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**Sent:** 25 January 2008 15:51  
**To:** Housing Consultation 2007  
**Subject:** CIH response

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Hello,  
Please find attached the response to the Firm Foundations consultation on behalf of the Chartered Institute of Housing in Scotland. Please feel free to contact me if you have any questions regarding the response.  
Kind regards,  
Lindsey

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# Consultation Response



## **Firm Foundations: The Future of Housing in Scotland**

January 2008

## Introduction

The Chartered Institute of Housing in Scotland (CIH) welcomes this opportunity to comment on the consultation on *Firm Foundations: The Future of Housing in Scotland*.

The CIH is the professional body for people in housing and related fields. The Institute has over 20,000 members in the UK and internationally. Our purpose is to maximise the contribution that housing professionals make to the wellbeing of communities. There are over 2,000 members in Scotland working in local authorities, housing associations, housing co-operatives, Communities Scotland, voluntary organisations, the private sector, educational institutions and the Rent Registration Service. The CIH aims to ensure members are equipped to do their job by working to improve practice and delivery. We also represent the interests of our members in the development of strategic and national housing policy.

The CIH worked closely with members and with local authority housing services and RSLs other interested parties. It builds from work published by the CIH in November 2006, [\*The Future for Social Renting in Scotland\*](#) and the conference that launched it. From this CIH produced a position paper *The Future of the social housing sector in Scotland in delivering successful, mixed communities*, which was launched at further conference in July 2007. Finally, the CIH briefing event in December 2007 for the housing sector has added valuable information to the response, as had a range of meetings with the sector and the Scottish Government.

## CIH Response

**Q1 *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?***

The CIH supports an uplift in the supply of housing. Working to increase supply is important and will potentially make a very positive contribution to addressing affordable housing needs. However, it is not clear how many affordable homes are included in the 35,000 figure. Neither *Firm Foundations* nor the *Scottish Budget Spending Review 2007* give any indication of how many affordable homes for rent or for low cost home ownership the Scottish Government plans to build over the next

three years. It has since emerged that that the Scottish Government's plan is to build between 18,500 and 21,500 new affordable homes, although the rent and ownership split is still not known.

A detailed case for investment in at least 30,000 affordable rented homes between 2008/09-2010/11 was made in a [joint submission](#)<sup>1</sup> during the spending review process. The additional cost of this to the Scottish Government budget has been estimated at £750m over three years. This was based on work commissioned by the Scottish Executive ***Local Housing Need and Affordability Model for Scotland, November 2006***<sup>2</sup> was an important source of information for the submission. Using this report as a starting point the submission took into account:

- Regeneration needs,
- National policy priorities to develop more mixed tenure communities,
- The more localised housing market that operates for people seeking social rented housing,
- How quickly the 'housing backlog' can be met i.e. accommodating more people waiting on housing lists,
- The ambition of delivering the 2012 homelessness target.

From this, the figure for at least 10,000 affordable rented homes per year was identified. The Bramley model suggested a housing need ranging from 4,000-14,000 per year, as his many assumptions could be very sensitive to minor changes. The Scottish Government has said it does not accept the 30,000 but has not identified what it believes the affordable housing need to be.

The CIH would like to see the Scottish Government undertake further work to identify affordable rented housing need and affordable home ownership needs alongside the proposal to commission work to create an economic model for the housing market. This should take into account the smaller housing market areas in which people accessing affordable rented housing tend to operate, due to decreased mobility

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<sup>1</sup> *The 2007 Comprehensive Spending Review in Scotland* - Submission from Shelter Scotland, Scottish Churches Housing Action, the Chartered Institute of Housing in Scotland and Scottish Council for Single Homeless is available at [www.cih.org/scotland/policy/CSR2007.pdf](http://www.cih.org/scotland/policy/CSR2007.pdf)

<sup>2</sup> Often referred to as the Bramley Report and available at [www.communitiesscotland.gov.uk/stellent/groups/public/documents/webpages/pubcs\\_016552.pdf](http://www.communitiesscotland.gov.uk/stellent/groups/public/documents/webpages/pubcs_016552.pdf)

attributed to constraints such as low incomes and financial exclusion, higher support needs and limited skills and educational attainment.

Such work would hopefully enable the Scottish Government to set robust targets for affordable housing need and ensure that future spending reviews reflect this. However, it is also important to take account of local housing needs assessments being undertaken by local authorities and RSLs to inform their Local Housing Strategies (LHS) and Strategic Housing Investment Plans (SHIP), which can add significant information to a national picture of housing need across Scotland and reflect local diversity.

It is extremely important to identify affordable housing need and grow the sector. A number of researchers have suggested that very large levels of private house building would be required to achieve the desirable trajectory of house prices increasing at a rate more in line with the European experience (1.1% per year, rather than 2.4% per year increases in real terms). Not investing in affordable housing can lead to acutely reduced affordability and would not help to deflate the current gap between incomes and house prices. Investment in affordable housing will also help to dispel the significant doubts that simply building more homes for the open market will in itself make housing more affordable.

Not only is the identification of housing need important, but so too is a consideration of the capacity to deliver. This is a capacity in terms of both skilled workers, labourers and the supply of construction materials. Levering up housing construction and meeting the Scottish Housing Quality Standard will add pressure to the existing capacity. In addition to this, forthcoming major projects including the London Olympic Games, the Glasgow Commonwealth Games and the new Forth Road Bridge will all add additional stresses to capacity. The CIH is concerned there may be insufficient capacity in the industry and would like to see the Scottish Government undertake an urgent review of capacity in the construction industry similar to the Office of Government Commerce Study *2005 – 2015 Construction Demand / Capacity Study*, carried out in 2006 for England. This could ensure that the construction industry will be able to meet future challenges and capacity issues without further driving up costs in the sector.

**Q2 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?***

Many local authorities already work across boundaries when looking at housing needs in developing their LHS, and the CIH is pleased that the Scottish Government intends to promote this further. The Strategic Housing Investment Framework (SHIF) is still in its infancy, but the expectation should be that local authorities work across boundaries in identifying the delivery of new affordable housing provision. To assist both processes it would be useful for the Scottish Government to work with local authorities, RSLs and private developers to develop and promote a single model for assessing different levels of housing need across local areas. This would allow for more useful and robust comparisons between areas and allow a more realistic national picture to be aggregated from local needs assessments that set out local delivery targets. Over time, more standardised local assessments will assist the Scottish Government in understanding current and future need across Scotland.

The CIH welcomes the Scottish Government's statement that promoting regional cooperation in setting housing targets should be done through the LHS process. It would be useful to look at whether the LHS process, guidance and monitoring can be strengthened to ensure that along with cross boundary co-operation other stakeholders such as RSLs and the private sector are active partners in revising and amending the LHS. The CIH strongly supports that the LHS and SHIF process should be the framework for delivering affordable housing. The new development plan process must reflect the LHS in helping to ensure housing delivery across all tenures, in the right places, of the right type, size and standard, and where possible incorporating principles of universal accessibility.

