

## **The road to 2012: setting out the challenge for the next four years**

**Archie Stoddart, Director, Shelter Scotland**

Almost exactly ten years ago Shelter hosted a very similar event to that being held today. It was immediately after the landmark 1997 election and was billed as giving a platform for the first speech by a Labour housing minister for almost 20 years.

That new minister was Malcolm Chisholm and in his train he brought with him a new advisor, Wendy Alexander who went on to become both his successor and predecessor in the Scottish Executive.

But today is even more historic. Today we meet today as the first ever SNP administration gears up for government. At a personal level, that will mean different things to different people here. A new government always brings both the excitement of a potential fresh approach and the worry over the continuity of existing commitments or successes.

But today is also quite different from 10 years ago. Back in 1997 it is no secret to say that the previous 5 years of administration had been one frustration, by a Government which, in 1992, did not expect to be elected and a Westminster Parliament which gave little time or priority to Scottish issues.

That cannot be said of the period since 1997. One thing I would never accuse the Parliament and Executive of is inaction over housing. It has certainly been a busy time, particularly since 1999, with at least 7 major acts on housing and property law and a whole raft of initiatives to accompany them. Indeed, the most common complaint I hear is that there is too much focus on changing law and policy and too little on delivery.

So it is an interesting time to have a change in Government. There is little appetite for yet further upheaval in housing policy. I believe that the SNP manifesto – sensibly – recognised that. To quote that manifesto:

*“The Scottish Parliament has delivered a raft of legislation to tackle homelessness and improve the quality of Scottish housing. Now it’s time to deliver.”*

I want this morning to build on that theme of delivery. To recognise that we already have many of the policies we need. And to focus on how we make it work for the people who most need our services.

The biggest priority is, of course for new affordable homes. Earlier this year Shelter, along with some of the organisations represented here today, submitted our detailed proposals for this year's Comprehensive Spending Review. In it we called for 10,000 new affordable rented homes to be built each year in the period 2008-11: that's 30,000 in all. This estimate is based on the most detailed and up to date research ever carried out on Scottish housing needs and commissioned by the Scottish Executive. We calculated that the additional cost of this would be £750 million over the 3 years or 0.8% of the total Scottish budget. Less than 1% of the total.

Now 10,000 new homes sounds like a big ask. It certainly exceeds anything that successive governments have managed over the last 30 years. On the other hand, it is only half of the average output since 1945. In other words, in historical terms, it is a very modest ask indeed.

And it is different in other ways too. We are far from the volume building of massive estates that we had in the 1950s to 1970s. We are now talking about smaller scale development almost always as part of mixed tenure estates. And it would do a great deal to add substance to the sound-bite of mixed communities.

So much for the numbers. How about the politics? We know that the case for new homes commands parliamentary support. A parliamentary motion in February seeking backing for 30,000 homes was supported by 48 MSPs of all parties, including, I am delighted to say, our new Minister for Communities, Stewart Maxwell.

And there is political resonance at a local level too. All of you know that housing is a major touchstone issue in councillors surgeries and mailbags. So let us be clear why we advocate a building programme on this scale. In Scotland we have the most ambitious homelessness reforms in Europe. In the last few months I have faced unprecedented numbers of queries from across Europe and indeed, from North America, on the Scottish approach to homelessness – our unique aim to give every homeless person the right to a home by 2012. France, in particular,

has shown keen interest in what we are doing in Scotland and has now adopted its own version of our 2012 target.

In his acceptance speech as First Minister, Alex Salmond spoke of the need for Scotland to reach higher, saying “one thing that any Government that I lead will never lack is ambition for Scotland.”

What could be more ambitious than our homelessness programme? What an opportunity for Scotland – commonly tagged the sick man of Europe or the worst at this or that – actually to lead the field!

On homelessness Scotland is out in front. We should be shouting it from the rooftops. But we can do so only if we deliver. And to deliver on homelessness we need ... more homes.

A programme of the scale I have outlined would be the single biggest step we can take to meet the 2012 commitment. And, in doing that, we would be able to meet the needs of both homeless people and people on house waiting lists and so end the sterile argument about which type of person in desperate housing need most deserves a house.

I have dwelt on the need for new affordable homes as they are the litmus test of any government's intention to get serious about housing as a priority. I fully accept that the previous administration was 100% committed to the homelessness target and I want to pay tribute to former minister, Malcolm Chisholm, in particular, for his support. But I also know that there was, within the sector, increasing impatience about the delivery of additional investment in new homes, which many believed was part of an unwritten pact when the homelessness target was first announced in 2002.

So the new government has the opportunity to re-invigorate that pact with the housing sector and to make common cause with homeless and badly-housed people. The best way it can do that is to deliver an ambitious – but achievable - programme of newly built homes.

