



## SURF 2021 MANIFESTO PROCESS: HOUSING

### ABOUT THIS PAPER

SURF is **consulting** with its **members** and **wider contacts** to prepare a **2021 Manifesto for Community Regeneration**. The 2021 Manifesto will set out what SURF's network thinks the **Scottish Government** should be **doing differently** to better support the regeneration of socially and economically challenged places over the next term of the Scottish Parliament.

SURF's consultation process is structured on **13 key themes**. This briefing paper concerns one of these themes: **housing**. This covers the multiple intersections between housing, community regeneration and wider inequalities.

Briefing papers are circulated to SURF consultees with relevant knowledge and experience with a view to sharing **helpful background information** on the process and theme in advance of consultations. Please click the following links to **learn more** about: [What is SURF?](#) How will the [2021 Manifesto be developed?](#)

### SUGGESTED QUESTIONS

During the coronavirus crisis, **SURF policy and research staff** will be consulting via telephone calls, video interviews, and by requesting email submissions. **SURF is grateful to all participants for their time.**

The **following questions** will be used to structure interviews and submissions. They are **optional** and participants may answer as many or as few as they wish. **General comments and views** relevant to the theme are also very welcome.

1. What do you see as the main housing challenge or priority for the 2021-2026 term of the Scottish Parliament?
2. What new actions, if any, do you think the Scottish Government should take to improve housing access, quality and/or affordability in Scotland's deprived communities?
3. Do you agree with calls to increase housing supply by around 50,000 in the next five years? Do you have any comments on the tenure mixes or places/regions that should be prioritised for any new housing developments?
4. Some SURF contacts have argued that new housing developments tend to be disconnected from existing urban fabric, including town centres, and are not consistent with the '20 minute neighbourhood' concept. Do you share this concern?
5. There is speculation that many Scottish towns and cities may have an oversupply of vacant office and retail space as a long-term legacy of the pandemic. If this transpires, do you have any views on whether these buildings could or should be converted into housing?
6. Of any housing providers you are familiar with, do you have any comments on how they are responding to the climate emergency?
7. How do you think the COVID-19 impacts might affect housing policies, investments and priorities in Scotland in the next five years?

8. Do you have any views on how barriers to providing affordable housing in rural areas can be overcome?
9. If you are familiar with the draft vision and/or principles in the Scottish Government's 'Housing to 2040' paper, do you have any views on these?
10. Do you have any other comments on any other aspect of housing policy and practice in Scotland, and what we should be doing differently to resolve challenges and meet current and future needs?

## MANIFESTO FOCUS

Some **general information** for participants:

- SURF intends to **record interviews**, for internal use only in supporting the taking of summary notes. Permission to record will be requested at the start of each interview and recording will only take place where active consent is given.
- All individual responses will be **anonymised** in the Manifesto. With permission, SURF intends to publish a list of consultees in the final presentation, noting that inclusion of an individual or organisation does not necessarily imply their agreement with the presented policy recommendations.
- SURF's 2021 Manifesto is **targeted at the Scottish Government** that will be formed after the 2021 Scottish elections. Policy recommendations must be **practical** for the Scottish Government to progress or deliver within its powers and resources over the 2021-2026 Parliamentary term;
- SURF's overall objective is to **improve the lives and opportunities of people living in Scotland's socially and economically challenged places**.
- The consultation process will run while the **COVID-19 pandemic** is unfolding. The long-term implications for Scotland's economy and society are likely to be significant. SURF would like to learn more about views on these implications.