Centralising housing investment into the Scottish Government from Communities Scotland may be seen to streamline the funding process. However, it will be important to ensure this will still allow for the flexibility of funding decision-making within local areas as local circumstances change, such as unforeseen delays to projects or new development opportunities, (which Communities Scotland's local presence through the local office network was able to support). A continuing presence of the Scottish Government at a local level to support investment may be beneficial.

Setting targets is the first step in getting the right houses in the right places. The delivery of these targets is key to achieving success. Access to land supply is vital to this process. The CIH welcomes the Housing Supply Task Force and looks forward to its recommendations for addressing land supply issues and ensuring affordable housing delivery in the places where it is needed. The CIH supports work looking at the use of public sector land. In responding to the Scottish Government's consultation on the Disposal of Land by local authorities Regulations<sup>3</sup>, the CIH welcomed the easing of land disposal at below market value and suggested that using the land for housing should be given priority in the first instance if the LHS and SHIP identifies a need in that location. Such considerations could also be extended to the disposal of land by other public agencies such as Health Boards, Forestry Commission, Ministry of Defence, Scottish Water and the Crown Estates.

In addition the Scottish Government could look at how to ensure local authority Affordable Housing Plans (AHP) are robust enough to deliver more affordable housing through the planning system, and in particular via SPP3 and PAN74. Recent research on behalf of the CIH *All Pain, No Gain? Finding the Balance*<sup>4</sup> examined these issues and suggests:

- There is a need to improve good practice guidance, for example through the development of a model Section 75 agreement,
- There is a need for monitoring of AHP implementation to ensure compliance, and in the longer term to ensure that information is available to assess the impact of the AHP approach,
- Some form of mandatory tariff system could potentially offer a fairer, more efficient, and more effective means to securing affordable housing than the current AHP approach,
- It would be desirable in the longer term for the Scottish Government to undertake an economic appraisal of alternative policy approaches to delivering affordable housing.

The CIH hopes that the Scottish Government and the Housing Supply Task Force will consider the report and its findings.

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<sup>3</sup> CIH in Scotland consultation response: [www.cih.org/scotland/policy/papers1.htm](http://www.cih.org/scotland/policy/papers1.htm)

<sup>4</sup> Newhaven Research & CIH in Scotland, *All Pain, No Gain? Finding the Balance*, [www.cihscotland.org/policy/papers1.htm](http://www.cihscotland.org/policy/papers1.htm) (January, 2008).

*Firm Foundations* raises the idea of a role for central government in acquiring and assembling land for development. The CIH supports this consideration, and encourages an exploration of the role of local authorities and RSLs in setting up more local land banks to facilitate future developments.

**Q3 *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?***

The CIH agrees there is a role for the Scottish Government to provide national support to local authorities. Specifically this could take the shape of guidance to local authority planners on the importance of the LHS to developing robust development plans. There is also a role for guidance on how to deliver on SPP3 and PAN74 for both the planning and housing professions. The forthcoming National Planning Framework could look at making clear statements on the importance of delivering affordable housing, local authority AHPs and the implementation of SPP3 and PAN74, giving a clear steer to their validity in working with developers to get the right kind of housing in the right sites.

The CIH would like to see the Scottish Government giving leadership through a very strong and clear commitment to AHPs as drivers for delivering mixed communities. The goal of more mix into communities contained in *Firm Foundations* is welcome but delivery of it will partly rest on getting an effective nationally supported planning system for affordable housing. Guidance and policy via SPP3 and PAN74 are useful but must be backed up by very strong messages and commitments from the Scottish Government. Also as mentioned above the Scottish Government could take a lead role in developing a national model for identifying local housing needs.

The CIH supports possible moves by the Scottish Government to gain a better understanding of how the housing market operates across Scotland, and in collating strategic information on trends and reflect this in advice and support to local government.

**Q4 *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?***

Infrastructure in terms of water and sewage is still a delay in site development. Sites may have been identified for or even have permission for development but lack the utility infrastructure to allow the development to go ahead. There have been moves to improve the link between Scottish Water's investment planning process and the LHS and development plan process to ease future constraints. This process must continue and it would be helpful to have an explicit requirement placed on Scottish Water to ensure that LHS, development plans and now also SHIPs are taken into account in its planning process for future investment. A statutory requirement for Scottish Water, local authorities, RSLs and representatives of the private sector to meet regularly to plan future needs may be a useful tool in delivering joined up approaches to future housing developments. Transco, Scottish Power, and Scottish and Southern Energy may also need to be part of this process as the organisations overseeing the gas and electricity infrastructure.

In other circumstances, there is some evidence that private developers delay developing land where planning permission has been granted. Where there are no infrastructure constraints preventing developments from proceeding, the Scottish Government may want to look at the feasibility of imposing a tax on undeveloped land as a disincentive to hold the land back from development. Where land has planning permission that contains approvals for affordable housing, delays in taking forward the development can have serious consequences for the delivery of affordable housing in local areas in line with the assessment of need made via the LHS process.

Compulsory Purchase Powers may benefit from a review and new guidance to streamline the process and promote them as a means of acquiring land where developers are unwilling to develop the housing that is required.

There are also issues beyond infrastructure that relate to the cost and availability of funding for brown field works. Many affordable housing developments and housing regeneration schemes take place on brownfield sites. The development of such sites is often critical, in relation to both regeneration strategies and sustainable development. It would be beneficial to look at how the funding of remediation works for brownfield sites can be addressed to enable regeneration works to have a significant affordable housing element.

**Q5 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?**

The CIH supports the creation of new settlements where a clear need is identified. Such settlements do have the potential to become places for innovation. However, there has been a history of whole towns built on particular principles (new towns, garden cities etc.) have become isolated or singled out by their differences. There is already significant research and evidence demonstrating how housing and communities can be built incorporating principles of sustainability, and such examples should be encouraged and mainstreamed into future developments.

In terms of the suitability of these new communities as smaller scale developments and community regeneration activities, it will require a number of things. One is developing sustainable housing in terms of moving toward higher environmental standards. Another is sustainable housing in terms of adaptability to meet peoples changing needs such as disabilities and the needs of an aging population, as evidenced by concepts such as lifetime homes and universal access.<sup>5</sup>

Furthermore, sustainable communities should consider the employment and training needs of local communities, and look to build in measures for meeting these needs as part of development programmes via mechanisms such as community benefit clauses in contracts for development or regeneration work. This can also include the encouragement of Wider Action / Wider Role activities by housing organisations in delivering and supporting social enterprise that meets more than purely housing needs. These are important activities that *Firm Foundations* does not cover, but are hopefully ones regarded as priorities by the Scottish Government in delivering healthier, wealthier and fairer communities for the future. Finally, sustainable communities are about more than bricks and mortar and require a range of community facilities including schools, commercial developments, community facilities, recreational spaces and good public and other transport links.

