Chartered
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Scotland

Housing to 2040: Consultation workshop feedback
December 2019

1. Introduction

1.1 Between October 2019 and November 2019, we ran three consultation workshops with CIH members and other stakeholders to gather feedback on the Scottish Government's draft vision on Housing to 2040. This report provides a short summary of the key themes that emerged from these discussions.

2. Affordability and Cost

2.1 Affordability and cost emerged as a key theme across the three workshops. This was in relation to affordability for tenants, but also costs for providers including building new homes and maintaining and improving existing homes.

Affordability for tenants

2.2 There were calls for the definition of affordable housing to be revisited, with reference to income. Some participants suggested that rents should be calculated in relation to the living wage rates or be capped at a maximum of 30 percent of household income. It was felt that the sector needs to work more efficiently in order to keep rents affordable.

2.3 It was pointed out that affordable does not necessarily mean reasonable, therefore, we should be cautious as to how we apply the term 'affordable'. Some attendees thought there was a need for further rent controls to be applied to the Private Rented Sector (PRS).

Existing housing stock

2.4 Some felt that the focus on affordable housing supply in recent years has been at the expense of our existing homes and that we need to do more to ensure our existing homes are fit for purpose. Attendees also discussed the tension between keeping rents affordable and the expectations of higher rates of investment in existing homes.

Specifically, in relation to social landlords, attendees noted there are challenges in trying to balance calls from the Scottish Housing Regulator (SHR) to keep rents affordable alongside requirements to invest in fire safety and energy efficiency.

Construction

2.5   While the benefits of developing derelict and vacant land were acknowledged, it was also pointed out that building on brownfield sites can be more expensive. To prevent inflated costs, it was suggested that the cost of land needs to be addressed.

2.6   As a sector we need to reconceptualise the cost of housing. Instead of thinking about the upfront cost of building, we should focus on how investing in housing can save in areas such as health and social care and reducing fuel poverty. There was a suggestion to build up an evidence base through social return on investment (SROI) studies.

3.   Adaptations

3.1   There was strong support for greater investment in adaptations to ensure that homes meet peoples' needs. This section will discuss the positives of building more accessible homes that can be adapted over time and some of the challenges.

Benefits of adaptations

3.2   It was noted that while it was more costly to build homes that are more accessible and can be adapted over time, the upfront investment would likely result in longer term savings. Homes that have not been built to a higher standard will be more costly or difficult to adapt at a later date and may cause more disruption to the household. It was also noted that building homes to more accessible standards will benefit everyone, not just older people and people with mobility issues.

3.3   It was observed that we are building homes for our needs now, without consideration of the future needs of the population e.g. physical and environmental needs. There was strong support for the planning system to require higher standards of accessibility for new build homes across all tenures.

3.4   Some also pointed out that building small homes or converting rooms into bedrooms for maximum profit is having a negative impact on social and mental wellbeing. Not enough consideration is given to the need for social space (for children to play and do homework and for families to eat together).

Challenges to adaptions

3.5   Attendees noted considerable challenges when discussing the prospect of adapting existing homes for future needs. It was noted that the budget for adaptations has been static for several years and is not ringfenced, therefore it could be vulnerable to cuts.

3.6   It was also noted that tenants renting privately often struggle to get the adaptations they need. Attendees spoke about adaptations being refused by private landlords or the tenant having to pay a large deposit so that the property could be reinstated when they leave.

4.   Future Approaches

4.1   This section covers what attendees felt needed to change within the system to provide more investment in housing, along with high quality, sustainable stock that is capable of addressing the future needs of the population.

Financial

4.2   There is a lack of certainty over the affordable housing supply programme beyond 2021 which means social landlords are unable to plan for future developments. It was also unclear where the funding for implementing Energy Efficiency Standards for Social Housing 2 (EESSH 2) would come from. There needs to be more clarity around future budgets, and we need to achieve a cross-party consensus to ensure longer-term investment.

4.3   Attendees also felt we need to emphasise the links between housing and health and break down funding silos. There is growing evidence that investing in housing has a positive impact on health outcomes and therefore health budgets should be used to support preventative spend in the housing sector.

