

# Housing Strategy 2017-2022

## Consultation Event

19<sup>th</sup> April 2016

Royal Concert Hall

Glasgow

## **Conference Report**

## Welcome

Patrick Flynn, Head of Housing and Regeneration Services, welcomed everyone to the event and then introduced Councillor McAveety, Leader of Glasgow City Council

## Councillor McAveety, Glasgow City Council

Councillor McAveety stated that we are increasingly becoming a major global city, competing with cities all over the world for investment. It is an exciting time for Glasgow and with the population set to rise by up to 100,000 over the next 20 years – Glasgow needs to be ready.

Housing is about much more than the bricks and mortar – it's about how much a home can change someone's life. It's about how a safe, secure home in communities across Glasgow can be a tool for social renewal and regeneration. It's about how housing, in whatever form it takes, is the gateway to other opportunities.

Councillor McAveety added that housing, naturally, forms a key part of all our discussions – along with work it remains probably the key route out of poverty for so many people. Across Glasgow poverty remains depressingly high and it is a tragedy and shame for any modern city to have citizens living this kind of existence. We need to look at what the innovative solutions are? What ways could we deliver services better? How can we better tackle the challenges of Welfare Reform? How can we better work together to tackle the challenges too many people in Glasgow face because of poverty?

Councillor McAveety continued that there is no doubting that we, ourselves, face tough challenges. Across the public sector our budgets are being squeezed as the demand for our services continue to grow. It's time for us to look at how we build partnerships and work together to deliver our services in a more joined up way – ensuring that, despite our own financial challenges, families across Glasgow aren't losing out as a result.

Councillor McAveety concluded by stating that today's Event is the beginning of our consultation on Glasgow's New Housing Strategy. It is an opportunity to begin to shape what we do and, more importantly, shape how we can all work together across the city. It's only by working together that we can tackle the challenges facing our city. And, for all the successes that we have seen across Glasgow in recent years, there's no doubting the scale of the challenges that face every one of us.

## Professor Anne Power, London School of Economics

Anne started her talk by describing her background in housing with the Islington Co-ops and Community Organisations in London, her work on difficult to let council housing and her roles in the Urban Task Force, the National Communities Resource Centre and the London School of Economics where she is professor of social policy and head of the London School of Economics, Housing and Communities Department. Anne was tasked with setting the scene for the day by highlighting some of the housing challenges both at a Scottish and UK level.

Anne began by talking about poverty and compared poverty now with poverty in the 1970s when poverty was much more intense than it is today. Today, 12.9 million people live on or below the poverty line with 3.6 million children officially living in poverty. The UK wide poverty level has not moved but in Scotland from 2012-2014 the levels of poverty have dropped slightly for all groups except 16-29 year olds

Anne then went on to talk about the causes of poverty including the banking crisis, the credit crunch and austerity measures introduced by the government. The cuts in benefits to the bottom incomes and the cuts to taxes of the top incomes means that inequality is increasing. Added to this there is growing competition for resources driving up prices and globally growth has been slow with global economic uncertainty. She added that poverty tends to be concentrated within social housing areas, historically poor estates, people that are low skilled, unemployed and lone parents, ethnic minorities

and young people. Young people in particular are the poorest group with 34% of 16-19 year olds and 29% of 21-24 year olds being in poverty. Anne then went on to discuss the insecurities created by welfare reform and universal credit and the lack of security and enforceable standards in the private rented sector stating that the poorest 20% of private tenants spend 55% of their income on rent.

Anne added that poverty is worsening because people are reluctant to pay more taxes, so there is less income for the government to distribute and there is more pressure on current resources due to an aging population and the loss of social housing through the right to buy. Low skilled jobs command less wages and zero hours contracts are contributing to this but they are often in vital jobs such as security, childcare, cleaning etc. There is also a shrinkage in male manual jobs. This is causing a dichotomy in the low paid/high paid jobs. Anne went on to describe how inequality shapes society in many ways from decision making becoming remote from the problems to the deskilling of a generation.

Anne went on to talk about how UK housing policy compares with Scotland and how she feels that Scotland is more progressive than England. There are some clear differences in housing policy including the abolition of the right to buy, more social renting (particularly in Glasgow), more community based housing associations and major council house transfers with Glasgow being the largest. She also noted the gentler approach to welfare reform from the Scottish Government and the direct subsidies for housing association new build.

Anne asked the question “is Housing Supply the big issue” but she argued that it is easy for policy makers to get wrong. New build stock only accounts for 1% of the supply and instead the focus should be on the 99% of the housing stock which already exists. In particular there is a failure to address isolation in single person households and housing management is down played as an issue. It is an imperative that regeneration agents consider these issues. In discussing regeneration, Anne said that Glasgow is more comparable with Manchester than Edinburgh but there are lots of opportunities in Glasgow and Community Based Housing Associations have a lot to contribute to this.

Anne concluded her talk stating what she considered to be priorities for Glasgow. This included tenemental rehab and increasing energy efficiency. She said that she would, if directing policy, revisit job opportunities in housing management, repair and retrofit and create more training opportunities at all levels. She would make enforcement of the private rented sector stronger and incentivise security, quality and modest rents. She would continue to modify welfare reform and provide more personal advice and support to tenants as well as explore subdivisions and sharing to increase supply, affordability and caring.

