

To: Communities, Housing and Planning Policy Board

On: 10 March 2020

Report by: Director of Communities, Housing and Planning Services

Heading: Response to Scottish Government Consultation – “*Housing to 2040, Consultation on outline policy options*”

1. Summary

- 1.1 The Scottish Government published a paper, ‘*Housing to 2040: Consultation on outline policy options*’ in early December 2019 and asked for responses by 28 February 2020.
 - 1.2 The consultation document invites views on the Scottish Government’s draft vision and principles and seeks proposals across a number of areas of housing policy.
 - 1.3 Following this latest consultation, the Scottish Government plans to publish its final vision and route map for 2040 in summer 2020
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2. Recommendations

- 2.1 It is recommended that the Policy Board:
 - i. notes the consultation response which was submitted to the Scottish Government from Renfrewshire Council by the due date of 28 February 2020.
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3. Background

- 3.1 In September 2018, the Scottish Government issued a discussion paper called ‘Housing Beyond 2021’. This discussion paper considered the whole housing system over the period 2021-2040 with the Scottish Government advising contributors that feedback received from the discussion paper would be used to make connections between housing and other policy areas such as health, equalities and climate change etc. Officers from Renfrewshire Council participated in a workshop discussion along with officers from the Scottish Government and housing association partners and feedback was provided to the Scottish Government at the end of November 2018

- 3.2 The Scottish Government went on to publish '*Housing to 2040, A Vision for our Future Homes and Communities*' in July 2019 which set out a draft vision and principles following the initial round of stakeholder engagement. In December 2019, the Government issued a further paper, '*Housing to 2040, Consultation on Outline Policy Options*', inviting responses on the contents of both papers. These documents are available on the Scottish Government's website.
- 3.3 The vision set out in the July paper is structured around four themes and 15 principles. These are listed below. The December 2019 paper includes some additional information relating to the key drivers of change (such as population, health and economic factors) and financial and labour market constraints. The December consultation paper invites views on the draft vision and principles and also policy suggestions in relation to affordability, accessibility, energy efficiency, quality standards and state of repair, and the space around people's homes. A copy of the response which was submitted from Renfrewshire Council by the consultation response deadline of 28 February 2020 is attached to this report (Appendix 1).

HOUSING TO 2040 PRINCIPLES

A WELL-FUNCTIONING HOUSING SYSTEM

PRINCIPLE 1

The housing system should supply high-quality affordable homes for living in, to shift the balance away from the use of homes as a means to store wealth.

PRINCIPLE 2

Government policy (including taxes and subsidies, for example) should promote house price stability, to help underpin Scotland's standard of living and productivity and promote a Fairer Scotland.

PRINCIPLE 3

Everybody should be able to save for the future (as well as be secure in their home and make significant changes to it) whether they rent or own.

PRINCIPLE 4

Housing provision should be informed by whole life economic costs and benefits in the round and help to address inequalities in health, wealth and education.

HIGH QUALITY, SUSTAINABLE HOMES

PRINCIPLE 5

Tenure-neutral space and quality standards for new homes (and existing homes where possible) should be set specifically to improve and protect quality of living and of place.

PRINCIPLE 6

Government policy should promote a greater diversity of home builders and broader availability of land for development to reduce prices and improve building quality.

PRINCIPLE 7

All tenures should apply the same high quality and safety standards and levels of consumer protection.

PRINCIPLE 8

New homes for sale should be built to high standards, defects should be identified and remedied quickly and all owners should be required to maintain the condition of their home.

PRINCIPLE 9

Decisions around the quality, location and utilisation of existing stock and new build should be ambitious in enhancing biodiversity, promoting Scotland's energy security, and be consistent with the target for Scotland's emissions to be net zero carbon by 2045.

SUSTAINABLE COMMUNITIES

PRINCIPLE 10

New housing, and the required community resources, should only be provided where they help to create safer, stronger, attractive, sustainable and integrated communities.

PRINCIPLE 11

Local communities should be empowered to respond to housing need in their area, as part of a coherent regional economic approach (creating and maintaining jobs) and supported by provision of the right infrastructure.

PRINCIPLE 12

Government intervention should help existing and new communities to be physically, digitally, culturally and economically connected within a coherent geographic region; this includes retaining and attracting vibrant communities in areas facing depopulation.

HOMES THAT MEET PEOPLE'S NEEDS

PRINCIPLE 13

Government should ensure that there are affordable housing options across Scotland for households at all income levels.

PRINCIPLE 14

Housing and the housing market should be highly flexible to enable people to meet their changing needs.

PRINCIPLE 15

Everyone has a right to an adequate home.

