

SCOTTISH HOMES – THE KEY TO THE FUTURE?

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Introduction

April 1st 1989 saw the establishment of Scottish Homes as a new national housing agency in the place of the Scottish Special Housing Association and the Housing Corporation in Scotland, whose legal existence had ended the day before. Whilst taking over the properties and responsibilities of the Scottish Special Housing Association and the Housing Corporation, Scottish Homes has been given new powers to allow it to assist housing providers from all sectors.

The new agency was established at a time of great change in Scottish housing, brought about mainly by the Housing (Scotland) Act 1988. Scottish Homes has to operate in, and been given a major role in the new framework created by the Act. New 'assured tenancies' were introduced in January for the private rented sector which now, because of the Act, includes housing associations. These tenancies are outwith the Fair Rent Sector, give fewer rights than under protected or secure tenancies, and make it easier for the landlord to repossess the property. "The letting of private property will again become an economic proposition".⁽¹⁾ The public sector has not escaped from these changes, with the introduction of Tenants' Choice, allowing (most) tenants the right to choose a new landlord – provided it is Scottish Homes or a landlord from the private sector – and change in the methods of calculating discounts under the right to buy, (see Hamish Henderson's chapter for more detail on Tenant's Choice).

The new agency should not be seen simply as the Scottish Special Housing Association and Housing Corporation in Scotland combined. It is empowered to assist all sectors of the housing market, particularly in areas of specific "tenure deficiencies". It has powers to offer improvement grants to owner occupiers, to compulsorily purchase land, and to pay for environmental improvements. These areas require discussion with both Local Authorities and the Scottish Development Agency (SDA) to ensure that there are no overlaps, or gaps, in the provisions. Scottish Homes also has a role to play in any comprehensive re-development programme and may assist in employment initiatives, or in social and community facilities.

This chapter looks at the new agency that has been created, its structure and responsibilities and the targets it has to achieve. It also

examines the potential of Scottish Homes to meet housing needs and help shape a housing framework capable of taking us to the end of the century.

The Predecessor Organisations of Scottish Homes

The information pack produced by Scottish Homes for the Institute of Housing conference in March 1989 contained a sheet detailing the aims and objectives of the new agency. Number one on the list states that Scottish Homes is:

"to be the catalyst for change in Scottish housing. Its aim will be to make sure that the quality of housing and variety of housing options available to the people of Scotland are substantially improved".

This new agency was formally established on December 1st 1988, and assumed its full powers and responsibilities on April 1st 1989. The functions of Scottish Homes are detailed in Section 1 of the Housing (Scotland) Act 1988, and include the promotion of owner occupation, greater choice of tenure and the provision of finance for the improvement, repair or management of housing. Scottish Homes was also given the liabilities and responsibilities of the HCIS and the SSHA.

To appreciate the role and power of Scottish Homes, it is important to look first at these two organisations before examining the wider remit given to the new agency.

Scottish Special Housing Association

Established in 1937, the Scottish Special Housing Association (SSHA) was seen as a central government vehicle to assist in the "Special Areas" of Scotland. As well as providing housing to assist in areas of greatest need, the Association was to "make use of non-traditional forms of construction so that employment in house building could be offered to semi-skilled or unskilled people".⁽²⁾

The origins and development of the SSHA are well documented elsewhere and are therefore not dealt with in any detail in this article. It is, however, important to note how the organisation has been used throughout its fifty-two years to quickly put into effect central government housing policy.

"The fact that forward strategic planning for the Association is the prerogative of the Government, means that the SSHA has had to concentrate on specialising in those tasks given to it".⁽³⁾

The production of housing using non-traditional materials; housing for new pits opened by the Coal Board; housing in areas of economic

expansion, re-generation, such as the GEAR project; and special needs, in particular sheltered housing for the elderly, highlight the changing policies and directions of the organisation from the 1940s through to the 1980s. In all its work, the SSHA has been seen as complementary to the Local Authority, and in many areas, its houses (with the exception of its "Economic Expansion" stock) were allocated to people nominated from the waiting list of the Local Authority.

At its largest, the SSHA had around 110,000 properties, but by March 1989 this had fallen to just under 75,000. With a commitment to high standards of housing management, the landlord services were delivered by 21 area offices, and a total staff of approximately 1,200. The area offices were responsible to one of three regional offices, the managers of which were, with the Directors of Management, Finance, Administration and Technical Services, members of the Executive Board. The ultimate responsibility for the organisation rested with the Chair and the Council of Management, who were appointed by the Secretary of State.

