

Aberdeenshire Council Response to Firm Foundations: The Future of Housing in Scotland

<p>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?</p>	<p>Aberdeenshire Council strongly agrees that there is a need to increase the supply of housing in Scotland and welcomes the intentions to set a direction for doing so.</p> <p>It is difficult to say however whether the target of 35,000 completions per annum by 2015 is realistic and achievable because of the lack of detail in how the target has been set, and what it is intended to achieve in terms of the four key purposes set out in the paper.</p> <p>We recognise and support the work of the Housing Supply Task Force to help increase the efficiency of the housing system in Scotland. We also anticipate the Task Force will take account of deliverability issues in terms of the supply of labour and the significant pressures on the construction sector.</p> <p>We also believe that it would be helpful to make more distinction between tenures within the target. So in effect it is important to have a political context which recognises the need to have increased social housing supply as well as to increase the overall housing supply. Otherwise it is theoretically possible for the target to be met without enough impact on the issues faced by those who are most vulnerable within the housing system, and whom local authorities are dealing with in increasing numbers.</p> <p>In terms of quality standards, we are also of the view that to give full cross tenure integration the best chance of succeeding, design standards across all tenures must as far as possible be consistent eg Housing for Varying Needs, Building Standards etc.</p> <p>It is also important to recognise the issue of reducing the running costs of homes. This is particularly important in rural areas and in the context of rising energy costs. Is there scope for a regional or national approach to procuring energy deals that provide real benefits to local authority and/or RSL tenants?</p>
<p>2 Do you agree that, to give practical effect to the ambition, local authorities should co-operate regionally in setting realistic housing targets for housing market areas, and in enabling the delivery of these targets? If so, what arrangements should be put in place to support and provide incentives for such</p>	<p>We agree that local authorities should co-operate across boundaries to set targets for HMAs, and of course there is an established and growing practice in cross boundary co-operation. Indeed this has been the practice across Aberdeenshire and Aberdeen City for many years.</p> <p>We are of the view that the national practice around Local Housing Strategies and cross boundary co-operation can make further progress. We further understand that the LHS system itself is still in its development stage, particularly in how it relates to Community Planning, and to the emerging Single Outcome Agreement framework. It would be helpful</p>

Item 1
Appendix 2

<p>co-operation between relevant local authorities?</p>	<p>over the next few years to have good exemplars of how groups of local authorities could further build on current best practice, and to have a national focus on how well the system is developing.</p> <p>We also would note that potentially changing the relationship, roles, responsibilities and risk around the LHS and Structure/Local Plans must be clear. It goes without saying that the view of SPP3 must be co-ordinated with the Housing Supply Task Force and the policy direction of Firm Foundations.</p>
<p>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?</p>	<p>We welcome the Government's stated intentions to have as decentralised a system as possible. If the right delivery framework is put in place, starting from the local authority level, and building up cross-boundary arrangements, it is then clearer to identify what the essential functions of central government are. We see this as setting policy, providing guidance, high level resource distribution, monitoring, and providing national information and research.</p> <p>At this point in time however we do not see the added value from having an extra layer put in place around a national function for strategic planning. We would be happy to make a more specific response should more detailed proposals emerge.</p>
<p>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?</p>	<p>The Housing Supply Task Force will examine this in detail and make appropriate recommendations.</p> <p>We understand however that this may include consideration of varying the teams of granting planning permission to be more robust in terms of the timing of the development of any particular site.</p>
<p>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?</p>	<p>We agree that these may be solutions depending on local circumstances. In terms of achieving increased supply and in securing greater value for money for public investment, greater scale of development is desirable. This must be effectively master planned however and in that regard the Scottish Sustainable Communities initiative is in principle supported, although more details would be welcomed.</p>
<p>6 How should different types of assistance within LIFT be targeted?</p>	<p>We support the targeted assistance for first time buyers and of a Housing Support Fund to expand shared equity through private investors.</p>