**Q6 How should different types of assistance within LIFT be targeted?**

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<sup>5</sup> Joseph Rowntree Foundation, *An introduction to lifetime homes*.  
<http://www.jrf.org.uk/housingandcare/lifetimehomes/>

The CIH welcomes the Scottish Government's aim of bringing forward measures to help access home ownership through new affordable housing initiatives. The targeting of LIFT should be based on the assessment of different housing needs as demonstrated by the LHS process. It is likely that different areas of Scotland will have different levels of need for low cost home ownership. The role of LIFT in helping deliver a mix of tenures and incomes in both new and established developments should also be considered.

In targeting LIFT, to take account of local needs we would encourage the Scottish Government to look at whether variations in the minimum level of equity shares a person must take and the income thresholds to qualify for shared equity may be beneficial. This could be based on both average local incomes and house prices to ensure that shared equity schemes are available and affordable to the right target groups.

However, even with an increasing number of equity share schemes there are still a substantial number of people unable to take advantage of the benefits of home ownership through these schemes because their incomes fall below the minimum requirements to access these opportunities. For example, social rented tenants may fall into this category. The Scottish Government may want to look at how to extend the opportunities that arise from home ownership to tenants who, for whatever reason, are unable to buy. CIH's HomeSave<sup>6</sup> proposal suggested one method to assist tenants to own a stake in housing without the need to become a homeowner.

The CIH in England is undertaking research funded by the Housing Corporation to identify an approach that allows tenants to build up 'national equity' as well as additional units of equity through their rent payments. This would make establishing housing equity and potentially low cost home ownership more achievable for lower income households. The Scottish Government may wish to look at any proposals arising from this research with a view to their applicability in Scotland.

***Q7 How could the Government stimulate more innovative mortgage and related products and services to assist people in purchasing their first home?***

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<sup>6</sup> CIH and Shelter, (2005), *HomeSave increasing choices for tenants to own assets*, CIH. Available at [www.cih.org/policy/HomeSave.pdf](http://www.cih.org/policy/HomeSave.pdf)

The CIH supports the proposals to seek to develop more innovative mortgage products. The CIH would however raise a cautionary note that any new products should not just offer short-term incentives to first time buyers, say for the initial 2-3 year period, when they may very well struggle to afford home ownership in the longer term. Looking at delivering greater responsibility in lending practices could also be looked at, discouraging lenders from lending upward of 4 times people's incomes. There is some evidence to suggest that higher lending rates add to house price inflation as people can bid more for properties and this can price lower income households out of the market. Restricting borrowing may help to control house price inflation, as people will not be able to bid higher offers and thus provide some comfort to first time buyers.

With regard to the condition of private housing many tenements and flatted properties are in need of at least one major repair to communal parts. In addition to pursuing 'green mortgages' the Scottish Government may also want to pursue 'housing quality mortgages' offering discounts where communal owners have in place a maintenance plan or recognised system for dealing with communal repair issues. This should be of interest to mortgage lenders with a vested interest in the condition of a property they are lending against.

**Q8 *Should the Government provide direct cash grants to first-time buyers?***

The CIH along with many other organisations does not support the direct provision of cash to first-time buyers. The proposal as it stands is not well targeted; it is aimed at all first time buyers regardless of their financial circumstances. Such a blanket approach is likely to lead to further inflation of house prices at the lower end of the market. The money could be better used, for example, by boosting the budget for low cost home ownership via shared-equity.

It is not clear how the system would be administered and the CIH is concerned that the costs of administering the system could be high in terms of determining who qualifies as a first time buyer, resolving disputes, and monitoring the use of the grant to ensure that first time buyers are using it toward the costs of their house purchase.

**Q9 *How can the private house-building sector play a bigger role in providing, without public subsidy, increased provision of affordable starter homes?***

In answer to Question 2 above the CIH refers to its new report *All Pain, No Gain? Finding the Balance*, which considers how to make best use of the planning process to deliver affordable homes. Development plans should be used to give clear guidance to developers on the type and affordability of houses required in different areas. Encouragement and advice from the Scottish Government could be given to local authorities on engaging with private developers in the LHS process so developers are better aware of local housing needs and can then look to develop products to meet these needs.

***Q10 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?***

The CIH recognises the need for a greater supply of accommodation for homeless and low-income households. In the position paper *The Future of the Social Housing Sector in Delivering Successful, mixed Communities*<sup>7</sup> the CIH identifies the role the private sector has in supporting the drive for sustainable, mixed communities and advocates a greater partnership with this sector. The private sector has been successful in providing interim accommodation in some areas, particularly in Edinburgh, through Private Sector Leasing schemes that can offer quality, choice and flexibility. In addition, the sector as a whole presents a viable option for many households, particularly those who are working and where the alternative is higher cost temporary accommodation. It needs to be recognised that whilst the aim of looking to make greater use of the private rented sector is laudable, such a policy approach may only be beneficial in areas where there is a sizable proportion of the sector offering quality accommodation. In some areas of Scotland, the private rented sector is negligible and may offer little opportunity to meet the needs of low income and homeless households. In other areas, the private rented sector is under pressure with strong demand from students and from migrant workers for accommodation, which may limit the appetite of the sector to provide for low income and homeless households and where it does may throw up issues around meeting the housing needs of students and migrant workers.

The CIH believes there is an important distinction to be made between the use of the private sector as an interim solution for homeless households and use of the private

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<sup>7</sup> The Chartered Institute of Housing in Scotland, *The Future of the Social Housing Sector in Delivering Successful, Mixed Communities* (July 2007).

sector to discharge a local authority's full duties. All homeless households will have a right to permanent accommodation by 2012 and the CIH does not want the drive to maximise the use of the private sector to dilute or diminish this right.

The private sector can provide homeless households with choice and where that choice is exercised, can offer a settled home. However, the duty towards the household is to provide a permanent offer of accommodation and that duty must remain active during the length of any Short Assured Tenancy that the homeless household is provided.

Within this caveat, there are a number of factors that currently restrict the use of this sector for homeless or low-income households:

- Limited security of tenure,
- High rental costs,
- Variable standards of accommodation,
- The requirement for more effective and accessible dispute resolution.

#### *Limited security of tenure*

Longer-term tenancies are critical to the stability of households and communities. In order to address this, the CIH believes that homeless households in particular require a sufficient interim tenancy period to allow a permanent solution to be identified. This will reduce the disruption, distress and costs of moving from one temporary accommodation to another.

