

## Housing to 2040 Consultation: Perth and Kinross Council Response

Q1	<b>Do you have any specific comments on the draft vision and principles?</b> <ul style="list-style-type: none"> <li>• <i>A well-functioning housing system</i></li> <li>• <i>High quality sustainable homes</i></li> <li>• <i>Sustainable communities</i></li> <li>• <i>Homes that meet peoples needs</i></li> </ul>
<p>Perth and Kinross Council welcomes and supports the over-arching vision and underlying principles. Ensuring that residents in Perth and Kinross live in warm, affordable, safe, sustainable homes and communities is a key strategic priority for the Council, reflected in our Corporate Plan, Local Development Plan, Local Housing Strategy, Housing Contribution Statement and Rapid Rehousing Transition Plan.</p> <p>There are strong interdependencies with the draft vision along with wider government and local priorities and outcomes, particularly in relation to sustainable communities and the delivery of health and wellbeing outcomes. The vision has clear links to a number of national outcomes in relation to communities, the environment, economy, health, human rights and poverty. This is welcomed and reinforces the importance of housing in meeting these wider outcomes.</p> <p>Housing has a key role to play in addressing many challenges including child poverty, climate change, the delivery of Scotland's public health priorities and contributing to the National Health and Wellbeing outcomes. Similarly, Community Planning Partners have a key role to play in supporting the delivery of housing and homelessness outcomes.</p> <p>To achieve this vision will therefore require a more collaborative, whole system approach to strategic planning and resourcing, both nationally and locally along with delivery of services with and within communities, involving all community planning partners. The adoption of a whole system approach, and a long-term vision that makes connections between different government policy areas and establishes the fundamental importance of housing in society will be key.</p> <p>The role of communities, in shaping and delivering the vision, has never been more important. To achieve the ambition for sustainable communities will require an approach and a framework that enables communities to influence service delivery, at a local level, to meet their meet their differing and specific needs and improved outcomes.</p> <p>As the Perth and Kinross Offer emerges, we will transform the way we work with our communities, adopting a collaborative approach, agreeing joint priorities and designing the future our communities want collectively.</p>	

## **Theme1: A well-functioning housing system (Principles 1-4)**

- 1. The housing system should supply high quality affordable homes for living in, to shift the balance away from the use of homes as a means to store wealth.***
- 2. Government policy should promote house price stability, to help underpin Scotland's standard of living and productivity and promote a Fairer Scotland.***
- 3. Everybody should be able to save for the future (as well as be secure in their home and make significant changes to it) whether they rent or own.***
- 4. Housing provision should be informed by whole life economic costs and benefits in the round and help to address inequalities in health, wealth and education.***

Prioritising the provision of one decent home per household over second homes, and moving away from housing as an investment is essential. Any approach however, must be focused on the specific needs and aspirations of individual communities. Achievement of the vision would enable people to have greater control over their housing options, based on their housing needs rather than their financial situation.

However, while stabilisation of house prices would support an individual's ability to be able to save and plan, this may result in a reluctance to invest from institutional investors, and mortgage lenders becoming more risk adverse. In certain areas (for example Edinburgh), there is a case for encouraging a correction in the market, where inflation has priced home ownership out of reach of a large proportion of the population.

If we are to achieve inward investment, economic development, and create employment opportunities in rural areas, consideration also needs to be given to the impact of short-term lets on access to housing. There are examples of where there is no provision of social housing, and the private sector market is non-existent or unaffordable, as properties are being advertised as short-term lets or Air BnB.

Although access to new and innovative financial products to enable everybody to save for the future is welcome, this does not tackle the fundamental underlying problem of income and poverty, an issue facing a significant number of households. While the proposal will benefit some, in many instances the high costs of housing lead to poverty and exclusion. People's ability to save for the future will not be determined by the availability of financial products or tenancy agreements.

Further intervention within the private rented sector is required and we would hope this would be achieved through the Fair Rents (Scotland) Bill which will be considered later this year.

The proposal to consider whole life economic costs and benefits in terms of housing provision is welcome. The provision of good quality affordable housing goes beyond simply meeting a household's housing need, to supporting better outcomes as well as reduced costs to health and social care and wider partners. The need for a strategic approach to investment decisions should therefore be emphasised.