Item 1
Appendix 2

<p>7 How could the Government stimulate more innovative mortgage and related products and services to assist people in purchasing their first home?</p>	<p>We support the idea of longer term products for low-income, or first time buyers, rather than short term products which then can leave households stranded if the market conditions worsen for them at the end of their fixed period.</p>
<p>8 Should the Government provide direct cash grants to first-time buyers?</p>	<p>On balance, we do not support the grant of £2,000 to all prospective first time buyers. Although to be fair there were some mixed views expressed by our Members on this. Given the high annual cost it must be questioned whether this will in fact achieve better affordability and value for money. It is most likely that developers are most likely to benefit rather than first time buyers or the local market for starter homes in that this may add to price inflation.</p>
<p>9 How can the private house-building sector play a bigger role in providing, without public subsidy, increased provision of affordable starter homes?</p>	<p>Again, the Housing Supply Task Force and the review of SPP3 will inform this issue. We are of the view that stronger master planning and the greater use of development briefs can also ensure progress. Early notice through a combination of Structure/Local Plans and/or the LHS can ensure a better mix of house types and sizes.</p> <p>In Aberdeenshire we also have arrangements in place through our Planning Gain Service whereby developers directly subsidise the sale price of homes to priority housing applicants. The Council retains that equity share protecting it for onward sale to others in housing need.</p>
<p>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?</p>	<p>We believe there is potential for further structured contributions from the private sector to house low-income and homeless households, and welcome the Government's consideration of using such provision, where it is of suitable quality.</p> <p>There are however a number of risks which must also be mitigated. These include:</p> <ul style="list-style-type: none"> • The perception and culture of this sector must be positively focused • Service standards must be agreed to ensure management and maintenance is fit for purpose • Appropriate tenancy support arrangements must be put in place.
<p>11 How should we ensure an appropriate balance between safeguarding tenants' rights and encouraging the private rented sector to</p>	<p>We welcome the intended review of the private rented sector which will help focus on the response to this question. While many authorities are worried about a reduction in security for tenants who might otherwise wish to be a tenant of a local authority or RSL, many are also aware that shorter term tenancy types are often what are needed for many</p>

Item 1
Appendix 2

<p>achieve its full potential in Scotland's housing market?</p>	<p>customers.</p> <p>In broad terms we would want to make sure that there are clear tenancy types and standards, good advice standards for both tenants and landlords, good relationships with landlords, and any representative groups, risk based regulation where public money or homelessness referral route is used. It could be that there is a need for dissemination of good practice in contract/procurement and monitoring.</p>
<p>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?</p>	<p>There is a need for both strategic and operational engagement, and there is a role for government in helping set standards, provide information, and promoting a culture of responsible landlordism. At local level it is important – though difficult in some areas because of the diverse nature of the private rented sector- for local authorities to involve landlords in their LHS preparations, as well as having good advice services for landlords. Local authorities can aim to involve private landlords in their reviews of local services requirements ie anti-social behaviour strategies and neighbourhood management arrangements should take private sector landlords and cross tenure requirements into account, so that multi-tenure buildings, streets, and communities are all seen as opportunities for building up sets of responsibilities and accountability for both landlords and tenants.</p>
<p>13 What other options should we consider for increasing the supply of private rented housing for low-income and homeless households?</p>	<p>No further proposals at this stage. The review of the private rented sector should include consideration of this.</p>
<p>14 How could more private landlords be encouraged to let to tenants on benefits and homeless households?</p>	<p>As Question 13.</p>
<p>15 What other schemes or incentives might help us to recycle empty properties more effectively?</p>	<p>The paper has some useful suggestions. It is also worth reviewing the recent Empty Homes Initiative for good practice.</p>
<p>16 Do you agree that we should exempt new build social housing from the RTB?</p>	<p>Yes. This is an important element in enhancing a more sustainable supply of affordable housing.</p>
<p>17 Do you agree that we should subsidise local authorities in areas of need to use their</p>	<p>We agree that local authorities should also be subsidised. We would however argue that it should be on a similar subsidy basis to RSLs. The focus should be on enhancing a sustainable supply of good quality affordable homes in the</p>