#### *High rental costs.*

High rental costs can maintain a system that relies heavily on subsidy through Housing Benefit for low and moderate-income households. Whilst some private rented accommodation is less expensive than other forms of temporary accommodation, the generally high cost can trap low-income households and present barriers to work. Younger people in particular are at risk of this as they are often the lowest paid or entitled to lower levels of social security benefits. The CIH is concerned that the stress in *Firm Foundations* on the use of the private sector for younger people should not take a 'one size fits all' approach to this group. The private sector should be included as part of a range of options that take into

consideration a full breadth of issues including housing need, financial capability, support requirements and choice.

#### *Variable standards of accommodation*

The standard of accommodation in the private sector varies, with some landlords taking their maintenance responsibilities seriously and others not. All tenants, particularly the more vulnerable, require a level of protection from less scrupulous landlords. The CIH would support the requirement that homeless households are only referred for interim accommodation to those landlords who comply with the new voluntary Landlord Accreditation Scheme, and would welcome the opportunity to continue to work with the Scottish Government on the development of the scheme. The key objective of the Landlord Registration Scheme to “improve private renting in Scotland by enforcing minimum standards in letting”<sup>8</sup> and the Housing (Scotland) Act 2006 both indicate the Scottish Government’s commitment to pursue this objective. However, the relevant legislation requires robust implementation and poor quality private sector accommodation must be vigorously challenged. The anticipated review of the Anti Social Behaviour etc (Scotland) Act 2004 concerning the registration of landlords will be particularly valuable in assessing its effectiveness in raising standards in the private sector and examining how local authorities are operating within the new powers. The CIH publication *Action Plan: A Standard for Temporary Accommodation for Homeless Households*<sup>9</sup> details our recommendations for both the physical and service delivery standards of the provision of temporary accommodation across all tenures.

#### *More effective and accessible dispute resolution*

Dispute within a tenancy can arise for many reasons. Many disputes have legal redress, but the current system is cumbersome and does not allow for a cost effective and accessible way for landlords and tenants to resolve their disputes. The Housing (Scotland) Act 2006 provides for the private rented housing panel to deal with a landlord’s failure to carry out repairs. However, the CIH, in its publication *A Housing Tribunal for Scotland: Improving Rented Housing Dispute Resolution*<sup>10</sup>

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<sup>8</sup> The Scottish Government, *Landlord Registration Scheme*  
<http://www.scotland.gov.uk/News/Releases/2006/04/28144943>

<sup>9</sup> The Chartered Institute of Housing in Scotland, *Action Plan. A Standard for Temporary Accommodation for Homeless Households* (January 2008).

<sup>10</sup> O’Carroll, D., & Scott, S. *A Housing Tribunal for Scotland: Improving Rented Housing Dispute Resolution* (2004).

argues that further and more radical reform of the current system is required to deal with all elements of dispute within a tenancy.

Where disputes arise outside the immediate confines of the tenancy agreement there is a role for an independent ombudsman style function to provide the tenant with an avenue for dealing with unresolved complaints, similar to the function of the Scottish Public Services Ombudsman in relation to public sector tenancies.

The CIH welcomes the inclusion of the private sector as an element of the pragmatic solution that is required to meet the increasing needs of homeless and low-income households. However, it is with some caution. The use of the private sector should be an enhancement to, not an alternative to, providing all homeless households with equal access to permanent accommodation by 2012. In addition, the private sector may not be the best option to provide accommodation for households with changing needs and in particular for those households affected by disability, as the nature of private rented stock tends to be older or of such design which does not easily lend itself to adaptations which may be required.

The CIH affirms its position that there is a need for 10,000 new affordable rented homes over the next 3 years to help meet this responsibility.

***Q11 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?***

See Question 10 in relation to dispute resolution. Landlords and tenants would both benefit from a more accessible method of managing problems. The mediation style approach of the private rented housing panel is a step in this direction, but the CIH believes that greater reform is required.

It must be recognised that the private sector is largely unregulated in comparison to the public sector and whilst it fulfils a very clear and important role in the provision of housing as a whole, it cannot provide the solution on its own. The private sector historically was not able to fulfil the task of sole provider of rented housing and social housing exists because of that inability. Private housing performs a different role to that of the social housing sector.

**Q12 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?**

Where a landlord is fulfilling their responsibilities and meeting the criteria of registration the CIH considers that a stronger bond should be forged between the local authority, social housing providers and the private sector. Private sector landlords provide a key element in the solution to housing need. Landlord forums, accreditation and registration schemes and LHS should be more clearly linked with the private landlord sector. There may be benefits in the sector having representation on housing strategy and community planning groups. However, for any of these to be achieved, a greater level of trust and inclusion is required.

**Q13 What other options should we consider for increasing the supply of private rented housing for low income and homeless households?**

The examples provided in *Firm Foundations* of innovative ways the private sector is being used to alleviate homelessness and provide genuine solutions is to be welcomed and, where circumstances are appropriate, emulated. The Edinburgh Cyrenian's Flatmates scheme is an example given in *Firm Foundations* of the private sector being used in a way that meets the particular needs of a specific group. In addition to this, Supported Lodging schemes can be effective in providing support as well as accommodation to young people and provide a stepping-stone from home or care settings into greater independence.

The CIH proposes that consideration be given to how investments can be channelled to private housing developers to offer mid-rent and shared equity schemes. We also recommend a review of tax breaks available to buy-to-let landlords to provide a greater incentive to provide housing that falls below the market rent.

*See also Question 15 for addressing empty properties.*

**Q14 How could more private landlords be encouraged to let to tenants on benefits and homeless households?**

The CIH advises caution on the development of a Tenant Accreditation Scheme, and questions whether it is an appropriate way to engender trust in a landlord. The quality, quantity and relevance of information to be shared with a landlord is an

individual matter. An attempt to provide a standard by which tenants should live and which will influence access to future private tenancies is a concern and may remove the private sector as an option for many vulnerable households. The current legislation protects landlords from tenants who breach their agreement, but the process that a landlord must follow is burdensome and expensive. A review of the dispute resolution process as described in our response to Questions 10 & 11 will provide confidence and surety to landlords that they have speedy redress where a tenancy has broken down.

The CIH has a number of other proposals that could lead to more private landlords considering letting to homeless or low income households.

There are acknowledged and recognised delays in the time it takes for Housing Benefit claims to be processed, which can lead to financial difficulties for the tenant and landlord. A proposal to link 'fast tracking' of Housing Benefit claims to the landlord's successful compliance with landlord accreditation and registration could reduce some of the anxiety often linked with letting to claimants on Housing Benefit. In addition, many landlords are uncomfortable with direct payment of Housing Benefit to the tenant when the Local Housing Allowance is introduced. The suspension or removal of this for particular circumstances and with the tenant's agreement may alleviate some concerns. However, this would need careful monitoring to reduce fraud and overpayments.