## **Theme 2: High quality sustainable homes (Principles 5-9)**

5. Tenure neutral space and quality standards for new homes to improve and protect quality of living and place.
6. Government policy should promote greater diversity of home builders and broader availability of land for development to reduce prices and improve building quality.
7. All tenures should apply the same high quality and safety standards and levels of consumer protection.
8. New homes for sale should be built to high standards, defects identified and remedied quickly and owners should be required to maintain the condition of their home.
9. Decisions around quality, location and utilisation of existing stock and new build should be ambitious in enhancing diversity, promoting energy security and be consistent with the target for Scotland's emissions to be net zero by 2045.

We welcome and support principles 5 to 9 in delivering equality of standards across all sectors and ensuring all homes are well designed, of a high standard, energy efficient, functional and flexible.

The quality standard and state of repair within the private sector is a key area of focus. The national Scottish House Condition Survey looks at the physical condition of Scotland's homes as well as the experience of householders. The results from these surveys show that nationally the highest prevalence of disrepair is within the private sector. The most significant improvement in quality, standards and state of repair in the housing sector can be influenced through this tenure, although this is probably the most difficult to enforce.

The Tenement Management Scheme presents a significant barrier to social housing providers being able to achieve the Scottish Housing Quality Standard. Local Authorities therefore need to be given stronger powers, beyond those which currently exist, to enforce work being undertaken in mixed tenure blocks.

Developers offering a real choice of homes is to be supported. However, there is also a need for them to have a greater focus on delivering homes that meet the current and future housing needs of communities. Greater collaboration and working with Local Authorities and Health and Social Care partners is needed around housing needs and demands analysis to inform development priorities.

There also needs to be a push from Government for all social housing providers to be required to support the delivery of Shared Equity as a housing option.

The reference to more consideration to the true value of green space is important. If this is to be achieved, then green infrastructure needs to be a key component within all new build developments moving forward. This is often sacrificed to deliver on numbers.

### **Theme 3: Sustainable communities (Principles 10-12)**

- 10. New housing and the required community resource, should only be provided where they help to create safer, stronger, attractive, sustainable and integrated communities.*
- 11. Local communities should be empowered to respond to housing need in their area, as part of a regional economic approach and supported by the provision of the right infrastructure.*
- 12. Government intervention should help existing and new communities to be physically, digitally, culturally and economically connected within a coherent geographic region; this includes retaining and attracting vibrant communities in areas facing depopulation.*

We welcome and support principles 10 to 12 and the strong focus on the need to support sustainable communities. The infrastructure and approach required to ensure a community is sustainable encompasses a range of partners and services and must be led and driven by communities. A consistency of vision and ambition and shared ownership of identified outcomes will be required at a national level.

The changing relationship between community planning partners and our communities will be paramount, ensuring services are shaped and delivered through the eyes of those who use them.

The Perth and Kinross Offer is a new direction for the Council, designed to transform the way we work with our communities, citizens, partners, businesses, employees and other stakeholders, to ensure that public services can be delivered sustainably and achieve better outcomes for the people of Perth & Kinross.

This transformation will require a change in the traditional relationship between public services, citizens, businesses, investors and visitors. We intend to move away from the relationship of provider and consumer to work collaboratively, agreeing joint priorities and designing the future we want together. In agreement with our communities, we will align budgets with our ambitions, using our resources to maximum impact and ensuring communities have services where and when they need them.

This is a long term ambition for Perth & Kinross. Theory suggests that cultural change programmes in any organisation can take between two to five years to embed. For transformational change of the scale being suggested in the Perth and Kinross Offer, it could be longer. For example, Wigan Council are still adapting and improving their approach to the Wigan Deal, nine years after its introduction in 2011. However, we know by learning from other organisations, like Wigan, that we will need to work closely with our partners to realise our ambition. It is a radical approach and one which will require the commitment, enthusiasm and a “think yes” approach from everyone.

#### **Theme 4: Homes that meet people's needs (Principles 13-15)**

- 13. Government should ensure that there are affordable housing options across Scotland for households at all income levels.**
- 14. Housing and the housing market should be highly flexible to enable people to meet their changing needs.**
- 15. Everyone has a right to an adequate home.**

We agree with and support these principles.

The reference to income levels should be considered in terms of the inference that social housing is the only option for those on the lowest of incomes. The aim should be that the individuals are able to access the right type of housing, in the right location regardless of income levels.

The ability to deliver homes of the right type and in the right location is fundamental to ensuring that communities are sustainable. This will rely on a robust housing needs demand assessment, at national and local levels, to enable a clearer understanding of the current and future health and housing needs of our communities. There is a key role for Health and Social Care Partnerships to work collaboratively with housing enablers to share information, jointly plan and influence the strategic direction of local housing strategies.