The SSHA must be seen as a predominantly management organisation, which placed great emphasis on its landlord-service provision. Its success in achieving high standards of management can, for example, be seen from its rents arrears control, which in 1987/88 was 1.6% of rental income, which compares favourably with the allowance of 4% given for housing associations. More importantly, its tenants rated the service highly when, in a MORI poll for Glasgow District Council in 1986, 93% of those questioned who were SSHA tenants stated that they were satisfied with their house as a place to live. In the same survey, only 77% made the same response of their local authority landlord.

The Review of 1986

The SSHA, as a "Non-Departmental Public Body" was the subject of review by the Scottish Office in 1986. The role and objectives of the organisation, and its ability to carry these out in a cost-effective way were an important part of the review. The most important area, however, was its future. The SSHA had been successful in carrying out government housing policy such as the Right to Buy (heavily marketed with slogans like "goodbuy to rent"). The success, with 20% of its stock sold by March 1988, brought with it its own problems, with 66% of the organisation's expenditure being paid in 1987/88 to meet its loan charges.⁽⁴⁾ The servicing of this debt therefore fell on the rents of the increasingly smaller number of tenants.

The Review explored two options for the SSHA – its abolition or privatisation. In both instances, the costs of the options, in terms of public expenditure, were considered unacceptably high. The review stressed the role of the SSHA in implementing government policy and the importance

of having such a centrally-controlled organisation. In his foreword to the review however the Secretary of State stated that:

"the government is actively considering the basis for the early promotion of a closer working relationship between the SSHA and the Housing Corporation in Scotland. If this proves fruitful, a full merger in the longer term might be a desirable option. Full and open consultation on the way forward will take place as soon as specific proposals have been developed for consideration".

These "specific proposals" were published in May 1987 in the Government's Green Paper, "Scottish Homes, A new agency for Housing in Scotland". The Green Paper was perhaps one of the strangest birthday presents given to an organisation celebrating its fiftieth anniversary.

The Housing Corporation in Scotland

With the new powers given to the Housing Corporation in the Housing Act 1974, and the creation of Housing Action Areas and the provision of grants for improvement provided by the Housing (Scotland) Act 1974, the housing association movement in Scotland "took off" in the mid 70s. The Housing Corporation covered Scotland, England and Wales and its Board members and Chair were approved by the Secretaries of State for the Environment, for Scotland and for Wales. It operated with eleven "regions", two of which were in Scotland – one based in Glasgow, dealing with Strathclyde Region, and the other based in Edinburgh, covering the other eight Regions and the three Island Councils (the "rest of Scotland Office"). The Head Office of the Housing Corporation in Scotland (HCiS) was also based in Edinburgh. The Housing & Housing (Scotland) Acts 1988 split up this Great British organisation, with the Housing Corporation operating now only in England, and Tai Cymru established as a separate body for Wales.

By March 1989, 214 housing associations had registered with the HCiS and had built or modernised over 40,000 properties (around 2.5% of Scotland's housing stock). Funded in the main by Housing Association Grant (HAG), which provided on average 95% of the acquisition and building cost, housing associations received a generous subsidy, in acknowledgement of the importance of the work being undertaken in inner city renewal and housing for "special needs". In 1988/89 HCiS received funding of £161m, whilst local authorities with 946,000 properties were "permitted to spend" £517m.⁽⁵⁾

Unlike the housing association movement in England, with many large organisations (over 10,000 properties) which provide 'general needs' houses, Scottish associations are generally small, with over 80% of housing associations having less than 500 properties.⁽⁶⁾ The two offices in Scotland

have split the funding on a roughly 60% (Glasgow) 40% (Edinburgh) basis. The funding for renewal and special needs has also been split on a similar 60:40 basis.

The HCiS was responsible for the registration, funding and monitoring of housing associations, and as such was a predominantly development organisation. Its role in housing management and landlord services was limited to its registration and monitoring functions.

The Organisation of Scottish Homes

The Green Paper stated that "Scottish Homes would be primarily an enabling and funding body with wide powers and a wide remit" (p.10). It was further proposed that "the entire stock of SSHA houses should be transferred, as a holding operation, to a new 'landlord' division of Scottish Homes". The National Federation of SSHA tenants associations reacted angrily to this proposal, most clearly shown in February 1988 with the publication of their paper "Scottish Tenants say ... Hands off our Homes". The White Paper responded by proposing an agency with the dual responsibility of housing management and development, with assurances given to SSHA tenants on security of tenure and the right to stay with Scottish Homes for as long as they wished.

