Introduction
1. EHRA is an alliance of the eight independent, community-based housing associations (CBHAs) in Greater Easterhouse. We have worked together since 1991, previously as the Greater Easterhouse Community Ownership Forum (GECOF). Our members own and manage around 3,000 houses in local neighbourhoods throughout Greater Easterhouse. In the last 15-20 years, CBHAs have transformed the housing and the physical environment of neighbourhoods throughout the area. The eight housing associations work together to lobby for resources, campaign for initiatives and share expertise, staff and information. The eight housing associations are Blairtummock Housing Association, Calvay Housing Association, Easthall Park Housing Co-operative, Gardeen Housing Association, Lochfield Park Housing Association, Provanhall Housing Association, Ruchazie Housing Association and Wellhouse Housing Association.

Purpose of Report
2. The purpose of this report is to comment on the Housing (Scotland) Bill. We welcome the opportunity to comment on the Bill and are pleased to note that there are some improvements that have been made since the consultative draft. We note that lead developers and competition for HAG has been dropped as has the proposal to allow profit distributing bodies to become registered social landlords.

Investment in Housing
3. The ability of CBHAs to build new houses has been seriously affected by current Scottish Government policy. The changes the Government has made to Housing Association Grant (HAG) levels have substantially increased the amount of private finance needed to build new houses, to between £48,000 and £60,000 for every house built. As a result, we can no longer develop new housing on a financially sustainable basis.

4. Previous generations of council housing in Easterhouse failed because no long-term view was taken of the need to maintain the houses for the benefit of tenants. The Government’s changes to HAG are based on short-term thinking and are a recipe for repeating the mistakes of the past.

EHRA Response to Key Aspects of the Bill
5. EHRA will comment on four key aspects of the Bill:

- The proposed Scottish Social Housing Charter
- The new Scottish Housing Regulator
- Registration criteria for social landlords
- The proposed Right to Buy Reforms
Scottish Social Housing Charter

6. We welcome the promise of further consultation before the Charter is presented to Parliament. Based on the information available now, we have the following concerns:

- Section 32 of the Bill gives examples of the outcomes the Charter might describe. These relate mainly to “bricks and mortar” and traditional housing services issues. The Charter must be much more explicit about the role that housing providers such as CBHAs can play in developing safe, popular and sustainable communities and the social and economic value this brings.

- The Bill proposes a mix of national and local outcomes that landlords would be expected to deliver for tenants. We would have fundamental concerns if national outcomes are set in a way that seeks to “passport” national policy priorities to a significant extent. The suggestion that the Charter would be set and reviewed at 4-year intervals suggests this may form part of the Government’s thinking.

- There is a tension between national outcomes and the ethos of CBHAs as local, community-controlled organisations. Our top priority is to respond to the needs of our local communities.

- There has been a significant erosion of housing associations’ independence from government since devolution. An explicit debate is needed about how housing associations (particularly those that are community-based and community-controlled) contribute to central government priorities. The Scottish Government has done this with local authorities, through the Concordat. We would like to see similar thinking applied to housing associations.

- The Bill proposes that Parliament would be responsible for setting standards for housing services through the Charter, with the SHR’s role being to assess performance in meeting the standards. A similar separation is needed in relation to the governance and financial management of housing associations. This is particularly important because of the present SHR’s views on the need to promote mergers and restructuring within the Scottish housing association sector.

The New Scottish Housing Regulator

7. The new SHR would have the objective of safeguarding and promoting the interests of current and future tenants and of homeless people. This is too narrow:

- The part housing associations play in community regeneration is largely ignored.
• The Bill incorporates some of the same regulatory thinking that applies to privatised public utilities. This may have some relevance for the largest social landlords. But it is not the best approach for the many Scottish housing associations, including CBHAs, which are small, not for profit, community-owned organisations.

• With this in mind, we think the new SHR should have a statutory duty to promote and assist housing associations, particularly smaller and community-owned bodies.

8. The Bill would require the new SHR to act proportionately, transparently and accountably. We welcome these general principles, but have the following concerns:

• The SHR will have substantial freedom to determine regulatory processes – it is only required to consult organisations representing landlords and tenants on these matters. Since there will inevitably be a range of opinions among stakeholder groupings, the Regulator’s own views are likely to be the deciding factor. Additional checks and balances are needed, to hold the SHR to account for how it meets its obligations to act proportionately, transparently and accountably.

• The type of regulatory processes appropriate for very large landlords such as local authorities and GHA must be scaled down substantially when applied to CBHAs. But the arrangements described in the Bill suggest that housing associations will experience much greater scrutiny than local authority landlords, particularly in relation to their governance and financial management.

• It is unclear if and how the SHR will be accountable to Parliament. The proposal that the new SHR will have a Board including at least three non-executive members appointed by Ministers does not give enough assurance about accountability.

Registration Criteria for Social Landlords

9. The Bill would repeal current statutory provisions about the permitted activities of registered social landlords (RSLs) and how they are constituted. Instead, it is proposed - in the interests of flexibility - that these matters would be described in orders laid before Parliament by Ministers. It is essential that the Government should provide some indication what its future proposals will consist of, even if the detail of statutory instruments comes later.

10. The Policy Memorandum published with the Bill says that registration as a social landlord in Scotland would be opened up to providers from other European member states, to satisfy the EU Services Directive. In practice, it is far more likely that very large UK-wide RSLs will seek to become registered in Scotland, particularly with the present SHR
promoting housing association mergers and restructuring. This would fundamentally alter the character of Scotland’s housing association movement, especially our tradition of smaller, community-owned housing associations. In Easterhouse, we want social landlords that are accountable to our local communities, not controlled by large organisations with head offices hundreds of miles away.

11. Eligibility for registration as a social landlord is a key issue that needs to be explored during scrutiny of the Bill. For example, Wales is also subject to the EU Services Directive, but recent legislation restricts registration as a social landlord in Wales to “Welsh bodies” with their registered office in Wales and which are “principally concerned with Welsh housing”. Why can similar provisions not apply to Scotland?

Right to Buy Reforms
12. Most EHRA members support the Bill’s proposals to reform the Right to Buy. However, the Right to Buy has been important in Easterhouse in giving local people more choice and access to home ownership. So we would like to see other measures specifically for areas such as ours, to promote more mixed communities. For example, through HAG-funded low cost home ownership; re-introducing the previous Tenants Incentive Scheme; or introducing new flexible tenure schemes.

Conclusion
13. EHRA welcomed the opportunity to comment on the Housing (Scotland) Bill

14. CBHAs are one of Glasgow’s success stories. But some parts of the draft Housing Bill, linked to the present policy and regulatory agenda, are bad news for CBHAs in Easterhouse and for our local communities.

15. As the Bill progresses through Parliament, we will be happy to provide a more detailed briefing on the impact of the Bill on our communities.

EHRA

4 March 2010