish Executive propose to increase the maximum grant to £20,000. This limit should apply to all improvement grants and repair grants or a combination of the two. There are plans for, in certain circumstances that the limit of grant may be increased. Such exceptional cases have yet to be stipulated.

9.6 It is stressed in the consultation document that the rules which govern second or successive awards of grant will be amended. The rules will apply to the house as opposed to the applicant. This will stop multiple applications with regard to the same property. It is recognised however, that there will be certain circumstances where it may be appropriate for a second application to be approved. An example of such would be if the occupant of the house became disabled. Allowances should be made for such occurrences.

Comment

9.7 East Dunbartonshire Council supports various aspects of the proposals to the changes to the improvement and repair grants as it is recognised that within the Authority that there is a significant number of privately owned houses which are in a state of disrepair. With the increasing number of low income households choosing to become owner occupiers (largely caused by the limited amount of available rented stock) it would be appropriate to use a means tested method when distributing repair and improvement grants. The changes should also allow a simplified and flexible grants system to enable limited resources to be better focused on housing needs.

9.8 The Scottish Executive should realise however, that often means tested systems for allocating resources do not run smoothly in practice for this approach is more likely to be open to fraud and additionally may discourage people unwilling to participate in such a system. This could lead to many such household losing out on funds which they desperately need.

9.9 Nevertheless the Council believes that more aid has to be given and it agrees with the Chartered Institute of Housings view that Local Authorities should be given powers to enable them to provide low interest or interest free loans. This is largely because in some instances private owners may need more funds, for repairing or improving their property, than what they may be allocated in a grant. It would therefore be appropriate in certain circumstances to give such individuals a loan which they may pay back to the Local Authority at an affordable rate.

9.10 The Council also believes that owners of common buildings should be given the option of self management or appointing factors to manage such common property. Additionally there should be a new regulatory scheme and code of practice with regards to the factoring of property. East Dunbartonshire Council recognises that many areas of common buildings are in a state of disrepair because of neglect. This often happens even when a factor is appointed because such property managers do not have a duty to maintain or retain an interest in the properties which they manage. If ownership and/or factors had a duty to maintain common building then this could only prove to be beneficial.

10. CONCLUSION

10.1 The consultation document “Better Homes for Scotland’s Communities” is the most detailed account as yet of the Scottish Executives proposals for the forthcoming Housing Bill. It explores many areas which are important to contemporary Scotland's Housing, although some
aspects do need to be examined and explained in more detail. Such necessary information should be given at a future date.

10.2 East Dunbartonshire Council, in general supports the proposals made in the consultation document, especially those which promote effectiveness, efficiency and social inclusion. East Dunbartonshire Council believes it is vital that there is a balance between the aspirations and needs of individual tenants, local communities, Scottish Homes, Local Authorities and Housing Associations. The Authority will strive to achieve this. The Scottish Executive have demonstrated through its proposals for the forthcoming Housing Bill that it hopes to achieve similar aims.
Introduction

This is a response of the City of Edinburgh Council to the Scottish Executive's proposals for the Housing (Scotland) Bill.

In general the Council strongly welcomes the Housing (Scotland) Bill. We gave a detailed response to proposals for the housing bill during the initial consultation stage and are pleased to see that many of the issues we raised have been addressed in these proposals for the Bill.

The Council supports the homelessness provisions in the Bill and stress that an adequate and appropriate supply of housing must underpin the delivery of the homelessness service. We support the enhanced strategic role for local authorities. The City Council and Scottish Homes are already signed up to the idea of joint planning. We welcome new aspects of the Bill in regard to Improvement and Repair Grants.

In this paper we have provided responses to the issues that the Local Government Committee has agreed to take into evidence. We have responded to the proposals by addressing the key issues that we feel require further revision, clarification and thought given to practical implementation and implication.

1. The Strategic Role of Local Government

1.1 We welcome the range of new powers and responsibilities for local authorities to adopt a wider strategic and enabling role in developing local housing strategies. A practical approach to the implementation of Local Housing Strategies with increased emphasis on the planning framework and duties to carry out an assessment of housing needs and provisions will strengthen the local strategic planning process.

1.2 The Bill requires strengthening to ensure that a robust link is made between the local plan priorities, targets and the resource allocation process at national and local levels.

1.3 The Bill needs to reinforce the implementation of requirements regarding the regulation will encompass all registered social landlords and local authorities and while such regulations are acceptable in principle we remain concerned about the implementation of these arrangements. We believe that the varying statutory framework of local authorities is not fully recognised on proposals regarding regulation. Further clarity is also required on the relationship with Audit Scotland and the Accounts Commission.

1.4 The Council also remains concerned about the powers of Scottish Ministers to appoint a special manager to a local authority where they are satisfied that a remedial plan is not being implemented satisfactorily.
1.5 The powers of Scottish Ministers are expected to be exercised by the new Executive Agency but the options for their future have not been explored properly. The Bill requires strengthening on issues regarding how the new agency will link-in with local government in terms of its role as regulator, funder, partner in preparing local housing strategies and delivering regeneration. There are major areas of confusion, duplication and improper use of resources. There is a need for clarification of relationships and opportunity to further explore the areas and stages of co-operation.

1.6 The agenda for Community Ownership must be developed further and communicated across social housing. The policy should encourage a diversity of models to be suitable for different circumstances. Further debate is also necessary over the prospect of real diversity and links to investment. We welcome that the Bill appears positive in regard to control of development funding so that Councils and tenants who wish to pursue community empowerment routes are not disadvantaged.

1.7 Local authorities should have development funds to ensure that investment follows planning and the Council will work to agree a framework with the Scottish Executive and Scottish Federation of Housing Associations. These funds should be directed by local authorities and set within the context of national targets. We welcome proposals in the Bill that make this possible however in terms of how the role of development funding responsibility will be administered requires further consultation.

1.8 Regarding the Single Social Tenancy and Right to Buy, we strongly believe that the Bill should allow for localised pressured area status, evidenced through a set of criteria which are defined within a framework of local geography and house type. The Council remains concerned about the potential impact of high Right to Buy rates on small housing associations. We would not wish to see future viability threatened.

1.9 We would like to see further discussion on the further inclusion of house types and areas of pressures as well as the practicality of likely procedures. Pressured area status would allow for limitation of the right to buy in specifically designated areas. Such designations should arise out of the local housing strategies so that the strategic nature of the designation is transparent for all landlords and tenants. Some areas of the city are working towards an increase in the amount and take-up of owner occupation but there are also some areas where the amount and type of social housing for rent requires to be stabilised or increased.

1.10 We would prefer the abolition of Right to Buy extension to housing associations because we have clear concerns about newly built or renovated homes which could follow council stock into right to buy and as a result produce a shortage of rented housing city-wide and especially in specific area. However we recognise the reality and wish lower discounts with the possibility of buy-back with a workable pressured area status for suspension.
2. **Homelessness**

2.1 We welcome the proposals on Homelessness and in particular proposals for increasing the rights of homeless people and proposals to require Councils to develop homelessness strategies. The new provisions however must be underpinned by an adequate supply of housing so that the new provisions can be serviced appropriately and effectively.

2.2 The general duty to provide advice already exists within homelessness legislation and the extension of the duty which has the aim of preventing homelessness where possible is reasonable. The Council is working on developing advice strategies and to make these integral to service delivery but there will be resource implications associated with such strategies.

2.3 Homelessness provisions will also depend on proper links being made between the different strategies and regarding the new duties such as Supporting People strategies and local housing strategies. Again, there are many additional costs attached to producing a homeless strategy which concern the Council given that this should be funded largely outwith the HRA.

2.4 The proposals should go further to explore the resourcing implications of the new duties in relation to the practical consequences of the extension of the duty to provide temporary accommodation to anyone believed to be homeless. As these measures will help to meet policies on rough sleeping the consequence is that there will be an increase in temporary accommodation. This will effect the overall cost of this provision, which will increase as well along with Bed and Breakfast provision in the short and medium terms. A longer term planning framework is essential to develop. There is a risk of over reliance on temporary accommodation to solve problems of non-priority homeless. There needs to be a clearer distinction between those who need support as well as support to those who need accommodation only because we do not want to develop a situation where we end up with a large amount of people living in temporary accommodation for long periods of time. Further funding of the sort should be available under the Empty Homes Initiative. This could be useful to councils seeking to bring currently unoccupied property into letting condition or to tackle concrete steps to tackle low demand problems, which are caused by factors such as poor security.

2.5 The Council would also wish to participate in the production of any guidance to reach agreement on programme management as well as the context of the guidance as we believe that the implementation of this duty should be co-ordinated.

2.6 Further clarity must be provided on the new role of the regulator in relation to homelessness.
3. **Improvement and Repair Grants**

3.1 The Council welcomes proposals for a more strategic approach on problem areas of owner-occupation and the private sector and we welcome the establishment of the Improvement Task Force.

3.2 In broad terms the Council welcomes the reforms to the provision for private sector repair and improvement grants and the additional categories of work which will qualify for grant. However we consider that these items should be included in the BTS definition which provides a much stronger basis for the grant system.

3.3 Confusion remains about the introduction of a complex means-testing system where local authorities will be able to assess the appropriate level of contribution applicants would have to make to the costs of works to be carried out. It is unclear whether means testing will have positive results in terms of targeting those with the most need through the system as well as deterring others. Minimum percentage levels may also be required for Housing Action Areas and Repair Grants.

3.4 The Council remains concerned about the resourcing implications of the new powers under the Improvement and Repairs Grants. Extra administrative resources will have to be made available. Currently, improvement and repairs compete with other general funding priorities. Extended grant eligibility will assist in improving standards but the question remains on the extent to which improvements can be made across the city and the actual number of homes that can be improved.

4. **Conclusion**

4.1 In conclusion there is clear agreement between the Scottish Executive and the City of Edinburgh Council in the majority of the proposals as we look to this Bill to enable local government to produce good housing solutions.

4.2 The proposals will have a tremendous impact on our priorities. It will impact upon our dual strategy as both provider and enabler of housing services. It will impact upon the priority areas, regeneration work, and selective stock transfer alongside targeted and planned maintenance on Council housing. The Bill will impact upon ensuring a housing system where supply meets demand including the provision of quality, affordability and sustainability. The Bill will also impact on the Council as effective and strategic planners and enablers ensuring that we maximise investment and value for money.

4.3 The City of Edinburgh Council is aiming for excellence in the field of social housing in Scotland. We believe that these proposed changes will help us to achieve our aim.
Enquiries to: Mary Pitcaithly
Telephone No: (01324) 506002
Date: 23 January 2001

Eugene Windsor  
Clerk to the Local Government Committee  
The Scottish Parliament  
EDINBURGH  
EH99 1SP

Dear Mr Windsor

**HOUSING (SCOTLAND) BILL**

I refer to your letter of 18th December 2000 inviting written evidence to the Local Government Committee on particular issues relating to the Housing (Scotland) Bill.

Falkirk Council is taking this opportunity to respond to the specific matters highlighted as follows.

**Strategic Role of Local Government**

The enhanced strategic role for local authorities proposed in the Housing (Scotland) Bill is welcomed and the changes to the rights and responsibilities of Councils are noted. New duties are recognised in respect of housing needs assessment, housing planning, strategic housing budgets, homelessness and tenant consultation.

There are 2 main areas relating to this greater strategic role where further clarification would be beneficial, namely

a) resources  
b) relationship to stock transfer

There are clear resource implications for authorities, particularly in relation to staffing, in undertaking this enhanced strategic role and it would be useful to have some indication of how the Scottish Executive envisages such resource demands being met. For example, in other contexts, forms of “bridging finance” have been made available to offset costs during periods of transition but this issue does not appear to have been addressed in the Housing (Scotland) Bill.

Some clarification would also be welcome regarding the relationship between the enhanced strategic role, including management of a strategic housing budget, and stock transfer. Earlier indications were that stock transfer was the only sure way for authorities to access strategic development funding. This position has altered somewhat. Now authorities who have not transferred their stock may have Scottish Homes funding transferred to them if an appropriate local housing strategy is in place. What remains
unclear are the funding arrangements for improving Council-owned stock in authorities where stock transfer is not seen to be the appropriate strategy. An indication of how this issue is to be addressed would be helpful in order to ensure that the interests of Council tenants are not prejudiced.

This Council has already recorded its concerns over the Executive’s proposals for stock transfer. The policy of stock transfer being promoted implies a uniformity of approach which fails to recognise local needs and circumstances and could be seen to represent the dismantling of local authority housing in Scotland. In recent discussion on the Housing (Scotland) Bill, Members of the Council’s Housing and Social Services Committee again noted their resistance to wholesale stock transfer.

With regard to the Right to Buy, it is noted that tenants who currently have the right to buy will retain their existing rights, terms and conditions.

In general terms, the modernised Right to Buy Scheme is welcomed particularly with regard to new discount levels, suspensions for reasons of rental of council tax arrears and anti-social behaviour.

The proposal for the designation of 'pressured areas' is also welcomed but it is considered that the proposal would benefit from clearer guidance as to what would be defined as a 'pressured area' in this context e.g. town, village or estate.

**Homelessness**

Falkirk Council supports the Executive's aim that all local authorities should be under a duty to produce homelessness strategies for their areas to alleviate homelessness and strengthen the rights of homeless people and is currently developing such a strategy in partnership with other relevant agencies. The Council also welcomes the proposal to require registered social landlords to assist local authorities to discharge their responsibilities in relation to homeless people.

The Council does, however, have concerns about how the extended duty to provide temporary accommodation will be resourced and about the timescale for the introduction of this wider duty. Best estimates suggest that this Council will require to double the amount of temporary accommodation currently available. This will need to be equipped and managed. To allow appropriate service and budgetary planning to take place, the Council would welcome an early indication of when this duty will be introduced, for what period of time the duty will apply and whether additional resources will be made available to local authorities in order for them to make appropriate accommodation available, either from their own stock or through arrangements with relevant partners.

**Improvement and Repair Grants**

The proposals in the Bill to modernise the Improvement and Repair Grant System are generally welcomed.

In particular, the greater flexibility afforded to local authorities to allow works such as installation of controlled door entry systems, fire detectors and fire retardant doors and thermal insulation in the case of buildings in communal ownership will be beneficial.
Proposals to introduce a test of resources to award grant according to need is also consistent with the Council’s Social Inclusion policies.

Whilst noting general support for the type of policy issues introduced it would be beneficial if there could be some clarification as to how these additional areas of responsibility are to be resourced. Without additional resources dedicated to these new grant eligible areas and responsibilities it is difficult to see how these further powers can be implemented without prejudice to existing priorities.

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I trust these observations will be of assistance.

Yours sincerely

[Signature]

CHIEF EXECUTIVE

doc.ref. mp/0109Shbil
The Background

It has always been recognised that housing is primarily a local service, and requires to be planned and delivered at a local level. When there have been two tiers of local government, housing has been allocated to the lower tier. Since the 19th century, local authorities have played a distinguished role in dealing with substandard housing conditions, planning urban growth, and building good quality rented housing which in many cases still compares well with housing built by the private sector today. In cases where unsatisfactory housing has been built, the errors have rarely been by local government alone, but have usually involved extensive central government control or influence, as in the reduction in standards in the 1930s and 1950s and the drive to new and inadequately tested building systems in the 1960s and 1970s.

The idea that a national agency should play a dominant role in housing is a relatively new one. The Scottish Special Housing Association (SSHA), which dated from the 1920s, played a bigger role than any equivalent in England but it was quite a narrow one, originally consisting only in promoting innovatory building techniques although expanding after 1945 to assist local authorities in responding to housing shortages. The turning point came in 1974. Large-scale slum clearance had run its course and the general housing shortage which had dominated policy since 1919 had eased. There was a shift to rehabilitation and a recognition that local authorities had come to own too large a proportion of rented housing in many areas. The previously obscure Housing Corporation was expanded into a national funding agency to promote rapid growth of the voluntary housing movement, which was given a comprehensive statutory framework for the first time. Funding for new social housing has since shifted almost entirely to housing associations. At first, housing associations were also dominant in private housing renewal, but more recently the balance has shifted back towards local authorities via grants to owner occupiers, albeit on the basis of inadequate resources.

In Scotland, a further stage in the development of a national agency came in 1988 with the merger of the Housing Corporation and the SSHA to form Scottish Homes. To the role of promoting housing associations was added the task – still uncompleted – of winding up the SSHA stock, and also of funding new private housing. There was no consensus about Scottish Homes’ role in private housing. There was no parallel increment of powers to the Housing Corporation in England. Glasgow was already vigorously promoting owner occupied housing. The Council’s view is that Scottish Homes has done nothing in relation to private housing in the city which would not have been more effectively done by the Council itself, given the same powers. The three-way division of responsibility for the development pipeline between the Council and two quangos – Scottish Homes and Scottish Enterprise – has been inefficient and has caused serious delays, in particular to brownfield development from 1989 to 1994 while the two quangos had a dispute over division of funding, and to the important West Drumchapel development which involved a new road. Similar delays are affecting the proposed Ruchill/Keppoch New Housing Neighbourhood. However, the government of the day imposed the division of responsibility because it wanted more direct control of private housing development.

Although overall housing shortage is no longer important, the issues in housing now are not totally different from those in the early postwar era. Substandard private housing is less
serious but remains a major issue, particularly in Glasgow. There is still a major issue of clearance and replacement, albeit presenting in a different form. As a result of many years of underinvestment, combined with the mass worklessness resulting from the loss of industry and the residualisation resulting from the shift to owner occupation and the Right to Buy, there is a major problem of substandard council housing and urban neighbourhood decline. Consequently the required scale of physical regeneration is comparably large. In addition, homelessness remains a major issue and indeed has worsened as a result of widespread poverty and collapse in family structures. Finally, there is an urgent need to change the pattern of physical development in line with the principles of environmentally sustainable development so that cities such as Glasgow are enabled to halt and reverse losses of people and jobs, and to reduce transport energy use and pressure on the countryside.

These problems are of a nature which requires effective and sensitive management and direction at the local level just as much as the problems of the past. These are not issues which can be handled effectively by central government or a central government agency. Indeed, the quango system has been strikingly ineffective in dealing with them, primarily because it makes “joined-up” decision making difficult by removing decision-making from those who understand the real relationships between different kinds of problems and because it splits responsibility for different functions between entirely separate agencies staffed by people who have only a specialist knowledge base. After many years – since the end of the 1970s – in which central government or its agencies have held a wide range of powers previously exercised by the local authority, the scale of Glasgow’s deprivation relative to the rest of Scotland has increased, not lessened. The role of central government should be to provide an overall framework of legislation and funding which will enable local government to do an effective job, not to attempt to run local development and services itself.

The Key Tasks of the Strategic Local Authority

In this context, the key tasks for a local housing authority today are:-

1. **Planning and Development** To secure the satisfactory overall development of housing in the area, ensuring a match with employment and transport, the demands of the environment and sustainable development.
2. **Social Housing Investment** To make a comprehensive assessment of needs and ensure an appropriate pattern of investment in the social housing sector to meet them, balancing replacement, improvement and meeting community care needs in line with the development of support services.
3. **Homelessness** To deliver effective services to the homeless, in terms of advice, interim accommodation, support and rehousing.
4. **Effective Coordination of the Social Housing Sector** To secure effective overall monitoring and management of the social housing sector in the area, ensuring that it responds to local needs and conditions and meshes with the delivery of other local services including social work, health, policing, environmental and leisure services.
5. **Substandard Private Housing** To deliver effective programmes for the management, improvement and replacement of unsatisfactory private housing.
6. **New Private Housing** To ensure the delivery of appropriate and competitive sites for new private housing development, maximising the reuse of brownfield land where residential development is appropriate.

How does the Bill measure up to the requirements?

To some extent the Bill does embody a recognition of the weaknesses of the quango system and takes welcome steps to return some functions to the local authority. However, its moves in this direction are generally slow and conditional, and combined with considerable further extension of central government powers. In some key respects, it does not currently provide local authorities with the framework they need to carry out their tasks effectively.

There are two general weaknesses in the proposals:-
**Resources**  The Scottish Executive has not so far adequately recognised the costs of delivering the local authority’s strategic role effectively. The only additional resources are £9m per year for homelessness and a share of £2m per year for tenant participation; these amounts will be offset by the proposed transfer to local authorities of the cost of the NEA’s regulation of housing management. No specific funding is being made available for the strategic role. The Scottish Executive argues that housing plans are already being funded by local authorities. But much of this cost is currently borne by rent income which will be lost on stock transfer. We estimate that the Scottish Homes development funding role in Glasgow costs at least £8m per year. This cost would fall straight on to the Council.

