

sfha publication

Housing Scotland: Building Our Social and Economic Recovery

Manifesto for the 2021 Scottish Parliamentary Elections

sfha
Scottish Federation of
Housing Associations

We are housing Scotland

Introduction

This is SFHA's manifesto on behalf of our members, Scotland's housing associations and co-operatives. It takes a pragmatic look at where the next Scottish Government and social landlords can work together to achieve inclusive growth to support Scotland's economy and its people.

Our members are located across the whole of Scotland. From those operating in rural locations, spread across a large geography, to those in urban and inner-city locations, we have a presence in almost every community in Scotland. Our models are diverse, from small community-controlled organisations to large associations backed by international institutional investment. Our diversity and scale make us an important voice in Scotland for our 140 members and their 600,000 plus tenants.

In addition to providing great homes in great places, Scotland's housing associations are at their heart social purpose businesses, supporting individuals and communities, reducing inequality and promoting social justice.

Access to high-quality social housing is vital in tackling Scotland's deep-rooted problems of poverty, poor health outcomes, and educational underachievement which still exist in too many communities. We are essential to ending homelessness, reducing Scotland's carbon footprint and lifting people out of poverty.

These issues, and others, are particularly salient today as the nation grapples with the challenges associated with the coronavirus pandemic. We need not only an economic recovery, but also a social recovery and housing associations can provide both.

No other sector in Scotland has the ability to influence social and economic change to the same extent, delivering improvements across a wide range of needs and aspirations.

In order to deliver, housing associations must remain viable businesses – they are charities and not for profit organisations which have to be successful businesses to deliver their social purpose. Investor appetite and confidence is linked to government support and the ability of associations to set their own rents to meet the needs of their local communities.

Themes:

People

Homes

Adapting homes for the future

Climate change

Summary of key asks

Key facts about Scotland's housing association sector



1.2m

People live in social housing – half of them in homes provided by housing associations



4.1

Jobs (FTE) created per homes built



£7bn

We have more than doubled government investment (£3.2 billion) in the current housing programme with private investment delivering around £7 billion investment overall



14,000

The sector employs over 14,000 people

Summary of key asks

Key asks: People

A government engagement plan with housing associations on the implications of growing rent arrears, not only in relation to tenants but also their landlords, to minimise the impact on individuals and communities

A new long-term fund, building on the Supporting Communities and Empowering Communities Funds, which will enable social landlords and communities to work together for people in need

Delivery of a housing sector programme to embed digital living in communities as part of Scotland's Digital Strategy

A review of how public sector and housing associations data-sharing protocols can provide targeted support for tenants

Increased housing support funding to prevent crisis, respond to it and support people to remain in the community

Work with the national representative bodies and others to ensure social housing is seen as an attractive option within the wider housing system and a key component of future housing policy

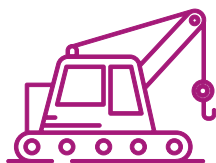


Key asks: Homes

All political parties to commit to a new Affordable Housing Supply Programme (AHSP) for 2021–2026 which will provide 53,000 affordable homes, including 37,100 homes for social rent, requiring an estimated £3.4 billion over five years, to ensure social housing is at the heart of its social justice and child poverty programmes and Scotland's recovery from Covid-19

Commit to continuing the transition to a Rapid Rehousing approach to homelessness and the investment needed to deliver it in Scotland. This overarching policy objective recognises the central role of home and housing to ending people's experience of homelessness

Continue cross-party planning and investment in housing supply beyond parliamentary cycles through the Housing to 2040 vision



Review the current level of grant subsidy within the AHSP, with flexibility for local circumstances, and commit to an increase in line with CPI, as a minimum, over the course of the next parliament, in order to keep housing costs affordable for tenants

Reform of the Land Compensation (Scotland) Act 1963 to facilitate land value capture and the creation of a new body to acquire land and offer plots with planning permission to open up sites that would not otherwise be viable for affordable housing

A large-scale, multi-year refurbishment programme to bring buildings up to the standards required to meet Scottish Government targets, and support to future-proof the supply chain

A clearer definition of affordability which is based on household income (rather than market rates) and considers total housing costs, including energy use, maintenance and travel

Zero-rate VAT for RSL rental income, in line with local authorities, which would help to keep social housing rents affordable