Landlords are deterred from letting to low income families where there is difficulty in them providing a deposit. Deposit Guarantee Schemes are a proven and effective way for local authorities to enable homeless and other groups to access the private sector. An additional element of many schemes is the provision of tenancy support, which promotes regular contact with the tenant to ensure the tenancy is being managed.

The provision of low-level tenancy support is a fundamental factor in the sustainability of tenancies for many vulnerable households. The recent Comprehensive Spending Review announcement removing the ring-fencing of Supporting People funding is a cause for concern and may put many of these valuable services at risk.

Tenancy support in the private sector is particularly important if it is to take a wider role in housing vulnerable or inexperienced tenants. Private landlords do not have access to public bodies such as social work or health in the same way that RSLs or local authorities do if there are difficulties that require addressing. Tenancy support services, tenants and private landlords must work co-operatively with each other to develop trust and promote sustainable tenancies.

***Q15 What other schemes or incentives might help us to recycle empty properties more effectively?***

The CIH acknowledges the need for a strategic drive to tackle empty homes and supports action to do this. In addition to the examples provided in *Firm Foundations*, in particular the RSL Lead Tenancy Schemes and increased use of the Rural Empty Property Grants, we also believe there are other factors that could encourage greater co-operation between property owners and local authorities and bring property back into use.

A revived and reviewed Empty Homes Initiative and the appointment of a champion or lead officer with a fundamental link to the Local Housing Strategy will concentrate attention and resources on empty homes. In addition, the Housing (Scotland) Act 2006 provides local authorities with a series of options aimed at improving property conditions. The imaginative and proactive use of these enforcement powers would be helpful in bringing sub standard empty homes into use.

Housing regeneration based on the community self-build model in areas where empty property is identified is another mechanism of bringing empty property into use, whilst providing training and a home to participants. This has been successfully used in England, by organisations such as the award winning Leeds Action to Create Homes (LATCH)<sup>11</sup> .

The CIH also recommends, in conjunction with the UK Government, the revision of tax breaks available to buy-to-let landlords to encourage them to offer properties at below market rate and the removal of tax breaks on buy-to-let landlords who leave properties empty. The Scottish Government could also look at levying additional

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<sup>11</sup> Leeds Action to Create Homes, <http://www.latch.org.uk/>

council tax on empty properties where the owners have not engaged with the local authority in effort to bring them back into use.

***Q16 Do you agree that we should exempt new build social housing from the Right to Buy?***

The CIH supports the removal of the RTB from new-build properties, but would suggest that market conditions may require local variation in conjunction with the LHS.

In addition, the CIH would like to assert that tinkering with the RTB is not a solution to the need for additional investment in 30,000 affordable homes over the next three years.

The current 'one size fits all' RTB policy has been too inflexible to address local needs; changes to the policy should therefore not have further 'one size fits all' consequences. The aspirations of many tenants' for home ownership must be acknowledged, but the needs of people looking for affordable rented housing must also be considered. Therefore, the CIH supports a RTB policy where:

- Devolved decision making could allow for local areas to suspend the RTB where there is a clear need to do so,
- Flexibility allows for RTB to play a role in delivering sustainable communities in areas of low demand housing.

The CIH would also support:

- Moves to give more power to local areas to decide on suspending or varying RTB in line with locally identified need, be this for new build properties, all new tenants, or particular housing types and sizes,
- The introduction of a form of the English Social Homebuy scheme into Scotland.<sup>12</sup>

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<sup>12</sup> The Social Homebuy scheme enables social tenants to buy a share in their existing home while paying rent on the part they do not own. It also enables reinvestment of the proceeds from the sales in affordable housing. This scheme is currently operated on a voluntary basis by 78 housing associations and seven local authorities in England. The Department for Communities and Local Government wants to go further and see this opportunity offered more widely and will announce proposals later this year.

***Q17 Do you agree that we should subsidise local authorities in areas of need to use their prudential borrowing capacity to build new council houses?***

The CIH welcomes the Scottish Government's recognition of the important role that social housing plays. Plans to help increase supply are particularly welcome.

The CIH in Scotland supports measures aimed at bringing additional funding into the sector via mechanisms such as the prudential borrowing regime, particularly in light of the budget settlement. It is, however, important that the leveraging in of additional money is not seen as a valid reason to reduce other sources of funding into the local authority area, particularly HAG funding.

The use of prudential borrowing may help to bring forward a small number of much needed affordable rented houses. In giving encouragement for local authorities to build new housing, the CIH in Scotland is keen to emphasise this needs to be done in line with the LHS and SHIP. This would acknowledge the importance of partnership approaches with RSLs and the private sector to ensure that housing need is being met in the right places, and that duplication of provision is avoided at all costs.

In striving to deliver greater efficiencies and more housing for the level of investment made, the Scottish Government should look toward local authorities for efficiency in the same way it looks to RSLs. It may be beneficial for some local authorities to work together in joint procurement or for them to contract the local developing RSLs to take forward the work on its behalf. This may be particularly beneficial where local authorities do not have an existing housing development team with experience in procuring and building new social housing. Wherever possible partnership approaches between local authorities, RSLs and the private sector should be encouraged with a view to delivering greater efficiency into the procuring and development of affordable rented housing.

The CIH would support subsidies to local authorities to build only if more houses can delivered via that subsidy than if the subsidy were given to the local developing RSLs in the form of HAG.

**Q18 Do you agree that we should introduce large-scale competitions for subsidy?**

Whilst the CIH supports the need to look at delivering more housing for less we remain to be convinced that the proposals in *Firm Foundations* for large-scale competition will have much impact on reducing subsidy costs. The CIH recognises that subsidy costs have been rising, and is therefore supportive of looking at measures that can help to reduce these costs in order to deliver more housing to meet the needs of the communities that local authorities and RSLs work with. The CIH acknowledges that public subsidy per unit, via HAG, has risen by 35% over the last five years and shares the Scottish Government's concern over this. However, the reasons for this rise are not entirely clear, and cannot realistically be placed solely at the door of inefficiencies in development.

There is some disquiet in the sector that large-scale competition may not deliver tremendously large savings. The CIH shares this view and suggests that other measures to lever in support must be explored alongside competition if the sector and the Scottish Government are to avoid compromising on future housing quality and standards.