### **Tom Barclay, Co-chair of the Joint Housing Policy and Delivery Group**

Tom Barclay is Chief Executive of Clyde Valley Group, past chairman of the Scottish Board of RICS Scotland and is currently co-chair of the Scottish Government’s Joint Housing Policy and Delivery Group. His presentation discussed the work of the Joint Housing Policy and Delivery Group and its vision for housing in Scotland.

The Joint Housing Policy and Delivery Group came about following a Scottish Housing Event which considered housing issues and developed a 5 year delivery plan. The delivery plan sets out the vision for housing up to 2020, has 4 themes and 34 actions. The delivery plan can be found at [Joint Housing Delivery Plan for Scotland](#). The plan itself follows research and refreshed aspirations of house building and budget.

Tom described some the challenges to delivering the plan including the capacity and skills of the construction industry, the need for flexibility and collaboration to make things happen and how the “co-production” model could be used to give a better understanding. For Glasgow’s Housing Strategy, similarities must exist. Collaboration between providers in Glasgow will set the city up well.

The delivery plan has a structure that will enable separate groups to take pieces of work forward and then report back to the main group. This enables progress to be made on actions with the main group becoming more strategic in focus. The 3 highlighted areas in the strategy are fuel poverty, the new rental guarantee scheme (private rented sector) and the Education bill.

For Glasgow this is taken in the context of scarce resources, a changing demographic in an already complex housing system and a challenging time for house building. There is a need to be honest about what we can and can't do and where we need to help to meet the 50,000 new build target. It will take leadership, driven by long term vision. (Slides available on GCC website – add link)

#### **Steve McGowan, Group Manager (Strategy and Investment), Glasgow City Council**

Steve described the process of developing a Housing Needs and Demand Assessment (HNDA) for Glasgow. This was carried out by the Glasgow and Clyde Valley Housing Market Partnership consisting of the 8 local authorities in the Clyde Valley area. The HNDA is the evidence base for the Strategic Development Plan, Local Development Plans and the Local Housing Strategies across the 9 authorities. It is a statutory requirement and there is guidance on its methodology. The HNDA consists of demographic and economic analysis and planning scenarios demonstrating low, high and principal migration scenarios.

The HNDA provides the evidence for key housing and planning policy areas including housing supply targets, stock management, and housing investment, the geographic distribution of land and specialist provision. The HNDA must be assessed as robust and credible by the Scottish Government. The Glasgow and Clyde Valley HNDA was approved as robust and credible during May 2015. Steve then went on to describe how the HNDA tool works and talked to slides about the estimated and projected population for Glasgow up to 2037. The slides are available on Glasgow City Council's website (insert link).

The key messages from the HNDA for the **whole of the metropolitan area** are that

- Population will grow but will stabilise in the longer term before starting to decline
- There will be continued household growth but with reducing household formation rates
- There is an ageing population
- The population will become increasingly diverse
- Tenure change: there will be lower private sector growth and there will be a rise in the demand for affordable housing including private renting.
- There will continue to be challenges with affordability with a constraint on access to mortgages and deposits and reducing incomes.

The key messages from the HNDA under the principal planning scenario **for Glasgow** are that

- Glasgow's population is projected to grow by 63,307 people or 10.5% between 2012 and 2029 with Glasgow's population rising to 657,387
- Households are projected to grow by 44,878 (15.7%) from 286,235 to 331,013 over the same period
- Glasgow's demographic position is different from the rest of the conurbation with a younger population and higher ethnic diversity
- Reducing average household size

Steve concluded by suggesting that Glasgow's Housing Strategy should consider

- Homelessness and Access to Housing
- Single People under 35 on Universal Credit/LHA rate
- An Ageing Population
- Newly Forming households
- Other specialist housing requirements
- Ensuring that the right house types are being built in the right locations across all tenures
- Affordability

#### **Kenneth Gibb, Professor in Housing Economics (Urban Studies) at Glasgow University**

Professor Gibb discussed the housing market in Glasgow and its relation to housing need. He stated that we cannot really look at the owner or rental market as if either were well bounded by the city limits. Housing market areas relate to functional commuting/or local labour market areas in aggregate and these should be disaggregated to take account of well-defined local market segments which may

be spatially contiguous e.g. Neighbourhoods or otherwise close substitutes e.g. tenements in different parts of the city. Analysis at city level should be taken with a pinch of salt because they are likely to be unintended consequences and spill overs that cross jurisdictional boundaries. As far as the HNDA goes we need to constantly re-evaluate and contextualise Glasgow's findings in the wider setting.

In the owner-occupied housing market, Glasgow has relatively low average prices - below the Scottish average though with wide local dispersions (Right move suggests a fourfold difference in average prices between Springburn and Jordanhill), but price share is rising more quickly in Glasgow than Scotland (5.9% compared to 3.6% and transactions are also growing more quickly in Glasgow). Several estate agents report falling time on the market, though some like GSPC, would expect to see quicker rising prices than they have within their own data.