In our view the Scottish Executive must face up to the shortage of resources for housing, and secure the financing of the strategic authority role by the direct transfer of most of the present Scottish Homes budget to local authorities, along with most of the staff currently involved in the development function.

**Role of the Executive Agency**  The financial issues relate to the envisaged roles. Essentially, the Scottish Executive is creating a resource problem by proposing a role for the NEA which is quite unnecessarily large. The proposed continuation of a regional structure for the NEA is uncalled for. Local government already has all the capacity required to plan housing development, particularly through Structure Plan Committees and Teams. NEA regional offices would duplicate this capacity. Worse, they would perpetuate the existing split between housing and other key issues to which it must be related including employment, transport and social work.

The proposed use of the NEA as an agency for community regeneration is misconceived. There is nothing the NEA can contribute here which would not be better delivered by the local authority or local LEC, while the perpetuation of another agency will mean further confusion, bureaucracy and delay. The combination of the roles of regulator, interim funder, community regeneration agency and supervisor of local housing strategy will also create conflicts of interest which are likely to undermine the NEA’s perceived integrity and give it too much potential for arbitrary exercise of power in relation to the local authority.

There are also key weaknesses in the proposals relating to each of the specific aspects of the strategic authority’s role:-

**Planning and Development**  There is an urgent need to empower local authorities to end the confusion, delay and bureaucracy created by the quango system and to reconnect housing properly with economic development, transport and physical planning. Clause 79 provides for too prescriptive a system of housing planning. There is a risk that the “standardisation” of local housing strategies referred to in the Policy Memorandum will undermine the responsiveness of planning to local conditions. The proposed arrangements will maintain the key weakness of the quango system, in divorcing housing from economic development, transport and physical planning including Structure Planning. By repealing S.1 of the 1987 Act in its entirety, it also removes the local authority’s general duty to consider and act on its area’s housing except when instructed to do so by ministers.

**Social Housing Investment**  The proposed handover of Scottish Homes’ development role is much too slow. The need to address the misallocation of resources in relation to needs created by the split between funding agencies is an immediate one. The Scottish Executive argument is that local authorities would discriminate in favour of their own stock. This is scarcely a pressing consideration given the fact that council housing has been so severely underfunded in relation to RSLs for so long.

**Homelessness**  The Bill does not currently provide a framework which will enable local authorities to provide an effective service to the homeless. It does not require RSLs to participate in a Common Housing Register or to negotiate general agreements to provide lettings to the extent and in the way required to reconcile their capacity with the local authority’s requirements. Consequently the authority may be in the position of “shooting in the dark” in making nominations, with a resulting high failure rate in nominations, causing extensive delays in rehousing, higher administrative costs and longer stays in temporary
accommodation. The Bill also does not lay down any timescale to meet rehousing requests, or require RSLs to assist in the provision of temporary accommodation or to avoid making people homeless.

The Scottish Executive view is that homeless nomination arrangements can be negotiated as part of the stock transfer process. But not only does this provide no guarantee in the longer term; also, it is important to realise that in the typical local authority area, RSLs already hold one third of the social housing stock and this will remain beyond the reach of any stock transfer agreements.

**Effective coordination of the Social Housing Sector** The potential difficulties here arise from the lack of clarity in the relationship between the NEA as regulator and the Council as the strategic housing authority. This applies particularly to issues where regulation overlaps with policy, and to the lack of any statutory obligation on the proposed NEA to provide information about RSLs derived from the regulatory process to the authority. The Bill conceives of the task of regulation as existing in relation to individual RSLs. But it is also essential that RSL policy and practice should contribute to the overall effective functioning of the social housing sector in each area in relation to its particular problems and that the most effective use should be made of the social housing resources available. These are matters on which only the local authority is in a position to represent the public interest effectively.

A Common Housing Register for which the local authority is responsible and in which RSLs have a duty to participate is essential to this functioning. Otherwise, for instance, specially adapted housing may not be available to those who need it most.

**Substandard Private Housing** There are several problems here. The proposed Tolerable Standard is too weak, in particular the omitting serious disrepair as a ground for failure. The proposed means testing regime is likely to be difficult and costly to operate and its cost effectiveness is seriously open to question. There does not appear to have been any systematic appraisal by the Scottish Executive of whether the savings from means testing will outweigh its costs. Most fundamentally, there is no indication that adequate resources will be made available. Clause 94 will undermine the authority’s ability to target limited resources where they are most needed.

**New Private Housing** As with housing development in general, the delay in handing over the funding powers to local authorities will prolong the current difficulties. There is also a question about whether the powers provided by Clause 82 are adequate. In the Council’s view, the Bill should transfer all of Scottish Homes’ existing development powers to local authorities, rather than attempting to create new powers.
1 The Highland Council broadly welcomes the Housing Bill which should bring about a number of improvements for communities and individuals in Scotland. We support, in principle, the single social tenancy, the commitment to improving rights for homeless people and tenant participation and the opportunities given through the Bill to expand and develop the strategic housing functions of local authorities. We have some concerns however and feel that clarity and amendment is required in a number of key areas:

- the strategic role of local authorities
- the future role of Scottish Homes and
- the proposals for Right To Buy (RTB)

2 As much of the shape of future housing policy could be determined by secondary legislation, on the back of the Housing Bill, we would like assurances that there will be full and detailed consultation with local government prior to secondary legislation being made.

**Strategic Role**

3 We particularly welcome the strategic leadership role in relation to housing with the new duties to lead in preparing local housing strategies and the new powers to control and direct local housing investment. This is a logical role for local authorities. With our wide ranging powers and responsibilities for community and other planning and service delivery, local authorities interests encompass the many social, economic and environmental issues arising in local communities. Indeed as our remit and responsibilities are far wider than Social Inclusion Partnerships (SIPs), regeneration and encouraging potential community benefits arising from housing investment, we are best placed to maximise the links between housing, local economies, employment, social inclusion and community development.

4 Our track record already highlights how well we can lead within a partnership framework. Our ability to strategically plan and agree common goals and action is demonstrated by:

- the inclusive and collaborative development of the Highland Council’s Housing Strategy ‘Looking Ahead For The Highlands’ and its implementation
- the Strategic Alliance with Scottish Homes

and through our involvement in a variety of local partnerships and effective joint working. Through the Rural Partnership for Change (RPfC) pilot we demonstrated how our partners such as RSLs can continue to be involved in developing and implementing housing strategies and can have confidence in our abilities to lead planning and effectively target investment. The local development fora formed through RPfC will enable our partners to apply the strategy at the local (community) level, target priorities, and feed up into strategy review and development. However RPfC highlighted that, without the power to direct resources the ability to lead on and deliver strategies and programmes is restricted.

5 Housing strategies should be informed by the long term vision of where we want to be – that vision, alongside the priorities to achieve it, is set out in the community plan for which we have the leading role. As the local democratically elected body we exist to serve our local communities and our policies and actions are accountable to them. Moreover within our operating environment of Best Value and performance management, commitment to effectiveness and quality will be assured.

**Development Funding**

6 We welcome the recognition through the Housing Bill that LAs need to have the means to deliver the strategy (i.e. control of local housing budgets), to be consistent with what the new duties are aiming to achieve - coherent planning leading to effective implementation. Directing resources for housing investment and development, within the community planning framework and in the context of the local housing strategy, will enable funding to be effectively co-ordinated to have the maximum impact. If the process is to work effectively however, there needs to be recognition and respect for the lead position of LAs in this role by all parties. We would ask for a strengthening of this recognition as we are concerned about the future regional role being proposed for the new Executive Agency.

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1 The Rural Partnership for Change Highland Pilot involved The Highland Council piloting a partnership approach to tackling the challenges of meeting housing needs in pressured rural areas. Partners included Scottish Homes and representatives from the Highland housing associations and trusts.
The Highland Council’s track record shows that is capable of taking on the development funding function from Scottish Homes, as proposed through Section 80 and 82 of the Housing Bill. Our partnership work (e.g. through RPIC and Homes for the Highlands) demonstrates our commitment to housing associations and housing trusts to actively taking forward partnership at the ground level. We understand and respect their roles and responsibilities. Moreover we are committed to ensuring that the procedures associated with development are not overly burdensome on our partners and restricted by bureaucracy. We believe we have their trust and support. The Highland Council Housing Services has demonstrated its ability to manage large investment programmes. We currently manage an annual programme (HRA and non-HRA capital investment) of around £18 m to our own stock and to private owners and housing associations & trusts. In addition New Housing Partnerships (NHP) and other challenge funding initiatives have enabled our officers within Housing Services to further develop their skills and expertise for project appraisal, managing and monitoring. The size of our overall investment programme over the past few years has been: £21.7m (2000-2001); £16.8 m (1999-2000); £15.1 m (1998-1999). As a local authority, in total we administer a General Services capital budget of £33.9 million.

It has been difficult to see how, to date, housing strategies and plans have influenced development funding resource allocation and targeting of development action at the local (community) level. The RPIC Highland pilot showed how translating planning into investment targeting at the local level through a transparent decision making framework could be achieved. For example, we identified the most pressured rural communities within the Highlands, set criteria for further prioritising which communities would be selected for investment and action and, in partnership, agreed with the local housing bodies where and what type of new housing would be developed. Moreover, we are developing a more proactive style of development that continues to be based on partnership working (e.g. developing a landbank). This will ensure that the particular challenges of developing in the Highlands are tackled, investment is achieved and targeted where it is most needed.

We agree that there should be monitoring of our strategic planning and development role and recognise the need for this. We are still unclear about the required arrangements to transfer the development function to local authorities but feel strongly that the transfer of the development function should not be dependent on the transfer of the landlord function and that there should be no power of veto by a minority. We welcome and are ready to embrace objectivity, transparency and fairness within investment targeting which we feel can be achieved within the local housing strategy framework. As we operate as open, accountable bodies within a Best Value environment, once the appropriate checks and balances are in place, and we demonstrate that we have the relevant skills and expertise there should be no reason why this function cannot be transferred. The confidence the Highland housing associations and trusts have in us has been demonstrated through RPIC. To support us in our leadership role, we would welcome clarity and guidance on procedures to resolve any local difficulties and disputes quickly (for example, those which might arise within partnerships developing and taking forward the housing strategy).

Future Role of Scottish Homes

Whilst we welcome in principle the changes to Scottish Homes, we have concerns about the lack of accountability and potential conflicts of interest following from the proposed form and duties of the new Executive Agency (EA). We feel that it is logical that the local housing strategy process links to the resource allocation to local authorities. With this in mind we would also welcome formal assessment, and approval by the Scottish Executive, of our local housing strategies. However, we have real concerns that with the proposed continuing regional planning role for the new Executive Agency a conflict of interest would exist. We do not feel that there is a need for a regional role for the new EA. Such a role would lead to overlap between the Scottish Executive’s agency and local government. For example, we are unclear and concerned about the proposals for the new EA to produce regional context statements (RCS). This would undoubtedly involve duplication of resources and effort particularly in areas such as Highlands with few cross-boundary housing markets and issues. The majority of relevant information is already produced within the planning framework for the structure plan, local development plans, the housing plan and for community planning. With our current planning responsibilities and experience we feel that we have the necessary skills to produce RCS and would be able to further develop our skills. We recognise that other

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2 The ‘Homes For The Highlands’ partnership was formed to take forward the Council’s successful New Housing Partnerships bid for funding. Partners included Scottish Homes, The Highlands Small Communities Housing Trust; The Highland Housing and Community Care Trust, Albyn Housing Society and Cairn Housing Association.
smaller councils may not have the same background or experience but are sure that skills and knowledge could be developed in time within local government particularly with the required transfer of resources and staff. In areas where the local housing market overlaps several local authorities, there are a number of examples of councils working together in consortium arrangements to share information and plan corporately (e.g. North East Housing Planning Alliance, the Ayrshire Joint Structure Plan Committee, and the models being proposed for the management and delivery of criminal justice social work services).

We would request that, contrary to the proposals in the Bill, the regulation and monitoring role is undertaken more independently whilst other functions currently being proposed for the new EA (such as planning, research and advice to the Scottish Executive on policy) are transferred to local government or absorbed further into the Scottish Executive.

There is a need to recognise that an increase in the strategic responsibilities will require a transfer of resources and we would seek further clarification as to how these duties are to be funded, particularly in post-stock transfer situations when the Housing Revenue Account has been wound up. Section 172 of the financial memorandum however appears to indicate the contrary. Based on current situation within Scottish Homes Highland & Island Region, it is estimated that an additional 2 planning and 3 operational staff members would be required by The Highland Council. Moreover, to date, there have been no resources from the Scottish Executive to support community planning. This requires to be adequately resourced to do justice to its aims.

We feel that, backed by legislation and underlying structures and processes, local authorities should be fully trusted to lead all elements of local housing strategies in their role as democratically elected community leaders which would ensure a joined up, fully accountable, approach is achieved.

**RTB Proposals**

We are pleased to see in the proposals to see recognition of the impact of the RTB on pressured communities but do not believe that the current proposals for designation will have any real impact on easing housing pressure. The following examples illustrate this:

**Morar** – 9 houses and existing tenant households; no new tenant housed since 1998 and, prior to that, 1994; 12 years to find suitable site; site conditions & lack of infrastructure make development very difficult and expensive. Opportunities to replace any housing lost through RTB will be limited. 36 households on the waiting list in the Mallaig/Morar area. Only 7% of housing is social rented. 61% of council housing already sold through RTB. Estate-owners who have sold rural sites, are concerned that their generosity and community benefits will be lost and that individuals will profit due to the strong holiday/second home market, and are consequently reviewing their decisions and future land release policies.

**Raasay** - 7 houses (4 HA; 3 Council) and existing tenant households, only 1 new tenant since HA houses built in 1996 and no new council tenants for a number of years; 5% of housing is social rented; 12 houses on waiting list; 50% of council stock already sold. 5 years to secure site, no other developable sites in foreseeable future. Opportunities to replace housing lost through RTB will be limited.

**Glenelg** – 8 houses and existing tenant households. Of the 4 HA houses only 1 has been re-let since built in Jan. 1997. 17 households on waiting list. Only 5% housing is social rented. Very difficult to get sites; very high costs to develop; high proportion of expensive houses, many of which sold as second homes. Opportunities to replace housing lost through RTB will be limited and very costly.

Local authorities need to have powers to make more of a radical impact on the housing market where required. We also have concerns that the designation of pressured areas could place a recurring onerous burden on local authorities and so should take place within the Local Housing Strategy process. The Scottish Executive should then have authority to challenge appropriateness where it is felt necessary. From our experience gathered in the RPfC pilot, we believe that there is a need for realism and practicality in devising guidelines around information requirements if the clause is to work effectively and be practicable as a strategic planning tool.

We believe that affording to registered social landlords and local authorities the right to buy back former RTB homes, before they are sold on the open market, may help to meet substantial housing needs in particular areas where there is pressure on the local housing system and which may or may not have suspensions from the RTB.

In conclusion, we welcome the new powers and responsibilities being proposed for local authorities but would ask that we are not hampered in our abilities to be effectively meet local needs and respond to national policies by the actions of the new Executive Agency and regulations relating to the RTB.
HOUSING (SCOTLAND) BILL

EVIDENCE PROVIDED TO THE LOCAL GOVERNMENT COMMITTEE BY NORTH LANARKSHIRE COUNCIL RELATING TO IMPROVEMENT AND REPAIRS GRANTS.

1. INTRODUCTION

1.1 North Lanarkshire Council welcomes the opportunity to provide evidence to the Local Government Committee on the Improvement and Repair grants section of the Bill.

1.2 Since the Council was established in 1996, a high priority has been given to investment within the private sector to ensure that assistance is provided as necessary to help owners invest in North Lanarkshire’s housing stock. In its first five years, North Lanarkshire will invest £11.9M through its Non HRA Housing Capital Budget. In addition a Care and Repair project was established in June 1998 and is supported by the Council, Scottish Homes and Lanarkshire Health Board. This project has already processed investment of £725,000 in helping older and more vulnerable owners repair and improve their homes.

2. BACKGROUND

2.1 Tenure Change

2.1.1 There has been a significant increase in owner occupation within Scotland since 1971, as indicated in Table 1. The increase in owner occupation within North Lanarkshire has been even more dramatic, with the percentage of owner-occupiers rising from 19% in 1981 to 54% in 1997.

2.1.2 A significant factor influencing the increase in owner occupation has been the take up of Right to Buy. 36% of the original stock of social rented housing in North Lanarkshire has been sold to tenants. Whilst this has had a positive impact in terms of diversifying tenure and creating opportunities for owner-occupation, there is also evidence that many Right to Buy owners are less well off and in some instances face onerous repair and maintenance obligations which may not have been clear to them at the time they purchased their homes. Table 2 illustrates the impact of Right to Buy on tenure profile within North Lanarkshire and illustrates that 26% of the total housing stock within North Lanarkshire was purchased through the Right to Buy. For Scotland the comparable figure for houses acquired through Right to Buy is 25%,
2.1.3 The growth in owner occupation has predominantly been at the lower end of the housing market, and this is highlighted by comparing the proportion of properties in different Council Tax Bands between North Lanarkshire and Scotland as a whole. Table 3 illustrates the percentage of houses within each Council Tax Band and highlights the significant number of lower valued properties within North Lanarkshire. 71% of houses are valued at under £35,000 compared to 53% for Scotland as a whole. This indicates a less buoyant housing market and results in a lower level of equity within individual properties.

2.1.4 An additional feature of the owner-occupied sector within Scotland is the high level of flatted accommodation. Table 4 illustrates the high level of flatted accommodation within Scotland (25%) compared to Great Britain as a whole 8%. The figure for North Lanarkshire (19%) is slightly lower than the Scottish figure. The high number of flats within Scotland and North Lanarkshire has major implications for the repair and maintenance of common areas, an issue which is particularly problematic and to which we will refer later in this paper.

2.2 Barriers to Participation/Investment

2.2.1 There is also evidence that a higher number of owners are becoming economically inactive and that owners who purchased through the Right to Buy legislation are less well off. Table 5 shows that in Scotland 14% of mortgage payers and 69% of outright owners are not in employment. For North Lanarkshire, Table 6 shows that within North Lanarkshire 58% of Right to Buy purchasers had incomes under £290 compared with 31% of other house owners, and Figure 1 illustrates the different income profiles of Right to Buy owners compared with other owners.

2.2.2 A major challenge for North Lanarkshire Council since its inception has been securing the co-operation of owners within former local authority stock to participate in Capital Programme work. In financial year 1999/2000, for example, the involvement of 226 individual owner-occupiers was required, as shown in Table 7. The Council is often thwarted in its desire to repair and improve its own stock because owners in former Local Authority houses will not participate in common works. Even where grant assistance is offered, owners often refuse to participate, either because they cannot afford their own share of the work or do not see the need to invest in their homes in this way. This has a major impact on the Council’s ability to repair its own houses and to provide tenants with improvements in their living conditions.

2.2.3 Examples of the type of work where owners often refuse to co-operate include re-roofing, re-rendering and the installation of door entry systems. There have also been examples of owners refusing to participate in the provision of cavity wall insulation.
2.3 **Wider Implications**

2.3.1 The above examples are important in the context of the policy aims of the Bill. In addition the issue of owner-occupier participation in common works will also affect current and future stock transfer proposals. Without the co-operation of owners, new Registered Social Landlords will find they are unable to implement investment priorities involving common repairs and improvements which will be high on their tenants’ list of priorities.

2.4 **Cumbernauld**

2.4.1 Within North Lanarkshire, the former new town of Cumbernauld poses a major challenge in relation to securing investment both for tenanted and privately owned housing, as a result of the impact of Right to Buy sales. Cumbernauld Development Corporation started selling its stock to sitting tenants in 1965, only 9 years after the new town was designated. Over 70% of former Corporation stock was sold through the Right to Buy and it is estimated that within the Cumbernauld Housing Partnership area alone £8.7m is required to repair and improve the owner-occupied stock over the next ten years*. A large number of these owners purchased multi-storey accommodation with the level of owner occupation within the tower blocks ranging from 40% to just over 70%.

2.4.2 The Council promoted and supports the Cumbernauld Housing Partnership which took over the former Scottish Homes stock within Cumbernauld in November 2000. The Council has also helped to foster the development of an Owners Association in an attempt to encourage and assist owners participate in common works to their homes in conjunction with the Partnership.

2.5 **Disrepair within the Private Sector**

2.5.1 While the proportion of houses in North Lanarkshire which fail the Tolerable Standard is now very low, disrepair is emerging as a major issue. Data from the Scottish House Condition Survey 1996 shows that 16% of owner-occupied dwellings in North Lanarkshire were considered to be in poor repair, having an estimated cost for visible repairs of over £1200. 29% of owner-occupied houses had at least one element which requires urgent repair. The total “visible repair costs” for owner occupiers houses was estimated as £39M, and “comprehensive repairs costs” were estimated to total £118M – an average of £1906 per house which was almost the same as that for Local Authority houses.

