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**From:** suzanne slavin [ayr\_hac@hotmail.com]  
**Sent:** 23 January 2008 10:30  
**To:** Housing Consultation 2007  
**Subject:** Firm Foundation

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Hi Becky

Please find attached our response to the above consultation. We have no objections to this response being available to the public and it being shared internally.

John Mulholland  
23/1/08

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**Ayr Housing Aid Centre**  
**Response to Firm Foundations**  
**The Future of Housing in Scotland**

**Opening**

The Centre is a locally based charity providing housing advice, information and support services. We welcome the opportunity to respond to this very important consultation. The paper has been discussed by staff and the management committee in the Centre.

We will respond to questions which have relevance to the work of the Centre and we hope that our comments in the main will be constructive and assist the consultation process.

**Chapter 2: Our Priorities for Action on Housing Supply**

**Question 1**

We welcome the commitment to increase housing supply from 25,000 to 35,000 by the middle of the next decade, although we question whether this overall supply level is sufficient to meet demands. We would hope that realistic targets will be set to increase the supply of affordable housing.(this has been estimated at 30,000 over the next 3 years) We consider that priority should be

given to increase public sector supply over the next 5 years, this would be consistent in meeting the 2012 target. We consider that the overall proportion of public sector housing should increase and thus allow a wider choice for the people of Scotland.

## **Question 2**

We would agree that on a strategic level Local Authorities within wider housing markets should cooperate in seeking to address housing demand in their respective areas. In terms of the supply of public sector and low cost homes it would be useful to identify a range of indicators which would direct development to areas of the greatest need. This of course would have to be proportionate and there should be activity within all partner Authority areas.

Indicators could include,

- Size of waiting/transfer list
- Number of Homeless Applications
- Cooperation between Authorities in terms of effective use of current housing stock including Registered Landlords
- Effectiveness of the Private Rented Sector
- Average income
- Average age of population
- Effective land supply

## **Question 3**

The coordination of the relevant plans submitted by Local Government could provide a useful indicator of housing challenges in each Authority. If these were combined into regional groupings this would be a good starting point towards improving strategic planning. The first issue would be determining the regional groupings and the compatibility of each group. We would agree that there is a need for national input into this process but there must be strong parameters in which the national specialist operates. This must respect the central role of Local Authorities in meeting demands for housing in their areas and the wider regional market.

#### **Question 4**

If targets are to be met we must develop a presumption in favour of residential development. This presumption should be at its strongest in terms of mixed tenure developments. There is a need to be clear and acknowledge that green belt land may need to be released for residential development in some Local Authority areas, taking into account infrastructure requirements. It does not always follow that brown field sites are where people wish to live.

The importance of involving Councils and Communities in the planning of land release cannot be overstated and this is often more important in rural areas. This clearly raises the question of over protection of existing settlement boundaries. There must be a

balance between the need for homes and the wider economic sustainability of rural and semi-rural settlements.

## **Question 5**

The overall target in terms of new build may require the development of new settlement/settlements. We consider this should be part of discussions with Local Authorities in terms of regional needs for new housing, see comments in questions 2 and 3 above. Such development would offer an opportunity to develop new settlements which are relevant to the many environmental challenges facing us in the 21<sup>st</sup> century and beyond.

## **Chapter 3: Assistance for First Time Buyers**

### **Question 6**

We welcome the discussion on assistance for first time buyers. It is important that the LIFT scheme meets its objectives. We have concerns with the proposed support that some potential first time buyers could be being set up to fail. In the recent report issued in England by Citizens Advice there is evidence of lending borrowers amounts beyond sustainable repayments. It would be ironic if first time buyers who received assistance were ultimately unable to meet their payment obligations. Eligibility for assistance must take into account short and medium term sustainability.

### **Question 7**

One key area is flexibility of mortgage products. If a first time buyer is in their mid 20's one could consider a longer term with the ability to pay more to reduce this term if financially viable. Another important point relates to early redemption, with no penalties imposed. Products such as fixed term periods and ceilings on rate increase can protect vulnerable owners including first time buyers. We still have concerns over sustainability for some first time buyers as outlined in question 6 above.

### **Question 8**

Yes, in appropriate circumstances taking into account the first time buyer's ability to sustain a mortgage. This should be restricted to groups that require such support due to income levels and this should be in addition to other assistance in terms of low cost home ownership.

### **Question 9**

Many Local Authorities within their Housing Strategies and land release policies are setting percentages for affordable housing/ starter homes in new developments. The setting of targets must be realistic and take into account the viability of individual developments. A number of direct factors will be relevant including the size of development and the costs of servicing the site. If costs of

servicing a site/sites within a local or regional market were reduced these savings could be used to provided affordable/starter homes within these developments.