A sustainable funding mechanism for green infrastructure development which takes into account the loss of European funding post-Brexit

A national strategy for innovation with funding to support the growth of off-site construction and modular design to future-proof homes and address the climate emergency

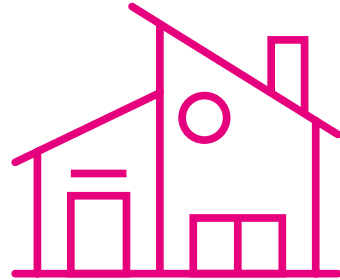
Projects to test delivery and finance models for community-led initiatives such as co-housing, mutual home ownership, co-operatives and collective self-build

A commitment to work with the sector to assess the cumulative impact of regulatory, legislative and compliance requirements in social housing (e.g. EESSH2) in order to understand how this will affect rent levels and affordability

Summary of key asks

Key asks: Adapting homes for the future

A programme to deliver new models of housing with care and support from both the health and housing sectors, with relevant Ministers 'owning' joint resources, specifically designed to prevent the need for hospital care, which align with health, housing and other budgets, and include digital and technology solutions



Review of Housing for Varying Needs Standard to mainstream standards of accessibility, inclusive design and functionality and to work with the sector to develop an online cost/benefit indicator

A national study on inclusive design, using SFHA's Inclusive Living Tool

A single national cross-tenure framework for adaptations which demonstrates future benefits for people and health and care services, supported by an additional £7 million annual investment to address the current shortfall

Key asks: Climate change

A cross-cutting funded strategy for improving and refurbishing the existing housing stock across all tenures

A new fund for housing associations to test ways of bringing stock up to EESSH 2 standards

A national, five-year public education campaign on energy efficiency to support housing associations to work with tenants in making changes to their heating systems

A strategy for the use of hydrogen, district heating and heat pumps to allow housing associations prepare for the future



Click to go to:

People

Homes

Adapting homes
for the future

Climate change

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Delivery of a housing sector programme to embed digital living in communities as part of Scotland's Digital Strategy

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Retention and increased housing support funding to prevent crisis, respond to it and support people to remain in the community

Work with the national representative bodies and others to ensure social housing is seen as an attractive option within the wider housing system and a key component of future housing policy

Homes save lives. Having somewhere safe, warm and affordable is not only important – it's the foundation of a good life. During the pandemic, homes have become the places where we are living, working, studying and keeping ourselves and our families safe and healthy. But, for many others, this has not been possible and the health, financial and social effects of the crisis have left them in real need.

Throughout the crisis, housing associations have embraced new ways of working, like virtual lettings, mobile and home working for staff, and use of online platforms to keep in touch with tenants. Our members have provided SIM cards to help get people back online, extended telephone services to support mental wellbeing, helped tenants use the NHS Near Me system for remote consultations with health professionals, and delivered high-quality community-based models of housing with care to keep people safe and well.

Yet, housing associations can do more – they can lead the economic recovery. With a relatively stable income from rents, housing associations remain in a strong position to support tenants into employment and themselves employ over 14,000 people across Scotland. But their impact goes beyond the economic.

Independent research commissioned by SFHA in partnership with Public Health Scotland, the Joseph Rowntree Foundation and the Rural and Islands Housing Associations Forum, highlights the significant economic benefits in terms of jobs, local spending and relatively large multipliers associated with social housing investment, and its critical role in sustaining rural

communities. It also shows the impacts of social housing in reducing child poverty and homelessness, improving health and wellbeing, contributing to successful placemaking, and leading community cohesion. Housing can lead the Scottish Government's attempts to pull the economy out of the post-Covid-19 recession and at the same time deliver national social renewal ambitions.

 **5,000** 
supported lets offered by housing associations across Scotland that employ over 3,000 care

At a time when the nation is examining how it best delivers healthcare, housing associations are working closely with partners in health boards and local authorities to support 'at risk' individuals, and we would like the next Scottish Government to strengthen data sharing between public sector bodies and housing associations so that associations can continue to support tenants.

By delivering more support and interventions at home, including investment in technology enabled care, health

 **14,174**

households were living in temporary accommodation in Scotland in July 2020

 **£64.4m**

of rent arrears in June 2020, an 11% increase in rent arrears between Q2 in 2019 and Q2 in 2020
(SFHA research, Sept 2020)

interventions can be delivered in people's homes. This reduces pressure on primary care and helps to protect the NHS.