2.5.2 At least 21% of owner-occupiers houses had a problem with condensation and/or dampness compared with 19% in Scotland. 23% of owner-occupier households had a long-term sick or disabled person living with them.

* Hayes Thomson Associates for Cumbernauld Housing Partnership.
2.6 Public Investment in the Private Sector

2.6.1 Despite the increasing number of owner-occupied houses in Scotland, and the growing need for assistance to this group, public investment has not kept pace, but in fact resources have dwindled, as shown in Table 8. Local authorities' total non-HRA capital expenditure fell drastically, from between £111m and £167m per annum throughout the period 1984 to 1996, down to only £55m in 1998/99.

2.6.2 North Lanarkshire Council has continued to invest around £2.3M per annum in private housing, compared with a total of £3M by the former authorities in the year prior to reorganisation (Table 9). Of this, some £1.4M per annum is spent on grants to owner-occupiers (outwith Housing Action Areas). Around 800 houses are improved per annum, with an average grant of £1700. This investment contributes to a number of corporate priorities:

- Improving Housing and the Environment
- Assisting Business and the Economy, and
- Community Safety and Development.

2.6.3 Research indicates that within North Lanarkshire the expenditure on Improvement and Repairs Grants alone levered in additional investment of around £1.3M per annum and sustains around 100 permanent jobs, most of them local. Care in the Community is also assisted by the expenditure on grants for Adaptations for Disabled people (around £250,000 this year), and on grants processed in conjunction with the very successful North Lanarkshire Care and Repair Project (£335,000 this year). This is managed by a local Housing Association and funded jointly by the Council, Scottish Homes and Lanarkshire Heath Board.

3. HOUSING (SCOTLAND) BILL

3.1 General

3.1.1 Detailed comments on the Bill are listed below. In general the Council, whilst welcoming the Bill’s proposals is also disappointed that a more comprehensive review of owner-occupation has not been included at this stage. The establishment of a Task Force to take these matters forward is welcomed and the Council would wish to see the Task Force bring forward recommendations at an early stage.

3.1.2 This Council’s views were presented in detail in a response to the Executive’s consultation document “Better Homes for Scotland’s Communities”
3.1.3 The Council welcomes the general thrust of the Executive’s proposals to reform the grants system and in particular concurs with proposals to :-

- Increase the scope of the grants system to allow grant to be provided for thermal efficiency measures and other works.
- Introduce a national test of means for applicants
- Increase the normal maximum approved expense level for Improvement Grants and Repairs Grants to £20,000.

3.1.4 This Council also welcomes the Executive’s recent announcements regarding the amendments to the Tolerable Standard and the proposed Index of Housing Quality. We would accept that a relatively minor amendment to the Tolerable Standard would suffice, but only on the basis that sufficient prominence is afforded to the Index of Housing Quality, which should become the standard to be aimed at for the 21st Century. The Housing Bill and Executive policy should aim to ensure that the availability of discretionary grant should be closely linked to the Index of Housing Quality.

3.2 Means Testing

3.2.1 While the Bill sets out a structure for means testing grants, it is not possible to comment meaningfully on the Executive’s proposals in this regard until more details of the method of assessing applicants’ contributions, and setting minimum percentage grants for specified categories of applications, are published. A means-testing system should meet a number of objectives. It should:

- be transparent
- be simple to operate
- rely on information which is readily available
- avoid opportunities for corruption, or allegations of corruption, of the staff who will administer it.

3.2.2 We would request full consultation prior to the introduction of means testing. We would also request some provision for local flexibility in the system, both in terms of grant levels and in the extent to which means testing should apply, in order to tune the system more closely to meeting local needs and locally determined strategic priorities.

3.2.3 The proposed Section 240A (2) (a) of the 1987 Act provides for assessment of the financial circumstances of a wide range of people in addition to the applicant. There appears to be scope for dispute in such matters as who is a person who intends to live with the applicant, or who is a person on whom the applicant is dependent, and there would appear to be significant opportunity for incorrect or fraudulent claims to be made. Local Authorities would require to devote considerable resources to detecting and preventing fraud, in addition to those for simply administering the system if such a system were introduced.
3.2.4 In addition to setting a minimum percentage grant for certain types of work, the Executive should consider providing for flexibility to allow higher levels of grants generally for types of work which are shared priorities for the Executive and Local Authorities, in order to encourage the take-up of grants in these categories compared with lower priority categories. These may include, for example, improvement of houses which fail the Tolerable Standard, replacement of lead piping for drinking water, common works and disabled adaptations. In the case of Improvement Grants for Disabled Adaptations, the current arrangements allow for additional financial assistance to be approved by the Social Work authority to “top-up” the grant in cases of financial hardship. There may be a case to integrate these two systems together into one combined means-tested grant.

3.2.5 Separate tests of means are proposed for owner-occupiers, landlords and tenants. Where a house is privately owned and unoccupied, it may be difficult to determine whether it is owner-occupied or landlord-owned, and guidance on this point would be useful.

3.2.6 In conclusion, the provisions in the Bill for aggrieved applicants to appeal to the Sheriff regarding the level of their grants, and for the treatment of false statements (and failure to notify the Local Authority of a change in circumstances) as a criminal offence, suggest that the proposed means testing system will be both complex and contentious. It must be asked whether the introduction of the bureaucracy required to operate the system as proposed will produce more benefits than costs to the community overall.

3.3 Right of Appeal

3.3.1 The provisions in the Bill for aggrieved applicants to appeal to the Sheriff, (Clause 240B, Subsections (1) and (2) appears to mean that there is to be a right of appeal to a Sheriff only in respect of a wrong assessment of the amount which an applicant should contribute towards the cost of improvement works.

3.3.2 Clarification is required on why a right of appeal is regarded as necessary in this matter when it is not necessary in regard to any other aspect of a Local Authority’s administration of improvement and repairs grants. If it relates only to the applicant’s contribution, it is essential that the regulations defining the means test are drafted so as to minimise the number of such appeals being lodged, as such appeals could prove to be time consuming and expensive for all concerned. Clarification is also sought on whether appellants would be entitled to Legal Aid.

3.3.3 The reason for an appeal will most commonly be that an owner cannot easily afford the cost of the necessary works even with the grant offered, this question may be quite pertinent. If the Sheriff may only dismiss an appeal or remit it back to the Local Authority for reconsideration, then the outcome of that reconsideration might lead to a further appeal by an applicant. Consideration should be given to some means of reaching a final determination of an appeal.
3.3.4 It would be also be useful if some provision were made for alternative means of dispute resolution prior to legal action being embarked on. Some form of independent arbitration, similar to an Employment Tribunal, might be helpful.

3.4 Definitions

3.4.1 In Clause 85 (1) (b) (ic), the meaning of “adequate heating systems” should be defined, possibly in Regulations, which can be quite detailed as well as easily updated from time to time. A definition might be based on the nationally acceptable minimum temperatures which heating systems should be capable of sustaining in living areas, hallways, etc.

3.4.2 The meaning of “adequate thermal insulation” should be defined in a similar manner; it should also be made clear whether or not it should allow for the installation of double-glazed windows. At present, in North Lanarkshire a repair grant only allows for the replacement of windows on the basis of them being beyond economic repair, so that a grant would not necessarily be available to assist an applicant to replace single-glazed windows with double-glazed units, on the grounds of thermal efficiency.

3.4.3 Clause 85 (3) relates to grant applications by tenants. Subsections (1) and (2) of the proposed section 236A, taken together, appear to mean (amongst other things) that any tenant at any time after the commencement of their tenancy may apply for an improvement grant for works which are “required for the health and safety of the occupants of the house”, simply because it is arguable that grant–aided works, by definition, will always be required for the health and safety of such occupants. If that interpretation is correct, then it seems to be pointless for subsection (1) to stipulate in effect that a tenancy must have lasted for at least two years before the tenant may apply for an improvement grant.

3.4.4 Clause 90(5) provides for the situation where a subsequent grant application is made in regard to a house which has already had the benefit of an improvement or repairs grant. It would be useful if it could be clarified that it will be the approved expense from which the previous grant is deducted, rather than from the new grant amount, as is currently the case, and as is suggested in the explanatory notes provided with the Bill.

3.4.5 Further to this, there appears to be an anomaly in that minimum percentage grants would not be taken into account in the calculation of a subsequent grant, whereas grants determined by means-testing (which may be only marginally greater than minimum percentage grants) would be deducted in full.
3.5 Encouragement of works to improve energy efficiency and safety

3.5.1 The proposed section 250A and clause 90 in respect of the proposed sub-sections 242 (5), (5A) and (5B) taken together, appear to mean that when an application (the first application) for an improvement or repairs grant is received by a local authority, it shall be legally obliged to investigate and decide whether or not the house in question needs electrical rewiring, or smoke detectors installed, or insulated, or a fire-retardant entry door or a main door entry-phone. If the local authority concludes that any one (or more) of those five things is necessary, the Local Authority will be legally obliged to invite the applicant to submit a grant application for appropriate works (the second application).

3.5.2 In addition, as presently worded, clause 94 seems to mean that, if the first and the second applications are determined simultaneously by the Local Authority, it is arguable that the maximum approved expense for those two applications would be £40,000. Clarification is sought as to the maximum approved expense related to such double applications.

3.5.3 The terminology used suggests that there would be a separate application for the energy efficiency/safety works. This could mean that there would be potentially a large increase in the number of individual applications received by Local Authorities with consequent increases in administrative costs. The changes proposed generally by the Bill have virtually extinguished the differences between improvement grants and repairs grants, and consideration should be given to merging these two types of grants together.

3.6 Higher Grants

3.6.1 The Bill does not propose any change to the existing provision of Section 242 (4) of the Housing (Scotland) Act 1987, which requires Local Authorities to seek the consent of Scottish Ministers for increases in the maximum approved expense level where it considers there to be good reason to so do. Given that local authorities are responsible for apportionment of their limited resources for grants, particularly in a climate of “Best Value”, it should be considered whether this power could be delegated to Local Authorities themselves.

3.7 Loans and Equity Share

3.7.1 One of the issues which impinges upon the way in which local authorities may deal with grant-aided works, albeit from Part 5 of the Bill and not Part 6, relates to loans. Subsections (3) and (4)(a) of Clause 82, taken together, indicate that a Local Authority may give an applicant for an improvement or repairs grant either a grant or a loan or both. If a loan is to be considered, then it would be helpful to clarify in Regulations the terms and conditions to be attached to such loans. Power to offer interest free, unsecured loans would assist the Council encourage owners to participate in common repair and improvement work and we would request that such power is included.
3.7.2 The powers proposed in the Bill to allow Local Authorities to take an equity interest in a property are not clear. What would be most useful would be equity share arrangements whereby an authority could take an equity share in a house to ensure, at some time in the future on the sale of the house, a return to the public purse of the initial outlay plus an appropriate share of the increased market value of the house. This could be used either in lieu of a very large grant, or coupled with such a grant, or to fund an owner’s contribution (after deduction of grant) to major common repairs or improvements.

4. **FURTHER ISSUES WHICH NEED TO BE ADDRESSED**

4.1 As outlined earlier, the Bill does go some way to increase the scope which this Council will have to address the issues of repair and improvement within the private sector. In line with the strategic approach advocated elsewhere in the document, we would urge the Executive to give further consideration to the following issues for inclusion within the Bill or for inclusion within the Task Force’s agenda.

4.2 **Financial Resources**

4.2.1 The overall level of resources for investment in private sector housing within Scotland has fallen, as outlined in paragraph 2.6.1.

4.2.2 Extending the scope of the grants system, and setting statutory levels of minimum grants and higher means-tested grants, coupled with the significant increase in owner occupation outlined earlier in this report, will substantially increase the demand for grant assistance, and the Scottish Executive should take steps to ensure that Local Authorities have adequate resources to invest in their area’s housing. Whilst it is recognised that general borrowing consent levels will increase over the next 3 years, it should be noted that in North Lanarkshire’s case this will not even restore the Council to its 1996/97 level in real terms. Given that it is proposed to control grant levels on a national basis, and that the availability of grant will be closely linked to the proposed Index of Housing Quality (which will be the new standard to be achieved), the Executive will want to ensure that Local Authorities have sufficient resources to meet the full demand for grants from owner-occupiers in their areas.

4.2.3 It is of concern that the administration of the proposed system of means testing, coupled with the need for measures to deter and prevent fraud, and the potential for legal action to defend the Council’s position in appeals to the Sheriff, will in total have very significant additional costs for Local Authorities.

4.3 **Advice and Assistance**

- Clear objective advice and assistance is required from a neutral source on repairs and improvements to help owners understand what choices they have and what the implications of each choice are.
• It should be a mandatory requirement that solicitors and lenders advise new owners of future repairs and maintenance liabilities relating to their home and any common areas.

4.4 Funding Options

A range of new options is required to suit the circumstances of individual owners. These should include:-

• Use of charging orders on a voluntary basis.

• Introduction of a national agency to draw in private money and distribute it to this market. (To date lenders have been very reluctant to become involved).

• Flexible tenure options where an owner could sell back part/all of their home which would release resources for investment. In view of the resource requirements associated with the establishment of such a project consideration could be given to a national scheme whereby properties are bought and then arrangements are made for them to be let by a local Housing organisation operating in the area the house was purchased.

• Review VAT levels for materials and labour associated with repairs and maintenance.

• Explore the possibility of establishing a sinking fund which will build up over time to cover the cost of future repairs liabilities.

4.5 Changing the Law to Compel Owners to Participate in Common Repairs and Improvements

4.5.1 Urgent review of the law is required to compel owners to participate in common repair and improvements. Unless this issue is taken forward the non-participation of owners will severely restrict all housing investment. Even in small scale projects, such as cavity wall insulation, if an owner in flatted accommodation refuses to participate, all residents in the block are denied this benefit.

4.5.2 Consideration should be given as a minimum to bringing forward the Law Commission proposals contained in the document “Reform of the Law of the Tenement”, which advocated the introduction of a majority voting scheme for commonly owned properties and a slightly more onerous scheme for new flatted properties.
4.6 Abolish Right to Buy in relation to Multi Storey Flats

4.6.1 Experience in Cumbernauld has shown the major difficulties which arise when flats within tower blocks are privately sold. In other areas of North Lanarkshire the take up of Right to Buy in multi storey accommodation has been very low and we would strongly recommend removal of this type of accommodation from the Right to Buy legislation to minimise future repairs and maintenance problems with this area.

4.7 High Value Houses

4.7.1 It is noted that the restriction on grants for work to houses which are in Council Tax Band F or above is retained. This restriction is largely a crude form of means-testing and, if a complex form of means test is introduced, consideration should be given to abolishing this restriction and allowing grants to be approved for higher-value houses, subject to the test of means. Such a change would assist some elderly people and others on low incomes who cannot afford to undertake essential works to their homes. If Councils are given the power to offer equity share arrangements they could take an equity share in lieu of grant contribution to ensure value for money and a return to the public purse at a later date.

4.8 Private Tenants

4.8.1 Whilst the number of properties within this sector is small compared with the owner-occupier sector, it is characterised by some of the poorest quality stock in North Lanarkshire.

4.8.2 The provisions within Paragraph 6 of the Bill will not significantly improve quality in this sector. A more radical review by the Task Force is required and should include the following:

- Introduction of regulation for private landlords and letting agencies to ensure that they offer good quality value for money services.
- Review of Housing Benefit payments linking them to quality and future maintenance plans.

5. CONCLUSION

5.1 In conclusion we would like to emphasis that whilst the Bill introduces minor changes in the grants scheme a far more strategic approach is required in relation to the private sector and in this respect the role of the Task Force is critical.
5.2 This paper demonstrates the significant increase in owner occupation within Scotland and North Lanarkshire much of which has resulted from the Right to Buy. These owners reside within mixed tenure schemes and unless a more comprehensive range of measures are introduced, Local Authorities and Registered Social Landlords will be restricted in the range of repair and improvement work which can be carried out to the tenanted stock in the future.

5.3 In addition we would ask the Executive to consider the following:

- Permitting Councils the opportunity to comment on further Regulations which are proposed to implement the provisions of the Bill.

- Provide further details in relation to means testing and allow scope within the proposed scheme for local discretion both in terms of grant levels and the extent to which means testing should apply.

- Ensure that Councils are awarded sufficient resources to meet the full demand for grant assistance under the new regulations and to fully address private sector housing conditions. This is essential to redress the significant reduction in Non HRA Expenditure at a time when owner occupation has increased rapidly.

- Review the proposals to give Councils additional powers to lend money to include the power to offer interest-free and low-interest loans on an unsecured basis.

- Confirm that Section 82(4)(b) includes the power for Councils to take an equity share in a property.

- Consider further the detailed points as outlined in Sections 3 and 4 of this paper.

19 January 2001
### Table 1

**Changes in Owner Occupation – Scotland and North Lanarkshire**

<table>
<thead>
<tr>
<th>Year</th>
<th>Owner Occupiers as % of total stock Scotland</th>
<th>Owner Occupiers as % of total Stock North Lanarkshire</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>31</td>
<td>Not Available</td>
</tr>
<tr>
<td>1981</td>
<td>36</td>
<td>19</td>
</tr>
<tr>
<td>1991</td>
<td>52</td>
<td>39</td>
</tr>
<tr>
<td>1997</td>
<td>60</td>
<td>54</td>
</tr>
</tbody>
</table>

**Sources:**


### Table 2

**Tenure in North Lanarkshire 1997**

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Number</th>
<th>% of Total Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right to Buy owners</td>
<td>34,424</td>
<td>26.3</td>
</tr>
<tr>
<td>Other Owners</td>
<td>36,325</td>
<td>27.7</td>
</tr>
<tr>
<td>Social Rented (including Housing Associations)</td>
<td>59,228</td>
<td>45.2</td>
</tr>
<tr>
<td>Other Tenures</td>
<td>1,025</td>
<td>0.8</td>
</tr>
<tr>
<td>Total</td>
<td>131,002</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Source:** Housing Needs Survey 1997.
Table 3

Housing Stock by Council Tax Band 1998

<table>
<thead>
<tr>
<th>Band</th>
<th>% North Lanarkshire</th>
<th>% Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-B</td>
<td>under £35,001</td>
<td>71%</td>
</tr>
<tr>
<td>C-D</td>
<td>£35,001 - £58,000</td>
<td>19%</td>
</tr>
<tr>
<td>E</td>
<td>£58,001 - £80,000</td>
<td>7%</td>
</tr>
<tr>
<td>F</td>
<td>£80,001 - £106,000</td>
<td>2%</td>
</tr>
<tr>
<td>G-H</td>
<td>over £106,000</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source : North Lanarkshire Council Finance Department

Table 4

Property Characteristics – Owner occupation

<table>
<thead>
<tr>
<th>Property Type</th>
<th>1 Great Britain</th>
<th>2 Scotland</th>
<th>3 North Lanarkshire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houses</td>
<td>92%</td>
<td>75%</td>
<td>81%</td>
</tr>
<tr>
<td>Flats</td>
<td>8%</td>
<td>25%</td>
<td>19%</td>
</tr>
<tr>
<td>Total no. of o/occ dwellings</td>
<td>16.5m</td>
<td>1.36m</td>
<td>70,754</td>
</tr>
</tbody>
</table>

Source : 1 ONS statistics 1998
2 SHCS 1996
3 Housing Needs Survey 1997
Table 5
Economic status of household heads of owner occupiers in Scotland

<table>
<thead>
<tr>
<th>Owner Occupiers</th>
<th>1991</th>
<th></th>
<th>1996</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Own outright</td>
<td>With Mortgage</td>
<td>All Owners</td>
<td>Own outright</td>
</tr>
<tr>
<td>Full Time Work</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>27</td>
<td>85</td>
<td>66</td>
<td>25</td>
</tr>
<tr>
<td>Part Time Work</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>All in work</td>
<td>32</td>
<td>87</td>
<td>70</td>
<td>31</td>
</tr>
<tr>
<td>Unemployed</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Looking after family home</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Long Term sick/disabled</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Retired</td>
<td>56</td>
<td>6</td>
<td>22</td>
<td>59</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Scottish Housing Review: Scottish Homes

Table 6
Income Distribution of Owner Occupiers in North Lanarkshire

<table>
<thead>
<tr>
<th>Net Weekly Household Income</th>
<th>Was house bought under Right to Buy?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Less than £50</td>
<td>1.7%</td>
</tr>
<tr>
<td>£50 - £80</td>
<td>4.0%</td>
</tr>
<tr>
<td>£80 - £120</td>
<td>14.0%</td>
</tr>
<tr>
<td>£120 - £170</td>
<td>12.1%</td>
</tr>
<tr>
<td>£170 - £230</td>
<td>9.8%</td>
</tr>
<tr>
<td>£230 - £290</td>
<td>16.1%</td>
</tr>
<tr>
<td>£290 - £300</td>
<td>8.2%</td>
</tr>
<tr>
<td>£390 or more</td>
<td>3.2%</td>
</tr>
<tr>
<td>Don’t know/refused</td>
<td>30.9%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Housing Needs Survey, 1997
Figure 1

Income Distribution of Owner Occupiers in North Lanarkshire

Table 7

North Lanarkshire HRA Capital Programme Participation of Owner Occupiers – Grant Awards

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Must participate (common works)</td>
<td>226</td>
<td>203</td>
</tr>
<tr>
<td>Voluntary participants</td>
<td>65</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>291</td>
<td>254</td>
</tr>
</tbody>
</table>
Table 8
Non HRA Investment in private housing in Scotland

<table>
<thead>
<tr>
<th>Year</th>
<th>£ million</th>
<th>£ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984/85</td>
<td>167</td>
<td>1992/93</td>
</tr>
<tr>
<td>1985/86</td>
<td>117</td>
<td>1993/94</td>
</tr>
<tr>
<td>1986/87</td>
<td>112</td>
<td>1994/95</td>
</tr>
<tr>
<td>1987/88</td>
<td>152</td>
<td>1995/96</td>
</tr>
<tr>
<td>1988/89</td>
<td>156</td>
<td>1996/97</td>
</tr>
<tr>
<td>1989/90</td>
<td>157</td>
<td>1997/98</td>
</tr>
<tr>
<td>1990/91</td>
<td>129</td>
<td>1998/99</td>
</tr>
<tr>
<td>1991/92</td>
<td>111</td>
<td></td>
</tr>
</tbody>
</table>


Table 9
Non HRA Housing Capital Expenditure in North Lanarkshire

<table>
<thead>
<tr>
<th></th>
<th>£000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement/Repairs Grants</td>
<td>1647</td>
</tr>
<tr>
<td>Housing Action Areas</td>
<td>532</td>
</tr>
<tr>
<td>New Housing Partnership</td>
<td>-</td>
</tr>
<tr>
<td>Other Investment</td>
<td>451</td>
</tr>
<tr>
<td>Total</td>
<td>2630</td>
</tr>
</tbody>
</table>
Eugene Windsor,  
Clerk to the Local Government Committee,  
The Scottish Parliament,  
Edinburgh.  
EH99 1SP

Dear Mr. Windsor,

**Housing (Scotland) Bill**

I refer to your letter of 18th December and welcome the opportunity to provide written evidence to the Local Government Committee.

