

Unknown

From: Gordon Kyle [Gordon.Kyle@Castlehillha.co.uk]
Sent: 23 January 2008 15:09
To: Smith B (Becky); Housing Consultation 2007
Subject: FW: Firm Foundations consultation

 This email has been received from an external party and
 has been swept for the presence of computer viruses.

-----Original Message-----

From: Gordon Kyle
Sent: 23 January 2008 15:04
To: 'rebecca.j.smith@scotland.gsi.gov.uk'
Cc: 'julie.cosgrove@servite.co.uk'; 'bruce@aha.org.uk'; 'alan.grant@langstane-ha.co.uk'; 'jmulloy@hillcrestha.org.uk';
 'a.mcguickin@kingdomhousing.org.uk'; 'Bryan.Hay@fifeha.org.uk'; 'Nick Williams (E-mail) (Nick Williams (E-mail))'; 'Janice Lyon (E-mail) (Janice
 Lyon (E-mail))'; 'Jack Nicoll (E-mail) (Jack Nicoll (E-mail))'; 'Bill Howie (E-mail) (Bill Howie (E-mail))'
Subject: Firm Foundations consultation

<<Firm Foundations - Chpt 6 - Improving the supply of RSL Housing v1.doc>> <<Firm Foundations - Chpt 6 -
 providing greater freedoms for registered social landlords v1.doc>>

Dear Rebecca

I have attached 2 papers as responses to the Firm Foundations consultation. You will note that the papers
 have been submitted on behalf of a number of housing associations, and the associations endorsing each
 paper have been noted on the face of each paper.

I confirm that we are happy for the responses to be made available to the public, and to be shared with other
 government departments.

Please contact me if you have any queries. I will also submit a hard copy of information

Yours sincerely

Gordon Kyle
 Chief Executive
 Castlehill Housing Association
 4 Carden Place
 ABERDEEN AB10 1UT
 Tel: 01224 628111 Fax: 01224 625830
 e-mail: gordon.kyle@castlehillha.co.uk

This e-mail and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are
 addressed. Please note that the views or opinions are solely those of the author and do not necessarily represent those of the Association.
 Finally, the recipient should check this e-mail and any attachments for the presence of viruses. The Association accepts no liability for any
 damage caused by any virus transmitted by this e-mail. If you have received this e-mail in error please notify us immediately by telephone on
 01224 625822 or by e-mail at info@castlehillha.co.uk then please destroy this e-mail and any copies of it. Castlehill Housing Association Ltd is a
 recognised Scottish Charity Reg No SCO13584.

Your co-operation is appreciated.

26/02/2008

This email was received from the INTERNET and scanned by the Government Secure Intranet anti-virus service supplied by Cable&Wireless in partnership with MessageLabs. (CCTM Certificate Number 2007/11/0032.) In case of problems, please call your organisation's IT Helpdesk. Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

Firm Foundations – Chapter 6

Improving the supply of RSL Housing

Like the Scottish Government, we are concerned about the increasing dependence on subsidy for new homes, and recognise the need to seek ways of reducing costs. However, in the Scottish context, this is very challenging – land costs and building cost inflation in materials are outwith our control. Skill shortages and the capacity of the industry are a major factor, and the RSL sector is much smaller than in England.

In the north-east, Devanha has embarked on a 3 year programme to reduce unit costs through collaborative working with contractors and consultants. However, it is still early days and major cultural and operational changes are required in the construction sector. It is not yet clear how quickly Devanha or the RSL sector can achieve the necessary changes.

Firm Foundations places its hopes on the concept of one developer across a housing market area, or larger area, with large-scale competitions to appoint developers. We have real concerns that the approach of competition (as used in England) will result in lower quality housing. Firm Foundations states that quality would be guaranteed by setting minimum specifications, but in our view such specifications are likely to be a maximum. It is not yet proven that a regional programme will deliver efficiencies, as there may not be sufficient scale in the programme and in some areas the contracting industry is not sufficiently strong with regional depth.

Firm Foundations puts forward the suggestion that, to date, RSL developments have not been provided in a strategic context. Our experience is that in recent years there has been significant partnership working through the production of Local Housing Strategies, and now Strategic Housing Investment Plans. Local authorities are already able to ensure that new developments are provided in the appropriate strategic areas. The appointment of a single developer may threaten the good working arrangements that many RSLs have with local authorities to procure new developments.

In summary, we have concerns that a “ one size fits all “ approach to establishing a strategy for future development will not assist us to meet the Government’s objectives.

Castlehill Housing Association on behalf of :

Castlehill H.A., Langstane H.A., Hillcrest H.A., Servite H.A., Angus H.A.

Firm Foundations – Chapter 6

Providing greater freedoms for registered social landlords to develop different kinds of stock and to reorganise their stock in accordance with demand.

We welcome these suggestions and strongly suggest that the Scottish Government should encourage associations to have a strategic asset management policy which would include the sale of vacant properties to generate receipts.

In the past, Communities Scotland have sometimes permitted associations to sell specific properties, usually to generate additional funds to bring other properties up to the SHQS standard. However, our experience has been that Communities Scotland have not proactively established a strategic policy context for associations to work within.

If the Scottish Government encouraged associations to develop a strategic asset management policy, substantial funds could be raised which would enable subsidies for new build to be significantly lowered per unit. For example, properties developed in the 1990s will have small outstanding loans, and if say £160,000 could be raised from a vacant possession sale, then a contribution of £20,000 per new build property would enable 8 new properties to be provided for each sale.

We understand that this principle of using the value in our businesses for new developments has been used in Holland for some time.

In addition to reducing the HAG for each unit, this policy would contribute to the expansion of mixed tenure communities.

Castlehill Housing Association on behalf of :

Castlehill H.A., Langstane H.A., Hillcrest H.A., Servite H.A., Angus H.A., Fife Special H.A., Kingdom H.A.