

Shelter event – Housing Scotland: Setting the agenda 2007-2011

Future role for social housing

Good afternoon colleagues. I'm extremely pleased to be with you at this event.

I've been asked to talk about the future role of social housing and why this is particularly pressing just now.

This morning Archie set out many of the challenges of moving toward the 2012 homelessness target; a target that we must not allow to get lost in the change of administration. I would urge the new Scottish Executive to publicly recommit itself to delivering on this target and to working with the whole sector to ensure that it does happen.

The 2012 target is hugely important, indeed is internationally groundbreaking. But the target does pose serious challenges for us all. Challenges about how we meet housing needs, support requirements and personal sustainability issues – by which I mean skills, training, employment, and income generation – the things that allow people to succeed in life. In meeting the needs of homeless households we have to ensure that we are also able to help build mixed and sustainable communities. However the ability to create mixed and sustainable communities is partly what is driving the current focus on the future role of the sector.

This morning we also heard about the case for more affordable housing and tackling the affordable housing crisis. Supply issues are clearly important and Shelter, SFHA, CoSLA, SCSH, along with the CIH, made a case for at least 30,000 affordable homes to rent over the next 3 years in our joint manifesto: ***Housing Scotland: Planning for a better future.***

30,000 new homes are needed to meet the needs of those who want affordable rented housing. At the same time we need to provide affordable homes through low cost home ownership initiatives. People need real choice and real options for renting and owning – we have to provide far more flexible options for people. Tenure and choice are other issues driving the future of the sector debate.

Another issue driving the discussion is who the sector is housing. We all know that the sector is smaller than it was and that it's not housing the same groups of people it once did. At the same time we know that areas of deprivation in Scotland are generally areas where there is a concentration of social housing. These processes are not new but maybe we've been so busy implementing the raft of legislation since the inception of Scotland's Parliament that we've not done enough to consider just where the sector is going – and – more importantly how we want the sector to go.

Future for social housing

So we are in the middle of a debate about the future of social housing and there are three main pieces of work in this area:

- The discussion paper *The future for social renting in Scotland*
- The Hills Review *Ends and means: The future role of social housing in England*
- The Scottish Executive's internal review of social housing.

So what have they found?

Newhaven

The discussion paper *The future for social renting in Scotland* was commissioned from Newhaven Research by the CIH in Scotland. It was published in November 2006 and set out to look at how the social rented sector in Scotland is evolving, what the socio-economic profile of social renting looks like, the factors driving change, considered some of the implications for social landlords and outlined what the sector may look like if no action is taken.

It suggests that the overall trend in demand for social rented housing is likely to be downward in the future (and this mirrors the situation in other Western European countries). The absolute number of social rented houses will continue to decline and the sector will account for a smaller proportion of the total housing stock by tenure. The profile of who is in the sector is becoming less reflective of society as a whole and this will continue. The changing demand pattern is demand generally from people on low incomes and with some support needs.

The demands of the homelessness legislation and demand from workers from other EU countries may **add** to the demand for social rented housing in the short term but longer term falling demands trends could well persist.

However, if nothing is done, the prediction **is** a smaller sector, with falling demand that will house a disproportionate amount of poorer, mainly single people with support needs and the subsequent challenges this will pose for delivering mixed and sustainable communities. We need to ask ourselves is this the sector we want in the future – and if not, what can we do about it?

Hills

At the same time as the Newhaven work was being conducted Ruth Kelly, Secretary State for Communities and Local Government, commissioned Professor John Hills of the London School of Economics to conduct a review of the sector in England. He was charged with considering the challenges the sector is facing or should be addressing and the options for tackling these. He took as his starting point the premise that social housing should deliver affordability, quality, mix and social mobility. His review, *Ends and means: The future role of*

social housing in England, was published in February 2007 with the intention of starting a wider debate.