## POLICY CONTEXT

### Housing and Inequalities

Rising house prices and rents have forced an increasing number of people in Scotland into unsuitable or unaffordable accommodation, and into homelessness, adversely impacting living standards and health, and contributing to rising inequalities.<sup>i</sup> Homelessness is currently a pressing issue for local authorities across the country.<sup>ii</sup>

In 2019, the Joseph Rowntree Foundation reported that relative poverty levels in Scotland were lower than in the rest of the UK, largely due to generally lower housing costs attributed to higher levels of social housing.<sup>iii</sup> There are, however, a growing number of families and young people who are unable to access the social rented sector or the housing market; they face higher housing costs and less security of tenure in the private rented sector.<sup>iv</sup>

Secure, affordable housing is essential to meeting a range of wider social and health outcomes on an individual and community level, including eliminating child poverty and ending homelessness.<sup>v</sup> The 2019 Planning (Scotland) Act obliges local authorities to use Local Development Plans to set targets to meet the identified housing need in their area.<sup>xiv</sup>

The Scottish Government's Housing Need and Demand Assessment methodology is now in use across all local authorities, creating a shared evidence base of housing need across tenure types, informing local housing strategies and development plans. At present Scottish Planning Policy requires 25% of any market site to be allocated to affordable housing. Recent estimates suggest this ceiling may need to rise to 64% to meet present levels of demand.<sup>vi</sup>

## Housing Supply

Increasing the supply of housing has been a key aspiration of Scottish Government policy and investment over the last five years. Its 'More Homes for Scotland' approach launched in 2016 with the target of delivering 50,000 new affordable homes by March 2021.<sup>vii</sup>

Through significant capital spending distributed via the Affordable Housing Supply Programme to housing associations, local authorities and private sector developers, more than 25,000 new affordable homes, over a range different of tenures, were delivered by March 2019.<sup>viii</sup> The onset of the COVID-19 pandemic, however, saw construction halt across the country. As a result, the Scottish Government has acknowledged that it is unlikely to meet the 2021 target.<sup>ix</sup>

The delivery of new housing has the potential to deliver significant wider social and economic benefits at a national and local level. A recently published report by the Chartered Institute of Housing, the Scottish Federation of Housing Associations and Shelter Scotland highlighted the positive impact of large-scale investment in social housing, outlining the range of benefits that can be achieved across the Scottish Government's National Performance Framework. The three bodies have jointly called for a new target of 53,000 affordable homes to be delivered over the course of the next Scottish Parliament term (2021-26), at an estimated capital investment cost of £3.4bn.<sup>ii</sup>

## Land and Infrastructure

Scottish Government funding for urban land remediation and infrastructure is delivered through the Housing Infrastructure Fund and the Building for Scotland Fund. The newly established Scottish National Investment Bank is also tasked with providing ongoing finance to support house building across all tenures and associated place-based regeneration.<sup>x</sup>

The high cost of developing new housing is influenced by the increasing cost of land and essential infrastructure.<sup>xi</sup> The Scottish Land Commission have investigated the practicality and desirability of innovative alternative models of development that may help deliver more affordable housing, particularly in areas that are less viable for the private sector.<sup>xii</sup> They have argued in favour of a more proactive public sector role in planning and development, using models such as land value capture or an infrastructure levy.<sup>xiii</sup> The Planning (Scotland) Act 2019 allows for the latter to be implemented, but the practicalities of this have yet to be articulated.<sup>xiv</sup>

Homes for Scotland have argued that that the existing model of private sector led housing development functions in a similar way to an infrastructure levy, with developer contributions based on the value and size of development. They highlight concerns that new costs and constraints on developers would further restrict supply, as development sites would become commercially unviable. Instead, they suggest more readily available flexible long term financing as a means to fund infrastructure and unlock more sites.<sup>xv</sup>

## Rural Dimensions

Private sector led housing development is less successful in areas with weak and fragile markets. This is particularly applicable to rural areas, and areas of deprivation, particularly where there are high levels of vacant and derelict land, presenting a fundamental challenge for realising local housing development and community regeneration plans.<sup>xvi</sup>