Please find attached, comments on the strategic role of local government, the Right to Buy, Improvement and Repair Grants, Short Secure Scottish Tenancies and the Law surrounding Allocations Policies.

Please do not hesitate to contact me if you require clarification on any of the issues raised or you would like further information.

Yours sincerely,

M. Bailey,  
Director of Housing and Property Services
1 **Strategic Role of Local Government**

Renfrewshire Council welcomes the stronger strategic housing role for local authorities. We noted, in response to the “Better Homes” document, that the transfer of development funding to local authorities should not be dependent upon stock transfer. It is noted that the Bill allows for Scottish Homes funding to be transferred to local authorities which have not transferred the whole of their stock where “appropriate checks and balances are in place” (*Policy Memorandum*, p.18). We would, again, wish to stress that local authorities should be able to direct investment towards local priorities within the context of national policy and targets and that this should not depend upon whether or not there has been stock transfer.

Representation was also made by Renfrewshire Council on the issue of resources to support this stronger strategic role for local authorities. It was noted that there are currently significant resources, expertise and systems within Scottish Homes to support the planning and development funding roles and that there needs to be a transfer of resources from Scottish Homes. Renfrewshire Council would welcome clarification on this issue.

2 **Right to Buy**

In relation to the suspension of the Right to Buy in “pressured areas,” Renfrewshire Council previously suggested that this should apply not simply to new tenancies.

The Council would again, wish to make the point that the suspension should apply not only to geographic areas where there is a clear excess of demand over supply, but also to specific house types.

Renfrewshire Council responded to the consultation papers from the Rural Partnership for Change (co-ordinated by Scottish Homes) on the designation of “pressured areas” and noted that by reducing the supply of re-lets, the Right to Buy has created significant pressure in both rural and urban areas. We would again request that account is taken of the urban as well as rural nature of this issue.

3 **Improvement and Repair Grants**

Renfrewshire Council would again like to stress the need for increased resources for local authorities to provide grant funding to owners and concerns about the likely impact of means-testing grants. Our concern is, that because of the particular difficulties and costs involved in co-ordinating repair and improvement schemes in tenements, means-testing will make it more difficult to effectively deal with BTS properties (which are predominately tenements) and other tenements in poor repair condition. As noted in our last submission, BTS levels in Renfrewshire are significantly higher than the national average, and the bulk of the BTS properties are in strategic town centre locations.
We acknowledge that the Bill makes provision for grant to be provided at a prescribed minimum percentage in certain circumstances (including those in mixed ownership). There is, however, insufficient detail available on both the minimum percentage level proposed or the means testing proposals to assess whether or not the concerns expressed earlier in relation to the BTS programme are adequately dealt with.
4 Short Scottish Secure Tenancies

The provision within the bill to use a short tenancy as “probationary” on the grounds of previous anti-social behaviour is welcomed. It would seem that the use of probationary tenancies will be very limited given the need for the Council to have reasonable grounds to believe the prospective tenant has been subject to an order for recovery of possession in the previous 3 years for anti-social behaviour. In keeping with the policy commitment to tackle anti-social behaviour, Renfrewshire Council considers that probationary tenancies should be applicable in other circumstances such as previous anti-social behaviour which did not result in court proceedings.

The Council recognises that the application of short tenancies in this way are not the sole solution to anti-social behaviour but can be useful as part of an overall strategy.

5 Allocations Policy

In November 1999 the Council wrote to the Minister concerning the absence of proposals within the proposed Housing Bill to amend the terms of the Housing (Scotland) Act 1987 relating to Allocation Policies. Now that the Bill has been published, Renfrewshire Council again wish to draw attention to the following.

The Housing (Scotland) Act 1987 states that any rule which gives priority to applicants, should apply no less favourably to general waiting list applicants than to its own tenants. Renfrewshire Council’s current Allocation Policy, which is understood and supported by our own tenants, contravenes this rule in that we award time-registered points to Transfer Applicants from Date of Entry. Waiting List applicants get time-registered points from the date of their application.

Our understanding is that 6 other Councils support this view.

This Council has no desire to change the time-registered points, but the legal opinion is that our policy is illegal.

We have carried out extensive consultation on this issue with tenants groups and community councils. The reasons behind our reluctance to change the policy stems from the following:

① date points provide an incentive for tenants to comply with tenancy conditions, so that they can be granted another Council house of their choice.

② date-points provides a mechanism for applicants who have no need, as defined by the current policy, to move to another house.

③ the administrative cost of implementing the change is high. There would be an automatic increase in applications submitted and there are costs in advising all applicants of the change in their points. This is felt to be an unnecessary expense in the light of the
national policy context of stock transfers out of the Council sector, pending the outcome of the New Housing Partnership Feasibility Study.
Dear Mr. Windsor,

Housing (Scotland) Bill

I refer to your letter of 18th December, 2000 in regard to the above and I have been asked by Mr. Croall to respond on behalf of Scottish Borders Council.

It is noted the Local Government Committee is to take evidence on the Bill’s proposals, in particular on 3 specific issues. The Council’s views on the general principles of the particular parts are:

Strategic Role of Local Government – The Council welcomes this role for local authorities and see this as an important role in developing the Housing Plan for the area and linking the process with the Structure Plan, Community Care Plan and the Community Plan. The administration of this role will be an additional burden and should be adequately resourced.

Homelessness – The Council welcomes the proposals for Homelessness and look to the Scottish Executive making sufficient resources available to local authorities to fulfil these new responsibilities.

Improvement and Repair Grants – The proposals to extend the availability of grant aid to thermal efficiency, mains linked smoke detectors, replacement of unsafe wiring and measures to address fire safety in buildings in common ownership are welcomed, but their effect will be limited unless additional funding sources are identified to meet requests for grant assistance.


Please Ask For: Mr. Blacklaws

Our Ref.: JMB/SW
Judgement on the proposal to introduce means testing will require to await further scrutiny of the details of the scheme. However, as with any means tested system, those on the periphery of the income limits could be severely compromised in seeking to improve their living standards and may be forced to seek satisfactory housing accommodation from a public or private provider. This would appear to be at odds with attempting to encourage owner/occupiers of sub-standard or unsatisfactory houses to raise them above basic standards, both in terms of their own occupation of the property and of those who may follow them into the same property in the future.

**Note:** There are suggestions that due to the mechanisms for introducing this proposal, any means testing system could be some way of, e.g. making regulations by statutory instrument requires a draft and approval by resolution of the Scottish Parliament - this needs to be done after the bill becomes law.

The ability of new registered social landlords created through LSVT to tackle some of the housing issues of rationalisation of the housing stock in low demand areas, will be severely restricted unless sufficient resources are made available to assist owner/occupiers in multi-tenure estates to participate in any renewal proposals.

The biggest issue however is that relating to funding and the difficulties authorities will have in securing enough resources to be able to offer “means tested” grants. Unless a form of ring fencing is re-introduced the likelihood of these grants having any impact on the sub-standard housing sector in Scotland will be minimal. The only funding route will be means tested mandatory grants, funding for, which within local authorities is equally uncertain.

Unless capital spending priorities can be altered, or ring fencing re-introduced, the overriding view of the proposals will be one of academic interest only.

Yours sincerely,

Director of Housing.

c.c. Mr. A. Croall, Chief Executive
Mr. W. Lillico, Director of Protective Services
SOUTH AYRSHIRE COUNCIL: HOMELESSNESS

Evidence to The Scottish Parliament’s Local Government Committee in relation to the Housing (Scotland) Bill.
This paper has been produced to enable Members of the Local Government Committee to consider in advance, the main factors about homelessness in South Ayrshire.

It is set out in two main sections:

First, there is an overview of the scale and nature of homelessness in South Ayrshire, together with contextual information about supply and demand for housing and about local initiatives to cater for homeless households.

Secondly, there is some commentary on the specific proposals within the Housing (Scotland) Bill.

There is a summary of the main issues at the start of the document.
SUMMARY

SOUTH AYRSHIRE CONTEXT

- South Ayrshire is a pressured market area both in terms of supply of and demand for affordable rented housing
- There is a need for more affordable rented housing
- There are approximately 7000 people currently on the Council waiting list and a letting turnover of about 800 houses per year.
- South Ayrshire has the highest net loss of housing through Right to Buy of all rural authorities
- The Council owns just over 20% of total housing stock and RSL’s just 2%. This is one of the lowest levels of social rented provision in Scotland
- Homelessness has risen by 84% in South Ayrshire since 1994/95
- 83.8% of homeless applicants aged 16-24 have no job, education or training place
- South Ayrshire Council has put measures in place which have significantly reduced its reliance on inappropriate B&B accommodation

IMPLICATIONS OF THE HOUSING BILL

- There is a requirement for additional resources to assist in the development of homeless strategies
- It is estimated that additional duties imposed by the Bill may force a return to greater use of B&B (an additional 342 places at a gross cost of £182,000) in authorities such as South Ayrshire where there is significant pressure through demand
- Existing advice and assistance literature will require to be changed and updated. This has resource implications.
- Announcement of additional resources for homelessness is noted, but apportionment must take account of the types of local issues outlined above.
- There is potential for protracted disputes with RSL’s over the allocation of housing to homeless people. The local authority as the statutory body should have decision making powers in such cases. The new regulatory body should monitor this to ensure consistency and equality
Future regulations on the provision of hostel accommodation should permit local authorities to withdraw such accommodation where the security of residents and/or staff is at risk.
THE SOUTH AYRSHIRE CONTEXT

THE SCALE AND NATURE OF HOMELESSNESS

1. Information on the scale and nature of homelessness is gained primarily through data recorded by Local Authorities on the HL1 form submitted to The Scottish office. This records information on all homelessness presentations, regardless of whether the applicant is accepted as homeless under the terms of the Housing (Scotland) Act. Thus, the HL1 data gives a picture of the total impact of homelessness presentations on Housing Authorities.

2. The Incidence of Homelessness in South Ayrshire
The HL1 data records 832 applications under the homelessness legislation in the year April 1996 to March 1997. In comparison with other Scottish Local Authorities, the rate of homelessness, measured as the number of applications per head of population, was the eleventh highest in Scotland and, of rural Scottish Authorities, sixth highest.

2.1 The rate of homelessness in South Ayrshire - the proportion of all households assessed as homeless or potentially homeless - is the same as for Scotland as a whole at 1.4%. This is double the rate of the neighbouring Authorities of North Ayrshire (0.8%) and East Ayrshire (0.7%) and 40% higher than Dumfries and Galloway.

2.2 The trend in South Ayrshire has been for homelessness applications to increase from 582 applications in 1994/95 to 1071 in 1999/2000 - an increase of 84%.

2.3 The most distinctive feature of the profile of applicants in South Ayrshire is the higher proportion of single people under the age of 18. This is almost double the rate for Councils as a whole and substantially higher than the rate for other rural Authorities. The proportion of applicants who are lone parents aged 25 or more is substantially lower than that for rural Authorities or all Authorities.

3. Why Have Applicants Become Homeless
The broad pattern in the reasons for homelessness is the same for South Ayrshire and Scotland as a whole, although there are considerable variations between individual Authorities. The following table compares the reasons recorded for applicants in South Ayrshire and Scotland.
### Reasons for Homelessness in South Ayrshire and Scotland (%)

<table>
<thead>
<tr>
<th>Reason</th>
<th>South Ayrshire</th>
<th>Rural Councils</th>
<th>All Councils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents, Friends, Relatives Unwilling</td>
<td>41</td>
<td>36</td>
<td>37</td>
</tr>
<tr>
<td>Violent Relationship Breakdown</td>
<td>12</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Non-Violent Relationship Breakdown</td>
<td>7</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Court Order</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrears</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Default</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Loss of Service Tenancy</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Notice to Quit</td>
<td>13</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Tenancy Expired</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Emergency - Fire, Flooding etc</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Discharge from Institution</td>
<td>6</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Lost Accommodation – Hostel etc</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Gave up Secure Accommodation</td>
<td>10</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Overcrowding</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>6</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Homeless Database, 1998

3.1 Across all categories of Council, the broad pattern is very similar. The main reason for applicants losing their accommodation is that parents, friends or relatives are no longer willing to provide accommodation followed by relationship breakdown. Applicants to rural Authorities are more likely to have received notice to quit their accommodation and South Ayrshire is typical of rural Authorities in this respect.

4. **Homelessness and Rough Sleeping**

One of the main aims of the RSI project was to collate information about the nature and extent of rough sleeping in North and South Ayrshire. A total of 44 respondents were sleeping rough at the time of the RSI Baseline Study. The Study identified a total of 128 people who indicated that they had slept rough at some time during the last ten years.

4.1 As the following graph shows, the majority of those who had slept rough were aged between 18 and 46. In fact, 40.6% of all rough sleepers were in the 18-25 year age group. The overwhelming majority was male, at 83%.

4.2 It is notable that 23 respondents under the age of 18 said they were currently sleeping rough or had done so in the past.
4.3 Asked where they had slept rough, more than half of those surveyed mentioned Ayr, but a wide range of other locations were mentioned.

**Area Slept Rough - Geographical Location**

<table>
<thead>
<tr>
<th>Area Slept Rough</th>
<th>Number</th>
<th>Percentage of Rough Sleepers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayr</td>
<td>75</td>
<td>58.6</td>
</tr>
<tr>
<td>Girvan</td>
<td>3</td>
<td>2.3</td>
</tr>
<tr>
<td>Maybole</td>
<td>1</td>
<td>0.8</td>
</tr>
<tr>
<td>Other South Ayrshire</td>
<td>3</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Source: RSI Baseline Study 1999

5. **Homelessness and Young People**

The analysis of census information by South Ayrshire Council identifies 10,293 males and 10,315 females, a total of 20,608 in the 16-29 age group. This represents 18.3% of the total population.

5.1 Homelessness has risen by 84% since 1994/95 to 1999/2000, as depicted in the table below.

The number of homeless applications received by SAC

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>582</td>
<td>799</td>
<td>822</td>
<td>903</td>
<td>906</td>
<td>1071</td>
</tr>
</tbody>
</table>
5.2 The South Ayrshire Council Report “Services to Young People - Portfolio Group” (1996), recognised the following:

- the streets form a major element in the social interaction of young people and the majority of young people do not belong to formalised groupings outside school
- young people are most often perceived as the cause of crime, whereas they are, by evidence, more often the victims
- job access was a recurring concern expressed by young people
- access to leisure services was an issue raised by young people, not surprisingly most significantly of concern in rural areas
- poverty is a real issue for many young people
- issues around health were a recurring theme for many young people

5.3 The South Ayrshire Council Report “For Our Children - Children’s Service Plan 1998/99-2000/01” notes that:

- Between 1994 and 2008 there will be a 28% rise in the number of single parent households... This implies changes in the way we view supporting young people. While overall trends are likely to fall it is also possible that the trend towards single households will mean a growth in vulnerable households of young people aged 16-24....

5.4 Other quotes from the Plan are:

- “The Council acknowledges that the use of bed and breakfast accommodation as the main type of temporary accommodation for homeless 16/17 year olds is not appropriate”
- “Training and employment statistics show a worrying lack of educational attainment and a vulnerability in the training and job market leading to long periods of dependence and unemployment. Over 80% of those presenting as homeless were unemployed”
- “In many cases the solution to youth homelessness does not always lie with the provision of employment.... Young people in temporary accommodation, living away from family networks will be less likely to make successful transitions and be more likely to go on to experience difficulties and require further support services as young parents and new Council tenants”
- “83.8% had no job, education or training place at the point of presentation”
UNEMPLOYMENT, HOMELESSNESS AND YOUNG PEOPLE

6. **Steps Towards Employment Project (STEP)**
The STEP application identified as an objective a reduction in the number of young people in temporary accommodation who have no employment, training or education status. The application identified 89 young people, in such a situation; this represents 80% of presentations. STEP’s main aim is to “develop effective partnerships which improve access to training for disadvantaged young people in South Ayrshire...” The network which submitted the application agreed that the focus should be on the 16+ age range “where there was consensus around the need for increased co-ordination”.

6.1 The STEP application also identifies that the “Throughcare Support Team works with 70 young people in the target group (at the time of writing, the figure was 80 young people. These young people are in different types of accommodation, some of which is inappropriate making access to employment difficult”. The team has “regular contact with those most at risk and report that once they have stabilised the immediate crisis, there is a lack of positive training/education options. Other than individual responses by training providers and Careers there is no holistic or co-ordinated response to the needs of young people. A one-door approach is required to offer positive alternatives to the homelessness scene as early as possible”. The application also states that “South Ayrshire is an area of rural and urban contrasts and the added distance from towns can further disadvantage young people in rural areas”.

6.2 **Health and Ill-Health in Ayrshire and Arran**
The 1997 report of the Director of Public Health states “the Ayrshire rate (of teenage pregnancies) is, however, 18% above the national rate”.

“The teenage conception rate (50.7 per 1,000 women aged 13-19) in 1996 in Ayrshire is one of the highest in Scotland (43.1 per 1,000 women aged 13-19) which in turn is the highest in Western Europe. The highest rates continue to be in the areas of greatest deprivation. Young women in these areas do not readily use the services available and some reports indicate that although a pregnancy is unplanned, it may not be unwanted when it happens. It can give such young women a status and sense of achievement which they may not have otherwise”.

“This is a much wider issue than simply providing information on contraception. Their life circumstances need to be improved and their opportunities for education, employment and self-fulfilment increased”.

“The misuse of drugs (including alcohol) continues to rise in Ayrshire, particularly among young people. This is a national, even international problem, although it appears that the situation in Scotland is worse than the rest of the UK”.
The Health Board’s “Lifestyle Survey” will provide further information to further inform this initiative.

6.3 The Careers Service identified a poor attendance rate at interviews and that there are fewer job vacancies than there are young people. It was also identified through interviews that “around 80% of jobs are in the service sector”. Linked to this situation is concern that training needs to be organised around job opportunities; to train people in skills in which there are no employment opportunities can be a disheartening experience.

