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Sent: 25 January 2008 10:32
To: Housing Consultation 2007
Subject: Firm Foundations: The Future of Housing in Scotland

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Dear Sir/Madam,

Please find enclosed, response from Clyde Valley Housing Association on the Firm Foundations: The Future of Housing in Scotland consultation.

I also enclose, duly completed, respondents information form.

Can you please confirm receipt of both of these documents.

Regards, Nareen Owens

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<<25 Jan 08 - Respondent Info Form.pdf>> <<25 Jan 08 - CVHA Firm Foundations Response.doc>>

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26/02/2008

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RESPONDENT INFORMATION FORM

FIRM FOUNDATIONS: THE FUTURE OF HOUSING IN SCOTLAND

Please complete the details below and return it with your response to the above address. This will help ensure we handle your response appropriately. Thank you for your help.

Name: TOM BARCLAY, CHIEF EXECUTIVE

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1. Are you responding: (please tick one box)

(a) as an individual go to Q2a/b and then Q4

(b) on behalf of a group/organisation go to Q3 and then Q4

INDIVIDUALS

2a. Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government website)?

Yes (go to 2b below)

No, not at all We will treat your response as confidential

2b. Where confidentiality is not requested, we will make your response available to the public on the following basis (please tick one of the following boxes)

Yes, make my response, name and address all available

Yes, make my response available, but not my name or address

Yes, make my response and name available, but not my address

ON BEHALF OF GROUPS OR ORGANISATIONS:

3. The name and address of your organisation will be made available to the public (in the Scottish Government library and/or on the Government website). Are you also content for your response to be made available?

Yes No We will treat your response as confidential

SHARING RESPONSES/FUTURE ENGAGEMENT

4. We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for the Scottish Government to contact you again in the future in relation to this consultation response?

Yes No

**'Firm Foundations: The Future of Housing in Scotland'
A Response by Clyde Valley Housing Association**

General Comments

This discussion paper is the first major review of Scottish housing policy since 1999 and outlines the importance that the Scottish Government places on housing.

Clyde Valley Housing Association welcomes this opportunity to respond to the 34 questions set out herein.

BOOSTING HOUSING SUPPLY

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

In principle we welcome the objective of increasing supply, although the methodology used for setting target is unclear as is the quota of affordable rent and low cost home ownership to be delivered. CIH, Shelter, SFHA, SCSH and Churches Action proposes target of at least 10,000 affordable rented homes required each years from 2008 – 2010.

The Scottish Government's focus now appears to be on addressing housing supply shortages, with little information on the replacement of poor quality and non-effective stock in regeneration areas. We attended a CIH event in December at which the Government was represented. The platform was shared with academic Ken Gibb from Glasgow University who made particular reference to the origins of the Governments 35,000 target, suggesting it was based on an assessment of housing need in the North East of England that it had 'no analytical base' in Scotland. A better understanding of the Governments position on this target would be invaluable in responding more fully to this question.

Notwithstanding the above observations, the delivery of the target will largely depend upon the availability of resources, whether that be in the form of Scottish Government subsidy, availability of sites capable of being developed, and other developmental constraints, such as the prevailing planning system and infrastructural investment capabilities e.g. sewerage connections/servicing.. Against these points we note from the Scottish Government's recent Scottish Budget Spending Review 2007 (CSR) that there is a reduction in funding for the Affordable Housing Investment Programme for 2008/09, albeit that limited growth is proposed in later years. We in turn echo the disappointment registered by the CIH on this key matter of adequate financial resourcing via the CSR. The Scottish Government's general assumption that significant levels of resources can be freed up through competition and bulk procurement would appear, in our opinion, to be overly simplistic and not based on empirical evidence from the sector, either in Scotland or nationally.

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

The boundaries of housing market areas, local authorities, planning authorities and RSLs are rarely co-terminus.

Local authorities as strategic housing authorities have responsibility for Local Housing Strategies. They would therefore seem best placed to take the lead in setting realistic housing target for housing markets, but in partnership with planning authorities (both local authorities and national park authorities), Communities Scotland's area & planning teams (or successors), RSLs, private developers and others.