Funding for new housing in rural areas has been supported by the Rural & Islands Housing Fund, which is open to community organisations, housing associations and private developers. Between 2016/17 and 2020/21, £25 million has been allocated to rural areas and £5 million to island

communities.<sup>xvii</sup> By April 2020, the Rural Housing Fund had delivered 45 out of a forecasted 500 homes, while the Island Housing Fund had delivered seven homes out of an intended 100.<sup>xviii</sup>

In remote rural areas and on islands, affordable housing, particularly for families, is of critical importance, to maintain a working age population and sustain vital services.<sup>xix</sup> Declining housing affordability can also have a highly visible negative impact on community cohesion, with long term residents displaced as housing costs rise.<sup>xx</sup> Second home ownership and the rise of short-term letting businesses have also been identified as a barrier to meeting local housing needs in rural communities.<sup>xxi</sup>

## Housing and Place

The Place Standard Tool, promoted by several public agencies including Public Health Scotland, identifies housing quality, affordability and availability as key elements of sustainable and successful places. A lack of warm, affordable housing in an area can increase costs and have negative health impacts on residents, reducing community resilience and ability to handle adversity, in turn creating or exacerbating wider economic and social problems.<sup>xxii</sup>

The Scottish Government and the Convention of Scottish Local Authorities promote a Place Principle, which promotes enhanced collaboration across all sectors, including local government, housing associations, private developers and community groups, to deliver better outcomes based on a shared understanding of place.<sup>xxiii</sup> The housing and regeneration sections of the Scottish Government's 2020/21 Programme for Government prominently emphasises the Place Standard Tool, the Place Principle, and the concept of a 20 minute neighbourhood, in which residents can meet most of their essential needs including shopping, leisure, education and health care, within a 20 minute walk from their home.<sup>xxiv</sup>

The housing category in the SURF Awards for Best Practice in Community Regeneration highlights exceptional housing developments, which have delivered substantial wider regeneration benefits to local communities, based on extensive consultation and partnership working. Recent winners include the conversion of a historic school building in Forfar, and the community led development of affordable family housing in on the Isle of Mull.<sup>xxv</sup> The SURF Awards have also promoted the effective role housing associations large and small in Scotland can play as community anchor bodies that have deep connections to their local communities and play an extensive role in the delivery of community regeneration and local partnership activities.<sup>xxvi</sup>

## The Climate Emergency

Housing has a key role to play in combatting climate change and meeting the Scottish Government's commitment to net-zero carbon emissions by 2045.<sup>xxvii</sup> It is estimated that around 80% of the housing stock that will exist in 2050 in the UK has already been built, and therefore large-scale retrofit programmes are required to reduce the carbon footprint of Scotland's homes.<sup>xxviii</sup>

Creating warmer and more affordable, energy-efficient-homes has value for meeting climate change targets and reducing fuel poverty. The Scottish Government has set a number of targets in this area: all socially rented homes are expected to meet Energy Performance Certificate (EPC) Band B by 2032, while privately rented and owned homes are expected to meet EPC Band C by 2040. This will require significant finance and intervention. Since 2008, the Scottish Government has invested around £1bn in improving energy efficiency in the built environment.<sup>xxvii</sup>

## Future Vision

The Scottish Government has begun consulting on a new vision for housing. The 'Housing to 2040' consultation explores perspectives on the housing system as a whole and asks respondents to share their views on what they expect Scotland's homes and communities to look like in 2040.<sup>xxix</sup>

As part of this, the Scottish Government have set out a of draft set of 14 principles for discussion, which are extensive and wide ranging in their content, with a particular emphasis on the potential of housing interventions to reduce poverty and inequality.<sup>xxx</sup>

## SURF CONTACT

SURF Research & Administrative Assistant, Christopher Murray, is coordinating the consultation responses.

Participants can contact Christopher on:

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Interviews will be carried out by Christopher and by SURF Policy & Participation Manager, Derek Rankine.

For further information on SURF, please visit: [www.surf.scot](http://www.surf.scot)

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