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Social Housing Policy Working Group

Social housing in Scotland

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Executive Summary

Scotland, compared to other UK nations, has a larger social housing sector. Despite this, the absolute and relative size of the sector has been shrinking following the UK trends, even if it still amounts to almost a quarter of all homes. Following devolution in 1999, housing policy in Scotland has diverged from the rest of the UK, and particularly with respect to England. In addition, in the current parliamentary term it is expected that Scottish social housing will grow in absolute terms, as a consequence of a sustained new building programme for social and affordable housing, and the end of the Right to Buy (RTB).

This situation makes the Scottish case worth exploring. This paper briefly sets out the background of social housing policy change in Scotland since devolution, while also presenting the contemporary Scottish policy framework for social housing. Key aspects of the policy such as the aforementioned RTB abolition and the new social and affordable supply programme are reviewed. The briefing paper concludes that Scotland's divergence from the UK is accelerating. Looking forward, this policy divergence needs ongoing evidenced evaluation (not least to consider their possible transferability). The Scottish Government is now looking forward in terms of fundamental long-term housing strategy beyond the current parliament. There remains much to play for.

Introduction and background

This briefing paper aims to open up a discussion of what are increasingly diverging social housing policies across the UK. We do this by presenting a short overview of social rented housing in Scotland since devolution (Stephens 2017; Gibb 2017). The following sections discuss, firstly, the phased abolition of the Right to Buy in Scotland and, secondly, the targeted increase in affordable housing supply across Scotland together with the Scottish Government's housing policy for reaching this target. The third section examines the delivery of the supply programme. The fourth section discusses tenant accountability issues and the final section proposes some questions/lessons that are raised from the Scottish experience which can feed into policy debates around the future of social housing for other UK nations.

The scope of this briefing paper is limited to presenting the existing condition of social housing in Scotland, although we do raise questions for social housing strategy beyond the current parliament[1].

The tenure structure has changed dramatically since the early 1980s in Scotland as well as in the rest of the UK. From this period until the mid-2000s homeownership in Scotland increased from around one-third to more than two thirds of the total while public rented housing has decreased dramatically (Gibb 2014). This change was a result of various mechanisms including the Right-to-Buy, liberal access to home ownership and mortgage borrowing, a rapidly growing private rented sector and the low levels of new social housing. Alongside this decline, in England, Wales and Northern Ireland a 'safety net model' for social housing emerged (Stephens 2017). In Scotland, by contrast, "there is an effort to strengthen it (social housing) through the extension of homeless people's rights to housing, the abolition of Right to Buy, the mitigation of the 'bedroom tax' and the commitment to an enhanced social housebuilding programme" (Stephens 2017, p.14).

Since 1999, housing policy in Scotland has been diverging from other parts of the UK, arguably at an accelerating rate (Gibb 2014). The *UK Housing Review* summarises the key features of divergence in Scotland as: targeted increase of affordable housing; the abolition of Right to Buy; and distinctive private rented sector reforms (Wilcox et al. 2017a). Before devolution,

[1] The Scottish Government has launched a strategic development process called *Housing Beyond 2021* which includes longer term housing-related commitments e.g. to climate change to periods extending to 2030 and 2040. This is also an opportunity to build consensus around social and affordable housing strategies for the next Parliament, including the levels of supported investment for future affordable supply programmes.

Scotland had the highest social housing ratio among the UK nations, and this remains the case with social housing making up almost one-quarter of the total housing stock (Stephens 2017).

The paper concentrates on two key aspects behind Scotland's diverging position in social housing stock: the first aspect is the Right-to-Buy and its abolition, which supports retention of existing social housing stock while also encouraging councils to add to it through new build. The second aspect is the provision of new social and affordable housing stock by rolling out the Affordable Housing Supply Programme which has set ambitious targets for 2021.

The decline and fall of the Right to Buy

Since its inception in 1980, the Right-to-Buy has played an important role in Scottish housing, helping to increase rates of homeownership and altering the social mix of neighbourhoods (see Kintrea (2006) and McKee (2010))[2]. In Scotland, following devolution, the Right-to-Buy has been gradually restricted until it emerged as one of the leading areas of social housing policy divergence across the UK nations (Stephens 2017).

The Housing (Scotland) Act 2001 extended the qualifying period from two to five years and the maximum discount was reduced. The Act also gave Local Authorities the ability to apply for 'pressured area status', which allowed them to suspend Right-to-Buy for new tenants for up to five years (McKee 2010). The Housing (Scotland) Act 2010 then brought more restrictions including the exclusion of new-build and new-supply social housing, and of new tenants, from the Right-to-Buy (Scottish Government 2011). This was critical in creating the necessary conditions for councils to contemplate returning to direct housebuilding.[3]

[2] Much of this RTB stock is now in the private rented sector.
[3] This was also helped by Scotland not applying a cap on council borrowing for housing, as applies in England. As we discuss, however, the innovation of introducing capital (HAG-like) grants to councils made building to scale within the affordable supply programme a real possibility.