STRENGTHENING THE HOUSING AND PLANNING DELIVERY FRAMEWORK

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

There is not a clear role for a specialist national function – planning authorities, in partnership with key stakeholders, have considerable experience in strategic planning for housing and therefore are should be the lead agencies. The introduction of a third party could confuse roles and responsibilities and thereby delay the supply of new affordable housing and intensify the feeling of bureaucracy that the existing planning system is looking to dispose it of. However planning authorities might welcome examples of positive practice or advice on mediating complex or large scale land assembly schemes. Planning authorities may also benefit from updated guidance on Compulsory Purchase Orders.

ENHANCING THE GOVERNMENT'S STRATEGIC CAPACITY

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

As noted previously site infrastructure remains a significant constraint to pace of development e.g. utilities servicing and sewerage connections. Where development is encouraged on brownfield sites, contamination and remediation works may be a consideration and often consequentially has a negative impact on site viability. The construction sectors capacity can also constrain the pace of development in terms of the availability of appropriately skilled labour, and materials. The Scottish Government needs to monitor and review all of these factors, intervening where appropriate to remove constraints. The latter point of indigenous construction skills was recently raised by Michael Levack, Chief Executive of the Scottish Builders Federation, who warned that the threat to construction and engineering skills funding for Scottish colleges and universities should be an alarm bell for Scottish Government and the industry generally, which at present relies on a diminishing pool of migrant labour to plug the skills gap.

On examination of private developer activity, they operate through a process of securing options on sites, rather than one of buying sites, and seek planning permission. Consequentially the pace of physical development/output can often be dictated by what the individual developers consider to be optimum market conditions for maximising profit, or indeed to synchronise their own workflow. Furthermore, in pressured housing markets there

may be a temptation for developers hold on to sites and develop in limited stages to maintain high demand and stimulate local price inflation.

In response to the above, planning authorities appear limited in what steps they can take to expedite developments, other than by placing notional time limits on certain planning consents. Using planning guidance, the Scottish Government, may be able to further encourage proactive discussions between planners and developers with a view to building better knowledge and understanding of the issues at work here and any possible joint solutions. The commissioning of Scottish Government independent research to measure new housing supply outputs versus targets might also provide currently unavailable intelligence on both local operational and national strategic blockages that occur.

For those planning authorities that operate Affordable Housing Policies, updated planning guidance might be helpful from the Scottish Government especially in relation to the format and content of Section 75 agreements. Such agreements can be time consuming and complicated to negotiate – pro formas, guidance for planners, RSLs, private developers, District Valuers and the like would also assist.

Where Section 75 agreements are to be taken forward, planning authorities need to establish a clear hierarchy in terms of planning gain, where the provision of affordable housing needs to feature prominently, and this in turn needs to be supported through the Scottish Government's planning guidance. Section 75 agreements can sometimes be seen as a 'cash cow' to fund road upgrades, school extensions, play areas, community facilities, etc. Seeking to reconcile these competing priorities can cause significant conflict and delays in process. These conflicts should be considered fully by the Government in its policy development.

Where Section 75 agreements are to be used to deliver a percentage of on-site affordable housing by an RSL, it might be possible to expedite development by the developer simply selling an area or areas of a site to the RSL (with funding from the Scottish Government's Affordable Housing Investment Programme). As a consequence of this, having land and applicant planning control placed with the developing RSL may assist in expediting such projects, both from the affordable scheme perspective, and by making the private developer reconsider their developmental timeframe for the housing for sale elements. Complex arrangements where different housing providers are dispersed throughout the site mean that the main developer will dictate the pace of development across the entire site.

NEW SETTLEMENTS

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

In a number of locations across Scotland, such major growth areas are already at various stages in the planning process. However we believe that individual planning authorities are best placed to consider and promote the appropriateness of developing new, stand-alone communities that are sustainable as well as sympathetic to the local landscape and environment. In assessing sustainability we would be mindful of the need for appropriate supporting infrastructure and amenities that has been a failing in planning distinct communities in the past. In addition, the ability to engage the surrounding community in the planning process will prove key to the initiatives success.

DIRECT SUPPORT FOR HOME OWNERSHIP

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

Early experience of 'Homestake' suggests that this is a relatively simple model of Low Cost Home Ownership with potential to assist first time buyers. We would suggest that rolling out 'open market' shared equity across a wider number of pressured housing market areas is likely to assist. Adjusting the routine stakes available from 60%-80% to say 55%-85% might also broaden the appeal of shared equity (with 51% stake being an option in certain circumstances). Further information on local income levels and affordable mortgage multipliers would be useful in targeting shared equity products.