6.4 The Careers Service also identified concern regarding a total of 55 16-17 year olds who were not registered with the service. This clearly shows:

- There are large numbers of homeless people in South Ayrshire.
- There are large numbers of homeless young people.
- There are large numbers of homeless, jobless young people.
- Temporary accommodation is an inadequate response to need, and more targeted new provision is required.
- The dispersed foyer model offers a vehicle for this targeted approach.
SUPPLY ISSUES

7. Housing Stock
The total Council housing stock in South Ayrshire is 10,527. This represents just over 20% of the total number of houses in South Ayrshire which is one of the lowest levels in Scotland.

RSL housing stock represents only 2% of total housing provision.

7.1 RTB
Right to buy in South Ayrshire widens the gap between supply and demand for affordable housing. Supply is depleted through right to buy sales and the evidence in South Ayrshire is that new build through Scottish Homes HAG programme has been insufficient to compensate. As a result average net loss in South Ayrshire through right to buy is 40%. This percentage is far higher in many of the villages and in one case is 100%. The Scottish Executive blue paper “A New Single Social Housing Tenancy for Scotland” demonstrates South Ayrshire as having the highest net loss of housing through right to buy of all rural Authorities.

People who buy their homes through this policy and then sell them on, do so at market value meaning that affordability issues restrict supply, and demand for affordable housing is not met.

7.2 Pressured Areas
There is the facility within the proposed new legislation for Local Authorities to make a case for exemption from RTB for specific localities. On the basis of the above information and information relating to demand, trends and tenant opinion, South Ayrshire intends to put forward such a case. It is unclear whether these exemptions could be extended to larger towns within rural Authorities. The Ayr/Prestwick/Troon area of South Ayrshire is particularly pressured through high demand, low turnover and high land values.

7.3 Land Supply
South Ayrshire Council has a successful joint investment plan with Scottish Homes, however funding through this mechanism falls far short of what is required to counterbalance decline through right to buy.

Land values in South Ayrshire are high, making it difficult for RSL’s to purchase land for new build at prices that would make development viable. There is a shortage of land owned by South Ayrshire Council that is suitable for the development of affordable rented housing.

A number of initiatives are in place to attempt to ease this situation including making full use of Section 75 arrangements, using the Local Plan to identify suitable land and enhance the requirement for private developers to consider making a percentage of development sites available for affordable rented housing, and taking part in cross-departmental property rationalisation exercises within the Council to identify potential new sites.
7.4 Housing Demand

Whilst not used in isolation as an indicator, Council waiting lists provide an indication of pressure on Local Authority housing stock. There are just over 7,100 people on South Ayrshire Council’s housing waiting lists (housing, transfer and homeless lists). This is set against a turnover of an average of 800 properties per year and an average of 850 homeless presentations per year.

South Ayrshire is unique in terms of the increasing size and dependency of its older population. 18.6% of South Ayrshire’s overall population is over the age of 65 and projected increases for people 75+ and 85+ are much greater than elsewhere in Scotland. The majority of older people live in Local Authority housing.
RESOURCES AND INITIATIVES

8. Accommodation
South Ayrshire Council offers a good range and standard of temporary accommodation. Accommodation is provided on an emergency and/or temporary basis for homeless applicants, prior to any potential permanent offer of housing being made. The provision of accommodation in South Ayrshire sometimes cannot meet the needs and aspirations of homeless applicants. This is especially true for both young homeless applicants and homeless applicants with a range of community care needs. Needs led assessments in the area have highlighted gaps in service provision which, in addition to the basic need for more housing, include the following:

- High support arrangements for some of the most difficult and challenging young people, who often have multi-faceted problems
- A dispersed foyer facility which could target employment, training and support needs of other young homeless applicants
- Increased number of supported accommodation units for homeless applicants who would benefit from the provision of this type of facility
- An addiction facility which could intensively support people who are attempting to cope with drug and/or alcohol issues

8.1 Emergency Accommodation
This is generally provided for households who are thought to be homeless and in a priority need, whilst assessments are carried out. This is normally bed and breakfast accommodation.

The Council is committed to reducing use of this type of accommodation, however in the meantime it is important that homeless applicants receive a good, consistent service. When the Homeless Section came fully into operation in September 1999 there was a substantial projected overspend in the B&B budget which has now been tackled through a range of means. Performance here is detailed in appendix one.

South Ayrshire Council is working in partnership with proprietors of B&B’s to work towards ensuring good standards of accommodation, with good facilities and standardisation of costs. Establishments are used in accordance with set criteria to ensure Best Value.

The Council submitted a bid to the Scottish Executive in July 2000 for additional funding to reduce its reliance on bed and breakfast still further. The bid was successful and an award of £85,000 was made. The project involves working in partnership with South Ayrshire Homes (a local housing company) to purchase five properties in the private sector in areas where there is a recognised need for additional homeless accommodation. The maximum grant of £16,000 per property will be used to finance refurbishments and secure a loan on the properties.

This will provide temporary accommodation for young homeless people who would have been accommodated in bed and breakfast accommodation.
8.2 **Temporary Accommodation**
Households are moved from emergency accommodation as quickly as possible to either permanent accommodation or, where this is not possible, a hostel or temporary furnished property. A pilot project offering unfurnished lets to enable families who have furniture of their own to move in without incurring a large rent is proving to be successful.

Qualitative feedback indicates that the change in deployment of staffing resources within the homeless section to support temporary accommodation has resulted in an improved more consistent service. Regular checks are now made on our accommodation and homeless clients who are residing there and this is proving very useful. The number of properties that are being inappropriately used has reduced as have the level of thefts and damage to our temporary furnished accommodation.

8.3 **Customer Feedback**
Questionnaires for homeless families who are in temporary furnished properties or who have been made permanent offers have been used to help inform and improve the service being provided.

8.4 **Performance Information**
Performance information is collected within the Homeless Section. Through the benchmarking exercise we are also about to embark on joint work with Heriott Watt University in relation to cyclical homelessness. The results of this research will inform future practice. Current performance statistics are attached in appendix 1.

8.5 **Response to Homelessness and Education Report**
Research highlights that children who experience homelessness do not perform as well at school as other children. A working group representing Housing, Social Work, Education and Planning & Development has been investigating the impact homelessness has on children’s education in South Ayrshire. The overriding objective of this was to identify action to minimise the effects of homelessness on children. The result of this has been the identification of liaison officers between the different services and the facilitation of a more co-ordinated approach to ensure that no child is unnecessarily displaced from their original school because their family becomes homeless.

8.6 **Links with the Voluntary Sector**
There are significant links at a number of levels with relevant voluntary agencies. Protocols are in place with the START project, STEP project and SeaScape. Joint work also takes place on a regular basis with Barnardo’s Homelessness Service and the Housing Aid centre is also in regular contact. There is a local Homelessness Forum made up of all voluntary agencies who are involved with homelessness in the area and Council representatives.
8.10 **Joint Working**
Good progress has been made in relation to this with the Screening Group (see appendix 2 for remit) and the joint assessment process for young, vulnerable homeless people in South Ayrshire. Prior to February, 1998, presentations from young single people aged 16 or 17 years were dealt with solely by a Homeless Officer. However, since February 1998 any homeless people from this age group have been interviewed jointly by a Homeless Officer and a member of Throughcare. This ensures immediate contact with the Throughcare Team and assessments are carried out timeously.

Although Throughcare and Social Work are involved, it is still the duty of the Homeless Officer to determine whether or not the young person is homeless and the responsibility to contact the parents if appropriate remains with them. The joint assessment process ensures a more holistic approach is taken to the needs and aspirations of young, vulnerable people in South Ayrshire.

8.11 **Homeless Benchmarking**
South Ayrshire Council has been benchmarking the homeless service for the last three years. This has been facilitated through the Scottish Housing Best Value Network group. The remit of the group is to:

- Provide mutual support and a learning forum for homeless service provision
- Identify benchmarking opportunities
- Produce examples of best practice
- Work towards continuous improvement

The group share information based on data collected for the Housing Quality Network group and this is carried out in a spirit of trust. Recent work carried out has included commenting on the new HL1 statistical form and pooling resources for joint training which provided best value for participating authorities.

8.12 **Arrears Backlog and Verification Framework**
Evidence suggested large numbers of homeless applicants were not filling in benefit forms or paying any amenity charges levied. An audit process was introduced to ensure the vast majority of applicants complete a benefit form timeously.

A more stringent rent arrears escalation procedure has been introduced and homeless staff are now able to verify benefit information. Benefit forms are now only passed to benefit sections once all the relevant information and identification is in place. Homeless arrears have reduced considerably as a result.

8.13 **Rough Sleepers Project**
Research carried out through the RSI project identified 44 people who were actually sleeping rough. It further identified a total of 128 people who indicated that they had slept rough at some time during the last ten years. 40% of all rough sleepers were in the 18-25 year age group.
The START project which is funded through the RSI, is successfully working to support young homeless and potentially homeless people in temporary or newly allocated accommodation and is providing a wide range of advice and assistance including welfare rights and health issues.

8.14 **Empty Homes Initiative**
This partnership project with Carrick Housing Association and Scottish Homes includes the refurbishment of 21 units in Ayr and Girvan.
South Ayrshire Council welcomes the proposals for increased rights to homeless people.

Account should be taken in these proposals of the significant resource implications, both in terms of cost and housing provision. In South Ayrshire, where there is high demand for housing, low turnover and significant net loss of stock through right to buy, the requirement to offer temporary accommodation to non-priority applicants will have significant effect both on costs and the suitability of temporary accommodation available.

This impacts directly on the ability to provide permanent accommodation and highlights the competing priorities of those requiring housing or rehousing. The alternative to increasing the numbers of temporary furnished accommodation is increasing the reliance on Bed and Breakfast accommodation which the Executive and local authorities are seeking to reduce.

Proper resources are essential to ensure that an efficient and cost effective service may be provided and the Executive must seriously address the potential impact of the proposals on current finances and resources. In the recent past bids have been made for resources to improve funding and provision, e.g. RSI, but this competitive system for short term funding is not the best way forward in fulfilling long term and increased duties on homelessness.

Section 1 - Homelessness Strategies

Local authorities will be placed under a statutory duty to draw up homelessness strategies for preventing and tackling homelessness.

The requirement to produce homelessness strategies is welcomed. Homeless strategies should be inextricably linked to the housing and community care planning processes.

Section 2 - Advice and Homelessness

A duty will be placed on local authorities to secure that advice about housing and other services which may assist a homeless person, or assist in the prevention of homelessness, is available free of charge to any persons in the authority’s area.

Good practice guidance would be invaluable in relation to this. Local authorities currently have a statutory duty to provide advice and assistance, but the level and type of assistance varies.
To ensure that the Housing Bill succeeds in increasing the rights of homeless people clarification on minimum levels should be provided. Resources will be required to enable existing literature to be changed.

12. **Section 3 - Homeless Persons and Persons Threatened with Homelessness**

Local authorities will be placed under a duty to secure temporary accommodation while advice and assistance is provided for homeless people not in priority need.

This proposal has significant resource implications for South Ayrshire due to the size, nature and availability of stock across all tenures. Proper additional resources should be allocated to local authorities that can detail such difficulties to ensure that this duty can be discharged effectively whilst demonstrating value for money. The danger of resources not being made available will be a reversion back to an over-reliance on inappropriate B&B accommodation and the associated high costs.

12.1 To illustrate this point further, this proposal means that in the last financial year South Ayrshire Council would have had to provide emergency accommodation for an additional 342 individuals at a potential gross cost of approximately £182,000 (this is based on a notional 28 days accommodation for those applicants that were deemed to be homeless but not in a priority need).

12.2 **The Housing Bill will extend the period for which a person is regarded as threatened with homelessness from 28 days to 2 months.**

South Ayrshire Council welcomes this proposal. The combination of this along with improved levels of advice and assistance will ensure provision of a more effective service. This increased time may also result in some cases of homelessness being prevented through securing permanent accommodation within this timescale.

13. **Section 4 - Duty of Registered Social Landlord to Provide Accommodation**

This section is designed to provide a safeguard to RSL’s against inappropriate decisions made by Local Authorities.

13.1 Whilst RSL’s may feel comforted by such a safeguard, the main aim of the Housing Bill in this section should be to ensure that permanent housing is secured for homeless people quickly and efficiently. This would be aided by the extension to RSL’s of Section 20(1)(b) of the 1987 Act which places a duty on Local Authorities to give reasonable preference to homeless people in the allocation of its houses. Nomination Agreements currently in existence between Local Authorities and RSL’s ensure that the appropriateness of accommodation is fully considered.
14. **Section 5 - Duty of Registered Social Landlord - Further Provision**

The proposed role of the arbiter is of concern in that it may cause prolonged and complicated discussions over cases rather than aid the provision of suitable permanent or temporary housing. A speedy mechanism is required as detailed in the Task Force report. The Local Authority, as the statutory body and strategic enabler, should have decision making powers in instances of differences of opinions with RSL’s. The single regulator should have the role of monitoring this function to ensure equity.

15. **Section 6 - Persons Living in Hostel Accommodation**

The Housing Bill will include a provision which enables minimum rights and responsibilities to be specified in subordinate legislation for homeless people staying in hostels and other forms of temporary accommodation not covered by a statutory form of tenancy agreement.

Regulations from Ministers will be welcomed, however, where authorities have already provided these minimum rights to homeless applicants these should not be eroded by any new provisions. Local Authorities should retain the right, in certain circumstances, to withdraw accommodation giving only 24 hours notice if the security and safety of other residents and staff alike are not to be compromised.

16. **Section 7 - Admission to the Housing List**

The right to register on a housing list should be extended to all people aged 16 or over and who are not restricted by other legislation.

This proposal to further protect the rights of homeless people is welcomed and has been implemented by this authority for a number of years.

17. **Section 8 - Allocation of Housing**

The proposal to amend the 1987 Act is welcomed and will ensure that consistency of approach is achieved between RSL’s.
Performance Statistics

Average length of time taken to make a decision

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Average Number of days in accommodation for Adults

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<tr>
<td>Bed &amp; Hostel</td>
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Monthly Cost of Bed & Breakfast

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Average Number of days in accommodation for Families

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<tr>
<td>Bed &amp; Hostel</td>
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<tr>
<td>Temporary</td>
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<td>Other</td>
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Average Number of days in accommodation for Young People

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Number in Bed & Breakfast

Week Ending | May 1999 - December 2000

Number

Week Ending | May 1999 - December 2000

Number

Appendix 1
SCREENING GROUP REMIT

The Screening Group is made up of Senior Social Work staff and Housing and Homeless Management staff and meets fortnightly to discuss all young homeless people in South Ayrshire.

The Group is responsible for:

- all 16 and 17 year olds deemed as homeless and who have local connection to South Ayrshire. This includes single people and couples who are both 16 or 17 years old. If only one person in the relationship comes into this category, an assessment will not be carried out, however the Screening Group is still made aware of the existence of these relationships as there may be particular issues for Social Work.

- monitoring all decisions made on 16 and 17 year olds’ accommodation and support needs.

- Referrals in relation to any young person or persons who were ‘Looked After’ by a local authority at the age of 16 or after, till the age of 21.

- Referrals of 18-20 year olds who met a combination of agreed Vulnerability Triggers

- The Screening Group also has a responsibility to staff and the wider community when looking at a young person’s behaviour whilst they are homeless. This means that young people who consistently behave in an anti-social manner will have their accommodation withdrawn if there fails to be significant progress once the review and assessment process has been exhausted.
Our Ref: TH/CM

Date: 23 January 2001

Eugene Windsor
Clerk to the Local Government Committee
The Scottish Parliament
Edinburgh EH99 1SP

Dear Mr Windsor

Housing (Scotland) Bill

Thank you for your letter dated 18 December 2000 regarding the publication of the above Bill and I would confirm that West Dunbartonshire Council wishes to submit the following written evidence to the Local Government Committee.

West Dunbartonshire Council (WDC) submitted written comments to the Scottish Executive on “Better Homes for Scotland’s Communities”, and welcomes the changes which have been included in the Housing (Scotland) Bill as a result of responses to the consultation document. It is disappointing to note that a significant number of proposals made in response to the consultation document remain unchanged despite the representations made by a significant number of respondents. These include:

- RSLs have retained the right to refuse nominations of homeless persons although guidance is to be issued by Scottish Ministers on grounds for refusal
- The ‘right to register’ on a housing list for those aged 16 and above has been retained
- The Right To Buy (RTB) has been extended to include RSLs (with a few minor exceptions) although some transitional measures have been included to reduce the risk of financial instability (see above)
- The designation of “pressured areas” exempt from the RTB must be approved by Scottish Ministers and local authorities have not been given discretion to do so
- The proposals to regulate and monitor the housing management and homelessness activities of local authorities have been transferred to the Bill intact although guidance on what form inspections will take is still to be issued
- The Executive Agency’s (the former Scottish Homes) roles of regulator and of funding provider remain combined except where local authorities transfer their stock and take on the strategic funding role, or where there is Ministerial and local agreement by RSLs on their ability to do so competently and equitably
- Scottish Homes is to be dissolved and its functions are to be transferred to Scottish Ministers rather than to an ‘arms length’ organisation
- Local authorities will become strategic housing planning bodies as proposed but without the guarantee of strategic funding to support the work required to implement Local Housing Strategies (formerly referred to as ‘Single Housing Plans’)
- The extension of the range of works eligible for improvement and repairs grants has transferred to the Bill intact but no guarantee of additional funding, or ‘ring fencing’ of grants, has been given to meet increased expectations.
- The ceiling of £20,000 on grants remains although many representations were made on this point particularly as the Scottish Ministers are seeking to encourage owners to tackle disrepair through common works.

You have requested evidence with particular reference to the following:
- Strategic role of local government
- Homelessness
- Improvement and repair grants

West Dunbartonshire Council’s comments are as follows:

**Strategic Role Of Local Government**

In our response to the Green paper on Housing in May 1999 we stated that:

“There would appear to be some suggestion here that the role of councils as strategic housing authorities is in conflict with their landlord role. Local authorities have demonstrated over many years that they can act as direct providers of housing and as enablers”.

We agree with the view expressed by the Convention of Scottish Local Authorities (COSLA) that local authorities should have the lead strategic planning role for housing as local, democratically elected bodies with most knowledge of local housing conditions and of difficulties in meeting needs across all tenures.

**Strategic planning**

We welcome the opportunity to strengthen the key role already played by local authorities in planning for housing development across all tenures. All WDC departments work corporately on housing and related issues and we have established sound links with our partners in housing associations together with other housing providers to ensure that we have an overview of housing needs and demand across West Dunbartonshire, not just for our own stock. The links between housing and health, housing and education, and housing and economic development are clearly recognised in our ‘family of strategic plans’, including our current Housing Plan (1998 - 2003). The advent of Community Planning has strengthened the links between all of our strategic plans and will provide the overarching vision for local authority services in partnership with the wider community, with other key agencies, and with the business community.

**Development funding**

During our discussions with local tenants and residents representative groups, there was considerable concern that the main thrust of the “Better Homes for Scotland’s Communities” document was for local authorities to transfer their housing stock *en masse* or by ‘trickle transfer’ to alternative landlords. The distinct impression was that local authorities retaining stock would be deprived of funding to carry out much needed work on their own stock and that tenants’ dissatisfaction with this situation would lead them to seek to transfer to another landlord. We would point out that the representative groups in WDC are not in favour of stock transfer and would prefer to see WDC being provided with sufficient funding to enable us to bring every house up to the standards expected in the new millennium.
We believe that we have demonstrated over many years that we can fulfil our role as enablers impartially and in the best interests of all those seeking housing in West Dunbartonshire, regardless of their chosen tenure. We would prefer local authorities to be responsible for the distribution of development funding as this would be consistent with their strategic planning role. It would also avoid the present situation where needs and demand may be clearly recognised in Housing Plans but the local authority has to rely on Scottish Homes to provide development funding for landlords and builders to address them. Stock transfer should not be a pre-condition to providing local authorities with direct control over all public funding for housing in their areas. Giving councils an enhanced strategic role is seriously compromised where they do not have the ability to direct funding to projects designed to address their strategic priorities at a local level.

Right to buy

We are concerned that the contents of the Bill offer too little too late to stop the substantial loss of the most sought after WDC stock, especially of a larger size (3,4 and 5 bedroom) and of semi-detached and terraced house types. The two tier system of a preserved RTB alongside the “modernised RTB” is very confusing for tenants and there will be administrative difficulties in advising tenants of their ‘preserved’ or ‘modernised’ rights under the new legislation. Clarification is needed on the position of tenants who transfer to another local authority house after the Act comes into force and therefore become new tenants. Do they still have a ‘preserved’ right to buy or a ‘modernised’ right to buy. Concern has been expressed that the proposed extension of exempted status will have the effect of further disadvantaging substantial numbers of tenants who already feel marginalised due to their personal circumstances. We would prefer to see each case being considered on its own merits rather than a blanket ban on sales of houses that have been provided to meet particular needs.