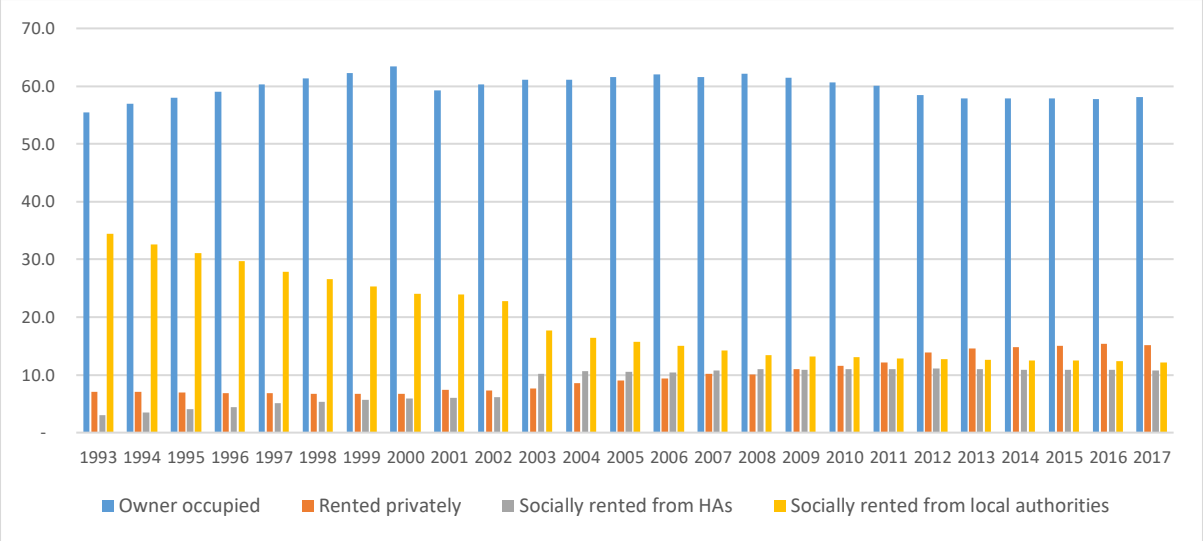

Figure 1: The percentages of owner occupied, private rented and socially rented (from housing associations and councils) in Scotland before and after devolution (Scottish Government 2018b)

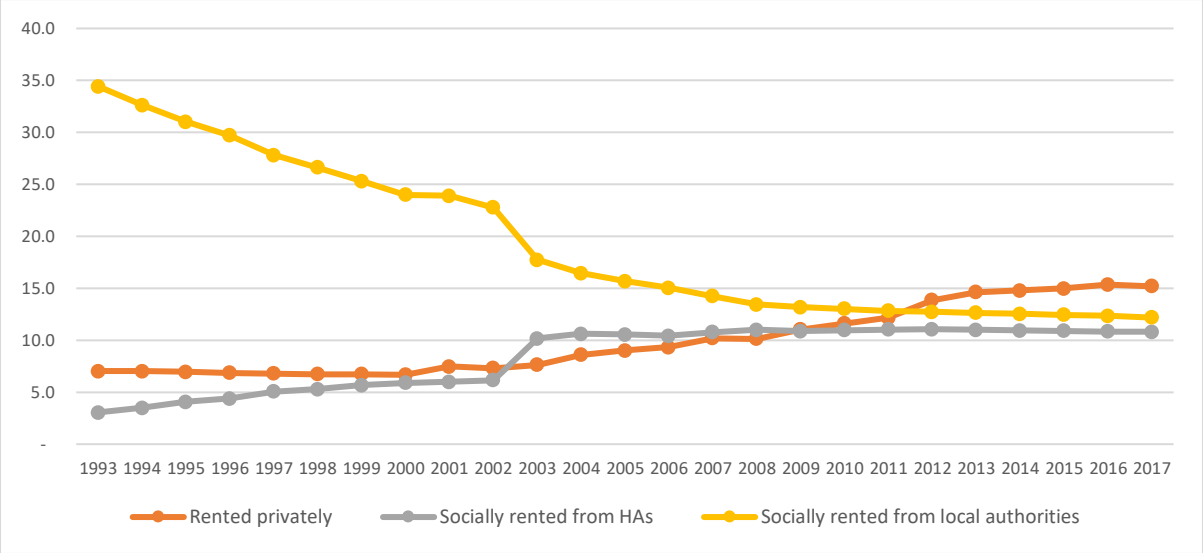

Figure 2: Changes in the percentages of private rented and socially rented in Scotland before and after devolution (Scottish Government 2018b)

Figure 1 shows the percentages of owner occupied, private rented and socially rented (from housing associations and councils) homes in Scotland before and after devolution. With the Housing (Scotland) Act 2001, the decline in the number of council houses has been slowed but not stopped[4].

[4] This slowing of decline may also reflect reduced demand for the RTB and increased need for social housing in Scotland.

Figure 2 shows a significant contraction in socially rented units from local authorities, an increase in private renting and renting from housing associations. The Right to Buy was finally abolished in Scotland through the Housing (Scotland) Act 2014 (Scottish Government 2014) which became effective in July 2016. In anticipation of this, applications for sales spiked in 2016 (see Figure 3, Figure 4 and Glynn (2012) for an analysis).