If we are truly to deliver sustainable housing which meets an individual's needs, then consideration needs to be given to shifting the measurement of success of our Affordable Housing Investment Programme from an almost exclusively numbers basis to an outcome focussed approach. In many cases, due to land availability issues, new build developments are driven by site availability rather than based on housing and community need.

Providing a high-quality home in a community where someone chooses to live provides the building block for a sustainable outcome for an individual. In many cases, a person's needs extend far wider. Within this theme, it is essential that the importance of the ability of Local Authorities and Health and Social Care Partnerships to provide wraparound integrated support is recognised and resourced appropriately.

We support the need for more flexible housing, and a more flexible housing market. Future proofing housing to meet climate change targets, fuel poverty issues and the future needs of households will require greater investment.

Principle 15 should be the first principle and more fully reflect that housing is a human right and a basic human need, without which people and communities will fail to achieve their wider outcomes in terms of health, educational attainment, employment and health and wellbeing.

This principle also needs to reference the Government's ambition to end homelessness. We have a national homelessness crisis with increasing levels of homelessness, ongoing rough sleeping and use of B&B. The vision, principles and challenges need to better acknowledge this. There are clear links here to some of our wider societal issues in relation to poverty, mental health and drug and alcohol issues. More detail is required on the Government's ambition to address

homelessness and the links between wider strategic outcomes to support people with vulnerabilities.

Home First is our aspiration for people facing homelessness in Perth and Kinross, providing people with a settled Home as our First response when homelessness occurs. Everyone needs a safe, warm place they can call home, and we recognise that home is more than a flat, a hostel or a property. Home is where we feel safe and secure, have roots and a sense of belonging. Home supports our physical and emotional health and wellbeing.

If homelessness can be effectively tackled and addressed in Scotland, we will deliver improved outcomes for people who use drugs and alcohol and who have mental health issues.

<b>Q2</b>	<b>Do you have any comments on the scenarios and resilience of the route map or constraints?</b>
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The key influencing drivers of the housing system (population and health; political; economic; technology; transport; energy and climate adaptation) cover the main issues and challenges faced and provide some detail on the main factors within each of these drivers. However, the significance and impacts of each of these drivers is not explained. As such, it would be helpful to see a mapping of these drivers, articulating how they are, and will, impact on the housing system, and how they relate to the 15 principles to deliver on the vision. A greater understanding of the evaluation and impact analysis to support the proposals would be helpful.

In addition, it is felt that the drivers should include more detail on housing as a human right, housing's role in relation to economic development and employment, a greater articulation of how housing can help to address poverty and child poverty, as well as issues within the private sector around quality and affordability.

Additional constraints include the capacity of the water/ waste water network and the capacity of the grid to take on additional energy generated by renewable technologies.

The financial constraints highlight some key issues around sustaining current levels of funding due to demographic, societal and fiscal challenges. The paper also highlights four major areas of investment and activity required in housing infrastructure to 2040 as:

- Delivering more homes across all tenures
- Adaptations to make homes more accessible
- Delivery of energy efficiency targets
- Addressing the backlog of major improvements, maintenance and repairs across all tenures

While it is agreed that the whole system approach to housing delivery needs to take account of all public sector housing related costs, more clarity is needed on how this will be achieved. The preventative value of housing, in relation to health and wellbeing outcomes, and the spend to save approach, in terms of investment in housing to support better health and wellbeing outcomes requires a collaborative approach at a national and local level. At a local level, an outcome



rather than service-based approach to budget setting and planning as we are adopting here in Perth and Kinross will support this aim.

We agree with the constraints in relation to the labour market and the need for a greater focus on shaping the future workforce to deliver on the vision.

<b>Q3</b>	<b>Do you have any proposals that would increase the affordability of housing in the future?</b>
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**Affordable Housing Investment Programme (AHIP):** The contribution made to the supply of housing through the AHIP is significant and long-term investment in this way should continue to be supported. This means that there needs to be a commitment from Scottish Government to more long-term funding beyond 2021. This would allow all developers to have an effective local development strategy for affordable housing. The current system whereby RSLs receive a greater level of subsidy also needs to be reviewed as Council tenants are in effect paying a larger share of the costs for new builds than RSL tenants.

Subsidy levels must also reflect the need for more accessible affordable housing to support unmet need for people with mobility issues and to support our ageing population.