However given economic circumstances, it is important to temper any aspirations for home ownership by having support mechanisms in place for those who may potentially have their home repossessed, and to seek to prevent homelessness should this prospect occur. Early experience of the 'Mortgage to Rent' scheme suggests that this model may assist in addressing the housing needs of those on low income who experience financial difficulties.

All of the above is predicated on the availability of financial support beyond that which has currently been identified through the CSR process for affordable housing investment.

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

No doubt the Council for Mortgage Lenders are well placed to offer specialist advice, and there may be examples of innovative mortgage products from other countries.

However such discussions might be difficult given current economic circumstances (e.g. sub prime mortgages, credit crunch, Northern Rock , etc). Potentially the role of local authorities as 'lender of last resort' might be worth reviewing, although historically rates offered were rarely very competitive.

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

No. This will simply add directly to house price inflation. If some form of subsidy is to be offered it needs to be clearly targeted, depending upon the circumstances of the first-time buyer. Previous initiatives like Tenants Incentive Scheme (TIS), where £10,000 grants were given to first time buyers, proved to be inarticulate are targeting those in most need.

EXPANDING THE RANGE OF AFFORDABLE HOUSING TO BUY

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

Planning authorities, in partnership with strategic housing authorities, could be more proactive in developing design briefs for identified and windfall sites. This would provide private developers with a clear direction in terms of the delivering of an appropriate a mix of housing tenure, house types and house sizes that meet a mix of housing needs, including affordable starter homes.

Rather than building concentrations of highly profitable 4 bedroomed detached houses, a mixture of tenement flats, cottage flats, terraced, semi detached and detached houses could provide a variety of relatively more affordable housing options.

In this regard consistency of approach across local authority areas is essential.

INCREASING CHOICE FOR HOMELESS PEOPLE

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

Quality of accommodation, security of tenure and value for money are key issues that must be taken into account when considering the increased use of private lets.

Furthermore, there are concerns that the homelessness category client may have greater support needs than the private sector landlord can deliver or co-ordinate. As such there is a consequential risk that the burden of more complex cases will rest with the social rented sector, thus accelerating the residualisation issues flagged up in the recent research by CIH on the future of social housing in Scotland.

REVIEW OF THE PRIVATE RENTED SECTOR

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

The Housing (Scotland) Act 2006 and measures such as landlord registration schemes provide a framework of rights and responsibilities for both tenants and landlords. However local authorities require sufficient resources to police the private rented sector, as well as be proactive in giving advice and assistance and promoting the role of the private rented sector in addressing local housing needs. There is also a role for the regulator to play in ensuring that local authorities are consistent in their approach to tackling sub-standard private sector accommodation.

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

Presumably this varies from area to area. Potentially guidance and protocols could be developed based upon examples of good practice where public bodies and groups of private landlords engage effectively. More specifically, with the proliferation of buy-to-let accommodation seeing a dramatic surge in the number of new 'small portfolio landlords', a national awareness raising programme could be developed, supported by the Council for Mortgage Lenders, to ensure that prospective purchasers and current owners have the requisite skills and sources of advice to undertake their full obligations at law as landlords. This could be co-ordinated with information more locally of the organisations, including local RSL's that provide factoring services within communities.

MEETING HOUSING NEEDS

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

Rent deposit guarantee schemes are operated successfully in many areas of Scotland and there may be potential for establishing and funding a national scheme based upon good practice.

For RSL's with trading subsidiaries, establish a government loan fund which attracts zero interest and is repaid over a 30 year period that would allow empty homes to be brought back into the market place for affordable rent.

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

Promoting public sector leasing schemes and providing advice and assistance to private sector landlords could encourage more landlords to let properties to tenants on benefits and homeless households.

However private landlords not currently dealing with benefit dependant clients may be reluctant to make their properties available to those on low income and homeless households, due to recent changes in the administration of Housing Benefit resulting in rent allowances being paid directly to tenants rather than directly to landlords. Direct Payment pilots run by RSL's in London (in parallel with the DWP's Pilot Programme) identified huge increases in rental arrears. The more acute commercial orientation of the private sector landlord will potentially ensure a reduction in those either entering or staying in the benefit dependant revenue market.