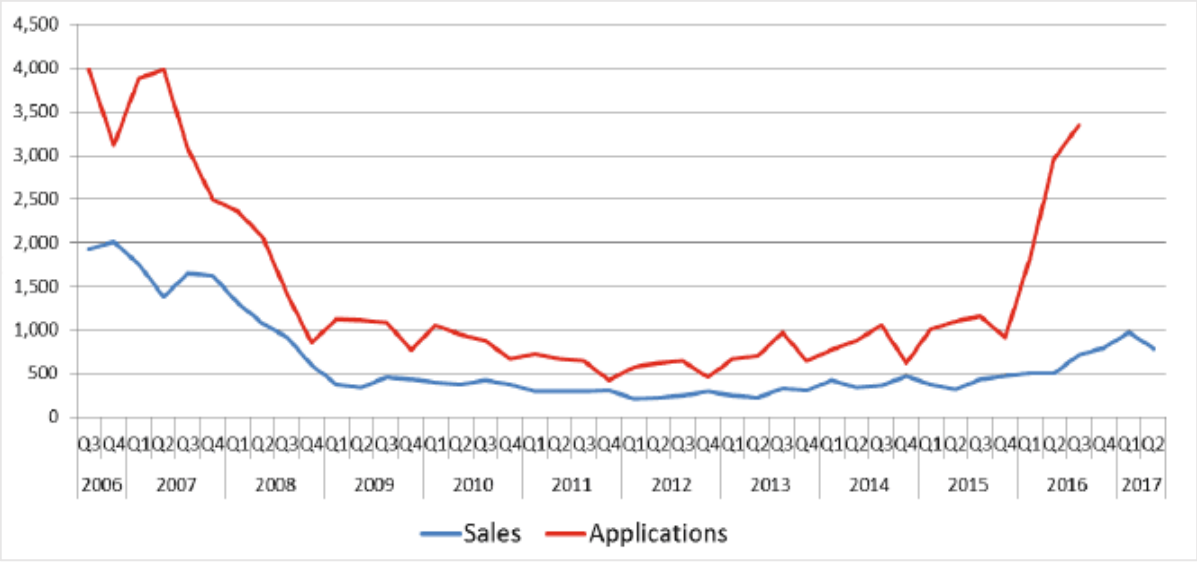

Figure 3: Changes in the applications and sales to existing tenants in scope of the Right-to-Buy scheme (Scottish Government 2017b)

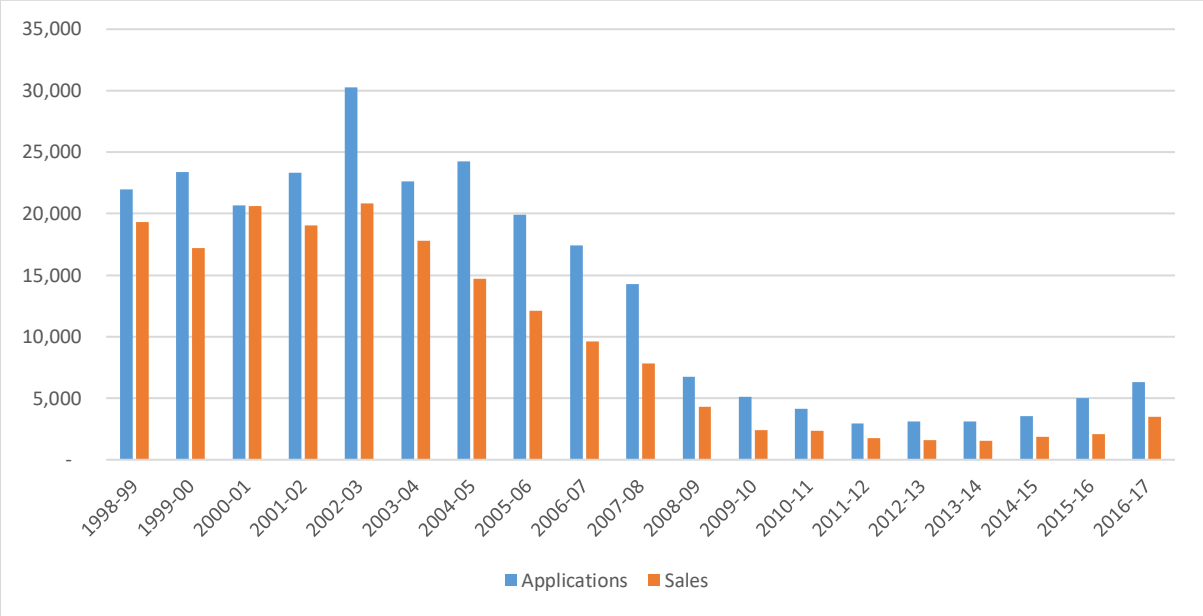

Figure 4: Applications to buy and sales of social sector dwellings in general (including Right-to-Buy) (Scottish Government 2018b)

The Affordable Housing Supply Programme

After a period of strategic rethinking following the recession, global financial crisis and public sector cuts, in 2011 the Scottish Government launched a programme to deliver 30,000 units over the five years of the parliamentary term (2011-16). This was to be a combination of social housing (general needs) units delivered by housing associations and councils, alongside affordable supply primarily in the form of affordable home ownership. A distinctive feature of the programme was the introduction of grant-funded council housing on a scale similar to (though slightly less generous) than that of the grant per unit offered to developing housing associations. The target was achieved. In 2015, a new national affordable need assessment indicated a need for 12,000 additional affordable homes per annum. Following the 2016 Scottish general election, the SNP-led Scottish Government rolled out a housing policy framework that aims to further increase the social housing stock across Scotland. The government would now seek to produce 50,000 additional affordable homes by 2021[5], which corresponds to a 67% increase in affordable housing supply (regarding the previous five year period's achievement), and 70% percent of the total is to be for social rent (Scottish Government 2017a). The target of 50,000 affordable housing units is the largest of its kind since the 1970s (Young and Donohoe 2018, p.6). In order to achieve this goal, an estimated £3 billion of public funds has been identified for the five year programme as a whole (Scottish Government 2017a).