Item 1
Appendix 2

<p>prudential borrowing capacity to build new council houses?</p>	<p>most effective way. We do also note that local authorities will differ in terms of their ability to borrow based on their respective Business Plans – particularly around meeting the Scottish Housing Quality Standard.</p> <p>There is the issue around valuation of public sector land for affordable housing. A balance must be struck between the public agency getting best value and the strategic needs around affordable housing being addressed. There should be a partnership discussion on this to ensure an appropriate balance is struck.</p>
<p>18 Do you agree that we should introduce large-scale competitions for subsidy?</p>	<p>We would agree that it is helpful to have some large scale competitions for subsidy. The advantages of scale and of programmes which could run over longer timescales should be considered.</p> <p>There are many aspects of the procurement, development, and building processes which may or may not contribute to efficiencies or more accurately to controlling costs.</p>
<p>19 If not, how would you ensure that public subsidy is used to build as many good quality RSL houses as possible?</p>	<p>Not applicable.</p>
<p>20 Do you agree that we should subsidise the development of mid-market rent?</p>	<p>In principle we have no objection to this. Landlords can look at means of adjusting their stock mix, and where appropriate their tenure mix. This would always be a lesser part of any subsidy regime rather than a main component, and should only be considered where it is clear that such provision cannot be successfully developed without subsidy. It would also be important to make sure that any surpluses are recycled into the provision either of more mid-rent, or contribute to the supply of houses for social rent. As with other tenures, any need for subsidised mid-market rent should be incorporated into the LHS and SHIP.</p>
<p>21 If so, should the subsidy be awarded as part of the competitive regime for awarding HAG that we are proposing?</p>	<p>Yes, although we are of the view local authorities (where locally appropriate) should be supported to achieve this tenure mix too. This is in line with opening up the subsidy regime to local authorities in the same way as enjoyed by RSLs.</p>
<p>22 If not, how would you increase variety in social housing?</p>	<p>Not applicable.</p>
<p>23 Do you agree that we should encourage landlords to look at means of adjusting the mix of their stock in the interests of</p>	<p>This is key to a vision of good housing provision, and we welcome further thinking on how it might be achieved and how safeguards might be built in for housing the most vulnerable people.</p>

**Item 1
Appendix 2**

<p>achieving more sustainable mixed communities?</p>	<p>It is extremely important to radically alter the view that social housing is for people with no other choice, and, in tandem with that that there are new ways of ensuring also that neighbourhoods are mixed tenure but well managed.</p>
<p>24 Do you think that subsidies for development should be provided to bodies other than registered social landlords?</p>	<p>Again in principle we would support this. The principle of providing more social rented housing is more important than who does it, but equally we would not wish to see uncertainty by lenders in how to assure themselves of good investment prospects and there is no doubt that the regulatory system for RSLs helps maintain that confidence. Hand in hand with this goes the issue of high standards and good quality, and we would only welcome an opening up of subsidy provision if systems of assurance on these issues are in place, and of course on all procurement matters. Perhaps the main questions to be teased out here are (1) what is the value of providing subsidy to an organization which is not regulated rather than to one which is, (2) who is the client and how do they ensure quality and standards (3) who eventually owns the houses and who is the landlord, rather than simply who develops. And (4) where does the risk for accountability for public money lie in any such proposal? In Aberdeenshire, we have had some discussion with the Scottish Rural Property and Business Association over how some estate owners can contribute to affordable housing supply. We believe this to be an area well worth exploring, and could be a significant contribution to housing provision in rural Aberdeenshire.</p>
<p>25 What sort of protections should be offered to tenants in these circumstances?</p>	<p>As above it is important that the contract for the tenancy is clear, and accountability is clear. When public money is involved the rights and protection should be broadly on a par with the social rented sector generally.</p>
<p>26 Do you think that the Scottish Government should vary the RTB discounts by (a) locality and/or (b) type of property?</p>	<p>We welcomed the reduction in discounts established in the 2001 Act, as the balance prior to that was clearly too far in favour of the individual. At that time there were arguments to exclude particular types of property which were in short supply – such as ground floor flats, or some rural types of properties, and we can see how that could still be a sensible proposition, depending on local circumstances.</p> <p>We also welcomed the pressured area status provisions.</p> <p>Until supply is in better balance with demand in many areas there is little doubt but that many authorities would welcome more flexibility on RTB including whether the RTB remains locally relevant. It should of course also be acknowledged that there may well be implications for SHQS or other capital programmes which are predicated/partially dependant on RTB receipts, and for many authorities this is the most compelling argument for them at minimum keeping the flexibility to see if it is sensible for their longer term strategic purposes.</p> <p>We understand that a more detailed review on this may take place later this year. We would be pleased to contribute in</p>