In the private rented sector in Glasgow, city lets data for the 4th quarter of 2015 suggested an average monthly rent of £701 (£747 for Scotland), an annualised increase of 4.2% (2.0%) with a reducing time to let of 21 days (30 for Scotland). Compared with 2008 Q4 Glasgow rents are now 23% higher (Scotland 16%). Greater Glasgow average rents have outpaced inflation since 2010.

Comparing the Local Housing Allowance for different broad market rental areas, Greater Glasgow (2 beds) is currently at £116.53 compared to £162 in Aberdeen and Aberdeenshire, and £145 in Lothian but the local housing allowance is below £100 in the Borders, Dumfries & Galloway, Ayrshires and North Lanarkshire. Scottish Government figures suggest that between 2010 and 2015, rents have widened with upper quartile rents growing more quickly than lower quartile rents.

What does this mean for affordability? Lower quartile house prices declined during the recession and its aftermath but have slowly started to recover - but Glasgow remains a city with relatively affordable housing. This is subject to two major constraints: lower quartile price to income ratios are much higher than median price to median income ratios - suggesting perhaps as the HNDA indicates a problem for entry level home ownership; something made worse by lending and deposit constraints that apply across the entire housing market. However, there are legitimate concerns about how meaningful these summary judgments in affordability are and how it is defined on the ground.

These markets are affected by likely future changes to the economy and the anticipated future fiscal climate. Constraints include welfare reform, fiscally-induced job loss, and the changing nature of jobs, wages and job insecurity. There are however some positive impacts including the city deal, the Wheatley Investment Programme and other large investment programmes in the region e.g. Motorway Investments and the Universities physical estate development programmes. These constellation of factors allied to mortgage market constraints are likely to produce a more complex picture of housing and economy interaction but one that will require more and better private renting as well as affordable rental offers.

Professor Gibb suggested that the new Housing Strategy should invest in evidence and monitoring about what makes the rental market tick? Is it growing because people can't own who want to (i.e. because folk can't live in the tenure that they want) Or to what extent is it actually meeting the preferences and requirements of people and what does this mean for the Housing system? Glasgow strategy should consider how it can intervene to make the rental market work better, improve the quality of the sector and remove bad practice. To promote and support the Glasgow housing market, the strategy should consider land release from a city-region perspective and not just a GCC perspective and work with the grain of the market. It should encourage exemplary institutional investment in quality rental market housing and in a range of affordable or intermediate products. It should support high quality private developers and partnerships with housing associations that promotes a range of housing options and choices such as affordable family home ownership, older household downsizing, and a range of rental locations and choices. Housing market promotion must also be integrated with and support inward investment to the Glasgow economy.

#### **David Bookbinder, Director, Glasgow and West of Scotland Forum of Housing Associations**

David discussed development issues from a community based housing association viewpoint and stated that there is now a constructive process with local authorities about sites and which ones will be taken forward. He discussed capacity issues and about the ways that members can support one

another to take development forward. Housing associations want to be involved in development and have a track record of delivering new housing in the city. David then went on to show images of developments by community based housing associations in the city. (See slides on website – insert link).

David continued that Glasgow cannot do all that they want to do especially with regard to the renewal of unimproved pre-1919 tenements, but GWSF is working with the Scottish Government on this. David talked about partnerships and how this doesn't always mean that the larger organisation takes the lead. He gave examples of where this has been the case and worked well.

David talked about a shared framework for procurement and the difficulties with this but stated that no one understands an area better than a community based housing association and what homes an area needs and what else an area needs to make regeneration genuinely holistic. He added that RSL's don't compromise on quality as it doesn't pay in the longer term. He also talked about acquisitions and rehab being new supply.

He concluded that there are invariably complications over sites and who builds what but if any RSL is considering developing a site, then they should talk to Glasgow City Council about it. Large scale programmes are bound to feature in the new programme nationally and we have to make sure that Community Based Housing Association's input is maximised to counter this and be open to new ways of working as long as they don't lose the basics of strong local input.

#### **David Fletcher, Regeneration Director Wheatley Group**

David Fletcher talked about Glasgow's Development targets of 25,000 by 2025 and 12,500 homes in the next 5 years of which 5,000 will be affordable housing. He also discussed the acceleration of the TRA programme in Pollokshaws and East Govan/Ibrox.

David talked about the funding available for development including the Wheatley Group £300m public bond which was issued in 2014/15 with a low interest rate of 3.5%. This includes £270m available in Group Banking facilities including £50m for the private rented sector through Lowther Homes. There is also dedicated grant funding for affordable housing from the Scottish Government.

David stated that 3180 homes are to be delivered by GHA, Cube and Loretto over the next 7 years, 2145 homes for social rent and 1036 for mid-market homes and talked about the units already approved or on site. He also talked about the Transformational Regeneration Areas and gave North Toryglen as an example of what could be achieved.

David talked about the strategic agreement between Wheatley and Glasgow City Council which was agreed in March 2016 and incorporates:-

- The identification of land supply to support future programming
- A streamlined nominated disposals process
- Land for affordable housing (DV Valuation)
- Agreed timelines for consultation of net land negotiations

David also talked about partnership working with community based housing associations and highlighted their partnership with Ruchazie Housing Association at Milncroft Road/Bankend Street. He said that this was a partnership with the local community to deliver a key site in the local regeneration plan and developed 61 units of mixed tenure including social housing, mid-market rent, shared equity and a GCC Children's unit.