The Affordable Housing Supply Programme is now part of a wider policy framework called More Homes Scotland (launched in March 2016), which aims to increase housing supply across all tenures (Scottish Government 2017d). This is an umbrella policy framework consisting of packages for different tenures including the Housing and Planning Delivery Framework, the Affordable Housing Supply Programme, the Housing Infrastructure Fund, and the Rural and Islands Housing Funds[6]. The Affordable Housing Supply Programme includes both social housing and other tenures. Social housing is provided by both housing associations and local authorities. There are 32 councils in Scotland, but six have no council housing following stock transfer in the early 2000s, and they are therefore not involved directly

[5] This represents a £3 billion programme which was a response to the 2015 national affordable housing needs study commissioned by Shelter, SFHA and the CIH that a had a central estimate of 12,000 units per annum or 60,000 units over the life of the current Parliament. The Government's policy seeks to build 10,000 units of affordable and social housing.
[6] And the Scottish help to buy scheme, which does not count in the affordable supply programme numbers.

in developing new housing[7]. All social housing tenants in Scotland have a Scottish Secure Tenancy and pay 'affordable rents' (rents are well below market rents and also well below local housing allowance rent levels in the PRS, and other rents associated with affordable or mid-market supply[8]) for which there is no legal definition, but assumptions about housing association rent levels are made at the point of scheme approval. Rent levels and tenants' perceptions of value for money come within the remit of the Scottish Housing Regulator. There has been no sustained appetite for any form of national structure of social rent-setting and consequently Scotland reflects considerable diversity in rents by location and provider. According to the Scottish Housing Regulator[9] the average weekly rent for social housing in 2016-17 term was around £74 in Scotland (Scottish Housing Regulator 2018).

Within the social housing supply programme, part of the supply is provided for people with 'particular needs'. The programme covers a wide range of needs from physical disabilities to care and support, in total amounting to 12% of planned output (Young and Donohoe 2018, p.7). The distribution of these homes is uneven and sometimes clusters in particular areas.

There are several strands to the rest of the programme. There is a small but growing 'mid-market'[10] rent programme, primarily located in larger urban areas, aimed at people who cannot afford home ownership but do not qualify for social housing. Mid-market rent housing provides an alternative to the private rented sector but with high quality, grant-funded new units with rents at or around the same level as the Local Housing Allowance. Mid-market rents are mostly in large cities of Scotland (Glasgow, Edinburgh, Aberdeen[11] and Dundee) (Young and Donohoe 2018, p. 7). In the 2016-21 programme and specifically within the affordable element of the new programme, there is a significant shift towards grant-funded mid-market rent and away from affordable home ownership, which is a critical difference in supply policy at the margin compared with England.

[7] Though Glasgow city council, a stock transfer authority, retains considerable influence on social housing through its direct management of the housing association investment programme in the city.
[8] And hence are well below the affordable housing rents introduced in England by then minister Grant Shapps in the affordable homes programme.
[9] The Scottish Housing Regulator regulates the performance and governance of registered housing associations and also enforces the Tenants' Charter that is intended to provide assurance of service quality.
[10] While shared equity and other projects are in place, there is a rapid growth in associations deployment of mid-market rent products competing directly against the PRS but with high quality grant funded new units at or around LHA rents.
[11] Aberdeen's recent significant market downturn has slowed growth in mid-market and market rented housing.

Spending on home ownership schemes (the Low Cost Initiative for First Time Buyers (LIFT)) combines a number of distinct programmes[12]. These include two variants of Shared Equity (one delivered by housing associations, the other aimed at individual buyers), Shared Ownership and a number of other more minor schemes, including one aimed at town centre regeneration and another at energy efficiency.

The Housing and Planning Delivery Framework aims to speed up planning processes by bringing housing and planning systems together (Scottish Government 2017d). There is currently a planning bill before the Scottish parliament whose main purpose is to simplify the planning system and make it more responsive. The Housing Infrastructure Fund is a five-year fund launched in February 2016, which aims to provide financial support for housing infrastructure. The fund is not limited to social housing although it does prioritise affordable housing projects. The fund provides support through two schemes: infrastructure loans (for non-public sector organisations) and infrastructure grants (for local authorities and Registered Social Landlords) (Scottish Government 2017d). In addition, the Rural and Islands Housing Funds aim to provide support for delivering affordable housing in rural parts of Scotland (Scottish Government 2017d).

New social housing

The Affordable Housing Supply Programme of 2011-16 exceeded its target of 30,000 houses by producing nearly 33,500 units from a £1.7 billion investment (Wilcox et al. 2017b). The programme produced more than 22,000 social housing units; pro rata, the number was 2.4 times greater than that produced in England in the same time period (Stephens 2017).

Table 1 shows that over the 2011-2016 period there was a steady increase in the number of approvals for social housing (Scottish Government 2017b). The rise in output in 2009-10 and its falling back in 2011 is accounted for by capital spending being brought forward as a response the global financial crisis in order to support the construction industry and to produce more units in a period when the need was seen to be greater, followed by a period of retrenchment when grant rates for social housing were also lowered.

[12] Scotland has a distinct help to buy programme aimed at first time buyers for new build and with price caps. It is funded out of financial transactions money from HM Treasury and is not counted in the affordable supply programme.