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

Previous schemes, such as the Empty Homes Initiative, have had a limited impact in bringing empty properties back into use. There may be scope to review earlier initiatives, research the current scale and quality of empty properties across Scotland, and set aside challenge funding for local authorities to submit proposals in partnership with RSLs.

Changes to Council Tax discount rules on second homes and empty properties, where applied by local authorities, have assisted in more taxing empty properties and encouraging them to be brought back into use. In addition income generated by local authorities from this source has produced welcome resources for affordable housing. Any proposals for reforming or abolishing the Council Tax and moving away from a property-based taxation system could potentially affect the useful information held on empty properties and important windfall funding for affordable housing.

SUPPORTING LOCAL AUTHORITIES AS SOCIAL LANDLORDS

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

An absolute **Yes**.

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

Yes. Local authorities using prudential borrowing for new build may assist in levering in additional funding for new housing supply, but this should be complementary finance and not be seen as an opportunity to reduce other sources of funding such as HAG to RSLs.

The headroom for borrowing private finance to secure investment in affordable housing will vary from one local authority to another, without any direct reference to housing need. Debt profiles amongst local authorities will reflect historic debt commitments across a variety of local authority functions. Affordability of rent levels will be another important consideration. For example, a local authority in an area of high pressure for affordable housing could conceivably have high rents, high debt, and limited scope to borrow prudentially.

Any local authority new build proposals should be considered within the context of the Local Housing Strategy and Strategic Housing Investment Plan, which acknowledges important

partnership approaches with RSLs and the private sector to meeting housing needs. Some local authorities may find it beneficial to contract an RSL with appropriate development skills to take forward new build work on their behalf.

It is also worth considering that because prudential borrowing counts towards the Public Sector Borrowing Requirement (PSBR), any additional borrowing would require to be considered within the context of limits and rules prescribed by HM Treasury and Europe. Ultimately any additional prudential borrowing would require to be serviced through rents and indirectly through Housing Benefit – this would have implications for the public purse.

IMPROVING THE SUPPLY OF RSL HOUSING

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

No.

It is acknowledged that subsidy costs have been rising. There is merit in exploring procurement measures that could assist in efficiently delivering good quality new housing supply from the limited resources available.

The Scottish Government makes much of seeking to reverse the trend of rising subsidy levels and the ability to achieve significant efficiencies via competition and bulk procurement. However, it is not clear that substantial savings would in fact result through a crude process of competition and bulk procurement. We have concerns over the propensity towards direct comparison with English RSL's, given that lower subsidy rates can often be a result of higher and less affordable rents, and the ability of large English RSLs to cross-subsidise from their balance sheets.

Rising build costs and subsidy levels are fuelled by a number of factors, such as cost growth through the supply chain where there is a limited pool of labour and costly materials within the construction sector generally, not to mention inflationary land pricing and burden of site servicing and sewerage connection costs increasing. It is understood that the Scottish Federation of Housing Associations have commissioned Glasgow University to look in detail at the shift in development costs over recent years and would suggest that the Scottish Government assist in making this research as comprehensive as possible.

Overly simplistic comparisons of RSL management and maintenance costs do not paint the full picture – the assumption being that costs have increased, but services have stayed the same, which is patently not the case given increased tenancy support requirements in an increasingly residualised Scottish market place.

Undoubtedly there is scope for improving efficiency in any process, but within the spirit of Egan, McLellan, etc, those developing and managing new housing need to focus on quality and cost as well as consider lifecycle costs, rather than the initial capital costs of new build. The history of Scottish social housing includes many examples of large scale procurement delivering a 'standardised' outcome of high quantity but poor quality housing.

It is therefore our opinion as a significant social housing developer ourselves that the establishment of 'lead developer' RSLs for specific housing market areas will not deliver the significant subsidy savings via anticipated bulk procurement efficiencies that Firm Foundations suggest. There is a distinct lack of empirical evidence to back this strategy, which can only serve to feed against the legitimacy of the policy. In addition, Such proposals would be a significant departure from how development funding has operated historically in Scotland, meaning that a significant number of RSLs would no longer be able to take

forward development initiatives directly (although potentially they could be the receiving landlord of new stock developed on their behalf).