Implications of the Report

1. **Financial** - None
2. **HR & Organisational Development** – None.

3. **Community/Council Planning –**
Our Renfrewshire is thriving – None.
4. **Legal –** None.
5. **Property/Assets –** None.
6. **Information Technology –** None.
7. **Equality & Human Rights -**
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety –** None
9. **Procurement –** None.
10. **Risk –** None.
11. **Privacy Impact –** None.
12. **COSLA Policy Position –** Not applicable.
13. **Climate Risk -** None

Background Papers

- (a) None
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FC/LM
18 February 2020

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RESPONDENT INFORMATION FORM



Scottish Government
Riaghaltas na h-Alba
gov.scot

Please Note this form **must** be completed and returned with your response.

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

Renfrewshire Council

Phone number

0141 618 6259

Address

Strategy & Place Team, Communities, Housing and Planning Services, Renfrewshire Council,
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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

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 Scottish Government to contact you again in relation to this consultation exercise?

- Yes
 No

GUIDELINE QUESTIONS

Q1	<p>Earlier this year we published our draft vision and principles. A short and longer version are available here: www.gov.scot/housing2040. Do you have any comments on the draft vision and principles?</p> <p><i>Please be specific and identify what you would change and why.</i></p>
	<ul style="list-style-type: none"> ▪ We strongly agree with the view set out in 'Housing to 2040' that housing has a vital role to play in tackling poverty and homelessness, promoting inclusive growth and addressing climate change. ▪ We think that investment in housing should be seen in this context, providing significant benefits across a number of different policy areas beyond housing. These benefits are captured at Principle 4, with respect to new housing. However, we think that investment in improving the standard of existing housing across all tenures also delivers significant benefits in terms of tackling inequality and improving health and education. ▪ We agree that the vision for housing should be ambitious and aspirational. ▪ The July 2019 paper sets out a vision for housing to 2040 and key principles, organised around four themes: <ul style="list-style-type: none"> ○ a well-functioning housing system ○ high quality sustainable homes ○ sustainable communities ○ homes that meet people's needs. <p>In general terms, these themes and principles are helpful in providing a focus for policy development and prioritisation.</p> ▪ Principles 1 and 2 stress the importance of high quality affordable housing for people to live in, rather than for commercial return and asset growth. Principle 2 could perhaps more strongly focus on the benefits of house price stability in terms of life-outcomes for households, rather than reduced pressure on wages. ▪ Principle 8 correctly stresses the importance of ensuring owners maintain the condition of new homes, including outside space and common areas. However, greater attention should be given to ensuring that owners of existing properties adequately maintain their properties.

	<ul style="list-style-type: none"> ▪ While it is acknowledged that assistance is given through the provision of social rented housing and assistance with housing costs on the basis of need, the wording of principle 13 could be improved to recognise the importance of households across all income groups being able to exercise choice.
Q2	<p>Do you have any comments on the scenarios and resilience of the route map or constraints?</p> <p><i>These are set out in sections 3 and 4 of Annex C.</i></p>
	<ul style="list-style-type: none"> ▪ Sections 3 and 4 set out the main drivers for change and constraints (financial and labour market) that affect delivery of a whole-system approach post 2021. We have no comments on these sections. ▪ Funding remains a core concern for local authorities and partners. At present there is no information available about future subsidy levels post 2021 and this is creating a great deal of uncertainty in the system. There is currently a great deal of momentum in the system as councils, RSLs and private sector partners focus on successful delivery of 2021 newbuild targets. However, there is an urgent need for clarity on the position post March 2021 if we are to avoid a loss of programme capacity.
<p><i>For questions 3 to 7 below, when making proposals, please be as specific as you can about:</i></p> <ul style="list-style-type: none"> • Who needs to make it happen and what type of action is required? E.g. facilitation, regulatory, financial, infrastructure, training etc. • How much it costs and who will pay? • Who is needed to do the work (workforce)? • How long the proposal would take to implement and whether it is a temporary or permanent measure? • When in the period 2021 to 2040 should it begin and does anything need to be done first? • Who will benefit (who is it for)? And who might lose out and how could this be mitigated? (Think about equality groups and different types of organisation and geography and the impact on the wider community.) 	