We hope that the views of local authorities on the definition of “pressured” areas, where sales can be suspended for up to five years, will be taken into account before final guidance is issued by the Scottish Executive. We have many areas that we consider to be “pressured” although they do not fall neatly into any of the examples of categories given in the “Better Homes” document. We believe that some flexibility is required here as local authorities are best placed to respond to local circumstances and are aware of areas under pressure within their own boundaries.

Homelessness

In our response to the Green Paper on Housing in May 1999 we made the following comments: -

“We support the key priorities put forward in the Green Paper. We hope that the lack of success [of housing associations] in tackling homelessness will be addressed as landlords other than local authorities have a significant contribution to make in alleviating the problems of homelessness”.

We welcome the proposals to extend the rights of homeless people by making sure that those found to be unintentionally homeless and in priority need are provided with permanent accommodation suited to their needs. We also agree that good quality advice and assistance at an early stage will help to prevent homelessness by opening up alternatives and expanding peoples awareness of the options that are available to them. We look forward to seeing the guidance that is to be issued on the range of advice and assistance that is to be provided.

We also look forward to seeing the new Code of Guidance as there are inconsistencies in approach across Scotland that may be addressed in the new guidance to the benefit of those
who find themselves homeless or threatened with homelessness. We also welcome the opportunity to develop strategies to prevent homelessness although we have reservations as to how this will be achieved when RSLs will effectively have a ‘veto’ over nominations (see comments below). We look forward to seeing the guidance on corporate action to be taken on these strategies as we fully recognise that housing services are only one part of the effort to alleviate and to prevent homelessness.

**Temporary accommodation**

We have used our own stock to provide a bank of temporary furnished accommodation and we always use these units where possible. Bed and breakfast accommodation is only ever used in exceptional circumstances when our own units are fully occupied. We are concerned that the increased access to temporary accommodation while advice and assistance is being given will result in our having to provide additional temporary furnished units and that the costs of doing so will have to be met. We would welcome clarification on how this extension of access from 28 days to two calendar months will be funded.

**RSLs and homelessness**

We are concerned that the right of RSLs to refuse to house the homeless has been included in the Bill as we can see no reason why anyone who has already been found to be unintentionally homeless and in priority need should be refused accommodation. There is an assumption that local authorities that retain stock will look to house the homeless within their own houses before approaching RSLs and this clearly goes against the spirit of the nomination agreements that we have concluded with many of our partners in housing associations. The possibility of RSLs refusing to house the homeless in a post-transfer situation is most alarming as the local authority retains the statutory duty to deal with the application but has no means of satisfying the need for housing.

We note that the model contracts being developed by COSLA and the Scottish Federation of Housing Associations (SFHA) attempt to address these questions. However, we remain of the view that it is more appropriate to have one nationally agreed procedure for housing the homeless rather than a range of individual agreements negotiated separately with each RSL. In our own case we have 16 housing associations operating within the WDC area and the possibility of completing differing agreements with all of these organisations is most concerning. Consistency and simplicity must be paramount for all housing providers and for the homeless.

**Right to register on a housing list**

We currently register all those aged 16 or over on our waiting list for housing. We have established procedures through our homelessness and throughcare services to make sure that young people are provided with the support and assistance that they need to take on a tenancy and a home of their own. Alternatives to moving into their own home straight away are also offered and we work closely with our partners in other statutory and voluntary agencies to ensure that vulnerable young people receive housing that best suits their needs.

The proposals in the Bill cover the right to register but do not provide the right to a home nor do they recognise that not every person aged 16 or over is equipped to take on the responsibilities that go with a house. We would prefer to see a guaranteed package for young people that would enable and equip them to move into their first home confident in their abilities to run a home and to meet their full range of commitments.

**Improvement And Repairs Grants**

A number of changes have been made to the Housing (Scotland) Act 1987 to enable owners to apply for grants covering a wider range of works including energy efficiency, safety and security, and common works involving other owners. Our main concerns centre on the
“means testing” of applicants and the new ceiling of £20,000 (subject to variation by the Scottish Ministers) on grants that is included in the Bill.

The inclusion of additional eligible works will be of help to many households; however, the ongoing problem of the demand for grants greatly exceeding the funds available is likely to be exacerbated by this increase in the scope of grants. There is no indication of additional funding being made available to meet applications heightened expectations, particularly with items such as central heating and rewiring being included. The issue of “ring fencing” of grants has still to be resolved as the encouragement of owners to take part in common works is of particular concern given the level of grants that have been made available over the past few years.

The ceiling of £20,000 will not be sufficient in many cases to meet the cost of works required and owners on limited incomes and those without savings/capital resources will continue to remain in houses in disrepair unless this matter can be adequately addressed. There is also the issue that fewer applicants may get grant assistance in any one year if overall funding remains the same once the increased ceiling is introduced.

The inclusion of grants for means of escape from fire in houses in multiple occupation (HMOs) may cause some difficulty as WDC can insist on adequate means of escape being provided before an HMO license is issued. However, if we insist on works being done we must provide grant aid and there could be serious repercussions where landlords can not comply, or choose not to comply, and go out of business. The likelihood is that we would have to provide, at least, temporary accommodation for those displaced and, possibly, permanent accommodation where former tenants qualify under the homelessness legislation.

We have reservations over the continuing discretion to issue a “serious disrepair” notice rather than a compulsory requirement, as recommended by the Royal Environmental Health Institute of Scotland (REHIS). This is also related to the availability of grants as the issue of a notice leads to a grant being provided, and we would hope that the views of the REHIS would be taken into consideration when the proposed task force on private housing sector quality issues is established.

Possible changes to the “Tolerable Standard”, currently under consideration by the Scottish Executive, may affect the content of the Bill and we would appreciate more details of the implications of any such changes.

I trust that West Dunbartonshire Council’s submission will be of interest to the Committee and that our views on the contents of the Bill will be taken into account in this first stage of the passage of the Bill.

Yours sincerely

Mr T. Huntingford
Chief Executive
19th January 2001

Mr Eugene Windsor
Clerk to the Local Government Committee
The Scottish Parliament
EDINBURGH
EH99 1SP

Dear Mr Windsor

HOUSING (SCOTLAND) BILL

Thank you for your letter of 18th December inviting Local Authorities to give written evidence to the Parliament’s Local Government Committee as the new Housing Bill progresses. West Lothian Council would certainly like to take this opportunity.

The main issue on which the Council would like to comment would be the strategic role of Local Government in particular where it is proposed that development funding transfers to Local Authorities. In West Lothian given the historic relatively low levels of housing debt plus the high level of investment in recent years both the present Labour administration and the SNP opposition have argued strongly that stock transfer is not appropriate. The Council do however firmly believe that they are in the best position to take the lead strategic role in both planning and making investment decisions in the provision of quality rented housing in West Lothian.

We believe given our experience in successfully managing investment through various New Housing Partnership projects over recent years that we have both the skills and expertise to decide on investment priorities and manage this process.

In West Lothian we have developed a number of highly successful partnership arrangements with Housing Providers. In particular we have a well established Housing Providers Forum which discusses investment priorities as well as strategic development such as Housing Benefit Administration, proposals for Supporting People and Community Care Initiatives. In a joint submission on the “Better Homes for Scotland Communities” document the Housing Providers Forum in West Lothian welcomed the opportunity to develop investment partnership involving the Forum.
In conclusion West Lothian Council would wish to convey to the Local Government Committee that we are confident, through working in partnership with Housing Providers and Scottish Homes, that we have the ability to make a difference in the benefits which can be obtained from public sector housing and related investment in West Lothian. West Lothian Council has been recognised through the award of Charter Marks and other national housing awards as an authority which performs well. We are taking major initiatives in the review of our tenant participation policy and starting tenant led inspection of the service to ensure that the public are effectively involved in the process. Within the framework offered by the Housing Bill and National Guidance given by the Scottish Parliament we think that investment decisions are best taken at local level.

Yours sincerely

John Ritchie  
Head of Housing Services
INTRODUCTION

In general COSLA welcomes the Housing (Scotland) Bill. We emphasise the common ground which has already been established to take this Bill forward, and we give our commitment to a positive and constructive debate. We welcome the enhanced opportunity for community empowerment provided in the new rights for tenants and duties on all landlords. We want to see the solutions for homeless people being enhanced, by, for example, closer working with our partners who are registered social landlords.

We have said many times that we want the new Housing duties on Councils to fit closely with our Community Planning powers. We want to see Councils take on the new duties with the clear support of the Executive, so that there is no duplication of effort at local level.

We believe that the Bill sets out the grounds for a common platform of standards for all tenants and others, but with a great diversity of potential models of how those standards of service can be delivered, firmly rooted in local circumstances.

Councils will respond positively to this new and co-operative environment.

This is our broad view in relation to the Policy intentions of the Bill. We equally believe there are areas to be further developed within the wider policy framework of the Executive over the next few years, which will also be important, and this Bill should not therefore be seen as the answer to all housing problems. Examples are:

- We welcome the homelessness provisions, n Part 1 of the Bill but equally we are clear that adequate and appropriate supply of housing must underpin delivery of homelessness services. We look forward therefore to the fundamental consideration promised in Phase Two of the Homelessness Task Force to this supply issue, to take forward a comprehensive set of solutions to homelessness.

- We are also aware of the early proposals for the Housing Improvement Task Force, and we will be carefully assessing the implications of Part 6 of the Housing Bill against the more detailed proposals for the Task Force which should emerge over the coming weeks.

- Fundamentally our members believe that while this Bill aims to deliver a level playing field in relation to Community Ownership, the policy on Community Ownership must be developed to ensure that all concerned are clear about what the detail actually is. We believe the policy should encourage diversity of models, which suit different circumstances. Councils, who together with their tenants, wish to pursue community empowerment routes, should not be disadvantaged, for example, in relation to such matters as control of development funding, and we are pleased that the Bill appears positive in this regard.
We will make some general observations before moving on to the specific evidence on the parts of the Bill which this Committee is examining.

- **The Housing Bill** will bring major changes to the way housing services in Scotland are delivered. It is clear that the manner of implementation of this Bill is critically important to ensuring that the policy intentions are realised.

  We have concerns that while the intention is good there are a very large number of Regulations and Orders to be put in place, following commencement of the Act. We think it is important that this Committee is aware of the crucial nature of the secondary legislation required. We will give examples throughout our evidence to both this Committee and to the Social Justice Committee. **We also want to emphasise the need for consultation and close involvement in working up the programme of guidance and regulations.**

- **We have concerns around resourcing of the new duties.** Obviously there is no point in delivering on the powers to create a better housing policy environment, and at the same time failing to make adequate provision to ensure effective implementation. The Financial Memorandum attached to the Bill does not give us comfort in most areas in this regard, and again we will return to this theme in our examples. Our members are concerned that a situation of inadequate resourcing leaves them in a poor position to deal with legitimate public demands, but this would also reflect badly on all concerned in raising expectations without identifying the means of fulfilling them.

- **We have a general concern that the time provided for scrutiny of this Bill is very short.** Given the Bill is lengthy and complex, we must emphasis that time is required to get it right. Having said this COSLA will do all it can to contribute to the level of scrutiny within the allotted time and it has the backing of the Association of Chief Housing Officers, (ALACHO) and local authority lawyers (SOLAR), to do so.

We have been asked to give evidence to the Local Government Committee on three main Parts of the Bill. These are (1) **The Strategic Housing Role of Councils.** (2) **Homelessness** and (3) **Improvement and Repair Grants.** We will give that evidence. However we also wish to draw the Committee’s attention to the future local government relationship with the **New Executive Agency (NEA),** which will replace Scottish Homes, as we have major concerns about how that role will develop. **Given that the Bill does not provide detail on the operation of the NEA we think it is critically important for the Committee to examine its 'fit' with the local authority powers which are in the Bill, to avoid duplication, waste of resources, and unproductive issues of 'territory'.** We will therefore give our views on the wide range of roles which appear to be emerging for the NEA, specifically as these are likely to affect Local Government, given that these have not been discussed in substantive form with COSLA at this point in time.

We are aware that there are a number of Councils giving evidence to the Committee, and we hope that taken in the round the Committee will have a good understanding both of the general implications of the Bill for Councils and the range of local circumstances which require diversity of approach and flexibility within the Bill. Given the short time since the Bill was published, the views given today are our preliminary views, and a more detailed legal analysis may well point out areas for further consideration. We would be keen to submit further written evidence, where and when that is appropriate.

**Our evidence is presented in the following order.**
Part One – Homelessness

Part Five – The Strategic Housing Functions of Local Authorities

Part Four – Scottish Homes and the Executive Agency

Part Six - Grants for Improvement, Repairs Etc.

We will deal with Part Four in relation to Scottish Homes after having laid out our view on the new strategic powers in Part Five.
PART ONE - HOMELESSNESS

COSLA welcomes many of the proposals in the Bill intended to reinforce councils’ abilities to tackle homelessness. In particular, COSLA welcomes the commitments to end the need to sleep rough and also to tackle homelessness more generally. **COSLA believes that in order to tackle homelessness it will be necessary to address the fundamental mismatch between supply and demand in relation to good quality affordable housing in Scotland.** The proposals contained within the consultation paper will undoubtedly improve services for people who are homeless but COSLA looks to the second phase of the work for the Homelessness Task Force for more radical solutions to the underlying problems which lead to homelessness in the first place.

S. 1. Homelessness Strategies.

COSLA welcomes the proposal to require councils to develop homelessness strategies. This is a corporate duty on the local authority which will remain even if all stock is transferred. It is also the only function outwith housing management services which will come under Regulation. COSLA is working with Scottish Homes and other agencies to clarify how this might operate in practice. We also wish to ensure that proper links are made between Homelessness Strategies, Supporting People Strategies, and Local Housing Strategies, as these are all new duties. The Financial Memorandum is silent on the cost attached to producing homelessness strategies. Many Councils are already aware of the real cost attached to properly producing a Homelessness Strategy, and are concerned particularly given this should be funded largely outwith the HRA.

S. 2. Advice Services

The general duty to provide advice already exists within the homelessness legislation, and the extension of the duty, which has the aim of preventing homelessness where possible, is reasonable. COSLA will work with Homepoint to agree national quality standards which should cover all advice providers, whether the local authority or other agencies. There will be resource implications in relation to this, mainly depending on the guidance produced. The changes required to all existing advice literature alone is significant, as is the on-going revenue cost of giving advice.

S. 3.

The provisions in section 3 which amend the 1987 Act relate to the **duty to provide temporary accommodation**, and the **duty to provide permanent accommodation**. COSLA welcomed this in its response to “Better Homes”. The extension of the duty to provide temporary accommodation to anyone believed to be homeless will help meet the Executives’ policies on rough sleeping, among others. However, there are practical consequences arising out of this:

- An increase in temporary accommodation will be required in many areas.
• The costs for provision of such accommodation will increase. This will vary across the country and cannot yet be accurately predicted, but we do welcome the £27 Million included in the Financial Memorandum for this function.

It is important that the implementation of this duty is co-ordinated with the Executives’ and COSLA’s wish to see an end to the use of Bed and Breakfast for temporary homeless accommodation. There is a distinct possibility that an increased use of B&B will occur at least in the short to medium term, and therefore this commitment has to have a longer term planning framework. The discharge of the duty in relation to permanent accommodation is not expected to throw up major problems as this has generally not been a major issue in Scotland.

**S4&5 Duties on RSLs to provide accommodation, and Arbitration procedure.**

COSLA has concerns that the drafting of the Bill in these sections is not clearly enough directed towards positive, practical outcomes for homeless people. Councils and RSLs will face a range of situations, from where a Council has transferred all of its stock, to where the stock of RSLs is growing in an area, but where there will be a variety of landlords with differing stocks, to where the Council still holds the biggest proportion of stock in an area. **It is important that the potential in the Bill, for making best use of all stock to house homeless people, is realised.**

**COSLA believes therefore that Councils should have to have regard to the availability of all accommodation in its area, rather than just their own, before making specific requests to individual RSLs to house a homeless household.** Undoubtedly this would mean changes from current practices, and systems etc would have to be able to respond, but COSLA believes that this offers the fairest, and most efficient way forward.

In relation to the *arbitration* procedure COSLA believes this could significantly disadvantage any individual household subject to the procedures, because of the inherent time delay involved. The cost could also be significant. It believes therefore that a much shorter procedure is required. **It further believes that the role of the Regulator could be important in examining the pattern of availability of accommodation vis-à-vis the pattern of requests over time, so that disputes between RSLs and Councils can be considered on other than a one off individual request basis.**

**COSLA believes that the guidance to be issued by Ministers under S4(4) on good reason for refusal by an RSL of a request to rehouse by the local authority should relate mainly or only to the availability of appropriate accommodation held by the RSL.**

**S.6.** In relation to *hostel accommodation regulations* COSLA agrees that people living in hostels should be given formal rights where it is practical to do so. The Executive is clearly aware of the difficulty which could arise if these rights interfered with the ability of hostel managers to effectively supervise and manage hostels given the challenging nature of some clients living in hostels. Any statutory instrument will need to be drafted in such a way that the hostel manager is able to continue to exercise discretion to ensure that other residents in the hostel are safe and that their welfare is protected. COSLA looks forward to working with the Executive to ensure that a workable set of guidance is developed.

**S.7.** The changes to *Admission criteria* for housing lists and the *Allocation of housing*, to create common approaches for RSLs and L.A.s is welcome. These are unlikely to
cause major problems for local authorities, although COSLA understands that increased administration of waiting lists could cause difficulties for small landlords.

Finally on homelessness COSLA points to:

- the **volume of guidance** which would require to be produced following enactment of the Bill, and would wish to be party to agreeing the programme management and context of the guidance

- the unknown effect of the new role of the Regulator in relation to homelessness and, the need to clarify the corporate impact of this on Councils.

**PART FIVE – THE STRATEGIC HOUSING FUNCTIONS OF LOCAL AUTHORITIES**

COSLA welcomes the proposals in Part 5 of the Bill, having previously called for a **stronger strategic housing function for Councils**. The powers in Part 5 may well be affected greatly by the implementation of Part 4 and the setting up of the New Executive Agency, and we will therefore firstly discuss Part 5 and then return to Part 4.

However in broad terms COSLA welcomes these powers and duties in line with the Community Planning role, which is currently in consultation.

**S.79 Local Housing Strategies**

There are possible refinements we shall pursue to the duty on local authorities to assess needs and prepare local housing strategies, so that Councils are free to introduce added elements to the process, beyond those stipulated by Ministers in Orders or Regulations. This would ensure that the current power which is being repealed is not in fact diluted on replacement by Part 5.

Again the impact of implementation will depend very much on what the regulations contain. **COSLA is working with the Executive to agree a practical approach to implementation of Local Housing Strategies, and is confident that the increased emphasis on the planning framework will be productive.**

**S.80 Grants For Housing Purposes**

The Bill gives local authorities a new set of powers (s 80 (1) (a) (ii)), to address Regeneration issues related to housing. This is welcome. However COSLA believes that duplication with the functions of Scottish Homes which are being transferred to Ministers, and the NEA, is a real concern, and is examining the distribution of powers more closely to see if the framework can be better clarified.

We believe that evidence presented by individual councils to the committee will show that Councils are very keen to exercise the range of powers being made available under Part 5, and to do so in a way which takes full account of local circumstances, local partners, and integrated with other planning requirements such as Community Plans, land use plans, community care plans, etc.

We believe the Bill can provide sufficient flexibility in this regard, while aiming to standardise the requirement and format for plans.
We also emphasise the partnership nature of the production of local housing strategies, and while many councils have been preparing Housing Plans in consultation with partners for many years, we welcome the statutory basis for this approach.

**S.82 & 83 Assistance for Housing Purposes**

To follow through on these planning powers COSLA feels strongly that local authorities should also have the development funds to ensure that investment follows planning, directed by local priorities and set within the context of national targets, regardless of whether or not stock transfer has taken place. We are pleased to see that the Bill makes this possible through sections 80, 82 and 83. We will work to develop a framework with the Executive and SFHA which clarifies the circumstances of the transfer of development funding to local authorities. The Bill clarifies that this funding would not be available for expenditure on HRA buildings and land, section 80(2). COSLA believes that this principle will help address concerns expressed about the separation of local authorities strategic function from their landlord role. There may however be practical aspects of development in relation to transfer which have to be considered against this section. Member councils are aware of the need to ensure systems and skills are in place to deliver on the development funding role, and are eager to discuss criteria and resourcing in this regard. Transfer of resources from Scottish Homes should be made possible.