Before embarking on the proposed route in *Firm Foundations* the CIH would like to see the Scottish Government undertake some work to establish what saving or efficiencies could be delivered through the proposed new competitive regimes. Such work could also usefully look at how else the rising subsidy issue could be addressed for example via:

- New partnerships with the private sector. One option that has been considered is forms of PFI or PPP arrangements, but there has been little support for this, particularly in the housing sector. The benefits of such arrangements should be promoted, in particular the ability to secure better borrowing rates. The Scottish Government's recent consultation draft on the role of a *Scottish Futures Trust in Infrastructure Investment in Scotland* provides an example of a new financing vehicle, one that could potentially help to alleviate some of the pressures on housing finance. The main concern is to create a system that works well within the Scottish context and provides deliverables for the sector,

- RSLs and local authorities looking toward funding some of the future provision of affordable rented and mid-rent housing from the development of market rent housing and housing for sale in partnership with the private sector,
- Using assets such as the existing housing stock and any reserves to raise additional finance via equity release types of initiatives,
- Building housing for sale at market value to cross subsidise affordable housing provision,
- Addressing access to land issues, given the current high land costs that are partly the drivers of increasing subsidy. See questions 2-4 for additional information.

A better understanding of the reasons behind these subsidy increases is also imperative to understanding how the Scottish Government and the housing sector can move forward. It would therefore be to be beneficial to everyone for the Scottish Government to commission and publish some detailed work looking at what has been driving up subsidy levels to help inform future policy decisions. In our discussions with the sector, it is clear that a number of factors may have driven up subsidy levels:

- The large increases in land costs over recent years. '*Land designated for residential building of 2 hectares has risen from £0.54 million (2002-3 prices) per hectare (ha) in 1995 to £1.37 million/ha by 2004*',<sup>13</sup>
- Higher building standards that new housing must meet alongside the detail of the sector to produce higher quality housing,
- Increased construction and labour costs,
- The delivery of more specialist or adapted housing to meet the needs of people with disabilities and older people, which is generally more expensive to provide,
- Building more housing with improved energy efficiency and environmental suitability,
- Generally higher space standards in new social rented housing than private housing for sale,
- Regeneration initiatives and the development of brownfield sites.

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<sup>13</sup> Scottish Government, *Housing Market Review*, (2007).

It is important to look at these issues alongside how savings can be made. The sector would appreciate a clear steer from the Scottish Government that in the drive to be more efficient:

- Quality,
- Space standards,
- Environmental issues,
- Innovative design, and
- Meeting the needs of particular groups for adapted housing will not be sacrificed.

This should include a commitment not to promote wholesale 'off the shelf' housing that takes no regard for the local vernacular or environment.

The CIH is keen to work with the Scottish Government and the sector to look at measures that can deliver more affordable housing to rent via efficiencies or more innovative use of finances. This would need to be balanced against the 'social cost savings' which good quality, affordable, safe and secure housing can deliver in terms of health improvements, educational and employment initiatives and reduced crime.

When considering the role of local authority housing services and RSLs it is important to consider their wider delivery functions particularly with regard to regeneration. The scope of *Firm Foundations* does not cover the role of housing investment in regeneration, but this is a vital area of work for many. In many parts of Scotland, focusing on housing supply without addressing these issues is unlikely to provide sustainable solutions. Housing organisations are well placed to be lead agencies or key partners in the delivery of community regeneration, not only through new housing solutions but also via social enterprise activities and community engagement.

The Community Regeneration Fund, which has been administered by Communities Scotland and used to fund some regeneration activities by RSLs, is being rolled up into the local government settlement of the Scottish Budget. The intention is that it will be deployed by Community Planning Partnerships. This raises questions about the future role of housing organisations as catalysts for and delivery vehicles of

regeneration. The CIH would be keen to discuss how the ongoing role of housing organisations in regeneration and community planning can be assured and further promoted to help meet the Scottish Government's drive for a healthier, wealthier, safer, fairer, greener and smarter Scotland.

Beyond regeneration, many RSLs actively pursue wider role initiatives to help support the needs of communities beyond bricks and mortar, and ensure the sustainability of their communities. The CIH welcomes the commitment to a £12m funding package over the next three years for Wider Role in the Scottish Budget. The sector has shown a keenness and an ability to do more to help communities and the CIH would like the Scottish Government to further its commitment to this by looking at enhanced roles for RSLs and local authorities in delivering and supporting community social enterprise initiatives. In addition, clarity is required on the future of wider role funding, and how this role will be developed and supported in future.

***Q19 If not, how would you ensure that public subsidy is used to build as many good quality RSL houses as possible?***

See Question 18 above.

***Q20 Do you agree that we should subsidise the development of houses for mid-market rent?***

The CIH supports the proposals to promote more mid-market housing, having raised this issue in the position paper *The Future of the Social Housing Sector in Scotland in Delivering Successful, Mixed Communities*<sup>14</sup>. In this, the CIH also suggested that the sector could look to move into providing market rented housing, more low cost home ownership options, and housing for sale at market value. Partly to help develop more mix into communities and partly to look at generating additional income to help cross subsidise the development of new affordable rented housing. This would require explicit support from the Scottish Government, including the additional subsidies for mid- market rent in terms of encouragement, guidance and addressing any barriers in terms of the governance rules or regulatory framework for RSLs, to ensure they can deliver a range of options. The development of detailed and robust

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<sup>14</sup> CIH in Scotland, *The Future of the Social Housing Sector in Scotland in Delivering Successful, Mixed Communities*, available at [www.cih.org/scotland/policy/future-of-social-housing-sector.pdf](http://www.cih.org/scotland/policy/future-of-social-housing-sector.pdf) (2007).

guidance will be essential to ensure mid market options are delivered in the most effective way and their place in the market is clearly established.

Again as with the private rented sector, mid-rent schemes may be more appropriate in some areas and for some customer groups than in others. Where there is a heated housing market with high prices for example, mid-market rent may be an attractive option for a significant number of people. Plans for mid-rent need to be firmly embedded in the LHS and SHIF process to ensure that mid-rent schemes are taken forward only where there is a demonstrable need for them.

Mid-rent housing has the potential to meet the housing needs of a number of people on local authority and RSL housing lists who stand little opportunity of obtaining housing through the current allocation systems. Those who are not on the lowest income may be able to afford mid-market rents although a private rent or home ownership may be out of their reach. The CIH believes that there should be a role for local authorities, RSLs and the sector as a whole to seek to address the housing needs of as many people as possible and not just those in greatest need.

***Q21 If so, should the subsidy be awarded as part of the competitive regime for awarding HAG that we are proposing?***

The need for mid-rent options (and other options) should be identified via the LHS and SHIP process. They should be developed alongside other housing options such as affordable rent and housing for sale to ensure a mixed community. However, the funding arrangements will need to take account of the fact that there is a commercial element to this activity, and therefore a greater risk to the provider. A speedy funding route would be beneficial as mid-market rent levels and demand levels will be more responsive to changes in market conditions.

It would therefore appear sensible to include the development mid-rent housing as part of the new regime.

***Q22 If not, how would you increase variety in social housing?***

See Question 20 and 21.