<ul style="list-style-type: none"> • How does it help deliver the draft vision? Does it align with the draft principles? <p>We recognise you may not be able to answer all of these questions – please do not let that put you off responding to us with your proposals.</p>	
<p>Q3</p>	<p>Do you have any proposals that would increase the affordability of housing in the future?</p>
	<ul style="list-style-type: none"> ▪ Maintaining a rolling programme for the ongoing delivery of newbuild affordable housing is crucial to the future affordability of housing. To support this, Resource Planning Assumptions (RPAs) several years into the future are needed to facilitate long term planning by councils and RSL partners. Clarification on future funding would allow Councils and developing RSLs to produce realistic development programmes and plan for the longer term. Lead-in times, development staff capacity, construction workforce capacity and private finance could all become issues if there was a significant reduction in financial support for new build affordable development. ▪ Newbuild social rented provision should continue to be prioritised over other affordable tenures as this tenure is the most accessible affordable option for people in housing need. Whilst it is acknowledged that other tenure options may require less subsidy per unit to deliver, social rented housing provides high quality housing that meets the needs of the lowest income and most vulnerable groups whilst also providing benefits across wider society. Other affordable products such as low-cost home ownership and Mid-Market Rent promote tenure choice, however these options will be out of reach for households in the lowest income groups. The recently published Joseph Rowntree Foundation report, 'Poverty in Scotland 2019', stresses the importance of housing supply and rents in the social rented sector in tackling poverty. ▪ The benefits of housing investment across the full range of public policy agendas such as health improvement, economic development, educational attainment, tackling homelessness and meeting particular needs should be taken into account alongside the financial cost of providing affordable housing. Investment in good quality, affordable housing brings wider benefits and can help to reduce financial pressures and challenges in other public policy areas in the longer term.

	<ul style="list-style-type: none"> ▪ Options should be considered for raising additional resources for affordable housing from volume housebuilding where this is generating significant profit from private residential development focused on the delivery of larger detached homes outwith the reach of lower income households.
<p>Q4</p>	<p>Do you have any proposals that would increase the accessibility and/or functionality of existing and new housing (for example, for older and disabled people)?</p>
	<ul style="list-style-type: none"> ▪ There should be continued support for the provision of both accessible and purpose-built accommodation through the affordable housing supply programme. Funding for particular needs housing is essential in the period to 2040 in order to meet increasing demand from an ageing population and to ensure there is choice in terms of property type and location. ▪ Ongoing provision of accessible housing within the affordable newbuild supply programme is essential, as the private sector is unlikely to develop appropriate housing on the scale required. This needs to be planned in partnership with Health and Social Care Partnerships at a local level, with appropriate funding available to support ongoing revenue requirements where appropriate, as well as the capital cost of providing suitable housing ▪ Best use should be made of existing stock through financial support for the reconfiguration and comprehensive improvement of properties to better meet current and future need. Reconfiguration of existing dwellings can be expensive with older buildings required to meet current building regulations and standards; therefore, any programme of scale would require clear and stable funding support. ▪ Lifetime flexible homes and peer living developments that can adapt to meet people’s changing needs over time should be supported. Such developments can assist in creating supportive and cohesive communities and provide affordable and accessible accommodation that meets the needs of both current and future older generations. These types of development are in line with the health and wellbeing agenda with the Council, housing association partners and Health and Social Care Partnership all keen to promote such developments moving forward.

	<ul style="list-style-type: none"> ▪ New technology should be incorporated into newbuild affordable homes with connectivity and assistive technologies used to help meet the needs of tenants with particular needs. Consideration could be given to the provision of an enhanced subsidy rate, similar to the 'Greener Standard,' for enhanced technology units and technology companies should be encouraged to assist in developing innovative and cost-efficient approaches. ▪ The guidance on Housing for Varying Need should be updated.
Q5	Do you have any proposals that would help us respond to the global climate emergency by increasing the energy efficiency and warmth and lowering the carbon emissions of existing and new housing?
	<ul style="list-style-type: none"> ▪ The majority of newbuild affordable housing in Renfrewshire will be delivered to greener standard through the use of a range of energy saving measures such as PV solar panels to allow for the heating of water etc. ▪ Principle 9 in the 'Housing to 2040' paper highlights the scale of the challenge which includes addressing the energy efficiency of existing housing as well as new supply housing. While there is a need for greater innovation in terms of techniques and materials to deliver higher levels of energy efficiency, owners, social landlords and builders need to be confident that new approaches are reliable (as opposed to 'experimental') as well as affordable and capable of delivering the anticipated benefits. Ideally, measures should focus on achieving much higher levels of airtightness, but at the moment capital costs can still be prohibitive.
Q6	Do you have any proposals that would improve the quality, standards and state of repair of existing and new housing?
	<ul style="list-style-type: none"> ▪ Regulation of the private rented sector currently relies on a light touch system of registration. Consideration should be given to a stricter system of regulation which takes account of the characteristics and condition of the property being let rather than just the 'fit and proper' person test which currently applies to the landlord.