Hills' review suggests that the sector is good at providing affordable housing but tends to fall down on quality, mix and social mobility. He suggested that more needs to be done to improve service quality and to make it more customer focused. He also suggests that whilst progress is being made toward the Decent Homes Standard there are challenges with fuel poverty, overcrowding, reductions in the physical size of homes and reported dissatisfaction levels amongst tenants. More consideration is needed about how housing can play a role as 'place-makers', and in doing so look at developing a more flexible approach to tenure.

Like Newhaven he noted that social tenants tend to be amongst the poorest people, that social housing tenants were more likely to be out of work and are less likely to move home for job-related reasons. Also there is an increasing polarisation between tenures in terms of income with the poorest in social rented and the more affluent in some form of home ownership

He also raised the issue of whether social housing is or should be a stepping-stone to other options.

Scottish Executive

Running pretty much parallel to these processes has been the Scottish Executive's internal review of social housing. This has been considering three factors:

- Changes in demand for social housing,
- Affordability and quality of social housing *and the*
- Implications of these for sustainable and mixed communities.

The Scottish Executive's review has not yet concluded. It is due to do so in June by reporting to the new Ministers. It is envisaged that a Green Paper or White Paper will emerge from the process once Ministers have seen the review.

All the way through the review the Scottish Executive has said that this is an opportunity for the sector to map out its own future – what it wants to look like in terms of the people it houses, the products it offers and the way it contributes to mixed and sustainable communities. Some of you may have fed into the review through the Scottish Executive's seminar series held with RSLs and local authorities.

Inputting to the Review, responding to the Review and influencing any Green or White Paper that might emerge, are crucial if we want to help determine the future we want. We have to take the opportunity to shape the future. The danger

if we don't is that it'll be either the politicians will determine our future or Newhaven's predictions will come to pass.

What do we want?

Do you want the sector to be in decline? Do you want social housing to be only for the most marginalised in society? Do you want the sector to only act as a safety net or as a stepping stone to something better?

Or, do you think the sector has a role to play in making successful communities that are mixed and sustainable? A sector that seeks to widen its customer base by catering for a range of housing needs and aspirations? A sector that portrays renting as a positive choice with a product and service second to none?

The CIH favours the latter and we'll work hard with the new Scottish Executive to develop the sector's potential.

Choice and options

Social housing organisations can and should provide more than social rented housing. Organisations can provide mid-rent housing to meet the needs of some people on housing lists who stand little or no chance of getting a social rented home. It can provide market rented housing to bring a greater mix of people in areas. It can provide a range of low costs home ownership packages and why not even housing for sale at market rates where there is a need in that community. Some organisations are already doing some of these things – but let's make it so that in the future it will be unusual if organisations do not provide a range of housing options.

Providing affordable rented housing for people in the greatest need should still be a core activity. But it should be supplemented by additional activities that will benefit this core group as well as broadening the customer base. Equally I think the private sector can make a major contribution.

Wider role / social enterprise

Beyond the bricks and mortar – beyond meeting the housing needs of people – there are the wider personal sustainability issues. The sector can have a significant role to play in wider role or social enterprise engagement – by working either directly or with community groups to provide services that target training, skills, education and employment needs. This is a further extension into place making providing the trellis on which the community can grow and thrive.

The CIH believes that social housing doesn't have to be in decline and can play a valuable role for the future.

We have a new Scottish Executive, which I hope will embrace the potential to revitalise housing. But we also have a sector that needs to embrace that potential as well and decide for itself how it wishes to move forward. We all have some important questions to examine:

- Who is social rented housing for?
- What kind of sector do we want – Should social housing be a stepping-stone to other options?
- What do we want the Parliament to do for housing?

Let me give you my starter for ten:

- Renting is a positive choice
- Occupants have a secure tenancy
- Sufficient choice between renting and buying
- Good conditions and high quality service
- Environmentally sustainable
- Residents feel safe, secure and part of a viable community
- Providers fully accountable and tenants have more say
- Suitable for the lifetime of its occupants
- Mixed, sustainable communities
- Contributes to integration and community cohesion.

So what are your thoughts?

Alan Ferguson
Chartered Institute of Housing