Type of AHSP activity		2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
RENT																	
Social Rent																	
RSL Rent	New Build	3.413	4.000	3.504	3.225	3.765	4.528	2.887	3.726	3.897	4.749	4.600	4.155	2.784	2.594	2.808	2.124
	Off The Shelf	33	40	3	16	9	119	44	34	160	72	24	0	0	51	32	34
	Rehab	755	491	476	355	568	370	387	305	372	300	175	227	86	171	89	266
Council House Building	New Build	0	0	0	0	0	0	0	0	0	41	669	948	1.116	1.229	1.088	1.128
	Off The Shelf	0	0	0	0	0	0	0	0	0	0	0	0	0	9	140	52
	Rehab	0	0	0	0	0	0	0	0	0	0	0	0	0	86	27	169
Home Owner Support Fund	Off The Shelf	0	0	0	0	0	0	0	161	233	303	368	322	288	228	192	80
Total Social Rent		**4.201**	**4.531**	**3.983**	**3.596**	**4.342**	**5.017**	**3.318**	**4.226**	**4.662**	**5.465**	**5.836**	**5.652**	**4.274**	**4.368**	**4.376**	**3.853**
Affordable Rent																	
Other Affordable Rent	New Build	0	0	153	52	70	50	30	1	0	33	4	49	415	804	945	948
	Off The Shelf	0	0	3	0	1	5	2	0	1	19	47	24	0	0	46	20
	Rehab	0	0	2	2	1	0	0	15	6	7	7	0	1	113	86	22
Total Affordable Rent		**0**	**0**	**158**	**54**	**72**	**55**	**32**	**16**	**7**	**59**	**58**	**73**	**416**	**917**	**1.077**	**990**
AFFORDABLE HOME OWNERSHIP																	
New Supply Shared Equity (N	New Build	391	197	211	143	259	170	344	371	680	827	511	621	460	317	256	196
	Off The Shelf	4	0	0	0	6	191	153	225	148	108	13	0	12	0	0	0
	Rehab	109	48	9	9	2	6	0	6	5	0	9	25	12	16	0	0
Other Afford. Home Owners	New Build	1.514	1.282	827	307	658	354	359	109	160	39	27	134	28	3	300	22
	Off The Shelf	12	24	4	0	0	2	3	0	3	0	1	0	0	0	0	0
	Rehab	107	58	27	44	106	93	50	63	44	135	106	86	192	325	22	0
Open Market Shared Equity	Off The Shelf	0	0	0	0	0	0	573	654	512	1.459	579	186	533	1.051	1.030	1.456
New Supply Shared Equitiy (I	New Build	0	0	0	0	0	0	0	0	0	0	85	102	73	9	0	0
Home Owner Support Fund	Off The Shelf	0	0	0	0	0	0	0	0	0	0	6	3	9	6	8	1
Total Affordable Home Ownership		**2.137**	**1.609**	**1.078**	**503**	**1.031**	**816**	**1.482**	**1.428**	**1.552**	**2.568**	**1.337**	**1.157**	**1.319**	**1.727**	**1.616**	**1.675**
TOTAL AFFORDABLE HOUSING SUPPLY		**6.338**	**6.140**	**5.219**	**4.153**	**5.445**	**5.888**	**4.832**	**5.670**	**6.221**	**8.092**	**7.231**	**6.882**	**6.009**	**7.012**	**7.069**	**6.518**

Table 1: Affordable Housing Supply Programme: new affordable housing completions: 2000-2001 to 2015-2016 (Scottish Government 2018b)

Funding allocations for Affordable Housing Supply Programme are made through 'resource planning assumptions' issued to local authorities (Wilcox et al. 2017b). Figure 5 shows the top allocations to local authority areas for 2018 - 2021, and Table 2 shows details of these allocations.

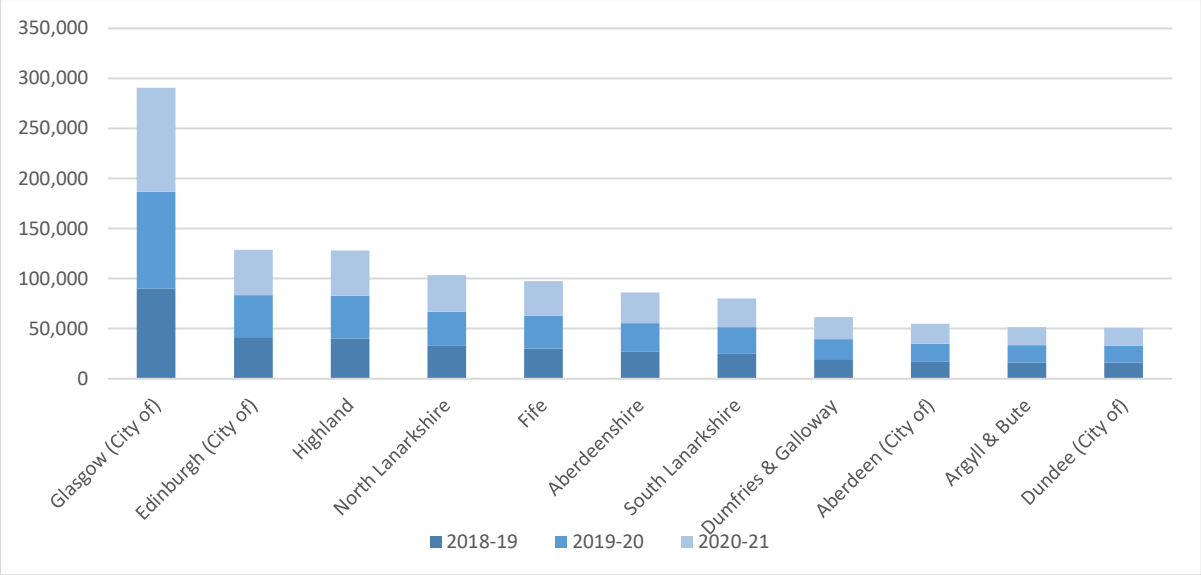

Figure 5: Resource planning assumptions to councils for 2018-2021 period for affordable housing (£million) (above £50 million shown) (Scottish Government 2018b)

