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To: Housing Consultation 2007
Cc: Bryan Hay
Subject: Alliance of Fife Housing Associations - Response - Firm Foundations
Importance: High

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Please see attached letter and response from Bryan Hay on behalf of the Alliance of Fife Housing Associations.

Thank you.

Laura Woods

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Sent by email

Dr Andrew Scott
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21st January 2008

Dear Andrew

Firm Foundations

On behalf of the Alliance of Fife Housing Associations (Fife, Glen, Kingdom and Ore Valley Housing Associations) I am pleased to submit a response to the Firm Foundations Consultation Paper.

Yours sincerely

Bryan Hay
On behalf of the Alliance of Fife Housing Associations

Enc



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Firm Foundations: The Future of Housing in Scotland: A discussion

As at 210108

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

*We welcome the ambition to increase the rate of housing supply to 35,000 a year by the middle of the next decade. We believe that this is achievable given the necessary political will and arrangements put in place to ensure an adequate supply of **land and services** are available. If the issues of land supply, planning delays and high land costs are tackled then we believe the target could be met before 2015.*

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

Local authorities should co-operate regionally in setting realistic housing targets. The new city-region Strategic Development Plans provide the basis for establishing this for many authorities. This planning framework is the vehicle for delivery, but should be the subject of government requirement via the National Planning Guidelines and/or specific guidance issued to such authorities. Exhortation and incentives are insufficient to guarantee an appropriate planning framework. Outwith the city-regions, natural groupings [Ayrshire, Central Scotland] should be required to co-operate; or Local Development Plans ought to be called-in by Ministers to set those targets.

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

A specific national function is required, not only to support strategic planning for housing; but to establish targets. It is no longer appropriate for individual authorities to be free to accept or reject Registrar General Projections, for example. This function requires expertise from Planning, Housing and Population perspectives – all can be provided by the Scottish Government and its associated Agencies. The Draft Guidance by Communities Scotland on Strategic Housing Need, issued in September, is a foundation for the development of this role.

This 'supporting' role should not be seen as a deletion of the need for Local Authorities to fulfil its strategic role.

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

The critical issue is infrastructure constraints. All providers must work more closely with Planning Authorities to ensure Development Plans are deliverable, particularly Scottish Water. A simpler structure of 'planning gain' would assist developers, by giving more certainty – the system operated by Aberdeenshire Council has much to commend it. Clearer advice from the centre is necessary to facilitate this.

Consideration should be given to:

- i) Greater powers of intervention by Local Government to ensure land is developed timeously.
- ii) The creation of a Land Tax where permission to build has been granted but has not occurred, say after 2 or 3 years.

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

There is significant market interest in such solutions – that should be harnessed for the public benefit. Authorities at a strategic level should work with the private sector to identify the optimum solutions through Development Plans; and then continue that joint approach when it comes to detailed planning and implementation. It should be understood however that Government may need to be assertive in demanding that developers/"NIMBY's" are not allowed to stall delivery.

It is important to ensure that expansion delivers clear tangible benefits for existing communities and engage communities in the process of identifying community needs.

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

In broad terms, we welcome the proposals to provide a range of options to assist first time buyers. We are concerned however about the proposals to provide grants to first time buyers. The focus on the demand side may simply exacerbate the problem by creating greater competition for a limited supply of housing. The focus, we believe, should be on dealing with supply side issues.

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

The UK has one of the world's most innovative mortgage markets. It's the cost of a new home that's the issue. However there is no harm in asking CML to look at new products.

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

Whilst we are supportive of the measures outlined in the discussion paper to assist first time buyers we are concerned that any benefits gained through providing cash grants could be lost through a corresponding inflation of house prices i.e. it distorts the market

We believe that it would be better to invest in increased development of low cost home ownership programme, tackling the supply should be the first consideration.

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

In some instance we believe that Affordable Housing Policies can play a part in helping to deliver low cost affordable housing for sale.

The Government could be more 'challenging' in its approach to the construction industry. It does not have a good track record of innovation or cost cutting in the way they provide houses. The Government could set up a centre of excellence to share information and lay down challenges to the sector.

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

Stock condition

Rent levels

Management approach

Ethical standards

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

Establish a landlord registration and regulation scheme that sets minimum acceptable standard for points made in Q10.

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

Some local authorities do this very well by having "landlord days" and provide free legal training and assistance. Unfortunately, this does not happen throughout the country.

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

Look at the empty properties and derelict properties. Initiatives for Housing Associations to provide a management service to private landlords.

