CIH Briefing: Realising a Better Housing System for Scotland

11 November 2014
1. Introduction

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse and growing membership of more than 22,000 people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: www.cih.org

2. Background

This paper is being published ahead of the Scottish Government’s Autumn Housing conference on 18th November 2014 which we recognise as an important opportunity to reassert the importance of getting housing and related public policy right for the best interests of everyone living in Scotland.

The briefing document seeks to stimulate debate amongst housing professionals in Scotland at a time of incredible challenge, opportunity and change. It outlines what we see as the key questions which need to be addressed in order to deliver a better housing system for Scotland.

3. Our Vision and Key Principles

Our diagram below illustrates the key elements required to deliver the CIH’s strategic vision of “a housing system that works for everyone”. We would want to see any review of Scottish Government housing or related public policy aligning itself with these broad objectives.
In our view, the delivery of ‘a housing system that works for everyone’ is centred upon the three key strands outlined above. However, there are some difficult questions which need to be asked in each case:

1. **Housing Supply:** We want there to be enough good quality homes to meet the needs of our growing population and to support economic growth. Achieving this objective means ensuring that:

   - **Enough new homes are built to meet need.** How robust is our understanding of housing need in Scotland today? How can we properly plan for and deliver the housing Scotland needs without an accurate national assessment of housing need and demand? Is there also an argument for a national housing strategy to ensure we have the right housing in the right areas?

   - **All homes are of a good physical standard and are environmentally sustainable.** Warm, safe homes mean happier, healthier people – improving energy efficiency in peoples’ homes makes sense from various perspectives, but how can we incentivise more of that investment to take place?
The supply of homes takes account of our changing population and local circumstances. To meet that demographic challenges ahead, housing providers need to be properly engaged with the new integrated health and social care authorities – but we also need to see investment in the ‘spend to save’ message. How can we ensure that housing is given enough focus in the health and social care integration agenda? And how do we build up evidence that supports the message that spending on preventative measures will save money in the long term?

2. Affordability and welfare: Everyone should be able to afford a home which meets their needs. Realising this objective would mean:

- There are a range of housing options available at different prices to cater for people with a range of incomes. Affordability continues to be a hot issue across all parts of the housing sector, with some limited demand-side interventions in the home ownership sector helping a limited number of people. We need a step-change in terms of investment in new affordable housing supply, which in an era of economic challenge requires innovation. Do we need a greater emphasis on private renting as a legitimate secure housing option? How can we achieve the long term stability and certainty over funding needed to allow affordable housing providers and their partners to plan as effectively as possible?

- Everyone is able to afford to live in their home and maintain a decent standard of living. To what extent will the rising cost of living continue to push more people into fuel and food poverty? Is there more that can be done to offset some of these rising costs via investing in energy efficiency measures and community renewables? To what extent should social housing providers have a broader role in terms of affordability – for example, ensuring tenants are not digitally or financially excluded, helping tenants to increase their skill levels and employability?

- The welfare system enables everyone to afford to live in a home which is right for their needs. Will the current welfare reforms being undertaken by the UK Government deliver the housing costs support that Scotland’s landlords and their tenants need? If not, might the devolution of further powers relating to welfare help or hinder Scotland in delivering this objective?

3. More than bricks and mortar: Good housing helps people live well, enjoy better health and achieve their full potential. Achieving this objective would mean the following objectives would need to be realised:

- People are given the help that they need to find and sustain a suitable home. The Scottish Government is promoting the use of housing options to
prevent homelessness and help people find the right home for their circumstances. However, a recent report from the Scottish Housing Regulator suggested that the delivery of housing options is inconsistent and highlighted the need for national guidance to help local authorities provide the best possible service to customers. Is the housing options approach working given the severe lack of affordable housing? Is the PRS a realistic option at present or does more need to be done to reform the PRS and increase security for renters?

- **People are supported to live independent and healthy lives at home.** Housing providers must have proper engagement with the proposed new integrated health and social care authorities in order to deliver more effective and higher quality outcomes for individuals. This principle requires recognition that spending to provide preventative services is more effective than waiting until more expensive crisis intervention is needed. How do we change the balance of funding from crisis spending to preventative work? Is there more that we can do to support the development of informal support networks which help to reduce isolation and promote healthy, active social lives?

- **People live in strong, cohesive communities which enable them to achieve their potential.** Developing strong communities requires close partnership working between local authorities, developers, third sector organisations and local residents. It is well recognised that communities are most successful when local people can get involved in the decisions that affect them. However, some groups will find it much easier to engage with the system or to secure funding for projects than others who may lack the knowledge, skills or motivation to take part. How can we encourage more people to get involved in local decision making and community projects? How much impact will the Community Empowerment Bill have?

4. More powers for a better housing system?

In the current context of the post-referendum environment, the question remains as to whether Scotland requires further devolution of powers in order to realise the ambition of delivering a better, more functional housing system for Scotland.

In our recent submission to the Smith Commission on devolution of further powers to Scotland, we called for the Commission to transfer various relevant additional powers which would help realise our vision of “a housing system that works for everyone”.


In our submission, we said that we believe there is a positive case for granting Scotland a range of further fiscal, borrowing, welfare and energy market powers which, when put together with existing devolved powers, could enhance the operation of the Scottish housing system and take us closer to that stated objective.

In our view, further devolution of selected fiscal, welfare and energy market powers to Scotland would build on existing powers on housing policy and housing investment, and enable Scotland to have a social security policy that complements its own devolved housing policy priorities and a tax policy that enables and supports a successful housing market.

5. Concluding thoughts

The Scottish Government Autumn Housing Conference represents a signal opportunity for key stakeholders to contribute to a review of Scottish Government policy and priorities around housing.

While this is taking place at a time of considerable political uncertainty and economic challenge, there is good reason to hope that this review process will result in the articulation of a set of priorities which are better tailored to the delivery of a better housing system in Scotland. We hope this discussion document assists not only Scottish Government but all Scottish housing professionals in realising ‘a housing system that works for everyone’.

5. Further information

For further information or any queries on this briefing please contact: David Ogilvie, CIH Scotland, Head of Policy & Public Affairs - david.ogilvie@cih.org