COSLA’s view, formed by the range of its member council circumstances is that

- there should be a clear commitment to transfer the development funding responsibility,
- councils should then take decisions, in consultation with the Executive and partner organisations such as SFHA, on how the role will be administered.

We believe that a variety of methods will emerge, and we believe that this is likely to produce better outcomes than a single imposed solution. Examples of this will be given to the Committee by Councils who are presenting evidence.

Section 82 also gives a new power to promote new RSLs, or assist in developing existing RSLs, and this is welcome clarification, given the close involvement many councils already have with local RSLs. We are sure that this will be an increasing part of the Strategic role of Councils.

**S.81 Supporting People**

This part of the Bill also provides the power for Ministers to direct expenditure through local authorities for Supporting People (S 81). This has been welcomed by COSLA, and co-operation on the development of the Supporting People regime is already well under way. COSLA would point to Supporting People as an example of where a programme of guidance has been set out, leading up to an intended transfer of responsibility and resources to local authorities in 2003. There are issues which will require further discussion, such as the expectations for future development beyond the DSS transfer of resources. However the issuing of a detailed programme of work, leading up to implementation of this complex scheme, does give reassurance that consultation on all aspects will be thorough, and allows Councils to plan ahead for the new responsibility.
The Bill includes a statutory consultation on future use of the S 81 funds, and this is a principle which we would wish to see generally applied to the Bill.

S.81 Pressured Areas

An issue which arises in Part Two of the Bill with implications in relation to Part 5 is that of ‘pressured area’ status. (section 39). This allows for limitation of the right-to-buy (RTB) in specifically designated ‘pressured areas’. In the Bill designation has to be approved by Ministers on a proposal from local authorities. The designation is linked to the strategic housing role of councils, in that it arises where there are shortages of supply of rented homes, where demand is high, and where RTB demonstrably exacerbates the shortage. Section 43 amends existing local authority power, to give assistance to tenants to obtain other open market accommodation, specifically in relation to pressured areas status. **COSLA believes that such designations of pressured area status should arise out of the section 79 Local Housing strategies, so that the strategic nature of the designation is transparent for all landlords and tenants.** We also however believe that Councils should be able to agree **interim designations** of pressured areas where Local Housing Strategies have not yet been rolled out. We may wish to discuss further inclusion of house types as well as areas of pressure, and we have some concerns about the practicality of the likely procedure. We see this power as a limited tool which will be useful in fairly specific and limited circumstances.

PART FOUR – SCOTTISH HOMES AND THE EXECUTIVE AGENCY

COSLA has expressed major reservations about the range of powers and functions likely to be invested in the New Executive Agency (NEA), and given the lack of substantive discussion to date on the full range of functions we wish to bring it to the attention of this Committee because of the implications for Local Government. **We have identified a number of questions in relation to the functions of the New Executive Agency which we think this Committee should address.**

The Bill does not address this directly as the NEA does not require a new legislative base, being rather an administrative matter for the Executive. **The Policy Memorandum briefly discusses the options considered for the future of Scottish Homes and it is this consideration of options which we believe is unsatisfactory.**

The Bill transfers Scottish Homes current powers to Ministers. As indicated earlier COSLA will examine in detail the range of powers now likely to be available for Ministers, the NEA, and local authorities.

Our concern centres around the potential currently being expressed for the NEA which is that it will be **Regulator, Funder, Partner in delivering local community regeneration, Partner in preparing the Local Housing Strategy.** COSLA does not doubt the intention to work positively with councils which has been stated by Ministers and by the Chief Executive of Scottish Homes. However it strongly believes that this range of roles includes many conflicts of interest and should be curtailed. **The role of the Regulator is not compatible in our view with the role of partner organisation in delivering local outcomes in regeneration. The roles also have deep implications for the future role of Local Government, and this aspect must be thoroughly examined.** The role of Regional offices of the NEA must also be considered carefully. We are concerned that what is initially a positive aim – to transform the agency of Scottish Homes to be more accountable,- in effect
has the contradictory outcome of making it become less accountable, and more open to potential for conflict with the role of Local Government.

However we see major areas of confusion, duplication, and inefficient use of resources, arising out of the apparent current proposals, at political, professional and managerial levels, leading to community confusion and frustration. We would ask the Committees to consider the following questions carefully, and we think there are parallels with recent experience of HMI, SQA, Social Care Regulation to draw on.

1. What conflicts of interest are inherent in the numerous proposed roles within one organisation?

2. How transparent will the decisions and actions of the NEA be in relation to its full range of functions?

3. What are the principles which should govern decisions on the form of organisation which will become the Regulator?

4. How should the Regulator formally relate to the Accounts commission and Audit Scotland?

5. Should Regulation be at arms-length from the Executive?

6. What mechanisms will ensure conflicts of interest will not arise between the role of Regulator and local partner organisation?

7. What is the role of local partner organisation?

8. How does it relate to the role of Local Government? Is this overlap in the respective roles?

9. What is the purpose of Regional offices, and what might the future intentions be for this form of administration?

10. What are the proposed regional areas?

11. What is the relationship and distinction of roles between the NEA and the Executive’s civil servants?

12. How is the funding for the NEAs functions identified?

COSLA is willing to take part in detailed discussion on these matters, and we would clarify our intention to work towards positive solutions, valuing the national knowledge which Scottish Homes has built up on housing market issues, and agreeing on the need for the principle of the common regulatory framework. However a clear relationship with Local Government is a fundamental pre-requisite to ensure mutual understanding and co-operation with the Executive Agency on housing matters. We think an open debate is needed before decisions are made.

PART SIX – GRANTS FOR IMPROVEMENT, REPAIRS ETC

In our response to Better Homes the COSLA view was that a more strategic approach is required to the need for action on problem areas of owner-occupation and the private sector.
We will be pleased therefore to participate in the Improvement Task Force recently announced by the Minister. Few details are however available at this stage on the remit and timescale of the proposed Task Force. **We wish to examine the remit of the Task Force in relation to Part 6 of the Housing (Scotland) Bill so that the likely impacts on Local Government can be assessed. We wish to be clear that changes proposed in the Bill actually are improvements to the current difficulties being experienced by many authorities, communities and many owners in relation to improvement and repair grants, in both urban and rural contexts.**

In broad terms **we welcome the additional categories of work which will qualify for grant. These should enhance our ability to deliver on energy efficiency, safety and security.** We had however asked for these items to be included in the BTS definition which we think gives a stronger basis for the grant system. We are concerned, for example, that there is a current consultation taking place on an Index of Housing Quality, but that there does not appear to be a legislative base for it, if, as is likely, the consultation is positive. We are aware that it may be difficult to legislate for the Index at this stage. However we give it as an example of where we carefully need to consider the real use of the measures in the Bill, and we may return to this at Stage II of the Bill, when as we hope, the discussions on the work of the Task Force will also be clearer.

We find therefore that it is difficult to give a full assessment of the value and implications of Part 6 at this stage, and we hope that the Committees will be able to hear more in relation to this later. **This is an important area of housing policy which must be carefully considered given the increases in home ownership and the implications for the built environment and for stable communities.**

We have a number of other areas of concern which we are currently exploring further.

- The introduction of means-testing is a complex area, which has been under discussion many times in the last 10 years. **COSLA is not yet convinced that the system of means-testing will produce positive results.** There is no doubt that the introduction of means-testing entails an increased administrative effort, whether or not standardised software is introduced. The Financial Memorandum acknowledges this. It also undoubtedly leads to a reluctance for many people to apply for grants or participate in schemes of repair. **This shows that the policy aim of better targeting of resources on those who most need it, may well offset the policy aim of maintaining and improving the housing stock and built environment.**

The system of minimum percentage grants may help to alleviate the effects of means-testing, so that there is an incentive for all owners to take part. However the detail of the means tests is not yet available, and as the minimum percentage grants will in some cases be introduced by orders or regulations, our ability to assess the impact is therefore limited.

- There is also some confusion about means testing on grants, including heating systems when **the new central heating initiative appears to discount means-testing.**
• The resourcing of the new powers under Improvement and Repairs Grants is a real concern for Councils. Given that this is a priority which struggles to compete with other general fund priorities, we are concerned that (a) extra administrative resources have to be available, and (b) on current budgets the extended grant eligibility means that in effect fewer houses may be done than currently, albeit to a better standard. Although means-testing could come into this equation we cannot be clear that it will spread money further, at this stage.

• In our response to Better Homes we asked for a restoration of local authority non-HRA funding to realistic levels, and we asked for support from the Executive for harmonisation of VAT on buildings work at 5% for both new build and repair. We would press to have these aims included in the Task Force remit.

• We had also asked for a unification of the grant system. The Policy Memorandum makes no reference to the idea of unifying the grants system and we think this still should be considered.

• Part 5 of the Bill, Sections 82 and 83, gives power to introduce a range of funding options, which would be set out in regulations. We are examining this closely to understand the potential, and the implications for councils.

In summary, our position on Part 6 is that we welcome any new aspects in the bill, - ahead of work of the Task Force, - which are practical and useful measures. However we wish to study this Part carefully, including more detailed discussion with the Executive civil servants before we can fully give our support to the specific principles and proposals in the Bill. We hope the Committee can take further evidence on this.

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In conclusion to our evidence we are looking to this Bill to enable Local Government to produce good housing solutions, and to strongly contribute to meeting the social justice targets of the Executive. We think this must be done within the framework of Local Government as a whole so that there are consistent priorities, regulation, scrutiny and accountability. We can then engage with our partners and communities on an increasingly transparent basis, backed up by the means of delivering what communities want and need. Finally, we think the potential for joined up government is possible in the Bill, but that there must be clarification of important areas, before we can be assured that this potential will be realized. We summarise the main points below.

• We want the new Housing duties on Councils to fit closely with our Community Planning powers.

• We also want to emphasise the need for consultation and close involvement in working up the programme of guidance and regulations.

• We have concerns around resourcing of the new duties.

• COSLA believes that in order to tackle homelessness it will be necessary to address the fundamental mismatch between supply and demand in relation to good quality affordable housing in Scotland.
• COSLA believes therefore that Councils should have to have regard to the availability of all accommodation in its area, rather than just their own, before making specific requests to individual RSLs to house a homeless household.

• COSLA is working with the Executive to agree a practical approach to implementation of Local Housing Strategies, and is confident that the increased emphasis on the planning framework will be productive.

• We believe that evidence presented by individual councils to the committee will show that Councils are very keen to exercise the range of powers being made available under Part 5, and to do so in a way which takes full account of local circumstances, local partners, and integrated with other planning requirements such as Community Plans, land use plans, community care plans, etc.

• Local authorities should also have the development funds to ensure that investment follows planning, directed by local priorities and set within the context of national targets, regardless of whether or not stock transfer has taken place.

• We will work to develop a framework with the Executive and SFHA which clarifies the circumstances of the transfer of development funding to local authorities.

• COSLA believes that such designations of pressured area status should arise out of the section 79 Local Housing strategies, so that the strategic nature of the designation is transparent for all landlords and tenants. We also however believe that Councils should be able to agree interim designations

• We have identified a number of questions in relation to the functions of the New Executive Agency which we think this Committee should address.

• The Policy Memorandum briefly discusses the options considered for the future of Scottish Homes and it is this consideration of options which we believe is unsatisfactory.

• The role of the Regulator is not compatible in our view with the role of partner organisation in delivering local outcomes in regeneration. The roles also have deep implications for the future role of Local Government, and this aspect must be thoroughly examined.

• A clear relationship with Local Government is a fundamental pre-requisite to ensure mutual understanding and co-operation with the Executive Agency on housing matters. We think an open debate is needed before decisions are made.

• We wish to examine the remit of the Task Force in relation to Part 6 of the Housing (Scotland) Bill so that the likely impacts on Local Government can be assessed. We wish to be clear that changes proposed in the Bill actually are improvements to the current difficulties.

• COSLA is not yet convinced that the system of means-testing will produce positive results.
Good afternoon, we are very pleased to have been given the opportunity to give evidence on the strategic role of local authorities. We believe we have a unique story to tell.

I would like to introduce myself, Colin Hawkins Chair of the North East Housing Planning Alliance (NEHPA) and Head of Strategic Development for the Housing and Social Work Service for Aberdeenshire Council. I would also like to introduce Tim Mason, Regional Director with Scottish Homes, North & East and Mike Scott, Director of Housing with Aberdeen City Council. Both Tim & Mike are previous chairs of NEHPA and continue to play a significant role in the organisation.
SLIDE 2

My presentation will set out:

- A very brief outline of the context we are working on within the North East.
- What NEHPA is, what it’s done and what we expect to achieve over the next period.
- Thirdly, NEHPA’s initial thoughts about the role it will play working to develop the local housing strategy for the North East in the context of the Housing Bill.
This is the area we are discussing today, the area covers:

6,474 km\(^2\) of the land mass of Scotland (Aberdeenshire is the 4th largest Council in Scotland geographically)

The combined population of 440,000 (187,853 households) represents about 9\% of the Scottish total.

The urban/rural relationship between Aberdeen and Aberdeenshire Councils is unique in Scotland with a mutual dependency in terms of social, economic, infrastructure and cultural needs. The interconnection of both Councils is recognised through the designation of the area as a single entity in terms of the Structure Plan.
The Scottish Executive has placed local authorities in the forefront of Community Planning. The Housing (Scotland) Bill emphasises this in relation to the strategic role local authorities need to develop.

Both Councils have embraced this with Aberdeenshire launching its community plan last autumn with Aberdeen’s launch planned for Spring. The Councils share many of the same partners including Scottish Homes, Grampian Health Board and Scottish Enterprise Grampian. Community planning is being developed through a variety of channels including the Aberdeenshire Towns Programme, Community Councils and tenant groups and in Aberdeen specifically the 8 Unified Action Programme Teams and Social Inclusion Partnership (this is the Great Northern Partnership).

Modernising Government - both Councils have embraced the concept of the Modernising Government Initiative and a particular project, Homechoice, led by Aberdeen City Council is an example of this. Homechoice is a one-stop-shop IT based system enabling applicants for affordable housing to access a range of waiting lists without having to complete numerous application forms.
Turning to the economic context, it is clear that the impact of the energy industry has been massive for the past thirty years. At its peak the industry created many new jobs and the boom in recent years led to high levels of new development - particularly in housing.

The area has however a number of traditional employment sectors including farming, food processing, forestry, tourism and fishing - Peterhead is the largest white fish port in Europe.

You will all be aware of the decline in most of these industries, with the fishing fleets and processors now in crisis.

I have detailed information about the projected decline in traditional and energy related industries but the purpose of this part of the presentation is to provide context.

The impact of the growth of the past thirty years has not been felt across the board - Aberdeenshire suffers with below average income levels particularly further from the City. In fact the average weekly households income of council tenants in both councils is £6,111. Aberdeen, although often seen as having reaped significant benefits from the Oil Industry, has the widest polarity between rich and poor in any Scottish city.
Looking at housing need NEHPA commissioned a study covering both the Aberdeen market area and rural Aberdeenshire areas and identified a number of key housing needs. Two headlines being:

- Over 15,000 households in Aberdeen and Aberdeenshire were found to be in housing need.
- The proportion of households containing a person with special needs ranges from 6.8% in the West Gordon housing market area to 14% in the Deeside housing market area. The average for the overall area is 10.1%.
- We also face significant increases in household projections with households set to grow by 12.5% (23,550) between 1998 and 2016.

- Finally, looking at housing conditions there is real concern about the quality of the housing in the private sector. Recent research found a backlog of improvements and repairs valued at over £200m in Aberdeen alone.
I have already set out the context of the relationship between Aberdeen City and Aberdeenshire, their mutual dependence not only in economic and housing terms but in other areas too. NEHPA was established in 1998 as a result of an understanding of this relationship.

Since 1998 NEHPA, which comprises Housing, Social Work and Planning from both Councils, the Registered Social Landlords, Scottish Homes and the private housebuilders (through Grampian Housebuilders Committee) has achieved success through:

- developing information sources and sharing research
- corporate (cross-cutting) planning
- securing new resources

and is currently involved in:

- the development of the new structure plan - North East Scotland Together
- Housing Need and Land Use Relationships
- The Supporting People Initiative
- The Housing (Scotland) Bill
NEHPA’s progress has coincided with the development of the Strategic Alliances which exist in both City and Aberdeenshire Councils. The two Strategic Alliances have a number of common partners including Grampian Health Board, Scottish Enterprise Grampian and Scottish Homes. Both Alliances have now agreed joint objectives to deal with the main wider housing issues facing the North East. This slide sets out the potential opportunity to converge the Alliances and NEHPA to enable strategic direction to be developed within a streamlined, democratic and politically accountable framework.

The new approach which is being considered by all the partners concerned would achieve the following outputs:

- The Local Housing Strategy
- The Regional Housing Information Partnership
- Assist with the development of the Strategic Development budgets
- Involvement with the Regional housing context statement.
The pressures facing the North East have demanded strategic and joined up thinking, the organisations represented by NEHPA have long recognised this and we welcome the emphasis in the Bill.

There is no doubt in our mind that NEHPA or a derivative of NEHPA within the context of a strategic housing alliance will be able to deliver or assist with the delivery of the Regional Context Statements working with the Scottish Executive Agency, and take the lead role in developing:

- the Regional Housing Information Partnerships
- the local housing strategy for the North East
- the strategic housing budget

All within the context of separate, but linked community plans.
The unique nature of the relationship between Aberdeenshire and Aberdeen City and the housing market areas binding the two lends itself to the development of one local housing strategy. Clearly NEHPA is delighted to see that Ministers may be given power to agree an application from Councils to produce a joint strategy in taking account of housing needs and housing nature and conditions. We agree that ministers should be given this power and have argued that NEHPA is a role model for this joint approach. In respect of a conjoined local housing strategy, NEHPA has put itself forward to the Executive for pilot status.

Although the Committee has asked us to consider Section 5 of the Bill it is also worth pointing out that NEHPA sees itself as having a significant role in relation to the development of homelessness strategies in the North East in accordance with Part 1 of the Bill.

NEHPA also believes that the implementation of the proposals in relation to Right To Buy and pressurised areas needs flexibility according to local circumstances whilst ensuring national consistency and fairness. We believe therefore that the local housing strategies will determine not only the areas which should be considered pressured but also the nature and type of
housing. For example, whereas some areas may have a high demand for affordable one or two person homes the need for larger family accommodation may have been met (or exceeded). We believe that the sensitive development of local housing strategies should identify these circumstances and the new Act enable local and flexible responses.

I now wish to turn to my final point, i.e. That resources must follow the strategic priorities.

NEHPA is pleased to see that the proposals set out in the accompanying Policy Memorandum (Section 67) to the Bill include the opportunity for local authorities, who do not transfer their housing stock, to take responsibility for the strategic housing budget. NEHPA also believes that it is well placed to be the vehicle through which agreement can be reached. NEHPA, in fact, would comment that any separation of strategy and the use resources available to turn strategy into action is potentially damaging. For example, NEHPA also believes that there needs to be greater flexibility around the use of Section 94 consents and the use of capital receipts to local authorities and their partners to deliver strategic plans geared at meeting the needs of their individual communities. Although this approval may be initially of concern to the Executive and Treasury we believe there is scope
for flexibility whilst at the same time accountability is assured through the new role of the Executive Agency.

I would like to round off by concluding that we very much appreciate the opportunity to comment on the new Bill, we welcome the general approach being adopted and look forward to answering, as best we can, your questions.
Scottish Council for Single Homeless
Submission to the Local Government Committee
31\textsuperscript{st} January 2001

The Scottish Council for Single Homeless (SCSH) is the national membership organisation for individuals and agencies who work with homeless people. We are grateful for the opportunity to make a brief written submission to the Local Government Committee. Our members include local authorities, housing associations, voluntary organisations, academics and individuals. We have consulted members during the lengthy consultation processes prior to publication of the Bill. The comments in this paper follow a members' consultation meeting held on 26\textsuperscript{th} January 2001.

SCSH has been represented on the Homelessness Task Force and we welcome in general the thrust of the proposals on homelessness contained within the Bill, which broadly reflect the recommendations of the Task Force. Our comments are made on the basis of general support for part one of the Bill.

Whilst the focus of this submission is on the homelessness part of the Bill, it is in our view important to recognise that solutions to homelessness lie also in the supply of good quality and affordable rented accommodation, and we are disappointed that the Bill does little to address issues of supply. In this respect we believe the proposals for the extension of the right to buy will adversely affect the supply of good quality rented accommodation.