The Housing Bill and subsequent Act was quite unlike previous housing legislation, in that it was enabling rather than prescriptive, an approach which was very similar to the Scottish Development Agency Act 1975. There are strong similarities between the opening sections of the Housing (Scotland) Act 1988 and of the Scottish Development Agency Act (providing the purposes and functions of the two organisations), with the common section that both organisations "may do anything, whether in Scotland or elsewhere, which is calculated to facilitate or is incidental or conducive to the discharge of its function".

It is worth remembering here, that both organisations are guided by the Secretary of State, with section 10 in the housing legislation stating that "the Secretary of State may give Scottish Homes directions of a general or specific character ... and it shall be the duty of Scottish Homes to comply with any such directions".

The Government defended its use of the Scottish Development Agency legislative approach when, in February 1988, Lord James Douglas-Hamilton stated:

"I have been criticised for modelling Scottish Homes too closely on the Scottish Development Agency. That happened because we believe that the Scottish Development Agency has had substantial success in Scotland.....The success of the Scottish Development Agency has

been so great that we are entitled to follow many of the precedents that it has set".

With the appointments by the Secretary of State of the Chairman, (June 1988) Chief Executive (August 1988) and eight board members (October 1988), the run-up to April 1st had begun. The announcement of both the chair Sir James Mellon, a career diplomat whose last posting was in New York, and the Chief Executive George Irvine, from private industry, caused outspoken concern at two such important posts going to people with no direct knowledge of or work in Scottish housing.

The Board has a wide-ranging membership, many of whom have a background in private practice, business and commerce. Whilst having a membership that was aware of the major issues facing Scottish Homes, only one, Frances McCall, could be said to have any direct experience of front line housing provision. Many of the fears expressed about the Board related to its lack of accountability, all members being appointed by the Secretary of State for Scotland, and to its glaring omission of anyone with housing experience from the local authority sector.

Board of Scottish Homes

Frances McCall	Chairperson, Confederation of Scottish Housing Co-operatives.
Heather Sheerin	Chair, Albyn Housing Society, Member Junior Chambers of Commerce.
Michael Ancram	Parliamentary Under Secretary of State, Scottish Office 1983-87 (Chair, Waverley Trust from 1988).
Tom Begg	Member of SSHA Board of Management 80-89, Lecturer in Economics, Queen Margaret College.
Norman Lessels	Chair, Standard Life Assurance Company.
Duncan MacLennan	Professor, and Director, Centre for Housing Research, Glasgow University.
John Richards	Member of Board, Housing Corporation. Senior Consultant, Matthew Johnston-Marshall.
Charles Sneddon	Deputy Chair, SSHA since 1981, Convenor, Central Regional Council.

The Structure of Scottish Homes

An implementation team of eight staff was established in October 1988 in Alva Street, Edinburgh, to begin the work of bringing together SSHA and HCIS and establishing the organisational framework for the new agency. One of its earliest tasks was to determine its structure. This was the subject of much debate, with many of the responses to the Green Paper stating the importance of a decentralised structure.

During the debate in committee, Democrat MP Archie Kirkwood proposed an amendment that would require Scottish Homes to establish regional committees. In response, Lord James Douglas-Hamilton stated that Scottish Homes would have a decentralised structure, but that the structure should be determined by the Board and Chief Officers. He was opposed to the creation of regional committees, which "taken together with the decentralised organisational structure, comes close to setting up a number of local development agencies in place of a single national agency. This would detract from the overall effectiveness of Scottish Homes".

Private consultants (Coopers & Lybrand) were appointed to assist in the establishment of the decentralised structure and worked with the implementation team to produce the split to four regions and thirteen district offices. The four regional managers were appointed from within the two organisations (Mary Hope and Ronald Urquhart from SSHA, and Raymond Young and Jim Hastie from HCIS), and some negotiation between managers took place before the final boundary lines were drawn. Discussions had centred on the regional placing of Argyll and Bute, which although in Strathclyde Region was a remote and rural area with more in common with the Highlands area, and on Fife which was placed within the East, rather than the North Region.