Notwithstanding the above there is potentially a case for rationalising the number and range of RSLs currently involved in the development process. However, imposing a single competitive approach for identifying a single lead developer in a specific geographic area has potential to engender friction rather than promote partnership working and quality outcomes. Previous Scottish forays into HAG competition have proven ineffective, as opposed to experiences of HAG competition from England, where a more flexible and collaborative approach has given rise to more effective results..

Directing public subsidy via private developers is unlikely to add significant value, given the quantum and nature of development opportunities across Scotland – there are also questions about the appropriateness of directing public subsidy at organisations motivated by profit. England is clearly ahead of Scotland in this area and has experienced a somewhat patchy response from the private sector so far. Taylor Woodrow was a published example of a private developer who in 2007 returned housing subsidy of around £11 million to the Housing Corporation due to it being unable to comply with the extent of conditions set out in the grant offer. Whilst there may be private sector participants that can overcome the conditional issues of grant that may be established, given time and reassurance, the Scottish Governments energy and investment may be better invested in working more closely with the proven RSL and local authority partners in the development arena to tackle the chronic shortage of affordable social housing in Scotland.

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

The Scottish Government should review HAG guidance, benchmark costs, performance standards and performance data, with a view to setting realistic subsidy targets within the context of maintaining affordable rents.

As part of this process, the Scottish Government should set clear assessment criteria for identifying how those RSLs with the strongest development pedigrees, in terms of achieving quality and cost benchmarks, are selected as preferred RSL developers in specific geographic areas of operation. We would also refer again to the response under question 18 to the establishment of a comprehensive research base of the attributes of increased development costs in Scotland over say the last 5 years, to assist in informing strategic direction in this area.

ENCOURAGING MORE HOUSING FOR MID-MARKET RENT

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

It is unclear how 'mid-market' would be defined and to what extent a market exists. In certain housing markets the level of social housing rents, the availability of private rented accommodation and access to entry level owner occupation (e.g. ex-RTB properties) may already offer a range of suitable options for this potential client group.

The provision of funding mechanisms for mid-market rent may be worthy of further exploration in certain housing market areas, although this is likely to be a niche market with only limited impact in terms of addressing housing needs.

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

See answer to Questions 18 and 20.

Any funding for mid-market rented accommodation initiatives should be done on a pilot basis and should be considered as complementary to additional housing supply being delivered via the core HAG programme.

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

See answer to Question 20.

It is not clear that greater variety is required. Key issues include a greater supply and better quality within the range of options currently available, including social rented housing (via RSLs and local authorities), low cost home ownership (such as Homestake), and privately rented accommodation.

IMPROVING VARIETY IN EXISTING STOCK

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

We welcome references to promoting sustainable mixed communities.

In certain areas there may be justification for landlords seeking to adjust the mix of their existing stock, but only where there is a business case to demonstrate that the physical existing housing mix does not meet current or projected local housing needs in terms of house size, type and tenure.

In some circumstances it may be appropriate to pursue sustainable mixed communities via management interventions, such as letting initiatives although 'housing need' will always be the determining factor in accessing social housing. Proposals to roll out Common Housing Registers, choice based lettings, etc need to be considered within the context of significant levels of homeless referrals resulting from changes in homeless legislation. Significant levels of homeless referrals are likely to result in residualisation of social rented housing.

Wider role activities and effective housing support services are also key to delivering mixed communities and sustainable tenancies.

THE DEVELOPMENT OF AFFORDABLE HOUSING FOR RENT BY PARTIES OTHER THAN SOCIAL LANDLORDS

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

No.

RSLs have a strong track record in developing good quality affordable housing for rent and as not-for-profit organisations are appropriate recipients of public subsidy.

However there may be circumstances where it is appropriate to provide subsidies to local authorities to facilitate new housing supply (e.g. for site assembly, etc), but any such subsidy should be complementary finance and not be seen as an opportunity to reduce other

sources of funding such as HAG to RSLs. Any subsidies directed via local authorities should be consistent with agreed LHS and SHIP strategic priorities.

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

See answer to Question 24.

Subsidy should be directed via RSLs, or local authorities in certain circumstances. RSLs and local authorities are not-for-profit organisations that are regulated by Communities Scotland and accountable to their tenants, communities and wider membership. Consequently tenants are appropriately protected at present.

FURTHER CONSIDERATION OF THE RIGHT TO BUY FOR NEW SOCIAL HOUSING

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

No.