- In order to address issues relating to the physical condition and maintenance of private and mixed tenure housing, options for making the appointment and retention of a factor mandatory in mixed tenure blocks should be considered.
- Provision could be made in law for the establishment of sinking funds in mixed ownership blocks. This could include a requirement for landlords to pay a proportion of rental income (eg a set percentage of rental income collected) into a government backed scheme. These funds would then be drawn upon by the factor to support the ongoing maintenance of properties.
- Support should be provided to social landlords to acquire private sector properties within mixed tenure blocks to help improve stock condition, add to the supply of affordable housing and address challenges progressing common works. At present, there is some scope for such an approach within the affordable housing supply programme, with grant funding used to supplement the acquiring organisation's own finances. However, there would be benefit in developing a specific initiative, with clearly defined qualification criteria to ensure that such properties represent value for money and that repairs bring properties up to an appropriate standard.
- Property condition in the social rented sector has improved in recent years through the completion of the Scottish Housing Quality Standard (SHQS) and will improve further through EESCH in the coming years. However much of the affordable stock is ageing with a lot of tenemental stock now 70 to 100+ years old. The lifespan of such properties is not infinite, even with investment and some regard must be given to future re-provisioning requirements to replace this stock in the coming decades. Planning for this is made more difficult by the dispersed pattern of Right to Buy sales over the last four decades, pepper-potted throughout geographic areas and within blocks of social rented housing. These private properties, many of which now form part of a growing private rented sector, represent a significant constraint in terms of planning for future re-provisioning. Private rented properties also represent a considerable constraint where retention and comprehensive improvement is otherwise a viable option for social landlords, with private landlords often focusing on maximising revenue income potential rather than longer term asset management which requires capital investment and ongoing revenue maintenance.

	<ul style="list-style-type: none"> ▪ Recent legislative changes have promoted improvements in housing standards with improvements in fire safety and energy efficiency. These higher standards should also be applicable to private landlords who in some instances may look at their rental properties as purely investments that generate income. Private landlords should be held to the same health and safety and energy efficiency standards as social landlords. ▪ To help regenerate and sustain communities, financial assistance should be available to enable social landlords to support local communities and local residents to deliver community projects. Linked to this, the Scottish Government could promote a more coordinated approach to grant funding for community growth and development, enabling greater joint working, area coverage and efficiencies through partnership working.
Q7	Do you have any proposals that would improve the space around our homes and promote connected places and vibrant communities?
	<ul style="list-style-type: none"> ▪ Linked to the previous point, greater use could be made of the potential for social landlords to work with and support local communities and residents to deliver community projects. At present social landlords are applying for grant funding separately to fund a range of activities. Collective working between social landlords could make better use of available resources. A big challenge facing social landlords is the requirement to match fund, with social landlords using their own resources from rental income to support communities in areas beyond core housing services.
Q8	Any other comments?
	<ul style="list-style-type: none"> ▪ Getting some certainty on the future funding arrangements for the delivery of new supply affordable housing beyond March 2021 is a key and immediate concern. This is essential to allow the Council and RSL partners to plan for the future, through delivery of a rolling development programme that meets identified housing need. ▪ A long-term financial view would allow a rolling programme to run through 2021 to 2040 with developers able to plan ahead efficiently whilst ensuring that the right staff base is in place with the right skills to deliver these homes.

- The current Renfrewshire Strategic Housing Investment Plan 2020/21 – 2024/25 already has an ambitious new build programme in place to deliver a range of general and particular needs homes across Renfrewshire. However, this programme is only deliverable if grant funding levels from the Scottish Government are maintained
- Delivery of the Strategic Housing Investment Plan benefits all of society through the creation of communities with attractive high quality homes that are energy efficient and meet peoples housing needs and aspirations. These homes will provide high quality housing for households not in a position to access market housing, including people who need accessible or specially designed/ adapted housing.
- The current disparity in grant subsidy rates for social rented housing (£72,000 benchmark for RSLs and £59,000 for local authorities) should be removed and parity should be created within the sector. There is no longer any justifiable basis for this differential.
- Opportunities should be reviewed to identify land held in public ownership which could be used for affordable housing.
- Good quality, affordable and accessible housing supports life chances in terms of educational attainment, health improvement and economic development. Suitable housing can help combat social isolation. It supports sustainable communities and helps address inequalities between those that can afford market housing and those who cannot. The development of affordable housing can assist in terms of regeneration, tenure diversification, community cohesion and environmental improvements through the re-use of brownfield and vacant and derelict land.