The final structure was as follows:

TABLE 1 Scottish Homes Decentralised Structure

Region	No. of Staff	District Offices
East	232	Edinburgh Lothian & Borders Fife Central
North	102	Grampian Highlands & Islands Tayside
Glasgow	286	Glasgow North & East Glasgow South Glasgow West
West	236	Renfrew & Inverclyde Lanarkshire Ayr

Once fully operational, the decentralised structure should offer distinct advantages over the previous Housing Corporation structure, particularly for those agencies outwith the Central belt.

It does, however, pose problems at least initially, for the national housing associations, who could find themselves negotiating development programmes with half-a-dozen district offices, each requiring business plans.

The top layer of Scottish Homes was completed with the appointment of staff to Corporate Services (Charles Murray from The Distillers Company), Strategic Development (Andrew Fife from Shettleston Housing Association) and Development (Roy Davidson from SSHA). Much of the work done from November 1988 – March 1989 was around the location of offices and the appointment of staff. Again consultants were used, interviewing staff already in SSHA and HCIS.

The posts of Region and District Managers were far removed from the posts of other housing professionals, with the package of benefits, including company cars, and performance related pay (PRP). At the time of writing (August 1989) consultants were preparing the proposals for PRP, which are likely not to be operational until April 1990. The likely criteria for PRP, given its applicance down to fourth and fifth tier staff, seem likely to include budget control, housing management standards, action on arrears, voids and lettings, development targets on HAG levels, house sales and the establishment of new co-operative and associations.

Funding Programme for 1989/90

The total programmed expenditure for 1989/90 is £270.34m, providing £77.43m for "own stock" (SSHA property) and £192.91m for "enabling activities" (housing associations and other providers). Funding for the year 1987/88 was £67m for the SSHA and £132m for housing associations. The £192m proposed for the current year's activities of housing associations can be further broken down as detailed in Table 2. The 'new powers' funding of £7m will provide finance for social and environmental improvement works, predominantly in peripheral or 'partnership areas' and is likely to fund projects such as workshops and community business.

This funding of £192m has been distributed throughout the Regions, with the North region's funding being greatly increased from the previous years under the Housing Corporation (see Table 3).

The funding of work in the districts is dependent on the district plans prepared at local level which in August 1989 were still being finalised. No-one would deny the problems encountered in attempting to produce district plans only weeks after the establishment of the new organisation. These

TABLE 2 Scottish Homes Programme 1989/90

Scotland	£m 89/90 Proposed	£m 88/89
PARTNERSHIP AREAS	9.46	3.2
LOW COST HOME OWNERSHIP	15.58	12.51
COMMUNITY OWNERSHIP	12.76	6.67
TRADITIONAL	142.52	139.29
(Area Renewal	93.34	
Elderly	25.65	
Disabled	8.73	
Single	14.80)	
MIXED FUNDING PILOT	5.59	0
NEW POWERS	<u>7.00</u>	<u>N/A</u>
	<u>192.91</u>	<u>161.49</u>

Source: Scottish Homes.

Regional Programme 1988/89

TABLE 3 Regional breakdown of funding

Region	Enabling Activities	(Housing Association funding 88/89)
	£m	£m
North	44.32	30.82
East	39.19	30.98
Glasgow	78.47	75.78
West	30.93	23.91
Total	192.91	161.49

problems highlighted the lack of information available on house conditions and housing needs. The house condition information will eventually be available after a national house condition survey that Scottish Homes is to carry out in 1991, but the problem of assessing need remains, particularly in the area of special needs. The process of drawing up the district plans, also calls into question the role of the local authorities in determining the needs for its own district.

The Targets for Scottish Homes

Whilst the preparation of PRP for staff continues, a total of ten targets for the organisation (which were published by "Inside Housing" on June 16th) were given by the Scottish Office to the Board for consideration in June 1989. At the time of writing, the Board had yet to consider and

approve of the targets. They can be grouped under four headings: owner occupation, transfer of stock, private landlords and partnership areas.

(i) Owner-Occupation

These targets aim, in general, to increase the levels of owner-occupation. By December 1988, 152,000 houses had already been sold to public sector tenants, almost 25,000 of which had once been SSHA properties, and for the first time in decades the public sector in Scotland made up less than 50% of the total housing stock. Scottish Homes is to continue the trend towards owner-occupation by maintaining the level of sales of ex-SSHA stock at 1988-89 level and is:

"to maintain the annual percentage of its own housing stock sold to sitting tenants to at least the 1988-89 level" and "to seek to achieve sales of 10% in year 1". (target 4)

To achieve a sales figure of 10% in 1989/90, 7,500 houses must be sold.

