APSE Conference
Peebles Hydro

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Housing and Technical Resources
From “Firm Foundations” to Sustainable Communities

Local Authorities’ Response to “Firm Foundations”
Key Elements of Firm Foundations

- Increasing supply of affordable housing
- Help for first time buyers
- Greater role for private rented sector
- New role for social housing
- Improved standards in response to climate change / sustainability challenge
- New role for Local Authorities (strategic and managerial)
Housing Supply Issues: Firm Foundations Proposals

- Increase housing output target: from 25,000 to 35,000 per year
- Local Authorities to co-operate regionally, i.e. set targets, and deliver programmes
- Higher environmental standards (zero carbon homes)
- Range of new Planning Guidance (an assessment of need, LHS, development plans)
- New national ‘advice’ agency
Housing Supply Issues: Local Authorities’ Response (1)

- Target welcome but no information on how it was derived, and no tenure / sector breakdown
- Lack of regional co-operation by LAs not a major problem especially regarding social rented sector (and structure plans already do for o/o)
- HMAs different for o/o v renting
- Helpful guidance always welcome (LHS good example) but the better LAs already have a clear analysis of housing needs and demands in their areas (resources and infrastructure constraints more likely to be the problem)
Housing Supply Issues: Local Authorities’ Response (2)

- Specialist national function could help achieve consistency (but some see as perpetuation of Communities Scotland!), but must not be paternalistic
- Accelerate land release – penalise landbanking?
- Need better joint working between housing (LHS) and planning (local / structure plans) professionals
- Give LAs more flexibility (entrepreneurship)
- SLC example of NHP – 1,000 new homes for rent / sale (£9m grant = £60m programme)
Help for First Time Buyers

- Low cost initiatives for first time buyers (LIFT) to help c1,800pa
- Housing Support Fund to lever in private finance (equity sharing)
- £2,000 grant for first time buyers?
- Encourage private sector to provide unsubsidised (but affordable) starter homes for sale

LA View: all have potential role but essentially limited (niche) market? HSF perhaps most potential
Encourage Growth of Private Rented Sector (PRS)

- Vision of expanded vibrant, high quality sector with improved standards and reputation
- View that local authorities should work much closer with PRS (leasing?)
- Increased role for PRS in housing homeless people (landlord accreditation vital)

LA View: Role for PRS but concerns re standards, security of tenure, costs, value for money
Does Social Housing have a Future?

- Firm Foundations says yes! (though issues with demographic change of client base and - in some cases – poor standard of service)
- Issues too with costs of NB social housing over last few years (too high v England)
- Government to support LAs as social LLs by
  - Ending Right to Buy for new social housing
  - Incentives for new council house building (through prudential borrowing on competitive basis)
- Changes to RSL procurement methods too (not universally welcomed!)
Local Authority Response: Should Councils Build Again?

Depends!

Essentially decision governed by

- Local Housing Needs Analysis (LHS)
- Strength of HRA (PBR) though subsidy possible?
- Presence of other providers (CS)
- Opportunities (land availability)
- Regeneration Requirements
- Not about ‘name above the door’!
Increasing Choice and Variety in Existing Stock

- Aim: social housing to go “up market”
- Role for mid market (i.e. higher) rent developments for higher income groups (below cost of owner occupation but above housing benefit?)
- Landlords to have flexibility to convert stock to MMR (or sell on open market)
- Subsidies for social housing to private developers?
- Further review of Right to Buy – LAs to vary?
Local Authority View: Will Proposals to Increase Choice and Variety Work?

- Not clear that a ‘mid market’ clientele actually exists!
- Economic rent likely to equate to cost of owner occupation (but without perceived benefits of the latter) i.e. shared equity may be preferable
- How are housing benefit recipients to be “constrained out” of MMR schemes?
- Subsidies to private sector ok if conditions met (VFM – lower cost for same standards, security of tenure, R&I)
- Greater flexibility in RTB welcome (LHS should govern)
Improving the Quality of Existing Housing

- Commitment to SHQS remains
- Where landlords can’t meet SHQS, should consider
  - Stock transfer (if tenants support)
  - If no stock transfer, LAs “must identify alternative means of acquiring capacity and resources to achieve compliance”!
  - ALMOs an option where Scottish Government financial support may be available (but only if landlords’ performance improves)
Local Authority View on Proposals to Improve Quality

- Agreement that SHQS a good thing (especially for tenants)
- Stock transfers have almost certainly run their course in Scotland
- ALMO ‘rules’ not clear (ballot still required?), funding still public sector balance sheet so why not fund Councils – subject to performance improvement?
- Financial resources for stock improvement likely to remain the key issue
Promoting Better Neighbourhoods

- Key aim is to “encourage social landlords and other stakeholders to work together in tackling neighbourhood problems”
- “Quality of place” critical

LA View:
- Not just public space issue – Comprehensive Neighbourhood Management Plans vital to join up actions on housing, health, education, employment, crime, quality of local services etc
- These plans need some status – case for statutory NMPs to cover “worst 15%”? 
Whitehill, Hamilton: A Brief Case Study in Neighbourhood Management and Regeneration
Critical Success Factors (1)

- £40 million investment
- Diverse and improved housing choice – including market established for sale
- Waiting list for rented stock – 600 waiting list
- Police report crime levels down significantly
- Improved local service delivery and uptake - health, crèche, training, Police, youth services, library, IT suite
- Buses back in the area
- Improved quality of life & satisfaction
Critical Success Factors (2)

- Consulting/involving the local community
- Partnership approach from the outset
- Early major physical changes
- Tackling anti social behaviour
- Mixed funding - CS; BNSF; private sector; CRF; ERDF; SLC
- Establishment of local Board
- Linking strategies, plans and services
What do the people think?

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<thead>
<tr>
<th></th>
<th>2003 Baseline</th>
<th>2005 Baseline</th>
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<tbody>
<tr>
<td>Drug Misuse</td>
<td>75%</td>
<td>34%</td>
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<tr>
<td>Vandalism/Graffiti</td>
<td>65%</td>
<td>8%</td>
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<tr>
<td>Drinking in public</td>
<td>72%</td>
<td>19%</td>
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<tr>
<td>Threatening behaviour</td>
<td>28%</td>
<td>5%</td>
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<tr>
<td>Gangs /territorialism</td>
<td>32%</td>
<td>4%</td>
</tr>
<tr>
<td>Illegal dumping of waste</td>
<td>27%</td>
<td>4%</td>
</tr>
<tr>
<td>Rating of Area</td>
<td>59%</td>
<td>85%</td>
</tr>
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Summary

The ‘Verdict’ on Firm Foundations?

• A good start, and going in the right direction
• If it does signify a new and productive relationship between local and central (Scottish) Government then to be welcomed