Council	2018-19	2019-20	2020-21	Total £million
Glasgow (City of)	90.066	96.883	103.853	290.802
Edinburgh (City of)	41.269	42.117	45.147	128.533
Highland	40.100	42.473	45.314	127.887
North Lanarkshire	32.603	34.301	36.335	103.239
Fife	30.519	32.325	34.487	97.331
Aberdeenshire	27.038	28.638	30.554	86.230
South Lanarkshire	25.199	26.690	28.476	80.365
Dumfries & Galloway	19.279	20.420	21.786	61.485
Aberdeen (City of)	17.120	18.133	19.346	54.599
Argyll & Bute	16.182	17.140	18.286	51.608
Dundee (City of)	15.977	16.922	18.054	50.953

Table 2: Long-term resource planning assumptions to councils (2018-2021) (Scottish Government 2018b)

As seen in Figure 5, resource planning assumptions vary and are unevenly distributed across Scotland reflecting local housing need and more political decisions about resource distribution across Scotland. Glasgow has starkly different resource planning assumptions compared with the rest, which may not be very surprising considering the long term characteristics of these councils in terms of population, the concentration of deprivation and the social housing ratio

within the housing stock; on the other hand, as Young and Donohoe (2018) also point out, the question of whether these allocations are set according to actual need in these areas is still to be answered. There is a longstanding and unresolved debate between, crudely, the need to operate a settled credible resource distribution of public resources for housing going to west central Scotland (based on its levels of deprivation) and the East with its affordability-driven need associated with high housing costs. The sense that the current system appears to favour deprivation over affordability is a continuing source of dispute.

Given the time period, it is too early to conclude if the target will be met by 2021, however, initial assessment of Young and Donohoe (2018, p. 7) provides some positive early results for its achievement. It is clear that a 67% increase in the target will also require more capital investment as well as a commitment by many parties in the social housing sector other than the Scottish Government. The following section will discuss the delivery of housing programme so far and also looks at this initial assessment in more detail.

The delivery of the housing programme

There has been very little written on how the housing programme in Scotland is delivered, particularly at local level and how this squares with national programme assumptions (excepting Young and Donohoe (2018). Therefore, salient issues that connect top-down resource allocations and bottom-up local delivery have not been well explored outside of internal government operational processes. There is also a problem of acquiring consistent information regarding programme delivery, which is neither well recorded nor consistently reported (Young and Donohoe 2018). However, there are a number of features that are worth highlighting, and some insight is available through the government's own reporting.

The recent research by Young and Donohoe provides evidence and analysis regarding the delivery of the programme. The report is based on analysis of documents including 32 council Strategic Housing Investment Plans (SHIPs), 25 interviews with national policy leaders and council staff and 3 case studies in Dundee, East Ayrshire and the Scottish Borders (Young and Donohoe 2018). The report concludes that "the target of 50,000 and 70% socially-rented is capable of being reached, albeit there may be some optimism built into the estimates". Young and Donohue estimate "delivery of affordable homes from April 2016 to March 2021 at between 45,387 and 49,773, with up to 34,850 being socially-rented" (p. 7). As a result, the authors argue that the programme could potentially increase social housing stock to between 618,000 and 620,000 by 2021, with a net rise of up to 25,000. This is a considerable increase in the number of social housing, which Young and Donohoe (2018, p. 8) calculate that the

period will see “the first significant and sustained increase in the number of socially-rented homes since 1981”.

Housing developers and procurement

Housing development is concentrated among a few larger housing associations and councils. During the first SNP-led government from 2007 to 2011 there was a proposal to reduce the number of developing organisations by establishing lead developers for various regions in Scotland (Scottish Government, 2007). The idea was that programmes would be bigger for each developer and pipelines more assured. This would then enable new approaches to procurement to be introduced, including longer term partnering with contractors, intended to lead to more innovation, lower costs and better quality i.e. the achievement of the reform agenda which emerged in the early 2000s known as ‘Modernising Procurement’ (see Communities Scotland 2002). However, this proposal did not prevail in the face of overwhelming resistance from housing associations.

In the housing association sector in 2016-17, 122 housing associations shared £285m of grant money giving an average spend of just £2.17m each, with only five spending more than £10 million (Scottish Government 2017a). For the Affordable Housing Supply Programme, housing associations are the key developers for 66 % of the new homes and councils 23%, with the remainder unallocated (Young and Donohoe 2018). In the councils which transferred the stocks, housing associations will lead the developments (Young and Donohoe 2018).

All 26 councils that retain council housing received some grant, sharing £85 million between them (mean= £3.2 million), with only one (Fife) receiving grant of over £10 million (Scottish Government, 2017a). However, the extent to which housing is to be delivered by councils or by housing associations varies a lot across Scotland, with three local authorities (Falkirk, North Ayrshire and West Lothian) planning on delivering over half of the new supply, while several others that retain council housing planning to deliver 20% or less. The picture then emerges that the successful delivery of the programme significantly rests on a group of larger developers- both councils and associations, with a long tail of smaller developers.

While no precise information exists in the public domain, the implication is also that many or perhaps most affordable housing schemes in Scotland are individually procured, on a traditional basis, with ‘one-off’ designs. Recently however, some local authority developers have joined together in a procurement alliance in order to procure 2,700 homes from construction industry suppliers (See Feeney 2018). Some councils, such as North Lanarkshire

have ambitious long term new and replacement housing programmes planned for the next decade and beyond. Others (e.g. Edinburgh) are availing themselves of opportunities created by other funding streams such as city-region deals.

The average scheme size across Scotland in 2016-17 for newly approved housing association schemes was a rather small 18.6 units, and with other suppliers (councils and others) coming in only slightly bigger at 25.2 homes (Scottish Government, 2017a). According to Young and Donohoe's (2018, p.7) analysis of the Programme (2016-2021), "69% of new homes are expected to be in projects of 50 units or fewer", while almost all of the new social housing is planned to be new builds (96%). Larger developments (more than 100 homes) are planned to be in large urban areas such as Edinburgh and Glasgow (Young and Donohoe 2018).