In more a strategic sense developers who hold land (one or more sites) within a regional market could be encouraged to consider the number of units for affordable/starter homes which would apply to their overall holdings.

Lastly the whole issue of community benefit in terms of land release should be underpinned by direct legislation if overall targets for affordable/starter homes are not being achieved. The whole planning gain system should be reviewed and locked into meeting the objectives of increasing supply of affordable housing. Priority should be given to houses for rent and sustainable communities.

## **Chapter 4: The Private Rented Sector**

### **Question 10**

The private rented sector for a range of reasons has an important role to play in terms of supply of rented accommodation. We recognise the many changes to the private rented sector over the past few years. One issue which has not changed in terms of low income tenants is affordability. Many of these tenants often have to pay a top up to cover the shortfall between Housing Benefit and the

actual rent. Additionally some tenants will not be entitled to full Housing benefit due to income. With the introduction of the new Local Housing Allowance the situation may worsen for some tenants whose Housing Benefit entitlement will be dependent on the rent levels set in the Broad Rental Market Areas.

In terms of homelessness and choice, we consider it rather naive to suggest that offers from the private rented sector would be a real choice for homeless and low income applicants. Is the paper suggesting that homeless persons can be temporarily accommodated in the private rented sector pending an offer of permanent accommodation? Is it the intention that offers within the private rented sector could discharge council's duties in terms of permanent accommodation?

The issue of affordability will be an important factor. Security of tenure within this sector could trigger repeat homeless applications. The vast majority of private landlords offer Short Assured tenancies in which security of tenure is considerably less than Scottish Secure Tenancies. Inappropriate use of high rent Short Assured Tenancies combined to low security of tenure will not be sustainable in the medium to long term. This short term approach will cause repeat homelessness and defer dealing with sustainable housing solutions for homeless applicants.

There may be a small number of homeless applicants where these problems can be overcome. Unfortunately for the majority it will not increase choice but will simply lengthen their homelessness and not provide real solutions to their housing need.

### **Question 11**

It is our view that the review of the sector must come prior to any potential changes which may impact on people with low incomes and homeless persons. It is, of course important to find a balance between tenant's rights and landlords obligations. The simple fact remains the right to recover possession (with a court order) at the end of a Short Assured tenancy will mitigate against security of tenure for applicants who have been homeless. If this was changed then we would be left with the issue of affordability. One must also consider the effects of the Single Room Rent regulations for under 25's. Therefore Short Assured Tenancies should not be described as settled or permanent accommodation due to the lack of security.

### **Question 12**

There is developing engagement between the Public Sector and Private Rented Sector. It is well recognised by Local Authorities that they must engage with all housing providers in their boundaries. This possibly could form part of regional engagement and strategic planning.

The Private Landlord Registration Scheme and the Repairing Standard are just 2 examples of engagement combined between the sectors. A weakness is the lack of engagement between tenants within and landlord in the private rented sector. One hopes that a nationwide Landlord Accreditation Scheme would progress tenant participation within the sector.

### **Question 13**

We are interested in Private Rented Leasing Schemes and their role in increasing supply, but would agree that more consideration must be given in terms of their sustainability. External factors impact on sustainability, e.g. the levels of return for private landlords. The key issue for people on low income and homeless households is affordability. Sustainability overlaps into security of tenure, homeless prevention and the prevention of repeat homeless.

Some of these can be dealt with by the Scottish Government, others cannot. They have no locus in terms of benefit levels to assist with rental costs.

The Scottish Government could consider other incentives which could lower rental charges within the sector. However care would be required that a reduction in support through Housing benefit from Central Government would offset any positive impact of Scottish initiatives.

## **Question 14**

If landlords are to gain confidence in terms of letting to benefit reliant clients the starting point is to ensure that potential tenants can access the sector and for landlords to have confidence in letting to benefit and low income tenants including homeless applicants. Central to this are deposits and good administration of benefit claims. Rent deposits guarantee schemes have an important role to play in this.

The issue of rent/housing allowance (April 08) and how this will be paid will cause problems for some landlords and may act as a disincentive. The direct payments to tenants will act as a barrier for some landlords, therefore it is important that the flow of payments to landlords are undistributed. This will require good administration of the Housing Benefit system and relevant notice regarding payments being forwarded to landlords from tenants.

There may be potential for Local Authority Areas or even wider regional areas to encourage block insurance agreements for landlords which in turn could reduce costs. Further incentives in terms of grants to improve properties could also act as an incentive for landlords and to encourage new landlords into the market.

## **Question 15**

We consider it is important that void properties whether they are in rural or urban settings should be brought into effective use if there is a proven need. It would be useful to consider in some cases whether certain sites could produce a higher yield, if for example, the property was to be demolished and replaced with new build. One of the major problems is identifying ownership or contacting owners. One must consider a system of compulsory acquisition in some cases to meet the greater good.