4.4   Regarding taxation, it was suggested by attendees that one way to break the link between housing and wealth was to re-examine Capital Gains Tax (CGT). However, the power for this is currently reserved. There also needs to be more flexible funding for self-building.

Different tenure types

4.5   There were several suggestions to encourage different tenure types and types of accommodation. For instance, increasing Mid-Market Rent (MMR), co-housing and shared tenancies. It was felt this could aid people being matched between the social sector and the PRS.

Maintaining existing stock

4.6   It was also acknowledged that some buildings are harder to repair, maintain and improve e.g. sandstone tenements. We also have a skills shortage within Scotland to cater to more

unusual housing types or more modern construction and maintenance methods. Mixed tenure tenements were also thought to create problems with repairing or improving properties, as some occupiers may not be able to afford, or refuse to agree to work being carried out.

4.7   Regarding the use of technology, it was noted that there is a lot of technology and variations that are in the market, therefore it can be difficult to choose the most suitable one. There is also an issue with training, as often it is up to contractors to provide this and attendees reported there is little government support. They further stated it can be difficult to cope with learning about new technology on top of existing workloads and substantial fears of getting it wrong which prompted the question – is the housing sector too risk averse?

Increasing supply

4.9   There was support for increasing the supply of housing across all tenures. While the Scottish Government's 50,000 homes target has facilitated large-scale building, some pointed out that it can be difficult to provide homes in smaller, rural communities, and find people in these areas to undertake the construction.

4.10   It was suggested that larger Registered Social Landlords (RSLs) may continue to build even if subsidy rates were reduced in future but that smaller RSLs would struggle or have to stop developing altogether. Therefore, we need to consider more partnership working between RSLs of varying sizes to ensure housing provision is maximised across the country.

4.11   Collective procurement within the social housing sector could also help to bring down the cost of building new homes or potentially lead to better quality homes within existing benchmark levels e.g. incorporating better energy efficiency standards or even PassivHaus standards.

State and Local Government Involvement

4.12   It was suggested that the Scottish Government could provide broad goals for the housing sector and that these could be tailored to suit local priorities. At local government level, it was felt that local authorities should be encouraged to take on the role of facilitators e.g. by employing skilled staff such as architects, who have local knowledge and can support small developments or build projects.

4.13   We should consider implementing a quality requirement when PRS or owner-occupier housing is given grant subsidies to carry out adaptations.

4.14   There is a lack of clarity from the Scottish Government about future minimum standards for energy efficiency and the planned move away from fossil fuels to renewable energy. For example, some social landlords are unsure as to whether they should still be replacing gas boilers or looking at other technologies. There is even less information for homeowners.

5. Sustainable communities

5.1   As well as new housing, the need to build communities was also discussed. Alongside this we need to formulate and develop infrastructure, e.g. transport links, GP surgeries, schools etc. We need to change the mindset of the public and have houses viewed as homes, not as a place to store wealth.

5.2   Communities need to be designed to encourage people to stay active – it was thought that there is a particular lack of facilities for children and young people and that there should be stricter requirements when planning new developments.

5.3   Green spaces can be costly to maintain but clever design can help and longer-term costs should be considered from the start. It was also suggested that we need to place more emphasis on the benefits of creating sustainable outdoor spaces as well as just the cost. Poor planning of outdoor spaces can actually damage the environment and cost more in the long run e.g. the loss of green spaces preventing rainwater from draining property and increasing risk of flooding in urban areas.

6. Technology and connectivity

6.1   We discussed the potential positive role of new technology in housing both in terms of carrying out more efficient maintenance and in supporting people's health and wellbeing. However, there were come reservations about how data could and should be used and the fact that technology should not replace human contact for people who may already have limited contact with social networks. The idea of a 'Code of Ethics' for landlords using technology was suggested.

6.2   There are some examples of very high-tech housing demonstrating what the 'homes of the future' could look like but too many people are still lacking the most basic resources such as access to the internet. We need to prioritise connectivity for all. It was suggested that this could be included in tenants' rent (better deals could be achieved through collective bargaining power) or as a service to everyone paid for through Council Tax. Another suggestion was for more wireless internet access to address issues with individual homes or buildings needing to be connected.