There is, however, 28% of housing within the whole affordable housing programme that is described as 'off the shelf'. It is not known how that number is made up but some of it is likely to be 'open market shared equity' housing for individual first-time buyers. Unsurprisingly, there is still a very strong interest from the Scottish Government in improving the efficiency and effectiveness of procurement construction both as a way to make the programme spending go further but also to speed up production to meet the 50,000 outputs target within this parliament (Scottish Government 2018a).

Grant rates

Grant rates fell under austerity in the early part of the current decade but were pushed back up as it became more difficult for social housing developers to stack up development finances, and some withdrew from developing, while a few sought strategic alliances with 'south of the border' providers. In 2012-13 grants represented 41% of costs for social housing across the whole programme but by 2016-17 grants were just under 60% of costs (Scottish Government 2017a). Table 3 shows trend in average cost of new builds and the grants allocated for them by the Scottish Government (between 2011-2016). The current grant regime dates from 2016 and the benchmarks (expected subsidy levels) are shown in Table 4. One of the attractions for government in reintroducing councils as housebuilders was that they generally could deliver homes at lower rates of subsidy. However, both housing associations and councils are able to make the case for higher levels of grant on a case by case basis, including to meet the needs of particular groups who require additional support. The outturn data for 2016-17 show that the average social rented house in Scotland cost just under £130,000 per unit and that the average grant rate was £74,000 or 56%.

	2011-12		2012-13		2013-14		2014-15		2015-16	
	Average Cost per Unit	Average AHSP Grant per Unit (%)	Average Cost per Unit	Average AHSP Grant per Unit (%)	Average Cost per Unit	Average AHSP Grant per Unit (%)	Average Cost per Unit	Average AHSP Grant per Unit (%)	Average Cost per Unit	Average AHSP Grant per Unit (%)
RSL Social Rent Only	£112,057	£42,083 37.56%	£109,976	£45,252 41.15%	£114,098	£55,385 48.54%	£119,939	£61,774 51.50%	£119,968	£64,668 53.90%
All Grants	£117,678	£44,411 37.74%	£95,426	£37,691 39.50%	£109,445	£45,661 41.72%	£114,890	£50,559 44.01%	£115,697	£52,352 45.25%

Table 3: The average cost per unit for new builds and the average grant input by the Scottish Government (2011-2016) (Scottish Government 2018a)

	West Highland, Island authorities and remote/ rural Argyll	Other rural	City and urban
RSL social rent – greener	£84,000 (3 person equivalent, benchmark per unit)	£74,000 (3 person equivalent, benchmark per unit)	£72,000 (3 person equivalent, benchmark per unit)
RSL social rent – other	£82,000 (3 person equivalent, benchmark per unit)	£72,000 (3 person equivalent, benchmark per unit)	£70,000 (3 person equivalent, benchmark per unit)
RSL mid-market rent – greener	£46,000 (3 person equivalent, benchmark per unit)		
RSL mid-market rent – other	£44,000 (3 person equivalent, benchmark per unit)		
Council social rent – greener	£59,000 (flat rate benchmark for council projects per unit)		
Council social rent – other	£57,000 (flat rate benchmark for council projects per unit)		

Table 4: Grant Subsidy Benchmarks 2018 (Scottish Government 2018a)

Housing quality and design

There is very little information on housing quality, design and location in the current period, as limited research has been conducted and outturn information is sparse, although once again Young and Donohoe (2018) provides information regarding the locations and size of these development projects. However, the current housing development policy environment appears to be less interested in encouraging innovation compared with previous times, with the strong focus instead on achieving production numbers. Published guidelines somewhat unadventurously refer only to meeting the building regulations and the published Housing for Varying Needs Standards, also that they will be 'future proofed' regarding internet and broadband services, and maximise energy efficiency (Scottish Government 2018a). They also make wider reference to government guidance on *Designing Streets* (Scottish Government 2010) and *Creating Places* (Scottish Government 2013) although in practice compliance with those standards would be regulated by the local planning authority.

To conclude, Scotland's aim to retain the existing social housing stock and produce more has accelerated its divergence from the rest of the UK's social housing policy framework. Further detailed evidence is required on both the programmes on the ground and their broader evaluation in terms of outcomes.

Tenant accountability

There is a long tradition of tenant involvement in Scottish social housing. Many housing associations that were formed in the 1970s and afterwards are still membership-based organisations open to local residents, and tenants play an important part on the boards of many associations and co-operatives, especially those that identify as 'community controlled' (GWSFHA 2014). Tenant participation in council housing also goes back to the same period.

The Housing (Scotland) Act 2001 obligated both local authorities and housing associations to develop tenant participation strategies intended to enable 'continuous improvement in landlords' performance in supporting and enabling tenants to participate' (Scottish Government 2018c). The government supports two independent organisations to provide support to tenants and social landlords in respect of tenant participation. There is no specific expectation that tenants will be involved in decisions about new building, although typically this would be included in tenant participation strategies.

The Housing (Scotland) Act 2010 introduced the Scottish Social Housing Charter (implemented from 2013) which is a statement of standards and outcomes to be delivered to all social housing tenants across Scotland. Landlords must report on these standards for the scrutiny of tenants and are encouraged to involve tenants in the design of housing services, and in reviewing their outcomes. The Act also introduced the Scottish Housing Regulator (SHR), whose stated statutory objective is to safeguard and promote the interests of tenants and other service users. The regulator publishes data about landlord's performance to let tenants compare services between landlords and against the charter standards. At the time of writing, the SHR was consulting about its regulation of social housing and was proposing enhanced methods of reporting to tenants and extending information about rents and landlord costs (Scottish Housing Regulator 2018).