	<p>more detail at that point.</p>
<p>27 Do you agree that ALMOs can provide a satisfactory alternative to stock transfers?</p>	<p>We think that the concept of ALMOs as it is presented here does not clearly enough provide benefits or solutions to the big issues facing some LA landlords. The paper does not spend any time on regeneration solutions which disjoints potential thinking on the way ahead for some communities in Scotland.</p> <p>The paper talks about discussions with the Treasury to see if debt can be written off in ALMOs, but at present they do not ensure debt write-off. If they are to have a strategic use it is essential that they can bring enough leverage on the overall funding for any landlord to make the effort worthwhile, particularly for tenants or members.</p> <p>The paper does use the English model of improvements in performance driving any additional subsidy for the ALMO to work. While there is clear room for discussion on efficiencies it is not simply the case in many local authorities that there is a direct relationship between poor performance and failure to meet the SHQS, which in essence appears to be the central proposition for using ALMOs. We believe it is difficult to see how local authorities would volunteer to set up an ALMO in the above circumstances.</p> <p>Tenants would need to be convinced of the benefits and that statutory consultation would be required. There is also no doubt that the experience of stock transfer has been mixed in Scotland and many elected members will be reluctant to embark on an equally time-consuming strategic route without a very clear prospect that they can demonstrate the benefits to tenants.</p> <p>ALMOSs should represent a real choice for landlords rather than be an option that is “forced” upon them.</p>
<p>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?</p>	<p>We have no particular comment on this question, although it is partly dealt with in Q27 above.</p>
<p>29 If so, what measures do you think would be beneficial? If not, why not?</p>	<p>Not applicable.</p>
<p>30 Do you agree that we need to find new ways of focusing on the quality of place/open space and</p>	<p>Yes – we believe strongly that there is a need to focus on quality of place. Household surveys can show that social rented tenants tend to be less happy with their neighbourhood than other tenures and it is important to address this if social</p>

Item 1
Appendix 2

green space within deprived neighbourhoods?	renting is to be a tenure of choice in coming years.
31 Do you have suggestions for approaches that are not resource intensive and that include stakeholders?	No comment on this question.
32 Do you agree that the lead role (and recipient of any resources) to undertake this work should be open to a range of stakeholders?	In relation to better neighbourhoods, there must be a clear link to Community Plan and strategic outcomes sought for any area, and therefore while it would make sense to have the right organisation undertaking any work on behalf of themselves and other providers in a neighbourhood, the LA should be in the lead for agreeing how funding should be spent.
33 Do you agree with the features and principles we have set out here for a modernised regulation framework?	We are broadly in support of the features and principles and the need for a risk based nature of inspection rather than cyclical programme of all local authorities. It is also important to focus more on outcomes for tenants and to be more in line with other related inspection regimes eg SWIA, HMIE.
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?)	<p>We believe it should be as part of the Audit Scotland remit for local authorities. This is more consistent with the Single Outcome Agreement approach.</p> <p>We acknowledge that RSLs are in a different position, and that further discussion is necessary to consider how regulation of RSLs should be arranged.</p> <p>In either case standards should be broadly consistent.</p>

Our Ref RJ/LT
Your Ref

Please ask for Ritchie Johnson
Direct Dial 01224 664425
email ritchie.johnson@aberdeenshire.gov.uk

28 March 2008

Dr Andrew Scott
Head of Social Housing Division
Scottish Government
1HS Victoria Quay
Leith
Edinburgh EH6 6QQ

Dear Dr Scott

Firm Foundations: The Future of Housing in Scotland

Aberdeenshire Council is pleased to respond to the discussion paper. In general terms we believe the discussion paper sets out a range of positive policy directions - noting that prioritising the increased provision of affordable housing is rightly the key issue. Our detailed response is attached to this letter and is in line with the specific questions raised in the paper.

We acknowledge that the paper positively reflects a number of policy areas that have been identified for review or modernisation by parties such as COSLA and others. While our comments are broadly supportive, we feel it is very important to reinforce that should the policy direction set out in the paper be approved, the detail around implementation must be done on a partnership basis. This should be between central and local government and other agencies operating across the housing sector.

We would be pleased to discuss any aspect of our response further and should there be any early opportunities to take forward the implementation of the principles contained in the policy paper we would be very happy to discuss that further with you. We look forward to the outcome of the consultation process and to moving a very challenging housing agenda forward.

Yours sincerely

Cllr Anne Robertson
Leader of Aberdeenshire Council

If you have difficulty reading this document, please contact Linda Thomson on 01224 664085

encs