David concluded by saying that there are challenges particularly around land supply, statutory consents, utilities, development skills and contractor capacity but that these can be overcome. It is Wheatley Groups ambition to secure an additional 2000 jobs, training and apprenticeships over the next 5 years for Glasgow.

#### **Jeremy Hewer – Scottish Federation of Housing Associations**



Jeremy described the changes to the Universal Credit “live” system which he said had never worked well and had a long a difficult claim application process, dependant on manual intervention and had a lot of mistakes. It is being replaced by a digital solution referred to as the “full service”.

The “Full Service” has had trials in a small number of jobcentres and is to be extended to 6 more including Musselburgh. DWP claim it is much more user friendly and a decision has been taken to start a National rollout in May 2016. All new claims will be universal credit with no gateway criteria.

Jeremy also talked about how the summer budget abolished a family premium for people with no dependants, the removal of entitlement to Housing Benefit for the under 22s, the removal of Child Element of tax Credit and Universal Credit awards for third and subsequent children born after 06/04/2017. Lone parents on Universal Credit will need to prepare for work when a child turns 2, and find work when the child turns 3. The Chancellor’s autumn statement also capped Housing Benefit/ Universal Credit at the Local Housing Allowance Maxima and shared accommodation rates for the under 35s. (See slides, link to be added)

Discretionary Housing Payments are not the antidote! (Neither for claimants nor for housing associations). In a series of reports for the Welfare Reform Committee by Sheffield Hallam’s Centre for Regional Economic and Social Research it noted that the loss to the economy was:

- Scotland £1,520 million p.a.
- Glasgow £239 million p.a.
- 12 of the 20 hardest hit wards were in Glasgow: pre 2015

Discretionary Housing Payments are being used to mitigate the ‘bedroom tax’ and the Scottish Government boosted funds by £35million to fully mitigate the ‘bedroom tax’ but it is being used for something it was never designed for. Jeremy then went on to describe some of the other mitigating actions such as the Scottish Welfare fund and new powers through devolution which could vary the rate of housing costs. He suggests that we need to tie in with credit unions, create fee free bank accounts and provide chances of access to affordable credit.

#### **Lynne Cooper, Assistant Director of Housing Services, NG Homes**

Lynne Cooper described how NG Homes was responding to Welfare Reform. She stated that the Association operates in an area of multiple deprivation with 51% of youngsters in the Springburn area living in poverty and 69% of tenants in receipt of Housing Benefit. She talked about the benefits that had already been changed and the impact that this has had on tenants with a 150% rise in rent arrears calls to National Debt Line.

Lynne stated that £13m (of ng homes’ £21m annual rent income) comes from Housing Benefit and the collection of the benefit receipts incur little cost but, but Universal Credit will mean;

- Increased cashing costs (coin!);
- Increased arrears & support staff costs;
- Increased void, court and eviction costs;
- Increased bank and borrowing costs.

She stated that currently they have 57 Tenants on Universal Credit with 42 of the 57 Tenants on Universal Credit having their rent being paid directly to ng homes. In a “*direct payment*” pilot in 2002; arrears increased 133%. To NG Homes, a 133% increase would mean almost £100,000 extra lost every month! For tenants, an accrual of arrears means an increased risk of homelessness and less disposable income with a higher chance of falling into debt which can be difficult to get out of again. From a survey of tenants, 41% could “Just about manage financially” 41% and a further 31% were “Finding it difficult to cope financially”. 49% of tenants had no home contents insurance. She then went on to talk about some of the mitigating actions taken by NG Homes including the Big Lottery funded Epic 360 Project. (See slides, create link)

#### **Susan McAllister, Project Co-ordinator, EPIC 360**

Susan is the project co-ordinator for the EPIC 360 project. She described the project as a financial capability organisation, funded by the Big Lottery. The project employs 6 financial capability officers covering the whole of Glasgow. Residents within a GCC postcode can self-refer or be referred in to the project.

Susan said that the service is like financial coaching; where people get the space to discuss savings, insurance, borrowing options, mobile phone or broadband contracts, how they manage financially and get help so that they might be able to better manage their income. It is based on informed choices and is not prescriptive. The aim is for clients to leave sessions with new strategies and coping skills, to be able to think differently about their finance and budgeting options and to notice positive behaviour changes within themselves.

Glasgow residents can refer themselves via the Epic 360 website or can be referred by another organisation or individual.

Susan concluded by saying that if you are referring on behalf of someone else, please let them know that you have made the referral and if you have any questions about the process or the service, please call 0141 630 5424/5. She then described a case study of a successful outcome for a family. (See slides, insert link)

### **Michelle Mundie, Housing Strategy, Glasgow City Council**

Michelle started her presentation with some myth busting stating that last year's residential report is *not* Glasgow's Housing Strategy and the team had not started writing the Local Housing Strategy, yet which meant that there was still lots of opportunity to get your thoughts across. She also stated that the 25,000 mentioned in the residential report was a 10 year target and the housing supply target for Glasgow's Housing Strategy 2017-22 will be 12,500. The strategy needs to take account of all housing in the city, regardless of size, type, condition or tenure and GCC has a unique perspective on this as it has no housing stock.