**Suggested New Clause**

SCSH is aware that in similar legislation for England it is proposed to extend the categories of those considered to be ‘in priority need’ under the homelessness legislation. The groups mentioned in the English proposals are all young people aged 16 or 17, care leavers aged up to 21, people recently discharged from institutions such as those leaving prisons or the armed forces and those fleeing domestic violence or harassment.

Under the current legislation (Housing (Scotland) Act 1987) only the care leavers are specifically covered. For the rest it is a slightly confused picture. The Code of Guidance (to which local authorities ‘must have regard’) gives as illustrations of those who might be considered vulnerable (and hence ‘in priority need’) young people aged 16 or 17, people recently discharged from institutions and those fleeing domestic violence.

However the Code of Guidance is simply guidance and those used as illustrations only examples.

As far as 16 and 17 year olds are concerned there is some further protection through the provisions of the Children (Scotland) Act (section 25(1). For them extending the priority need category would represent a tidying up operation.

For care leavers the priority need category has been recently extended. However it only relates to people who were looked after on or after their 16\textsuperscript{th} birthday. SCSH suggests that those who spent considerable time in care after their 12\textsuperscript{th} birthday are equally vulnerable. Accommodation arrangements are often made for care leavers
(for example with their family)) before their 16th birthday which subsequently break down. In our view they should be considered automatically to be in priority need.

We are well aware from evaluation of the Rough Sleepers Initiative that people with an institutional background, especially people leaving prison or the armed forces are disproportionately represented amongst rough sleepers. If homelessness is to be addressed seriously they should, in our view, be considered a vulnerable group in priority need.

Homeless people who experience violence or threats of violence from someone they live with or have lived with are homeless under the legislation. Those with children will be ‘in priority need.’ However the situation is not clear for those who do not have children. The Code of guidance states only that: ‘Women suffering or in fear of violence may be vulnerable even if they have no children.’ (our italics). We are suggesting that they should automatically be considered in priority need.

The same is true of people at risk of harassment or violence on account of either race, colour, illness, sexuality or ethnic or national origins who are similarly described in the Code of Guidance but not automatically ‘in priority need’.

Issues from Members Bill

We understand that there is still debate over the future of Robert Brown’s Member’s Bill on the Prevention of Homelessness. There are elements within that Bill which we hope will be enacted whether through his Bill or as additions to this one. In particular we support the right of appeal against a homelessness decision to the Sheriff. We further support the proposals for criteria to be taken into consideration by a sheriff when deciding if it is ‘reasonable’ to repossess a house. These include, for example, whether the household has had access to money advice.

Section one

Homelessness Strategies

SCSH welcomes the duty on local authorities to produce a strategy to prevent and alleviate homelessness. We recognise that the intention behind the proposal is to reduce homelessness and are concerned that the term ‘alleviate’ may not be adequate. In our view strategies should also be concerned with resolving individuals’ homelessness and we would hope that the concept of ‘alleviating’ could be extended to include the aim of resolving homelessness.

SCSH believes strategies should be supported by action plans and contain targets and timescales.

Section two

Advice

SCSH believes the wording of this section should be strengthened to prevent a possible misinterpretation. SCSH believes the terms of the section could be met by a local authority simply providing advice about where advice services are located through posters and leaflets. It is important that local authorities are able to provide good quality advice on housing, homelessness and housing related matters far beyond that, which is clearly the intention of the Bill.

Section 3
We strongly support the new duties towards all homeless people contained within this section. Our concerns are more related to its implementation. We are concerned that the expanded use of temporary accommodation should not lead to poor quality of accommodation, to homeless people being housed in large groups in ‘hard to let’ areas and other poor practice. This element of the proposals must be properly resourced, and some attention paid to the supply of accommodation.

Section 4

We are concerned at the wording of 4(2) which appears to imply that in each case a council must look to its own accommodation first before considering another landlord such as a housing association. At best the wording could be seen to be ambiguous in this area and we would recommend that it should be redrafted to remove the ambiguity. Further we believe that 4(3) should be strengthened. The ‘good reason’ to refuse a referral of a homeless person should be defined in very restricted terms.

Section 7

We are disappointed that this section does not include a clause enabling Ministers in due course to insist that a common housing register be set up in an area. We understand that at present IT costs may be prohibitive and we further understand that it may not be appropriate in every area. However, in areas where there is substantial stock transfer to a number of landlords, a single housing list would appear to be the best approach.

Scottish Council for Single Homeless
January 2001
INTRODUCTION
Shelter Scotland thanks the Local Government Committee for the opportunity to provide a written submission prior to giving evidence on 31 January 2001.

Shelter, the Scottish Campaign for Homeless People, believes that everyone should have the right to a decent, affordable home suitable to their needs. Shelter aims to end the misery of homelessness. We also campaign to change the system that causes homelessness.

We help people who are homeless, or who have other housing problems, to find solutions. Shelter provides expert advice free of charge to those who need it through Housing Aid Centres based in Aberdeen, Dundee, Glasgow and Edinburgh. These centres are open to the public. We also provide support and housing advice to Citizens Advice Bureaux as part of our Scottish Homelessness Advisory Service. We help to fund advice services in Lochaber and Ayr. We run a Families Project in Edinburgh and Lanarkshire which helps homeless families to settle back into the community. We operate ShelterLine, the first 24 hour, free, national housing helpline. Our Prisoners project gives advice to prisoners to prevent homelessness when they leave prison. The Shelter Housing Action with Rural Communities project develops plans with local communities in the South West of Scotland to address the housing problems of the area. Our project in East Lothian provides a Housing Advice Resource Centre for the area; it also gives both secondary and primary support services to rough sleepers and those at risk of rough sleeping.

Shelter welcomes the publication of the Housing(Scotland)Bill and is in broad agreement with the contents of the homelessness section as the Bill has adopted the recommendations of the Homelessness Task Force. There are some areas for concern or further work and these are outlined in this paper. Our suggestions are made as we believe that they will improve the rights of homeless people and will aim to prevent homelessness arising in the first place.

SECTION ONE - HOMELESSNESS STRATEGIES
The Bill indicates that there will be a duty on local authorities to produce a strategy to prevent and alleviate homelessness. Shelter welcomes the fact that this duty is to be corporate on an authority but has reservations that the duty is only to produce a strategy, not a duty to prevent or reduce homelessness.

If the duty to produce a strategy remains in the Bill (instead of a duty to prevent or alleviate homelessness) then the Bill needs to be tightened up to ensure that the strategy is an effective and working document. The section within the Bill indicates that guidance will be issued by Scottish Ministers as to the form and content of the strategy but Shelter argues that this is not sufficient on the face of the Bill. Areas such as those detailed later in the Bill (section 79) which covers the development of local housing strategies should be included. This will give greater direction to a local authority and its partners in developing the strategy and will go some way to ensure that there is a consistent standard across Scotland.

The Homes Bill, currently going through the Westminster Parliament, also incorporates a duty to produce a homelessness strategy, but details that an authority must carry out a homelessness review, publish a strategy based on the results of that review, gives timescales within which a strategy should be produced, indicates that a new strategy should be published every 5 years, as well as detailing what a homelessness review is and what a strategy should cover. Shelter would recommend that this approach is considered and not left to guidance which does not have the same statutory force as an Act of Parliament.
SECTION TWO - ADVICE
Shelter has a concern about the wording of this section. The concern is that a local authority could discharge its duty under the section as it now stands by simply providing a leaflet detailing addresses and phone numbers of advice agencies in the area. This is not the intention of the Homelessness Task Force but could be the outcome if the section is not reworded.

The Task Force was very clear that the advice duty needed to be linked to a homelessness strategy, based on a needs assessment in the area and that quality standards for the provision of advice and information should be based on those developed by HomePoint. Shelter understands that the guidance referred to in the Bill will probably cover these points in more detail, but there is still concern that the guidance, even though backed by a regulator, will be sufficient to ensure that provision of advice across Scotland. If the new duty is more specific in the legislation then success will not be dependent upon the development of guidance or the monitoring that will be undertaken by the regulator. This will ensure that all local authorities are clear on their legal responsibilities.

SECTION THREE
Subsection 4(b)(ii) uses the phrase “special needs” in relation to the securing of accommodation, both temporary and permanent. This will improve the current situation for homeless people, but could still be strengthened as it appears to limit the requirement to a purely physical assessment. Homeless households may well have other needs that should be taken into account when accommodation is being secured. The requirement on the local authority should be to ensure that these other needs are assessed before accommodation is offered.

SECTIONS FOUR AND FIVE
These sections look at the role for RSLs in assisting local authorities with rehousing homeless households. Shelter has a number of concerns about these sections: the first being that local authorities need to look first at their own stock before approaching an RSL for assistance. This could mean that homeless households are always accommodated by local authorities as a first resort and very few are housed by RSLs, as RSLs could always make the case that the local authority had voids and should fill those first. The situation should not develop where local authorities have to use their own stock first as this could lead to local authority stock becoming a “dumping ground” for homeless households.

The second concern is that there is no timescale attached to the Bill which indicates how long an RSL has to respond to a request to rehouse a homeless household. This is not addressed in the Bill, nor does it appear to be the subject of guidance which will be developed later. This requires to be tightened up as, otherwise, homeless households could be forced to remain in temporary accommodation for extended periods of time. (The only reference to a timescale is regarding the appointment of a regulator.)

The third concern relates to the ability of an RSL to refuse to rehouse a homeless household. The concern is that RSLs could refuse using the argument that they have no available properties at that point of time nor are any likely to become available in the near future. A local authority is unlikely to be in the position of having the information to refute this argument and therefore will not be able to challenge this effectively. The balance of power sits with the RSL as it controls the information regarding voids and potential voids. A duty needs to be developed where RSLs should periodically provide information on available stock to local authorities including such issues as size, location and type. This could work best when coupled to a duty to develop common housing registers. Shelter is concerned that there is potential for RSLs not to house homeless households and although this could be identified through the actions of the regulator will not assist individual cases.

Our fourth concern is in relation to the difficulties that may be encountered by an individual household. There is provision (in Section 5) for an arbiter to be appointed if there is disagreement between the local authority and the RSL. This is not available to the individual household but is dependent upon the local authority wishing to take the dispute further which it may not wish to do for a range of reasons. Shelter also has a concern about what happens
when the RSL continues to refuse to house a homeless household even after the arbiter has reached a decision. The Bill states that the arbiter’s decision is final, yet, in the Homelessness Task Force report it was clear that there would be further provision for a special manager to be appointed if the “registered social landlord refuses to comply with the outcome of an arbitration”. This would seem to indicate that this provision could be brought in for individual cases, but this does not appear on the face of the Bill. We have been told that the regulator would discover problems of this type through monitoring, but this does not address the issue of an individual homeless household that has not been rehoused by the RSL.

This links into a wider issue about the role of the regulator. It is to be welcomed that there will be regulation of both RSLs and local authorities. However, it has been made clear to Shelter in various meetings looking at the role of the regulator and homelessness that the regulator will not get involved in individual cases, only in taking the wider view when monitoring RSLs and local authorities. This will mean that individuals who have an issue they want raised will not be able to do so through the regulator. It has been suggested that the ombudsman fulfils this role, however it is Shelter’s experience that this is not always an appropriate mechanism for individuals, not least because it can take a period of months for a full investigation to be completed. Also the role of the ombudsman is to investigate maladministration, and this may not always be the issue with a particular case. Shelter has responded to the consultation on the role of the ombudsman and recommended a widening of the remit. However, until the Executive’s views are known, it is unclear what role the ombudsman will play. Shelter argues that there is need for a mechanism that will hear individual grievances to resolve this issue.

SECTION SEVEN - HOUSING LISTS
Shelter welcomes the amendment to the Housing(Scotland)Act 1987 which will now include RSLs. It is important that people are not excluded from waiting lists held by socially rented landlords.

SECTION EIGHT
Shelter is concerned that this part of the Bill does not cover suspensions. In our response to “Better Homes for Scotland’s Communities” we indicated that the legislation might include issues that cannot be taken into account when making an offer of accommodation. This included non-housing debt (making it clear that council tax arrears is not a housing debt) and previous liabilities where the applicant has adhered to an agreement to repay, or where the liability is less than 4 weeks rent.

GAPS IN THE BILL - APPEALS
The Bill has not adopted Shelter’s recommendations on the area of appeals. Shelter still feels strongly that there is a need for a more statutory footing for appeals. Only 27 of all local authorities have appeals mechanisms in place and we are aware of the difficulties encountered by people wishing to appeal homelessness decisions. Shelter would argue for the need to have a statutory duty on local authorities to have an internal appeals/review mechanism. This can then be monitored by the regulator and gives the regulator a far stronger role with regard to this aspect of a local authority’s homelessness service.

ROLE OF THE REGULATOR
In principle, Shelter welcomes the development of the role of the regulator. Shelter has concerns on two areas:

a) the treatment of individual cases - Shelter has been given to understand that the regulator will have no role in addressing concerns raised on a case by case basis. The Homelessness Task Force report quite specifically indicates that if a RSL -
“continued to refuse the local authority’s request, the powers of Scottish Homes, as regulator of registered social landlords, would come into play. We recommend that these powers should be supplemented by giving the regulator power to appoint a special manager, to take over the allocations functions of the registered social landlord, if the registered social landlord refuses to comply with the outcome of an arbitration”.

This clearly states that this could be brought to bear on the basis of an arbitration - therefore on a case basis, however this does not appear on the face of the Bill. There is provision within the Bill for the appointment of a special manager but this appears to be when a failure to comply has been identified over a period of time rather than on an individual case. This needs to be resolved.

b) the burden on the regulator - the regulator will be taking on a new role in relation to local authorities and in terms of the Bill will have many new areas of responsibility. This is going to require a period of time for all agencies to settle into their new roles. What cannot happen is that homeless people lose out in this process and safeguards should be in place to ensure they receive the appropriate service. Shelter is concerned that during this settling in period, there may be less compunction to address areas that require the involvement of the regulator. Shelter has been told by Scottish Homes that the regulator will not look at individual cases and will not “police” the homelessness services of local authorities and RSLs but take on a supportive role. One way of addressing our concern is to include provisions in statute (primary or secondary) rather than in guidance as this will ensure there is less area for interpretation by all concerned and strengthen the hand of the regulator in ensuring compliance.
HOUSING BILL: SUBMISSION BY SOLACE SCOTLAND

1. SOLACE Scotland represents Chief Executives and senior managers in Scottish local government. Our interest in the Housing Bill is understandably (and properly) strategic. From that perspective we limit our comments to two key strategic areas:

(a) the strategic housing role of Councils
(b) the future role of Scottish Homes

Councils’ Strategic Housing Role

2. SOLACE endorses the Executive’s view that Councils are best placed to lead and deliver local housing strategies; to take a comprehensive view of housing need across all tenures and to develop strategies, including the allocation of funds, to address those needs. Housing, as a Service, does not exist in isolation; it is inextricably linked to a wide range of other local government services, notably Education, Social Work and Leisure and Planning, as well as to services provided by Councils' community planning partners, in particular the Health Service and the Local Enterprise Network. Securing the effective integration between those services in terms of both planning and delivery and securing best value in the use of public resources is the cornerstone of community planning. Current arrangements are wasteful, not just because of duplication but because there is that very absence of any overall analysis of how effectively every £ of public subsidy is used. And strategic responsibility cannot be viewed simply at the planning or theoretical level. To achieve a real improvement in housing and in social, educational and employment opportunities, the body which has responsibility for preparing plans, must also have the responsibility and the means for delivering them.

3. SOLACE accepts that to ensure the successful implementation of the proposed single planning and funding framework in each Council area that Councils will need to expand and develop their skills in their housing services, for example, in option and financial appraisal. This is a self evident need which we accept; but the shortage of those skills should not be suggested as an excuse to seek to subvert the principle of the Council as the strategic housing authority. The issue is not the principle itself, but to ensure how best to secure the implementation of that principle. Thus, SOLACE endorses COSLA’s view that appropriate staff with these skills from Scottish Homes should transfer to local government in order to equip Councils to undertake its strategic role. It recognises that, self-evidently, there will not be a fit between the number of staff who should transfer and the number of Councils. But consortia arrangements involving groupings of local authorities - perhaps based on housing market areas - and using the concept of a lead authority to employ the staff concerned points the way ahead. SOLACE's argument is a straightforward one. If Councils need to change their housing role then so too must Scottish Homes.

The Future of Scottish Homes

4. This usefully leads to second strategic area on which we wish to comment. SOLACE welcomes the proposal by the Executive to take the functions and powers
of Scottish Homes within its control thereby subjecting them to the scrutiny of Parliament. But the case for an Executive Agency with all its proposed functions has to be justified on a function by function basis. The case has to be made; it cannot be assumed. Whilst Scottish Homes may have performed a useful role in the past, the world, when Scottish Homes was created, has moved on.

5. SOLACE would pose the following question:-

Why is it necessary to have an Agency with responsibility for the delivery of housing policy when no such intermediate equivalent agency exists in, for example, the fields of Education or Social Work or indeed in the case of housing in Wales where the functions of the equivalent body of Scottish Homes have been taken within the Executive?

6. The note by the Scottish Executive on the future of Scottish Homes states, for example, that "through advice, guidance and support the new Executive Agency will facilitate the development of these strategic plans and provide feedback to local authorities on the content of individual plans; but ownership of and responsibility for the plans will remain with local authorities operating within the community planning framework". Two points arise: why not simply transfer staff to local authorities to help the development of those plans; why insert an intermediate stage; secondly, no such intermediate stage or body exists in many other planning processes undertaken by the Executive, notably structure planning, where the contact is directly between the Executive and individual Councils. The emphasis is one of perpetuating the current roles of Scottish Homes, not of supporting the new roles of Councils.

7. The Executive has announced a wide ranging review of Scottish public bodies against 5 essential criteria:-

♦ is the function necessary?
♦ could the function be under local government control?
♦ is a public body required to carry out the function?
♦ does a body deliver value for money?
♦ how can the public body become more accountable to Ministers, Parliament and the public in terms of effectiveness?

We have substantial reservations about the comfort zone between the proposed (and continuing) funding function of the Executive Agency alongside its regulatory function. They are strange bedfellows. The note by the Scottish Executive on the future of Scottish Homes states "it is anticipated that some Councils will take on the development funding role whilst in other cases this will continue to be undertaken by the new Executive Agency". We ask the question, why? If Councils are to be the new strategic authorities should not the emphasis be on equipping them with the skills and the resources to implement that strategy through the control of development funding? Moreover, the link between the volume of resources granted to any Council and the quality of its performance cannot be separated. If the two are inextricably linked then judgement about performance is neither transparent or objective. We return to the simple point, if local authorities are to change and to
become strategic housing authorities then they must control the means to implement that strategy.

8. Having said that SOLACE accepts that in terms of regulations the case has been made. SOLACE accepts the need for the regulation of all social landlords on a consistent basis and to the creation of an independent regulator to inspect both the discharge of local authorities’ housing management functions (provided that the inspection also focused on the integral play between Housing and other Services) and the regulation of all social landlords.

9. But we do not accept the proposed role of Scottish Homes as a partner in delivering local regeneration. The proposal is unnecessary, will lead to confusion, duplication of effort, will represent a waste of public resources. The Executive’s proposal for the Housing Bill “Better Homes for Scotland’s Communities” stated “this continuing developmental role (to promote community regeneration in co-operation with local authorities) should, as at present, be complimentary on the ground to the role of local authorities in co-ordinating community planning in their areas”. No reasoned justification is given for this proposed function. Indeed, the objective of community planning is identical to community regeneration - the creation of stronger sustainable communities. What has been proposed is not complimentary - it is unnecessary, duplicative, and it is not best value in the use of public resources.

10. We would be the first to acknowledge the role that Central Government has played in promoting neighbourhood renewal in the last 30 years. But surely that experience tells us that neither a top down nor a single issue approach to neighbourhood renewal will be either effective or successful. We also recognise that in the past the role played by Central Government and by Scottish Homes sometimes filled a vacuum created by local government because it did fully embrace its community leadership role. But times have moved on. Local government has now recognised that in relation to its 3 roles of service provision, service regulation and community leadership, its most important role is that of community leadership through the community planning process drawing on its legitimacy as a substantial provider and regulator of many services which impact on local communities. The focus of the Executive should not, as the note of the Scottish Executive on the future of Scottish Homes suggests, be about "renewing and re-invigorating the national framework for tackling neighbourhood renewal", but about supporting and energising and enhancing the role of local government as community leaders. The way to do this is simple; those staff in Scottish Homes who have skills in community development - which we readily acknowledge - should transfer to local government to help local government to strengthen its community planning capacity. The Executive’s second criterion was - could a function be under local government control? Self-evidently that is the case in relation to community regeneration. The acid test must always be what best serve Scotland’s communities, not what may perpetuate arrangements that are outdated, unnecessary and of another era.