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

Too many landlords do not entertain people on Housing Benefit. More support is required for certain households.

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

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

In the current housing climate with such a shortage of affordable housing to rent, we fully support the proposals to exempt new build social housing from the right to buy.

There is a strong case for RTB to be scrapped – the Government should look at it again.

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

We believe that Council's could play a valuable role in the provision of new housing provided linkages are made to the Local Housing strategy and the development programmes agreed with Housing Associations. In Fife, Kingdom acts as the lead developer for the Fife based housing associations under the aegis of the Fife Housing Association Alliance, which has been given preferred developer status by Fife Council and Communities Scotland. This model could also enable the Council to access the development skills which a well established developing association possesses. We would also hope that any resources to provide new housing by Councils would be in addition to those provided by Housing Associations.

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

*We have a number of concerns relating to the issue of competition for subsidy. The principal causes increasing grant costs relate to shortages in the land supply and labour shortages in the construction industry and competition will not deal with these issues. At the same time, there is a risk that competition could threaten build quality, **sustainability** and space standards and, in the longer term, the affordability of rents charged by social landlords.*

In addition where there are strong arrangements in place which are already delivering added value these should be preserved.

There is no evidence that suggests savings can be made in a Scottish/Regional context for “large scale” competitions.

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

Unfortunately we don't believe that there are any quick fixes to this issue. However in the longer term the impact of Affordable Housing Policies should help with the delivery of reasonable priced land and a continuing emphasis on construction industry training initiatives should increase the supply of effective labour. These however are longer term measures.

The consultation document makes a number of comments on RSL's alleged costs and inefficiencies with the only evidence for this being a crude comparison with English RSL's and only a passing reference to the different rent levels. One way of raising performance would be the establishment of rigorous benchmark indicators against which performance is measured.

The focus on RSL's as clients is missed placed, the spotlight should be on the construction industry.

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

An Alliance partner has provided houses for mid market rent via a not for profit subsidiary some of which were through the Gro Grant scheme promoted by Scottish Homes. This scheme provided a useful complementary role to the HAG funded developments promoted by registered Housing Associations, albeit on a smaller scale. We believe it could have a useful role to play in increasing the availability of good quality housing to rent, in appropriate circumstance and where it is clear who the target tenant group is.

The market should dictate the product not the funder who simply wishes to drive down overall HAG rates.

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

As stated above we have concerns over the issue of competitive bidding for grants and would not therefore support this proposal.

If Scottish Government sets Quality Performance Standards (now Building Standards 2009, EcoHomes excellent/higher SAP ratings) the only cheap way of delivering the product is via modern methods of construction with prefabrication drastically reducing construction times – this will reduce finance costs and lead to cost reduction. If its competition we'll get the same developers/no innovation/spec cut to the very minimum needed to get by and surely none of us want that!

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

If grants could be awarded to organisations other than registered RSL's along the lines of the GRO grant scheme for market rents, then this would have the effect of increasing the range of providers and promote variety.

- *Promote serviced plots for self-build*
- *Modern methods of construction (the Orkney/Highland models)*
- *Subsidise low carbon house types*

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

We agree that this measure could have a positive role to play in achieving sustainable mixed communities possibly as part of a more comprehensive approach to estate management and regeneration.

The Government in doing this needs to make funding available.

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

No – why subsidise other delivery vehicles when HA's have a proven track record of developing and managing a wide range of general and specialist housing solutions and are subject to a regime which ensures proper control over public funds.

To date it has been RSL's that have driven up standards and sustainability not developers.

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

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

Yes. Expand exclusion zones/flats above G.F for sale only keeping family homes and G.F. flats/bungalows.

Whilst we believe that the right to buy has been beneficial for many people, given the shortage of affordable housing for rent, the advantages of right to buy are now far outweighed by the disadvantages and we believe that it should be withdrawn for all tenancies.

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

From the experience in England ALMO's appear to have been successful and the model would be worth further consideration.

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

No – assistance should be given where required and should not be exclusively to one part of the sector, Local Authorities and Housing Associations should operate on the same level playing field.

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

SHQS should be delivered to all tenants, tenants should not be penalised on the basis of performance of their landlord.

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

Yes, we believe that the quality of common areas is often one of the first to suffer when savings exercises are to be considered and an agreed set of standards for neighbourhood quality would be worth considering.

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

Continue to support and participate in a network of Community Forums and other tenant and resident based organisations and groups.

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

Yes.

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

Yes.

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

We are already self regulated through the appointment of external and internal auditors, regulation of the sector by a separate specialist organisation would probably be the most beneficial approach.