**Q23 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?**

The CIH supports this proposal. The CIH position paper *The Future of the Social Housing Sector in Scotland in Delivering Successful, Mixed Communities* sets out a number of proposals for how the mix can be brought into communities both those that are predominately rented but also those where owner-occupation dominates at the exclusion of mixed tenures.

The CIH would also like to see other options considered which can help achieve more sustainability and mix in terms of the people in communities as well as tenure and housing type options. Again, *The Future of the Social Housing Sector in Scotland in Delivering Successful, Mixed Communities* sets out a number of measures that the CIH recommends to the Scottish Government to explore. For example:

- Where supply exceeds demand in an area, look at how allocations policies and marketing initiatives may be used to encourage wider groups of people to apply for housing in that area,
- Have the flexibility within the SST to offer tenants the option to buy a share in their home on a shared equity basis,
- Ease the way for surplus or low demand housing to be offered on a shared equity basis to people on housing lists or other applicants with housing needs.

A better mix is also needed in areas that are predominately owner-occupied if people on lower incomes are able to have a wider choice in where they live. The CIH would like to see the Scottish Government consider providing funding support, through the Strategic Housing Investment Framework and other funding streams, to the sector in purchasing housing on the open market to rent at affordable or mid-rent terms in order to improve mix in mono-tenure owner-occupied areas.

Moves toward the delivery of more mixed communities may benefit from a review of housing lists and Common Housing Registers (CHR). The introduction of a greater degree of flexibility in management and administration of allocation policies, and

guidance that is more thorough will help landlords achieve more balanced communities

***Q24 Do you think that subsidies for development should be provided to bodies other than registered social landlords?***

The CIH supports the scope to widen access to grants for housing development to private developers. Social Housing Grant (SHG) has been available to private developers in England for several years and the Scottish Government could draw on the experience of this.

It should, however, not be assumed that by missing out RSLs and their partners, private developers can produce social housing more quickly and cheaply in the right places. Nor should the proposal be based on the assumption that RSLs are currently under-performing and that private developers can claim grant and build homes more efficiently than housing associations. Further work should be undertaken before moving in the direction of grants to private developers, via an analysis of the current arrangements and the exploration of other alternatives as set out on answer to Question 18.

In addition, the CIH would like to Scottish Government to consider providing funding to private landlords to encourage them to offer properties at below market rate to people with housing needs. We also encourage working with the UK Government to revise the tax-breaks available to buy-to-let landlords to encourage them to offer properties at below market rate to people with housing needs.

***Q25 What sorts of protections should be offered to tenants in these circumstances?***

Where grant is to be given to private landowners, protection should be built in line with the stringent requirements RSLs have to meet in order to be eligible for HAG. In terms of tenancies, to ensure a good level of security for tenants, the CIH would suggest that any properties developed by private landowners should be offered on an assured tenancy.

***Q26 Do you think that the Scottish Government should vary Right to Buy discounts by (a) locality and/ or (b) type of property?***

See answer to Question 16 above.

***Q27 Do you agree that ALMOs can provide a satisfactory alternative to stock transfers?***

The CIH has supported looking at the possibility of ALMOs as a mechanism to lever in additional funding to address housing quality issues where stock transfer bids have been unsuccessful. The CIH has been keen to ensure tenants are not penalised by a lack of possible investment as a result of exercising their right to vote no to transfer. Access to both public and private sources of finance for ALMOs will be key in making them a viable means of driving up housing quality. Measures to tackle historic housing debt will also need to be considered, because if longer-term financial viability is not addressed there is little benefit in promoting short-term improvements via ALMOs.

The CIH believes that ALMOs may also have a role in driving up service standards and would encourage the Scottish Government to remain open minded about promoting ALMOs more widely. A Department of Communities and Local Government review in 2006 found that:

*'ALMOs have been very successful in meeting the housing objectives of the Government and the expectations of local people, in particular in achieving the Decent Homes standard, improving services and increasing tenant involvement in decisions. The separation of a local authority's housing management function from its strategic role can enable tenants to benefit from a better housing service, while the local authority concentrates on its wider strategic function. ALMOs have also used the opportunity presented by the availability of additional resources and new organisational structure to support the creation of local jobs; help develop local businesses and secure greater tenant involvement in decision making about investment in their homes and services delivered.'*<sup>15</sup>

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<sup>15</sup> Department of Communities and Local Government (DCLG), *Review of Arms Length Housing Management Organisations*, [www.communities.gov.uk/documents/housing/pdf/151177](http://www.communities.gov.uk/documents/housing/pdf/151177) (2006).

A significant amount of work will be required to see how the ALMO structure may be adapted to fit a Scottish context given the differing housing finance regime in Scotland and the changing regulation and inspection framework in Scotland.

***Q28 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?***

Landlord performance is a key issue in terms of delivering the best quality services and products to customers and communities. Linking funding to service improvements needs to be balanced against ensuring that tenants and other housing service customers are not unintentionally penalised due to poorer quality landlords. The CIH would like to see a greater focus on delivering service improvements through the regulation and inspection process and through a programme of research, advice, guidance and training on how to deliver higher standard services.

The CIH would be keen to work with the Scottish Government in exploring measures to drive up service standards and to highlight and promote existing and emerging high quality services.

***Q29 If so, what measures do you think would be beneficial? If not, why not?***

See Question 28 above.

***Q30 Do you agree that we need to find new ways of focussing on the quality of place/open space and greenspace within deprived neighbourhoods?***

The CIH in Scotland supports the focus on the quality of space in deprived areas, but suggests that the emphasis for quality areas should be applied to the community area as a whole and not just the green and open/play space. The increased focus will contribute to multiple agendas including antisocial behaviour, neighbourhood renewal, wider action, and social enterprise. The community environment is also a health determinant, and improvements in this area have the potential to benefit the health sector. *“A lack of greenspace, especially in densely populated urban areas, means that many people are deprived of opportunities for recreation and children of safe opportunities for play. Poor management of existing greenspaces is often*

*associated with crime and anti-social behaviour - so that people are fearful of using them or allowing children to play unsupervised.”*<sup>16</sup>

In July 2006, the CIH produced the discussion paper *Improving the Neighbourhood – A Community Environment Standard for Scotland*<sup>17</sup> which set out to assess views on a community environment standard, what it may look like, and how it could be implemented. A community environment standard would address the environment in which houses are set and more importantly, where people live. It would be a set of measurable criteria and benchmarks that will help to ensure people are able to live in a safe, secure, and attractive environment. The benefits of a community environment standard could have wide reaching positive impacts for Scottish communities. The development and implementation of a standard may act to address goals of community sustainability, reduce and deter antisocial behaviour, strengthen community cohesion, beautify the built and natural environments and address problems with derelict or underused building and spaces.