Significant levels of the best quality and most desirable housing stock has been sold since 1980. In addition, market conditions and high property valuations have resulted in declining Right To Buy sales in recent years.

However, it is worth remembering that the Right To Buy as it exists is familiar to tenants, broadly understood and relatively easy to administer in a fair and consistent manner across Scotland. The suggestion of local variations to the Right To Buy would appear an administratively cumbersome method of achieving very little impact. Pressured area status currently provides a mechanism for local authorities to make a strategic case for exempting properties within a housing market area from the Right To Buy, albeit over a limited 5 year period.

There are a range of price / discount regimes in place following the introduction of the Housing (Scotland) Act 2001. If appropriate, there is scope for the Scottish Government to review the existing Right To Buy regime and adjust discount levels, cost floor rules, exemptions, etc.

Specifically the Scottish Government should consider extending the modernised Right To Buy exemptions that apply to RSLs. These current exemptions came into place in 2002 and end on 30 September 2012, and apply only to RSLs registered as charities prior to 18 July 2001. These exemptions should be rolled forward to at least 2018, and should apply to all RSLs currently registered as charities.

Finally when reviewing the operation of the Right To Buy, the Scottish Government should be mindful that social landlords currently derive capital receipts from this source which are then applied not only to achieving the SHQS, but also to enhancing the service offering delivered to its customers more generally. In addition as part of certain LSVT sale and purchase agreements, claw back and cost sharing arrangements were entered into that would require to be reviewed.

IMPROVING THE QUALITY OF EXISTING HOUSING

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

We believe that there is likely to remain a continuing role for stock transfer in certain circumstances, and on that basis would not necessarily view ALMOs as a direct alternative, but rather as an option that may be appropriate in some cases.

From reports of ALMOs operating in England, this seems like a model that is potentially worthy of further exploration. However, given fundamental differences in the English housing finance regime, we would have to reserve our judgement on how such a model might work in Scotland until further information would be available on proposed funding arrangements. It would also be important to consider what ALMOs can offer that RSL or directly managed local authority housing cannot, and any subsequent case would surely have to be presented to tenants for their ultimate consideration.

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

Yes.

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

Assistance should be provided to those organisations identified overall as 'low engagement' by Regulation & Inspection.

BETTER NEIGHBOURHOODS

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

Open space and greenspace are important considerations for all neighbourhoods, irrespective of how deprived the area.

We would welcome further information on what new ways are proposed for focussing on open space and greenspace, and how such initiatives are likely to be funded in both capital and revenue terms. Whilst it is evident in the most successful of regeneration projects that attention has been paid to providing high quality public realm and amenity space, such emphasis does impact on overall unit cost of the scheme. In a period where pressure is being exerted to drive down unit cost, high quality public realm and amenity may be some of the first casualties in the search for greater public value in our development schemes.

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

There are no easy answers or resource neutral solutions to dealing with open space and greenspace.

Clearly where new developments are proposed there is scope for planning authorities to produce supplementary planning guidance on open space and greenspace and to promote masterplanning in consultation with tenants / residents. Part of the consultation process should seek to identify priorities for open space and greenspace as well as consider cost effective maintenance arrangements.

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

Presumably this would depend upon the nature and scale of development. However we would suggest that resources – especially public subsidy – should generally be directed via RSLs or local authorities which are not-for-profit organisations that are open and accountable to a range of stakeholders by virtue of their constitutional arrangements and community networks.

PROTECTING TENANTS AND PROMOTING THEIR INTERESTS

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

We believe that the proposals set out for a modernised regulation framework are reasonable. They appear to be an evolution of existing arrangements based on 'Risk and Proportionality' that appear to operate fairly well.

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

We have no preference in terms of whether the new housing regulator is a separate organisation or part of some umbrella regulator. We feel that many aspects of Communities Scotland's existing Regulation & Inspection arrangements work relatively well and should be built upon. We support the principle of the new housing regulator being independent of Scottish Ministers. Whilst we acknowledge the findings of the Crerar Report on Scrutiny, it is important that any new format doesn't lose the significant body on experience that has been built up of our sector through existing Communities Scotland personnel. Ultimately the regulator should have clearly defined roles and responsibilities, as well as be clearly branded, accessible and open to scrutiny.

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