

Draft Housing (Scotland) Bill consultation

August 2009

Northgate Public Services Response

Introduction

1. Northgate warmly welcomes the publication of the Scottish government's draft housing bill. We agree wholeheartedly that it has never been more important to reinvigorate social housing at a time when the economic downturn is creating unprecedented demand.
2. In our previous response to the government's green paper *Firm Foundations*, we endorsed the government's view that to meet the needs of all in Scotland, housing policy must provide choice and variety - a mix of houses to buy and to rent at affordable prices. This mix is essential for sustainable communities.
3. We agree with the views of COSLA in their response to *Firm Foundations* that social housing must not be the option of a last resort. It should offer opportunities for all who wish to exercise their right to rent at different points in their lives whether they are downsizing, saving to buy their home, or as an option to renting in the private sector.
4. Our response focuses primarily on the government's proposals to modernise the regulation of social housing. We consider the right to buy in the context of the need to ensure a ready supply of affordable social housing in the context of the current downturn. We do not comment on the government's proposals on the governance and financial viability of RSLs.

General comment

5. Modernisation of social housing regulation is long overdue. So we warmly welcome the approach of the Scottish government in a broad sense.
6. Our concerns lie in the failure to address tenant empowerment and involvement currently within the Bill. If social housing is to be the best choice for people at certain points in their lives, it needs to generate universal respect.
7. Promoting the Involvement and engagement of tenants and future tenants should be an integral part of the process of rebuilding public trust in social housing as a sustainable and viable option for housing for the future of Scotland.
8. Our further concerns lie in the failure of the document to address issues of sustainable development and climate change within the context of the Bill. Whilst we are aware of the leading work of the Scottish Government in combating climate change, we believe that it is essential that sustainable development is an objective of the new social housing regulator.
9. The Scottish Government has a unique opportunity to shape the future of social housing to promote community well being and sustainability. A more ambitious approach including the issues raised above could see it achieve a reinvigorated social housing sector helping to deliver thriving communities.

Right to Buy

10. The consultation outlines a package of reforms on the Right to Buy (RTB) including ending RTB on new social housing, for new tenants, and extending and devolving the process of designating pressurised areas. This means that the RTB will only be available to existing tenants within the sector.
11. Whilst we accept that RTB has been popular, resulting in the sale of half a million homes since its introduction, this has to be balanced against the pressure on local authorities and Registered Social Landlords (RSLs) to provide adequate social housing to meet the needs of their local communities at a time of unprecedented demand. In recent years, an increasing number of local authorities have applied for pressurised area status and this is reflective of the pressure placed on them by RTB.
12. We therefore, broadly welcome the Government's proposals to reform RTB at a time when there is a pressing need to reinvigorate social housing. We also believe that it is fair and appropriate to devolve pressure area designation to local authorities who are best placed to make judgements about housing in their areas and to develop policies around RTB based on local need.
13. Whilst we do not believe that there will be significant long term financial impacts on the sector given that house sales peaked in 2003. Many councils have experienced a significant reduction in RTB sales over recent years and are projecting further reductions in future. We also accept that the reforms will help to new council house building and to retain these properties for future generations of tenants.
14. However, it is clear that there will be an impact on capital receipts and this may result in undue pressure on rents, or a failure to invest to meet the Scottish Housing Quality Standard (SHQs) on the part of some RSLs, creating concerns for lenders. Where there is a risk that SHQs are compromised as a result of cash flow problems, we think that it is essential that this is identified as early as possible so that discussions can take place with the new regulator and lenders to ensure that appropriate measures are taken so that the standards are met by 2015, with any additional financial assistance from Government to providers to meet the standards being confined solely to that purpose. (Q.1.1)
15. We think that the definition of new supply social housing contained within the Bill (clause 109) is a clear one. We believe that the safeguard for social housing first let on a Scottish Secure Tenancy after 25 June 2008 is fair. People who take up tenancies in such properties before the start date of section 109 would keep their RTB entitlement over those properties. However, if they move without exercising their RTB and the house is let again after the start date, the new tenant would have no RTB entitlement over that property.
16. We agree with the proposed safeguards for existing tenants so that if their landlord has required them to move to a new supply social house or where they were not notified that they would not have RTB over the new house, they will retain their RTB. (Q.1.2-1.5)
17. We welcome the proposal to exempt all new tenants from the right to buy for reasons stated above. There is protection for tenants of other relevant landlords to retain their modernised RTB and we think this is fair that protection should be given for our armed forces, police and fire officers and others. (Q.1.6-1.7)