To help keep rents affordable, some housing associations have profit-making subsidiary companies which feed profits back into the parent charitable organisation. Services offered through subsidiaries include delivering factoring services, providing properties for full and mid-market rent, operating repairs and maintenance services, running community halls, providing childcare facilities and operating a wind farm. More support is needed from government to set these up if communities are to benefit to the fullest extent.

With many people living in temporary accommodation, and more tenants struggling to pay their rent, Covid-19 is increasingly impacting on housing associations' ability to collect essential rental income. SFHA is working with members to quantify that impact and will soon be in a position to share this evidence with the Scottish Government.

Homes

Key asks: Homes

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A commitment to work with the sector to assess the cumulative impact of regulatory, legislative and compliance requirements in social housing (e.g. EESSH2) in order to understand how this will affect rent levels and affordability

SFHA, along with other partners, released research this year that highlighted the need for 53,000 affordable homes to be delivered in Scotland between 2021 and 2026.

By committing to this new target, the Scottish Government can reduce housing need, tackle one of the root causes of poverty and kick-start Scotland's economic recovery from Covid-19. Now, more than ever, Scotland needs this new programme to help rebuild our economy, create jobs and reinvigorate our communities.

Delivering the 53,000 affordable homes required to meet current, and future, estimated need in Scotland over the five years of the next parliament will support inclusive growth by creating more than 200,000 jobs in construction and related industries; contributing more than £2 billion additional economic output per annum; and bringing £100m into the Scottish economy in extra annual tax revenues¹.

We are calling on all political parties to commit to a capital investment programme of £3.4 billion over five years ensuring affordable housing is at the heart of the next government's social justice agenda and Scotland's recovery from Covid-19.

200,000

jobs would be created in construction and related industries by a new housing programme



£2bn

of additional economic output per annum would be produced by a new housing programme



Key document – click here to view

Affordable Housing Supply Need in Scotland Post-2021

Homes

The cost of building high-quality affordable housing is increasing, but the level of subsidy remains static. Delivering on existing and imminent policies around placemaking (NPF4) and heat (New Build Heat Standard from 2024) will mean that the costs will continue to increase. We want the next Scottish Government to commit to at least maintaining the current level of grant funding and to tie it to increases in line with CPI. This will allow social landlords to continue building the high-quality, affordable homes Scotland needs.

The number of homes is important, but so is the quality and sustainability of those homes. We need to create places that meet tenants' needs throughout their whole lives. The lockdown necessitated by the pandemic – and the predicted ongoing shift towards home working – shows us how important it is that the spaces in which we live are not only functional but multi-functional. The homes we are building now and in the future must be done so with this in mind.



£3.4bn

of government's money would be more than doubled by private investment in a new housing programme



£100m

additional tax revenues¹ into the Scottish economy as a result of a new housing programme

Access to green space has also been shown to be more important than ever this year. Green infrastructure funding, managed by NatureScot, has been vital to delivering better transport links and biodiversity projects across Scotland. This European Regional Development Funding is coming to an end and we urge the next Scottish Government to prioritise an alternative source post-Brexit.

We know the biggest barrier to housing development in rural areas is the affordability of infrastructure – yet many rural developments are compelled to be designed to city standards which are often inefficient and inappropriate. We want to work with the Scottish Government to reverse population decline in rural areas and to build more homes that will drive sustainable economic development, and respond to growing aspirations and preferences to move out of urban areas for outdoor space, and space for working from home.



The sector has demonstrated over a number of years that institutional investors see housing as a safe investment. Even in an economic downturn, our sector is in an increasingly strong position, bigger than ever in scale, scope and status. It provides nearly half of all the affordable homes in the country to more than half a million people. It has a total capital asset base of £50 billion, an annual turnover of £1.5 billion, and more than doubles the Scottish Government's investment through private investment from £3.2 billion to £7 billion.

Housing associations are under constant pressure to keep rents low. For housing associations in Scotland, rents charged do much more than cover the management costs of the properties. Ensuring homes are safe and compliant with new regulations comes at a cost, as does building new stock to meet the outstanding need for affordable and social homes. The less support available to help associations build, the greater the pressure on rents.