The discussion paper was followed up with an internal review of responses and support for a standard, which is being fed into the development of an *Action Plan* on a Community Environment Standard highlighting the need for such a standard and suggestions for the shape it could take.<sup>18</sup>

Additional benefits of a standard for community areas and local government include:

- Improved business confidence, Increased economic activity and employment,
- Higher incomes, less reliance on benefits,
- More effective public services,
- Improved educational outcomes / higher skills,
- Higher land and housing values,
- Improved community confidence,
- Improved, better designed, built environment,
- Enhanced natural environment.

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<sup>16</sup> Greenspace Scotland, <http://www.greenspacescotland.org.uk/default.asp?page=61> (January, 2008)

<sup>17</sup> CIH Scotland, *Improving the Neighbourhood: A community environment standard for Scotland*, <http://www.cih.org/scotland/policy/display.php?db=policies&id=666> (July, 2006)

<sup>18</sup> The *Action Plan* will be published in March 2007

A community or neighbourhood environment standard could represent a compact between public agencies and the community leading to greater accountability and joint working in setting out what is expected from the local community environment and how this will be achieved and monitored.

***Q31 Do you have suggestions for approaches that are not resource intensive and that include stakeholders?***

The CIH supports that the approaches used should involve a range of stakeholders, making sure the community is part of the process. Limited community involvement often means that spaces do not meet local needs, which does not promote ownership or community pride in the area, thereby lessening the likelihood that the area will have any real positive impacts in the community. Participation methods that are not resource intensive may include community forums and message boards, open meetings, and opportunities to share design ideas and community knowledge. Community Planning Partnerships (CPPs) may be the obvious bodies for taking forward the development of community or neighbourhood standards. It may help to give a stronger focus to their purpose and work, leading to deliverable outcomes for communities. However, work is required to ensure that CPPs engage with and include communities effectively in this, and address the role housing organisations could play in the process.

Further guidance for creating successful public spaces can be found in the placemaking process for creating public spaces, which involves systematic observations, interviews, surveys, and photography, and place evaluation workshops with local communities to develop a vision and action plan for community spaces.<sup>19</sup> As suggested above, the vision is to enhance the quality of the community area as a whole, recognising that green space is a vital component but there are many elements in a community landscape that contribute to the overall quality. The CIH would encourage the Scottish Government to expand this initiative to include enhancing the quality of the built environment along with green and open spaces.

***Q32 Do you agree that the lead role (and recipient of any resources) to undertake this work should be open to a range of stakeholders?***

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<sup>19</sup> Julie Procter, Greenspace Scotland, *What is placemaking?*, <http://www.greenspacescotland.org.uk/upload/File/What%20is%20placemaking.pdf> (January, 2008)

The CIH in Scotland agrees that this work should bring together local authorities, agencies, organisations and communities to develop a vision for the project to be developed and the larger community environment. While the CIH supports that a range of stakeholders should be eligible, projects will require a strong lead role and commitment to the project both financially and politically. The placemaking agenda suggests that a mix of stakeholders enhances the design process of public spaces; perhaps there should be a trial period first to measure the success of projects. It may be found that the funds are better used when allocated to groups with greater experience of organising and overseeing such projects.

If a lead role position is to be taken, the CIH would support local authorities and RSLs in this capacity as they already have a strong track record of getting community projects off the ground as evidenced by wider role initiatives and social enterprise. There is the scope to link this into CPPs (see Question 31).

***Q33 Do you agree with the features and principles we have set out here for a modernised regulation framework?***

Many of the principles set out here are based on those found in the Crerar review<sup>20</sup>, which the CIH in Scotland welcomed the opportunity to respond to with a briefing paper outlining initial thoughts and positions.<sup>21</sup> We agree that the burden on housing providers should be reduced in accordance with a risk based and proportionate approach.

The CIH in Scotland supports the proposals to move toward a more proportionate approach to regulation and inspection, mirroring the more recent developments in the approach Communities Scotland is using in its inspection process, making it more proportionate and risk based. The new regulatory and inspection process will allow for greater self-assessment by organisations. The CIH support these moves by Communities Scotland, which have been reflected in both the Crerar review and this discussion document.

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<sup>20</sup> The Scottish Government, *The Crerar Review: The Report of the Independent Review of Regulation, Audit, Inspection and Complaints Handling of Public Services in Scotland*, <http://www.scotland.gov.uk/Publications/2007/09/25120506/0> (2007).

<sup>21</sup> CIH in Scotland, *The Crerar Review: briefing paper*, <http://www.cih.org/scotland/policy/The-Crerar-Review.pdf>

The CIH supports self-assessment in inspections but recognises that this needs to be supported by a statutory inspection and regulation regime to promote and help deliver improved service delivery where service failures or higher risks are identified. The CIH also believes a number of appropriate safeguards need to be in place when considering self-assessment:

- It needs to be evidenced based,
- There should be a common set of frameworks or guidance,
- Spot checks by the regulator should be available,
- Self-assessors should be properly trained and accredited.

The CIH supports the idea that burdensome regulatory systems detract resources from where they are most needed and agree that 'lighter touch' regulation would be acceptable for better performers. Many in the sector have expressed concern at the number of inspections they can be subject to from different bodies, notably Communities Scotland, the Care Commission, and OSCR. The CIH believes the move to a more proportionate inspection regime will assist with this, reducing the burden for well performing organisations whilst allowing the less well performing ones to receive support. The move toward a single scrutiny body may also help reduce duplication and streamline joint service inspections.

***Q34 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?)***

The CIH supports the proposal for an independent regulatory body with specialised panels with expert members. The creation of a single national, scrutiny body could be a successful means of organising regulation. This body would have a core staff, expert in external scrutiny, who would have access to a range of professionals with knowledge in the relevant area under scrutiny. A single national scrutiny body has the potential to deliver better value for money, but it must be properly resourced.

The key principle of regulation is that information needs to be gathered and disseminated and that regulation must be consistent across the sector. It is therefore not as important who the regulator is, but rather their ability to deliver a service that keeps tenants best interest in the forefront. The CIH would like to see these changes

in regulation and inspection used to benefit and enhance housing practice. This could be achieved through sharing the valuable information obtained through the inspection and regulation process, to help improve services across the board.

*Firm Foundations* introduces the potential for local authorities to trigger regulatory attention. The CIH recognises that the regulator may use a number of triggers, for example RSLs or other organisations with an interest or expertise in housing.

The CIH is happy to see a number of prompts that can draw attention to issues that may be of concern to the regulator and spur a level of scrutiny activity, The CIH therefore would suggest this ability be equally applied to RSLs, tenants and other bodies.

In addition, the empowering and inclusion of tenants in regulation and inspection panels and active involvement in the inspection processes themselves should be promoted in future regulation and inspection frameworks. This is particularly appropriate where the focus is protecting tenant's best interest, but also to incorporate the wider agenda of community engagement