Pressured areas (Q.1.8-1.12)

18. We welcome the amendments on pressured areas. We think it makes sense for local authorities to be given a longer time scale for designation so that they can plan in the longer term to address housing need.

19. We believe that the legislation must provide some flexibility for authorities who have chosen the maximum designation to be able to respond to changes in local circumstances. However, the current legislation would provide a suitable model. Under section 61B (8) of the Housing (Scotland) Act 1987 the local authority can currently request that a designation may be amended or revoked by the Scottish Ministers at any time if the local authority propose that they should do so. The local authority must provide reasons for that proposal sufficient to justify the amendment or revocation. If the local authority was given this power, it is essential that the requirement currently to consult with RSLs and tenants is built into the legislation at the time of designation and at the time of amendment or revocation.
20. We also think it makes sense that designation by housing type should be allowed. This will help to ensure that localities get the right mix and offer wider choice. We also think that local authorities should declare their approach to pressured areas in their Local Housing Strategy.

RSLs and extension of ten year suspension

21. We agree that it is consistent with the approach laid down in the consultation that RSLs should be allowed to extend their ten year suspension. It would make sense if an additional criteria was added which would ensure that regard was had to the Local Housing Strategy. (Q. 1.13-1.14)

Modernising regulation

22. We accept that the purpose of modernising regulation must be to: meet tenants' priorities; continually improving performance and value; and command the confidence of public and private investors in social housing. We think also that it should command the confidence of the public as a whole. (Q.2.1-2.2)
23. We welcome the streamlining of regulation. This will help to provide clarity and transparency for the legislation which is focused on an approach which is risk-based, proportionate and targeted at the poorer performers. (Q2.3 -2.4)
24. We agree that a collective term should be used to describe the services provided by council housing and RSLs. We agree that 'social housing' tends to stigmatise those living in it and we propose a term such as 'community housing' or 'community homes' and 'community landlords'. This would highlight the wider role that RSLs play within their community. (Q.2.5-2.6)
25. We welcome the introduction of a housing charter and the inclusive approach to developing it. We believe that this should be as wide as possible and include all those with an interest in providing positive outcomes for social housing. (Q.2.7-2.8)
26. We agree that the regulator should have statutory independence and that it should have a statutory obligation for safeguarding and promoting the interests of tenants and future tenants and of others using, or likely to use, the services of social landlords. We said in our response to *Firm Foundations* that we believe that there was a need to promote tenant empowerment and involvement. And we would like to see these reflected in the statutory objective of the new regulator. (Q.2.9-2.12)
27. We agree that the regulator should report on the value provided by social landlords. Our concern is that there must be streamlining of reporting so that additional reporting burdens are not place on councils and RSLs. The new regulatory regime needs to be comprehensive, consistent, clear, accessible and accountable to citizens and local communities. We agree with the Scottish Government that there needs to be a lighter

touch for regulation involving self regulation, less routine inspection and the use of information to make sound risk assessments and to provide greater accountability to tenants and other relevant stakeholders.

28. For the regulator to operate effectively, we recommended in our response to *Firm Foundations* that providers should be statutorily required to provide information to the regulator which should include:

- level of tenant satisfaction, tenant involvement and choice
- the standard of housing and service provided
- financial projections (for housing associations only)
- average operating costs
- rents (Q. 2.14-2.16)

29. We agree that the current inspection powers should be replaced and that the new provisions that the Government are proposing in respect of inquiries and information provide a satisfactory replacement. (Q. 2.17-2.18)

30. We also welcome the changes in enforcement which will pave the way for a practical and outcomes based approach to enforcement. We believe that the approach is reasonable and welcome the fact that draft guidance would be subject to consultation. (Q.2.19)