Michelle then highlighted some of the successes from the previous strategy before talking about what we are trying to achieve with the new strategy. This included making sure that the people of Glasgow have good quality affordable houses to live in, attracting investment into housing, ensuring the capacity of the industry to deliver and partnership working. The strategy will hopefully deliver 10 critical success factors which the strategy will be measured against.

Michelle requested that all invitees send in their comments to the housing strategy team. If you have been part of developing the strategy then you will have more of an ownership of the strategy. The first draft of the strategy will be distributed for comment in the summer with the 2<sup>nd</sup> draft being prepared for comment in the autumn. The final draft of the strategy will be presented to Council for approval by the end of the year and thereafter submitted to the Scottish Government.

### **Summary of Breakout Sessions**

#### **BREAKOUT SESSION 1: Working together to regenerate communities**

The purpose of this breakout session was to explore

- How, based on the experience of those TRAs where sites have been developed, can those which appear to be lagging behind be assisted?
- What are the specific constraints?
- In what ways can City Deal provide key infrastructure to enable site and new community development and bring previously unviable sites into use

This was the summary of comments from the breakout session:-

- Regeneration is not simply about physical regeneration. Regeneration is about people. It is about improving opportunity and choice for the people of Glasgow. It is imperative that we learn lessons and experiences from work in the active TRA's.



- There was a mixed response from the group when asked how familiar they were with TC: G and the TRA's. This was demonstrated by comments re: the unknown boundary of the East Govan/Ibrox TRA. The group commented that the East Govan/Ibrox TRA felt 'less joined up' than its counterparts. Although it was acknowledged that the TRA contains piecemeal sites and has unique challenges.
- The group expressed a desire for better collaborative working between the local authority and its strategic partners, including community planning and Jobs and Business Glasgow. The group would also like to see Community Based Housing Associations being more involved in the TRAs and stated that mixed tenure communities were the key to regenerating communities.
- Laurieston's social rent new build was praised and was seen as being a catalyst for private sales as it gave purchasers an opportunity to see what their community was likely to look and feel like. It was generally felt that people from the north of the city don't move to the south of the city and that Sighthill is the 'Laurieston of the North'.
- The question of '*what are the benefits of Private Sector Partners' being involved in/within local community stakeholder/groups*'.

The answers were that it encouraged collaborative working between the key stakeholders and community groups and whilst PSP's cannot always meet their expectations, it was positive for building relationships and giving local people real involvement in the development of their communities.

### **Go Well/Health and Well-being**

The group then moved on to discuss Go Well and the researched impacts of seemingly small items such as the painting of tenant's doors without consultation can take away the tenant's sense of home for a property. It was discussed how social well-being should be at the forefront of community engagement and regeneration. Questions should be asked such as, '*what community facilities are there available for the community*'.

The internal condition of their property is not all that concerns people. People care about open space, the external fabric of their buildings, a high quality streetscape and local green space. The Laurieston TRA was once again raised although one member of the group felt that this example of public realm was a 'step too far' relative to costs. It was claimed that people still disrespect the area and it was questioned whether it was worth investing this money.

Tenure mix was discussed. The general consensus being that it was crucial to find and promote Mid-Market Rent (MMR) in communities to help sections of the community who fall between the Social Rent and Home Ownership categories. It was claimed this would stop disengagement. Regeneration has to be tackled 'with people'. We need to engage at all times.

It was highlighted that the Glasgow Acquisition Plan is in place which unlocks funds to help purchase the properties, in certain circumstances where there is disrepair, of those who cannot afford to keep their homes and Maryhill was quoted as an area where this has occurred.

One group member stated that they felt the Maryhill TRA was not working strategically well. There is apparently no sense of what is coming next. Again touching on the previous comments it was suggested that what has been built (3 storey properties in some instances) isn't feasible and that occupiers struggle to heat and furnish these units. Master planning for the TRA's requires re-visiting. Most were originally carried out 'pre-crash'. It was noted that this has happened for some already. A suggestion from the group was that a Health Impact Assessment should be added to the planning process. They wanted to know if the Housing Strategy picked up on this.

### **Amenities**

For areas of regeneration, the question was posed, '*what amenities are required?*' and one suggestion was that it depended on tenure. Generally it was agreed that local shops and childcare provision were the most important. Local transport links were also vital. Satisfactory bus service provision, to prevent the isolation of areas. Third sector services are key to connectivity with residents.

### **Recommendations**

- The Health Impact Assessment should be adopted for all regeneration programmes as 'good practice'.

- Stakeholders should work together to bring commercial activities to these regeneration neighbourhoods. The Gorbals should be highlighted as a good example of this.
- There is a big challenge in sharing information about the TRA's.
- A more flexible approach to funding and regeneration on the whole was needed.

## **BREAKOUT SESSION 2: Meeting changing need, What should we develop and how?**

The purpose of the session was to identify housing or regeneration issues for further consideration in the development of the housing strategy. The following points were made at the session.