Of course, to say that new housing is the litmus test is not to say that it is the only game in town. There are other positive measures than can be pursued and I want to touch on some of these now, with particular reference to policies outlined in the SNP manifesto.

Firstly, as well as building new homes we need to retain and make better use of the homes we already have.

Over the last 27 years, Right to Buy has led to the sale of around half a million rented homes in Scotland. Even with recent reforms, RTB sales are still running at about 11,000 a year. For every new home built two are sold.

Shelter does not oppose RTB. Nor do we think that, in itself, it is past its sell by date. I can see circumstances – in areas of regeneration, for example, where it is a positive advantage to promote house sales. I also recognise that receipts from RTB can be a large part of the funding for other investment and in some cases it is prudent to sell.

But RTB is still largely a monolithic policy, born in the late 1970s, and overlaid on very diverse housing markets. If it is to be made fit for the 21st century it must be about giving housing bodies more discretion over how right to buy is applied. If it is right to have local housing strategies then RTB must be brought into line with these.

That might mean more variable terms of sale: for example, in discounts, eligibility periods or clawback times.

It must mean, in some cases the right to refuse to sell. For example, where replacement would be impossible. Or where it is the last 3-bedroom house in the area.

Now, there was a review of the RTB in the last parliament. But it was a disappointing in its scope and limited in its recommendations. The new Executive has signalled its willingness to look at Right to Buy in a more far-reaching way and I commend that.

I also commend the intention to remove barriers to investment in water and sewerage and I await the details with interest. And similarly, with the intention to ensure that planning consents for new homes generally set aside a minimum of 25% for affordable homes. This is already a feature of many local planning policies and so continues the theme of policy evolution rather than revolution.

But a few words of caution. Getting the policy right is one thing – delivering it is the difficulty. For a start, we need to get a lot more disciplined about what we mean by 'affordable'. A few homes at just below open-market price won't help the people who come in desperate need of Shelter's services.

And secondly, the policies have to be converted into homes on the ground. In too many areas the number of planning consents for affordable homes far exceeds the number of homes actually built. Sometimes this is about developer intransigence but it is also about ensuring that housing associations or other partners have money that they can bring to the table to ensure that such partnerships are delivered.

I want to turn now to a couple of areas where, it seems to me, there is need for greater debate.

The first is on support to struggling first time buyers. The proposed Scottish Housing Support Fund seems to work on a similar basis to the current Homestake scheme in that the public purse can share in any capital gain and also get a future receipt as loans are repaid. I have no problem with that.

However, I have many more reservations about the introduction of a first time buyers grant of £2000 to every new buyer. At a cost of anything between £40 million and £70 million a year it seems, on the face of it, to be an expensive way of intervening in the market. I do not doubt that it would be popular but as one commentator put it recently, so would be scattering £20 notes from an aeroplane. But it would hardly be an effective way of responding to poverty.

£70 million, as an across the board subsidy, provides a one-off hit which may in itself be inflationary; be available to people who do not need it and, at worst, seduce people into home-buying before they are ready for the other responsibilities that it brings.

Compare that to £70 million invested in 1,000 affordable homes per year, bringing stability to local housing markets and yielding long term income to housing providers to re-invest.

Now I do recognise the need to respond to the aspiration for people to own their first home and that this is increasingly difficult in some markets. But I also want

public policy in this area to be effective, targeted and offer value for money. I sincerely hope that this is one proposal which undergoes further scrutiny before any decision is made about roll-out.

Another such area is the fate of Communities Scotland. The new Executive has set out the prospect of slimmed down government and it seems that some consolidation of agencies and quangos is on the cards. Communities Scotland, it seems, is to go, with development funding and other powers being transferred to local authorities.

There may well be a case for passing Communities Scotland's functions over to local authorities, particularly in relation to regeneration. But I would caution against its abolition being an early priority. Do we really want to spend time in yet more upheaval of the bureaucratic framework at a time when the real need is to get things moving on the ground and delivering things that are visibly making a difference?

My final word of caution is around options for investment. For some time now, the big sell has been whole stock transfer. The change in government has been seen as the death knell for stock transfer but in truth the policy of whole stock transfer has been dying for over 18 months now, simply as a result of successive "No" votes. Even without a change in administration there would be a need to look again at housing investment options.

The SNP manifesto is, perhaps surprisingly, silent on the specific issue of transfer although on the more general issue of capital funding it signals a distaste for the current PFI/PPP regime and a preference for a Scottish Futures Trust, issuing Scottish Futures Bonds for capital investment.