In 1988/89, 6,983 houses were sold to sitting tenants (up from 4,107 in the previous year). This high level of sales owed a lot to the feeling of uncertainty held by many tenants about their new landlord and their fears at the time of the White Paper of estate transfers to other landlords. The maintenance of such levels of sales will not now be so simple.

Owner occupation levels are to be increased, in "areas of owner-occupied deficiency". Scottish Homes is *"to invest in housing development, in order to assist where necessary 300 households in year 1, 600 in year 2 and 900 in year 3 to achieve owner occupation"*. (Target 8)

This will allow Scottish Homes to use its new powers to give improvement grants and could be used for example as part of a package to encourage right-to-buy in own stock improvement schemes, a sort of "sitting-tenant homesteading". At first glance these levels appear low, but the areas of "greatest deficiency" are those where tenants have low incomes and poor employment opportunities. If these tenants are to be assisted towards owner-occupation, the cost must be kept low.

Still in the private sector, but relating to the poorer owner-occupiers sector, is the aim of improving *"1,000 houses in owner-occupation in each year, as part of area based strategies e.g. in housing association area renewal, own stock estate based strategies, partnership areas and care and repair schemes"*. (Target 3) Housing Associations have always assisted owner occupiers by acting as their agents in redevelopment work, and this now introduces figures into work that is already undertaken. If it also implies support and additional funding for care and repair schemes then it will be welcomed by those organisations working to help and support

elderly people in the community.

(ii) Transfer of Stock

The targets show clearly the aim of Government to have as many public sector and Scottish Homes stock moved to the private sector as possible. The targets provide a real conflict by imposing numbers on Tenants' Choice and transfers and in effect *insisting* that people 'choose'.

Part III of the Act provides public sector tenants with the right to choose a new landlord, with the approval of Scottish Homes, which must "*implement the new statutory procedures for Tenants' Choice enabling tenants to exercise individual choice to move out of the public sector, at a rate rising from 2,000 tenants in year 1 to 15,000 tenants in year 5*". (1992) (Target 7)

In addition, Scottish Homes must provide for its own tenants who have not exercised their Right to Buy "*choices of alternative landlords/tenure forms which will attract by March 1992, at least 20% of those tenants and by the end of 1989/90, 2% of all tenants*". (Target 5)

On April 3rd 1989, Scottish Homes own stock was 74,572. 57% of its tenants were in receipt of housing benefit and most definitely unable to exercise their right to buy. Research suggests that a further estimated 13,000 tenants have no wish to purchase their house, not wishing the responsibility of repairs etc.⁽⁷⁾ To achieve target 5, alternative landlords must be available for 1,500 tenants by March 1990, and for around 11,000 by 1992.

The kindest interpretation of these two targets would require Scottish Homes to set up the procedures, and find and approve the numbers of new landlords that could provide a new tenure for, in year one, a total of 3,500 tenants. A more cynical approach would presume that transfers and Tenant's Choice moves will be "encouraged". Sir James Mellon has given assurances that transfer of estates will not take place unless a majority of those voting are in favour of the new landlord. Such targets however must cause concern that it is the numbers that will be paramount and not the needs of tenants. Whilst Tenant's Choice remains an individual right, estate transfers, which were possible before the 1988 Act, have the potential of moving large numbers of properties into the private sector, and now into assured tenancies.

To impose a time limit on Tenant's Choice and transfers is to ignore the development time required for new co-operatives or housing associations. It also takes time for tenants (and their advisors) to assess any proposals put forward when transfers are to other landlords. The point of transfer is the time of greatest power in influencing tenancy agreements, rent setting, rent

increase policies and repairs service. The panel of independent advisors being established to assist tenants in transfers will only be in place in October, which places great pressure for year 1 on both staff and tenants. If standards are to be high, and the tenants given all the time needed to decide on any transfer, targets placed within the time scale of financial years are unreasonable.