- The recent increase in the Affordable Housing Supply Programme grant funding subsidy was welcomed, however, Housing Associations have still to experience what impact this will have in relation to progressing and delivering new developments. Also RSLs who have not developed for a while simply do not know if private finance will be easily available.
- The number of tenders that were issued during Q4 of 2015-16 and the Wheatley Group Programme was raised as an issue. A participant highlighted that the high number of tenders put out at that time of year in the city is likely to increase development costs. Also, there are a smaller number of contractors tendering for projects, particularly if they are rehabilitation projects and this can impact on project costs.
- RSLs reported that there are issues relating to procurement and frameworks not providing efficiency and best value. One contractor highlighted that they would prefer more certainty and longer term security from frameworks in relation to delivering development on behalf of RSLs.
- It was widely recognised that it will be difficult for the industry to increase the output of new build housing to the required levels due to the current lower levels of staff and skills. This relates to both RSLs developing projects and contractors delivering projects.
- RSLs agreed that it would be difficult to deliver New Supply Shared Equity projects as the government's help to buy initiative has affected demand.
- RSLs commented that there are difficulties in delivering larger family and particular needs housing units. One HA participant suggested that GCC should review the requirement for HAs to provide 10% of all projects consisting of 20 units or greater as wheelchair accessible units. It would be more efficient for RSLs to work together or with other providers to ensure that full wheelchair standard units are constructed in areas of demand.
- One participant commented that the development of private housing in Glasgow requires stability as it experiences periods of either 'boom or bust'. There are issues with existing infrastructure, sites, mortgage availability and unit sales.
- It was recognised that RSLs have difficulties in funding works associated with reinvesting in existing stock/built environment, in particular tenements. Such projects can be hard to 'stack up' and there is difficulty in employing contractors to undertake such projects.
- RSLs also commented that the development sector is still recovering from the period of reduced grant subsidy through IIF.
- RSLs raised concern in relation to the statutory approval process for planning permission and building warrant within GCC. The period of time can be lengthy and does impact on approvals, site starts and spend.
- One participant commented that RSLs need to be able to acquire publicly owned land for development, quicker and easier.
- ENV 2 contributions were highlighted as a detriment to scheme costs and the cause of delays to planning approvals by one HA. Section 75 approvals was also mentioned.
- There is a concern in relation to the volume of student accommodation that has recently been or is planned for construction.
- The changing demographics of the city will have impacts for new build housing development. This includes the expected population increase and an ageing population.
- There needs to be new methods of delivering confidence for contractors. RSLs would like to ensure that future development delivers quality to protect previous investment and deliver improvements to local areas across Glasgow.
- One contractor suggested that the construction sector should be involved at an earlier stage of the project lifecycle and could provide advice and recommendations in relation to the design and planning of developments. This could result in reduced wastage, improved design and the collective use of skills.
- It was agreed that longer term funding allocations (between 3-5 years) would encourage more RSLs to develop. This would provide commitment and assurance towards funding projects.

- A specific funding source to address sites with ground issues would be welcomed by RSLs in Glasgow.
- A further increase in Mid-Market Rent subsidy benchmarks would be supported by RSLs.
- One participant asked if Glasgow could include funding associated with housing infrastructure as part of City Deal.
- Partnership working between RSLs and private sector house builders is key to delivering mixed tenure regeneration areas and key examples were highlighted. This should continue and the Partnership Support for Regeneration funding should be utilised in areas/sites that require subsidy for private sector development.
- Both RSLs and contractors would like to have a secure future pipeline programme to ensure that unit targets are met.
- The level of development risk could be reduced to encourage more RSLs to develop.
- One contractor recommended that funding could be used to remediate and clear sites in advance of projects commencing or being designed. This would encourage a healthy programme of future development in Glasgow.
- One HA suggested that GCC could change its approach in managing planning applications and building control approvals.
- The Affordable Housing Supply Programme is a key GCC priority/objective and the strategic importance of the programme should be publicised better.
- Scottish Water were main offender but other utility companies continue to delay developments and add to costs and this needs to be addressed.
- Closer working between all RSLs and GCC Social Work to deliver particular needs priorities is required. All RSLs agreed that the delivery of particular needs projects has added another layer to the already difficult job of delivering projects because of having to deal with 2 separate parts of GCC. Capital & revenue funding for particular needs projects is also an issue due to decreased budgets in Social Work.
- One participant commented that investment in tenement stock is required or there is a risk of displacement to new build and that improvement of stock (not just new build) is new supply.
- Local letting plans could be created by RSLs operating in similar geographical areas.
- The delivery of the Common Housing Register would benefit housing allocations across Glasgow and deliver a more accurate demand figures.
- Housing that has been adapted should be managed so that once a tenant moves on the property is available to another tenant with similar needs. The register of adapted properties needs to be kept up to date and bought into by all RSLs.