## **Chapter 6 : Choice in Social Housing**

### **Question 16**

The Centre welcomes any initiatives that seek to increase supply of social housing in Scotland. The ending of the right to buy on new social housing will serve to encourage the sector to build. The government may need to extend this further to protect existing supply.

We have already discussed the issue of land supply that will not go away.

### **Question 17**

We note the comments in the paper regarding poor to fair performing social landlords and it is on this basis we have concerns

about the award of incentives on a competitive basis, e.g, there could be a poor performing Local Authority where there is a great need to increase supply. It is important that areas with greatest need should benefit from increased supply. While there is a place for limited competition one must target resources, which is consistent with the strategic aspiration of this consultation.

### **Question 18**

We do not agree with the reduction in subsidy in terms of HAG until the proposed new competitive regime is in place. There is a drive to meet strategic targets and if the subsidy is reduced then new build may reduce over the next few years and at the same time rents could be forced up. There is also an assumption that there are large scale developers waiting to bid. Is there any evidence of this? Will Local Authorities or groups of Authorities be able to bid?

### **Question 19**

As outlined above we do have concerns about the approach regarding HAG and its reduction without certainty in the new proposed system. It could be argued that more regional RSL should be created by combining existing RSL's. The danger on doing this is to reduce local accountability and reduce the influence of communities in the development and management of housing in their areas. I would refer to our comments in question 17, we should target the greatest need not just target resources on the better

performing RSL's This is not to say that we should not deal with poor performance but communities should not face penalties due to matters generally not within their control.

### **Question 20**

Yes, we do agree that there should be a subsidy to assist build mid market rented properties but once again we do have concerns about proposed competition and how this could have the effect of missing the greatest need due to poor performing RSL's.

### **Question 21**

We have clearly expressed our concerns about a competitive regime but if this is to be the case, yes this subsidy should be included as part of the regime.

### **Question 22**

One would have gathered from the comments above we have concerns over the proposed competitive regime. While it is important to maximise value in terms of meeting housing need we consider an over reliance on such a regime is inconsistent with the primary aspirations in this paper. This is not new thinking it is looking back to systems which have failed to meet housing need within our country. The challenge is to meet the need across Authorities and Regional groupings and not to blight these areas due to poor performance of Local Authorities and/or RSL. Additional

mechanisms should be employed to ensure improved performance if required but this in itself should not act as a buffer to meet the needs of our communities.

There would be nothing to hinder the development of variety in the supply of social housing. The charge of rent governs ancillary matters but the size, type and location are the primary factors for sustainable development and communities. The issue of floating subsidy in terms of development will be the main issue whether rents are low/medium or high rents.

### **Question 23**

In general, we agree with the concept but has there been any consideration in terms of Housing Benefit, has the DWP been consulted?

### **Question 24**

We consider in limited circumstances a case can be made for subsidies to bodies other than RSL's. It is important public funds are protected and strict conditions must be applied with the potential of claw-back if there is a breach of conditions. Conditions should apply to the dwelling not just the initial tenant.

### **Question 25**

Part of the protection for tenants would be found in the subsidy conditions. This should include primary rent and a formula for increases, security of tenure, repair and standard of management.

### **Question 26**

We would agree that the effects of the modernised right to buy should be assessed and further consideration be given to the overall right to buy schemes.

### **Question 27**

We do not object to Arms Length Management Organisation, the rights and participation of the tenants must be given a high priority. The setting of performance indicators and objectives will form the basic measure with improved quality being gauged in part by tenant satisfaction.

### **Question 28**

We are not convinced that additional help from government to help landlords meet the Scottish Housing Quality Standard should be conditional on improvements in the landlords performance. This standard is about improving the quality of housing for tenants. Tenants of poor performing landlords should not suffer due to this.

### **Question 29**

There are existing powers to deal with poor performance. Indeed if this performance is having a direct impact in terms of housing supply, quality, management and repair, other measures should be considered which do not in effect sanction the communities which have endured poor performance.

### **Question 30**

Yes, the environment people live in has a direct impact on their quality of life. We should actively encourage existing communities to work with partners in the development of good quality public open spaces and play areas.

In terms of new developments across the sectors this should be a central part of the planning process and developers should clearly identify how they have allowed for quality public open space.

### **Question 33**

As a Local Charity we recognise the value of inspection and audit of the services we provide. It is very important that the public are provided with quality services which can be assessed against national standards. There is a body of thought that for example the charity/advice sector is over regulated. The Centre has to answer to 3 regulatory bodies and comply with contractual terms outlined in agreements with other bodies. There is a need to streamline regulatory requirements, for example if our systems and process

comply with a regulatory scheme this should passport the agency in terms of other regulatory requirements. The key purpose of regulation is to ensure that service users are receiving a quality and accurate service.

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