Key document – [click here to view](#)

Social and economic impact of social housing

Adapting homes for the future

Key asks: Adapting homes for the future

A programme to deliver new models of housing with care and support from both the health and housing sectors, with relevant Ministers 'owning' joint resources, specifically designed to prevent the need for hospital care, which align with health, housing and other budgets, and include digital and technology solutions

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Scotland's ageing population brings significant challenges and opportunities. With over half a million people living with frailty in Scotland, it is increasingly vital that Scotland embraces the concept of 'inclusive living', and we build and adapt homes that are fit for people's needs, both now and in the future. Our future homes must be accessible, adaptable and flexible.

We urge the next Scottish Government to take a national approach to the adaptations challenge that puts housing associations at the core. SFHA has identified an annual shortfall of £7 million for adaptations required in housing association homes to enable people to stay in their homes, return to them after hospitalisation and to promote physical and mental wellbeing.

Having a truly accessible national housing stock will allow us to deliver support and services to those who most need it and future-proof the housing sector.



£7m

the annual shortfall required for adaptations in housing association homes to enable people to stay in their homes

Imagine a future where the introduction of technology, and other innovative design features, can enable people to live independently and less socially isolated in their home for longer, at the same time reducing the burden on health and social care providers. We need an approach that considers social inclusion and equality, physical space and design, connections and relationships.

The next Scottish Government should commit to a review of the Housing for Varying Needs Standard to include an online cost/benefit indicator for the housing sector. We are also calling for a national study on inclusive design using SFHA's Inclusive Living Tool that will integrate inclusion into housing design and planning and make Scotland a leader in this field.



500,000

people live with frailty in Scotland



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Key document – [click here to view](#)

SFHA Inclusive Living Toolkit

Climate change

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A cross-cutting funded strategy for improving and refurbishing the existing housing stock across all tenures

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A strategy for the use of hydrogen, district heating and heat pumps to allow housing associations prepare for the future

Improvements in the energy efficiency of Scottish homes need a cross-tenure approach. Housing associations have already risen to the challenge, for example, by putting in place plans for boiler replacements across much of their housing stock.

Future-proofing of properties creates jobs, and supports SMEs and supply chains. The Scottish Government's ambitious climate targets will only be met if all housing tenures are working towards them.

We want to see leadership and clear messaging from the next Scottish Government around plans for hydrogen, district heating and heat pumps which allows associations to plan for the future. Housing associations, and other social landlords, have already borne significant costs (in excess of £400 million) to deliver energy efficiency measures under the Energy Efficiency Standard for Social Housing (EESSH).

The next step, EESSH2, will require a significant level of investment on behalf of housing associations. Our initial estimate is that upgrading housing stock to meet EESSH2 will require investment of around £10,000 per home (yielding a reduction in tenant energy bills of around £150 per year). The cost for pre-1919 tenemental properties is much higher.

In order to support our members, and facilitate discussion with the Scottish Government, SFHA will commission a study to estimate the cost of meeting the standard across our membership, and we will be briefing all political parties on our findings.



While we are asking for a further commitment to a large-scale programme of new build housing, we recognise the equal importance of investing in our existing stock. Evidence which SFHA has collected on the impact of Covid-19 on members' financial resources indicates that investment in existing stock (planned maintenance) is a key area in which cuts may have to be made. Balancing the cost of increasing investment requirements in stock with the need to keep rents affordable is more challenging than ever.



£400m

spent by housing associations and social housing landlords to deliver EESSH

Our members are already involved in multiple innovation projects in this area which will offer significant learning for other tenures. As members of the Existing Homes Alliance, we support the call for continued investment in refurbishment and for a dedicated fund for social landlords to scale up the projects and learning already underway.

We must not forget the importance of taking everyone with us. Awareness of ways of improving energy efficiency and how to reduce fuel bills remains low – yet is becoming increasingly crucial. Community engagement in this agenda is critical – we must include tenants in this process.

To that end, we are calling for increased investment in advice services such as Home Energy Scotland and other third sector services, including those provided by our members.

About SFHA

SFHA is the voice of, and membership body for, housing associations and co-operatives in Scotland.

Our ambition is that everyone has a good home in a successful community, with a range of high-quality, affordable, safe and accessible homes that meet people's changing needs and aspirations throughout their lives.

Housing associations and co-operatives are central to achieving this, going far beyond just the bricks and mortar. With social justice built into their work, they deliver from generation-to-generation.

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