## Recommendations

- A strategic steering group associated with the delivery of the future housing development programme should be created in Glasgow so that named personnel in planning, development building control, roads, transport, legal, City Property etc. are accountable for delivering projects on time and within budget. The example of the Commonwealth Games was quoted as a good example of this and the question was raised as to why this cannot be done more often and not just for nationally important projects. The overall speed of delivering development needs to be improved.
- Housing needs to meet the needs of the ageing population and the desire for ageing people to remain in their own home rather than in care. One participant highlighted that policies associated with delivering housing for particular needs clients may need to be amended. The type of housing for older people differs depending on individual needs. One HA stated that sheltered housing was still popular and in demand and another suggested houses shared by one person needing support and another who could provide that support, be that a relative or otherwise.
- The low carbon agenda is important and standards should continue to be increased.

## BREAKOUT SESSION 3 – affordability and accessibility

The purpose of this breakout was to discuss the difficulty for newly forming households to access *affordable housing for sale or rent*.

- One of the key themes in Glasgow's Housing Strategy has to be the significant change in the private rented sector as it now accounts for over 60,000 properties in the city.
- Mortgages are more difficult to obtain as people struggle to save for deposits, or may have bad credit ratings. Incentives such as Help to Buy have not increased the levels of those buying homes.
- Job insecurity makes private renting easier to most people. People have more transient lifestyles and are happy to rent for several years before considering buying a property. Most incomes are also stagnant and may even fall, therefore making buying a near impossibility for many households.
- Some individuals are renting out properties due to pension issues and see renting as a long term investment.
- There is a lack of social housing stock and waiting lists are often long making it easier, though not necessarily cheaper to rent privately.
- With this shift in tenure, housing providers need to ensure that the PRS is affordable and those living in PRS properties have access to good quality accommodation.
- The group agreed that there should be more enforcement and policing to ensure there is a decent repairing standard in the PRS, however this is fraught with difficulties.
- Most landlords will require incentives to get them to improve their properties – how can this be achieved? There should be repercussions for private sector rental landlords who fail to adequately maintain their properties.
- Some landlords either cannot or will not pay for repairs to their properties, and also the communal areas of flats, as they do not believe it is their responsibility. More prevalent in non-factored properties.
- Private landlords are not subjected to the same regulation as RSLs when it comes to repair and maintenance – perhaps there should be similar regulation? The current repairing standard for private sector is insufficient and it takes too long for tenants to challenge a lack of standards. There is not enough adequate enforcement.
- Some changes to taxes may have an impact on the PRS, making some landlords more financially constrained. The new tax regime will see taxes on turnover rather than profit, which may negatively impact tenants as landlords may be even less willing to do repairs, but put rents up to combat the tax changes.
- There was discussion on whether or not RSLs should get more involved in the PRS. However there are difficulties in the practical and cultural differences between RSLs and PRS. Glasgow also has very small, community-based HAs who, if they were to manage private rented properties, would only take on ones located in their own area of the city. Could the private sector be encouraged to bring letting agents on board to improve accessibility?
- There is a large turnover in letting agents and also a relatively large number of those operating in Glasgow, possibly around 300, some with small stock bases.

## Recommendations

- More detailed research is required into the private rented sector as it is very complex and most information gathered so far has been quite anecdotal.
  - Why are landlords in the market? What motivates them?
  - What types of households are living in the PRS? Why are they renting?
  - Average rental prices, areas of high demand, number of private landlords and letting agencies and PRS properties, repair and maintenance, energy efficiency

Anecdotal mentioned regarding a 1 bedroom property in Dennistoun, of relatively low quality, being rented at £625 a month. Had 20 people on the list to view the property, which highlights the demand vs. supply issues plaguing the housing market.

## BREAKOUT SESSION 4 – Approaches to Energy Efficiency

The aim of the session was to bring together aspects of energy efficiency including HEEPS and SEEPS projects and how GCC can work effectively with partners to deliver Energy Efficiency programmes in the city. The session began with 'What should Glasgow be doing over the next 5-years'.

- Glasgow has a diverse housing stock which can prove very challenging particularly with Internal Wall Insulation works
- Scottish Government timescales for delivering projects can be challenging (i.e. promoting energy efficiency works, public meetings, procurement, delivery programme, unforeseen issues arising; for example, weather, rot, asbestos, etc.)
- New projects require innovation and joined up thinking which is not always achievable within timescales and budget constraints. Organisations have different priorities (e.g. budgets).
- Education has to be consistent and effective through the programme and beyond. It need to include the benefits and awareness of energy improvements and advice must be readily available to all. Health and Wellbeing is important but behavioural change is key.
- Renewable energy is not promoted enough at a local householder level and there is a need to keep up with technologies.
- Energy Efficiency must be inclusive and include all tenure types within the programme. Wholly owned blocks should be included within energy efficiency improvement programmes.
- There should be a master plan for all areas and costs must be clear to allow budgets to be allocated.
- District Heating not used enough and is a missed opportunity
- The Scottish Government added that there should be energy efficiency measures first with education and advice thereafter. Council's must have clear and realistic objectives which are practical and achievable. GCC require clear aims and objectives and should promote what GCC do well.

#### **BREAKOUT SESSION 5 - What's the role of RSLs in the 21st Century?**

The aim of this session was to discuss the role of RSLs and whether their role is just to provide housing or should include providing other services for the wider community.