**Shared Equity Housing:** The Open Market Shared Equity Scheme, as well as the New Supply Shared Equity Scheme, are very popular options for households struggling to afford the purchase of a property on the open market. As outlined earlier, there are a lack of housing providers willing to take this forward. We believe this is due to the level of staff resources required to support these schemes, and the fact that properties do not become part of the landlord's stock. Perhaps it may be beneficial for shared equity to be taken forward by a separate organisation similar to LAR Housing Trust which was set up to take forward mid-market rent.

**Acquisition of Sites:** Securing land options at an early stage in the process is beneficial. This could be achieved by separating the acquisition from the development appraisal for grant funding. At present, the purchase of the site, ahead of the development process is often not possible due to the practice of applying the residual land value calculation to the value of the land. This method of land valuation is based upon what the organisation can afford to pay for the site (calculated through consideration of the rental value of the housing and the costs of development of the housing). In the current climate of relatively high site preparation and development costs, it is frequently calculated that it is not possible for the Council or RSL to make a payment for the site. This places Councils and RSLs in a poor position in the market to secure any sites for future development where there is not already a developer in place.

The separation of the acquisition of the land could potentially facilitate that site preparation is taken forward by a different agency, and could "open up" the potential for the land cost of a development to be dealt with under a separate arrangement.

It may be possible for Local Authorities to provide land for development on a long-term lease arrangement – taking this portion of the cost of building the house on to a different, less expensive, arrangement. This could contribute to making housing more affordable – both housing for rent and for sale. Taking forward Affordable Housing under these circumstances would require an adjustment to the current rules for the award of grant which requires the site to be in the ownership of the RSL. It may be more straightforward for councils to be the long-term landowner granting a long-term lease. This would also facilitate councils in taking far more active part in the supply of housing land across all tenures and an opportunity to create truly mixed neighbourhoods.

**Affordability:** As mentioned earlier, there needs to be more control over rent levels within the private sector. However, in terms of the social housing sector, there should be a legislative requirement for providers to demonstrate how they have assessed affordability of their rent levels, based on local income levels and household composition. While Perth and Kinross Council have an affordability assessment toolkit, which is being enhanced to look at affordability based on income equivalisation by household type, this is not a requirement. Housing costs have the most significant outlay that an individual household has and therefore play the most important part in tackling poverty and child poverty. Across the Perth and Kinross Area, there are significant variances between even the social housing providers who are non-profit making organisations. We would therefore recommend that the Scottish Government considers determining an affordability assessment criteria across both the private and social housing sector.

<b>Q4</b>	<b>Do you have any proposals that would increase the accessibility and/or functionality of existing and new housing (for example, for older and disabled people)?</b>
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**Building Mixed Communities:** Encouraging housing developers to build mixed community developments, to meet a full range of housing needs, could be achieved with support from the planning system. It could be a requirement for developers to consider housing needs in their entirety, making provision, for example for young people, older people, physical and learning disabilities and those individuals with additional support requirements. This could increase accessibility and support sustainable communities, with individuals having choice and access to accommodation near to existing support networks. This could be based on the Housing Needs Demand Assessment, or other local information, which is again where the role of the Health and Social Care Partnership is critical.

We have an increasing ageing population, increased demands on Health and Social Care for people with disabilities and complex care needs, and a move away from traditional models of care, to supporting people to live at home for longer. There is, therefore, a need for greater longer-term strategic planning and shared investment between Health and Social Care and Housing partners to develop a range of new models or approaches such as:

- Step up and step-down provisions where accommodation meets all of the needs of the individual, and care and support can be stepped up or down to meet the households needs.



- The creation of care villages to provide a range of health, care and community services and extra care housing.
- Redesign of existing social housing stock such as “pensioners bungalows” and sheltered housing to better meet the needs of our ageing population and provide suitable and accessible housing, with community support to tackle social isolation.
- Increasing incentives and mechanisms to support people to downsize to smaller more suitable accommodation will provide wider benefits in terms of making best use of all housing stock. Tax incentives or other incentives such as reduced fees for sales would encourage households to downsize.
- Accessible housing could be awarded an accreditation (through the building warrant process or home report) to make it easier for households to identify suitable houses on the market.
- Funding and assistance for adaptations must continue to be available and increased to reflect continuing demand to ensure that housing across all tenures meets the changing needs of the population.

<b>Q5</b>	<b>Do you have any proposals that would help us respond to the global climate emergency by increasing the energy efficiency and warmth and lowering the carbon emissions of existing and new housing?</b>
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**Green Infrastructure**

The consideration of green infrastructure could be built into a standard assessment process, which could be applied for each new build social housing development. Using suggested “*good practice*” (Scottish Natural Heritage, 2018), opportunities to maximise the potential for this could be fully considered and costed.