While there was a good deal of research into tenant participation and accountability in previous eras, this has now dried up and independent reports, or indeed any reports, on tenant participation and accountability in the modern era are lacking. Nor is there any significant

independent tenant's movement in Scotland that can provide a tenant's perspective[13]. There is however, a plethora of 'good practice' advice and information available (e.g Chartered Institute of Housing and Housemark). While it certainly appears that arrangements for accountability to tenants in the social housing sector are stronger now than they ever have been, information is lacking on how they really work in practice.

Policy options

The relatively strong affordable housing development programme, and within this the programme of social house building, is underpinned by strong political support for the social role of housing in Scotland since devolution. Since 1999, there has been a slew of housing acts on social housing, the right to buy, stock transfer, private renting reform and homelessness, which in part have served to bring social housing in Scotland under close government oversight (one might say control). This political support in the last two parliaments has produced a financial settlement for housing that is relatively more favourable to the sector than elsewhere in the UK, as reflected in the supply programmes discussed above.

The structure of 'affordable housing' developers in Scotland is different to England, whose housing association sector is dominated by very large group-structured organisations, which are not present in Scotland except perhaps in the form of around half a dozen major players led by the Wheatley Group, which emerged out of the Glasgow city stock transfer, alongside a small number of other players, often with formal connections to English providers.

Scotland's affordable housing programme is thinly spread across the whole country, while the grant rates prevail at a higher rate than has been seen in England for many years. As mentioned above, the government maintains an interest in how affordable housing is procured, but its last attempt to reform it ended in failure. Like a lot of things in Scotland, policy tends to be shaped by a degree of consensus.

At the present time we do not really know what this building programme looks like on the ground. Judging by some media material, there is excitement in England that a revived interest in social or affordable housing building in England may lead to radically new and exciting housing and neighbourhood concepts. But, with some very limited exceptions (that are

[13] We note that tenant voice and engagement emerged as a key concern from prioritisation workshops to help set CaCHE research objectives.

exceptional, like the Commonwealth Games Athletes' Village) there seems to be comparatively little of that in Scotland.

A possible warning regarding meeting the targets concerns quality issues and how housing quality in the new-built social housing will be assured. Although there is an ongoing debate on the issue in new build in general (including speculative housebuilding), provision of quality housing should be on the agenda clearly in addition to meeting the targets. Although there are some positive aspects related to design of the new housing developments (such as the size of the development and greener projects) in the programme, the risk of poorly designed homes and neighbourhoods while meeting the targets is important regarding the sustainability and long-term cost of such developments.

In terms of providing possibilities for the development of policy elsewhere in the UK, Scotland has shown that it is politically possible to abolish the right to buy and use that as a stepping off point to develop new council housing. Right-to-Buy abolition was an important milestone that incentivised councils to build anew. Another interesting aspect emerging from our review is the position of mid-market rents in this framework as a grant-funded key worker affordable rent scheme between private-renting and social rented housing which also challenges the private landlord and may at the same time transfer commercial thinking e.g. in terms of customer satisfaction - to the non-market sector.

Finally, in terms of the programme's outcomes, it is genuinely very difficult to assess what lessons there are from the current programme of 'affordable housing development' in Scotland as the published information base is not strong and research is limited. The lack of research can probably be taken as symptomatic of the focus on achievement simple numeric targets. Further research is required for the following areas in order to assess and improve policy options in Scottish context and UK in general:

- What motivates providers to develop homes?
- Whose needs are being met?
- How are affordable homes procured, through what kinds of contracts?
- Where are homes built (beyond the generality of cities, towns and rural areas)?
- What kind of quality is achieved in terms of design, urban design, built fabric, space standards, varying needs, etc.

- To what extent do the new homes contribute to wider policy, e.g. extent policy areas such as climate change mitigation, community development (including. 'mixed communities'), community empowerment, sustainable settlement strategies, design quality, placemaking etc.?

Two related questions end this paper. First, what happens next? Second, how do we assess the housing policy programme in Scotland more widely? The Scottish Government is currently undertaking a sector-wide consultation regarding where housing priorities should lie after the next Scottish election in 2021. This is informed by progress over long term objectives that are to be met by 2030 or even 2040 on things like climate change reduced emissions. It is also clearly concerned with how best to focus resources (and their overall size will be a political decision for the incoming government). Thus, it does not follow that the affordable housing sector will continue to have a programme on the scale it currently enjoys. Other claims may well be made on this funding: homelessness reduction measures or fuel poverty proposals or in associated budgets such as (devolved) social security. However, we would contend that these shifts in programmes ought to be evidenced and in particular the national level of affordable housing need calculated in 2015 at 12,000 units needs to be recalculated for the post 2021 period to take account of demographic and economic change, as well as the impact of injecting 50,000 affordable units into the system.

In the same way that the dynamics of a national housing system mean that we cannot assume earlier pre-intervention levels of need, neither should we assess one distinctive intervention in isolation. The affordable supply programme is of national interest, but it should be assessed alongside private renting reforms (especially as many lower income and in-need households are and will continue to be housing by private landlords). And, with the importance of homeless people to the allocation of social housing, it is also important to consider Scotland's distinctive approach to homelessness when evaluating housing systems outcomes (as is equally true of the roll out of welfare reform and Universal Credit, including its Scottish-only elements). And, as so clearly demonstrated by Young and Donohoe, any future evaluation must also focus on the spatial differences in programmes and outcomes found across Scotland.

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