- One participant felt that we are missing a fundamental point. If development were to stop for any reason, still have to provide and maintain properties to meet current standards – the new strategy needs to recognise this.
- RSLs can't leap frog into other areas just because there is land available
- GCC have some difficult strategic decisions to make but RSLs are happy to work with GCC to deliver the strategic priorities
- Participants felt that GCC could be stronger in terms of enforcement and tend to back off and do not follow through because it's too difficult. This needs to be looked at as it would help tackle problem areas.
- The Acquisition strategy needs to be cemented in the LHS and should be less opportunistic. There may be a need to use CPO's or closing orders to address areas where there are concerns
- There are issues about the upgrading of the existing housing stock but it is difficult and not always where tenants want to live
- Need to address the issues for housing elderly tenants in the longer term. There should be financial incentives.
- Health & Social care did initially underestimate the role of housing but there has been work on this with community connectors and creating a directory of what services are where and help from local area co-ordinators
- There is a recognition that the majority of emergency admissions are from social housing so need to look at this and put something in the new strategy?
- Participants stated that they would like to see the new strategy articulate the health and social care journey
- A questions was asked whether RSLs should start delivering services which they were previously not responsible in light of cuts to public services. One of the participants responded that if an RSL creates a social enterprise then they are then seen as high risk by the regulator
- There needs to be more buying and sharing of services between RSL's

#### **Recommendations**

- GCC needs to support RSL's in potential risk areas to address issues particularly in tackling rogue/unregistered landlords
- There should be more connections through Health & Social Care – more of what has already started i.e. community coordinators/directory of services

### **Breakout Session 6– Welfare Reform and Poverty**

- The introduction of a cap on benefits will impact on families with two plus children.
- Not easy for people trying to get back into work or find employment as there are limited jobs available and no job is safe.
- RSL's are worried about tenants being responsible for paying rent and managing benefit payments particularly the vulnerable tenants who require help and support.
- A number of Associations have Welfare Rights staff to help tenants.
- Welfare Reform is complicated, it's not easy to find out what you should do and where you should go for help.
- People need to be reached at an early stage before they get into debt issues and rent arrears escalate.
- Income maximisation, tax credits, people need help to understand this.
- Concerns raised about tenants who privately rent and owners, particularly older people living alone.
- Help is needed for people in work on lower incomes as well as the unemployed.
- Local Delivery Group meetings were a good way of getting various bodies round the table to find out what others had to say. Similar type meetings should be introduced.
- The Government at Westminster should take more responsibility and not expect other organisations to micro manage solutions.
- Is it possible for RSL's to provide some sort of insurance policy in case tenants become unemployed?
- Asylum seekers – referred to money matters as a starting point.
- Emergency benefit payments that previously helped with heating and food have all been removed with no alternative put in place.
- The number of people using food banks has increased over the last year or so.
- Housing developments built a number of years ago were built the correct size of property at that point in time but some homes have been affected by the bedroom tax. No protection in place for tenants.
- How do we get the private sector to invest in an area to help with regeneration? Private sector will only invest in an area where they will make a profit.
- Poorer communities have larger amounts of unemployment, poorer health and Education. We need new ways of helping with child care costs for working families
- Strategy requires evidence of changes with supported accommodation so that this can be taken on board.

### **BREAKOUT SESSION 8 - Management and enforcement in mixed tenure blocks**

The role of this session was to discuss the main issues with managing mixed tenure blocks?

- The group discussed some of the issues and agreed that disrepair, owners not contributing to repairs, some private landlords lack of commitment to improvements/investment, owners who can't or won't pay (affordability issues), the correlation between disrepair and the increasing number of private landlords and absent/rogue landlords all contribute to difficulties with managing mixed tenure blocks.
- The group talked about some of their experiences. In Govanhill there are enhanced enforcement powers available in respect of 4 tenement blocks. Although most landlords have complied, 7 or 8 landlords are not providing the required information. A dedicated resource is available for Govanhill. Other areas in the city also have issues and some initiatives are taking place in these areas i.e. Haghill, Priesthill, London Road.
- Repair/maintenance not always sufficient remedy in some of the blocks with the need for CTI works/funding to safeguard stock for the future. The Acquisition Strategy has helped some RSLs to tackle problem blocks.
- One of the delegates felt that CPOs were not being properly utilised to help RSLs and there is a resource burden to RSLs in pursuing owners for a share of the improvement costs.



- The group discussed how to tackle some of the problems and stated that the political framework/regulator can sometimes make it difficult to tackle problems especially when RSLs try to be strategic in managing decants or voids. The lack of major repairs funding is still an issue for RSLs and some RSLs are not spending on major repairs which can lead to stock deterioration. Glasgow City Council and the Scottish Government can at times have different priorities.

### **Recommendations**

- There may be benefits of a new mandatory accreditation/registration/licensing scheme that has enforcement powers
- A group is required to be set up with representative RSL's to consider a more strategic approach across Glasgow to tackle issues of property disrepair/management in the private sector and a new regulatory scheme for landlords in Glasgow
- Explore return of CTI programme
- Assess how CPOs can be better utilised and if there are other options whilst pending CPO i.e. CBHA's acting as agents of the council in the meantime to manage the properties
- Explore a new regulatory framework for private landlords across Glasgow
- Use findings from Govanhill programme as a model and expand/amend based on resource availability