Now, Shelter has always viewed transfer as a means to an end. In some circumstances it is the right option; in others certainly not. The prominence that transfer has had in policy debate over the last ten years and more has at times seemed like a diversion from the bigger question of how best to invest in housing. I do hope that we take some time for reflection on how best to achieve that investment before shutting down any one option. The SNP manifesto statement on PFI/PPP generally seems to favour that kind of approach which – at this point in time – is sensible.

Of course, a manifesto for government is necessarily brief on any one area of policy. I do not doubt that the new Executive has thoughts on and plans for the next 4 years which flesh out the manifesto. I do hope the new minister has time to read the brief action plan which Shelter, CIH, SFHA, SCSH and CoSLA put together prior to the election and I hope he agrees that it identifies some areas which are ripe for early action.

I want to pick out just a couple of issues. First of all, the future of social housing. As many here will know the Government in Westminster has published a review, led by John Hills, of the future role of the social housing sector. The review does not extend to Scotland but, of course many of the issues are relevant here and the general backdrop – of dramatic reductions in the number of rented homes and a massive shift in the profile of tenants - are as true in Scotland as in England. The Scottish Executive has been conducting its own internal review of the social housing sector which was due to conclude by the end of next month. It may be that the change in administration will affect that timetable. But I hope and trust that it does not deflect us collectively from hard reflection on where the social housing sector is going and, in particular, achieving consensus on the kind of vibrant sector that we want to see.

Of course, the role of social housing is partly bound up in what happens in the other parts of the housing market. Others will speak in more detail on this later but I want to touch briefly on the private rented sector. I think most people now recognise that the private rented sector has a key role to play in giving genuine choice in the housing market. In the last 5 years or so, government both nationally and locally has started to see the sector as much more important and to engage with it, while earlier policy was at worst, indifferent or about managing its decline. But we also lie at a critical point with the sector. Over the last year the implementation of landlord registration has been difficult to say the least. If we cannot get this right then we risk losing the goodwill of the professional and well-intentioned landlords that are the future of private renting. I do hope that the change in administration allows some frank lessons to be learned and fresh impetus to getting registration working.

The final theme I want to touch on is that of prevention of homelessness. Again, I believe that this is something where continuity is important. It is hard to see the prevention of homelessness being a politically divisive priority. After all, who can

seriously dispute the value of putting a fence at the top of a cliff rather than an ambulance at the bottom?

But the devil is in the detail. I still think that national policy has been in danger of exhorting local bodies to make prevention of homelessness a priority while not heeding its own advice. New measures on debt recovery contained in last year's Bankruptcy and Diligence Act were unhelpful and I do hope that the new administration can look at these afresh. Cuts to Supporting People budgets threaten to stifle innovation in homelessness and other social care fields at precisely the time when tenancy sustainment is starting to be more than just words. Small wonder then, at a local level, we still have inconsistencies of policy, where short-term responses to undoubted problems of anti-social behaviour or rent payment are elevated above effective and lasting solutions.

Prevention of homelessness is a critical priority in the path towards 2012. In the next 4 years we are going to have to make it mean something.

Last of all, a word about local government. We cannot under-estimate the extent of the changes on 3 May. Of course, there has been institutional upheaval in local government before – for example in 1975 and again in 1995. But I doubt if anyone can recall such a seismic change in the politics of local government as happened 3 weeks ago.

There is certainly a challenge in the sheer number of new councillors who have been elected and there is no doubt that some experienced elected members who have departed will be hard to replace. Many of the new administrations which have been formed contain members who have never had formal positions of responsibility before. And, of course, on top of that we have multi-member wards where it is always possible that members will compete for the most populist causes. It does not take a cynic to have misgivings about what that could mean for services to homeless people.

But the introduction of so many new faces and new configurations of administrations is also a time when policy can be looked at anew. As I speak all 1222 councillors have been sent a special pledge card from Shelter along with a link to our 10 point plan on housing and homelessness which sets out practical things that local authorities can do to make housing policy deliver in the next 4 years.

So – no shortage of things to do then! I can see people blanching at the prospect of yet more change. But I hope I have emphasised that Shelter's priority is delivery rather than deliberation; making things happen on the ground rather than in the statute book.

The next 4 years is make or break time. Over this period the internationally acclaimed homelessness programme will need to deliver real changes. If we fall short we do so within the gaze of progressive opinion well beyond these shores. If we falter we prove correct those cynics who think that Scotland cannot lead the world in anything that matters. Most importantly, if we stumble, we fail those homeless and badly housed people who desperately need us to get it right. Who, quite properly, expect us to get it right.

I hope we are all ambitious for Scotland and, in the next 4 years, can make our housing policy the envy of our peers.

Thank you.