**Public Campaign**

Raising awareness of the importance of reducing energy consumption, and lowering carbon emissions by changing behaviour is fundamental to responding to the global climate change emergency.

**Incentives** and support for developers building zero carbon homes, to help meet the additional costs of some of the measures to minimise the impact on house prices. Could funding be made available in a similar way to the grant funding to promote progress with electric vehicles?

**Support for demonstration projects** – local authorities and social housing providers could be provided additional funding where they move quickly with new build projects, to demonstrate the contribution to addressing our carbon footprint and climate change. For example, from design stages incorporating bike storage, electric vehicle charging and choices of materials used, use of other heat sources – ground, air, heat pumps etc.

This could help raise awareness within the development industry and the wider community on the importance of this issue as well as providing information and approaches that can help to address climate change.

Lower income households would also benefit in terms of affordability by accessing low energy consumption homes.

<b>Q6</b>	<b>Do you have any proposals that would improve the quality, standards and state of repair of existing and new housing?</b>
<p>We should be working towards a single set of standards for all existing homes to ensure that the quality of housing is improved across all sectors.</p> <p><b>Conditions in the Private Rented Sector</b> – nationally house condition surveys consistently show that the housing in the worst state of repair is in the private rented sector, and tenement blocks of multi tenure flats. The most significant improvement in addressing standards can be achieved through addressing issues in this sector. Improvements in this sector are more difficult and at present it is unclear how the provisions made in recent legislation will be enforced in practice. Funding to assist with repairs in the private sector is an ongoing issue for Local Authorities.</p> <p>There is a need to provide legislation to enable communal repairs or improvements to be coordinated. Missing shares for issues where defects are identified in blocks of multiple ownership may be best addressed by a national scheme. Funding could be invested in carrying out repairs before property conditions significantly deteriorate, and then reclaimed at the point of sale.</p> <p>There may be value in attracting institutional investment in larger scale private rented housing into areas outwith major cities. This sector has become a significant contributor in meeting housing need, but remains largely unregulated with too much reliance on smaller landlords.</p> <p><b>Conditions in owner occupied housing</b> – consideration should be given to the removal of the requirement to pay VAT for major repair and renovation works to assist private owners to keep their houses in a good state of repair. Improvements to reduce energy consumption could be incentivised, and the approach may encourage work to be commissioned, supporting smaller contractors and the local economy.</p> <p>Investment in the condition of a property could be facilitated by mortgage lenders supporting householders to pay into a property maintenance fund at the point of purchase.</p>	
<b>Q7</b>	<b>Do you have any proposals that would improve the space around our homes and promote connected places and vibrant communities?</b>
<p><b>Infrastructure</b></p> <p>Home is where we feel safe and secure, have roots and a sense of belonging. Home supports our physical and emotional health and wellbeing. Suitable housing of the right size and type and in a location where a household can access family and social support, education and employment gives a person a sense of home and belonging. The provision of suitable housing, therefore, is a significant contributor to the delivery of connected places and vibrant communities. However connected places and vibrant communities go beyond the provision of housing. It is essential that the appropriate surrounding infrastructure is in place, including</p>	

good and affordable transport links, local amenities and community engagement and ownership. This is particularly important for reducing social isolation.

Greater use of the place standard tool, or approach (or similar) involving communities and all community planning partners, whether for new build developments, or when communities are considering change should be a fundamental part of the overall assessment for improving the space around our homes and promoting connected communities. Support for communities to lead on decisions and design, and meaningfully influence all aspects of their local area in relation to the physical aspects (building, spaces, and transport) and the social aspects is fundamental to promoting connected places and vibrant communities.

As we take forward the Perth and Kinross Offer, we will work with, and support, our communities to achieve these ambitions.

### **Community Green/Open Space**

As outlined earlier, the need for green infrastructure and community greenspace is essential. If we are to tackle a range of issues including health inequalities and general well-being, then there needs to be an emphasis on the provision of flexible community space. The design and use of the space should be influenced by the local community and, where possible, managed by the community moving forward in the interests of true community empowerment.

### **Developer Contributions**

Linking into the above there is the potential for developer contributions to be considered in their entirety rather than on an individual basis (education, housing and open space). Contributions from developers could be devolved to local communities to allow them to have their say in how best these could be used would have wider benefits including developing a sense of community and responsibility.