The size of Scottish Homes is to be closely limited to ensure that it does not simply become a receiving landlord and increase in size. The agency is "*to provide choices of alternative landlord/tenure which will attract tenants of houses acquired by Scottish Homes from other landlords after 1 April 1989, in such a way that in the first year 10%, and, within 3 years, 60% of such tenants cease to remain as tenants of Scottish Homes*". (Target 9)

This has major implications for public sector tenants who exercise their right to choose a new landlord. Those moving to Scottish Homes must, if this target is to be met, move on again (as they can, by law, provided it is to a private sector landlord). If this is taken in addition to the other targets on stock transfers, there will be a large scale movement of tenants, within time scales dictated by the Scottish Office rather than by the natural development of tenants associations. In addition, with the proposed wind-up of the New Towns with development corporation houses being passed over to Scottish Homes, there is the possibility of large scale transfer and transfer-on in the 1990s.

With regard to the improvement of its own stock, "*Scottish Homes is to secure and maintain a rate of improvement of Scottish Homes own stock consistent with the 1988-89 level, on an average unit base, over a 5 year period*". (Target 6)

There is to be no reduction in standards, but no real increases either – perhaps one way of encouraging own-stock tenants to transfer out? The standard of SSHA stock was generally high, but with the right to buy being exercised predominantly by those in post 1970 houses, the improvement programme is now more concentrated on older stock which requires more intensive – and expensive – work.

It is perhaps mischievous to place this target under the heading of "Transfers" but it raises the issue of transfers from other public sector stock. Local authorities are reliant on their receipts from sales to fund house improvements. In Edinburgh, for example, the HRA capital allocation for 1989/90 was £33.5m, £28.3m of which was based on receipts. For many local authority tenants, delayed improvement programmes will prove a strong 'push' towards setting up Cooperatives, or moving to a new landlord with the finance to bring the properties up to standards and pulls into question the "Choice" in Tenant Choice and Estate transfers.

(iii) Private Rented Sector

The private rented sector is to be assisted, with Scottish Homes being directed “to identify market failures in the supply of rented housing and to consider action to correct them. (Aiming for a leverage rate of at most 1:2 in year 1 progressing to 1:5 in year 5 cases where it would be necessary to provide financial assistance)”. (Target 1)

Translated, this is taken to mean public finance of up to 50% of the cost being given in grant to providers of rented housing in areas where there is a shortage and need for such housing. For trusts or companies in years 1 and 2, pump-priming funding could therefore be at generous levels. Such funding, however, is unlikely to be given where other sources of finance are available, but even by year 5, funding at a 20% level in areas previously unassisted will not provide housing at rent levels capable of being within reach of low-income groups of tenants.

The development work of housing associations was also included in the targets, and associations were, with the new financial regime proposed for October 1989 “to increase the number of houses supplied (for each £ million of public investment) by at least 15% in year 1, 17.5% in year 2, 20% in year 3 and 25% in year 4 over 1988-89 levels, by the introduction of private finance and the operation of improved HAG arrangements”. (Target 2)

Part of this increase may be brought about by the new funding regime; the rest must come from private finance filling the gap in the reduced Housing Association Grant levels and by diversifying the development programme to include improvement for sale and shared ownership. Housing association grant levels will not simply be decreased by 15% across the board, but could require some organisations to develop with 60% (or less) public funding to provide full subsidy to new co-operatives, or those providing “special needs” housing.

Housing Association Grant (HAG) was until October 1989 a “rented” funding procedure, paid at the end of the contract to meet the balance of costs that could not be met by the income from the Fair Rents, and included mechanisms for *ad hoc*s for unexpected problems and costs. After October, HAG is to be paid “up front”, after negotiation, and the amount will be limited to the sum specified at the beginning of the contract. Major Repair Grants previously given to meet expensive replacement costs of heating systems, lifts, roofs etc, must now be replaced by the establishment of a sinking fund, paid for by the rents.

The fear held by many associations is the impact this will have on rent levels, which, combined with the harsher housing benefit system, will produce houses that are simply too expensive for many tenants and

applicants. The Scottish Federation of Housing Associations (SFHA) survey in 1987, showed that 55% of new housing association tenants had a net income of less than £60.00 per week.⁽⁸⁾

There are other ways that development costs (and therefore rents) can be held down, for example by standardising design, or by providing basic fittings. Management and maintenance costs can be reduced by a higher staff/unit ratio (i.e. staff look after more properties) which could be achieved by mergers of small associations, or by larger associations providing work on an “agency basis”. The use of standard design and poorer standards brings back memories of the unpopular buildings of the 1950s and 60s which now require vast sums of money to improve and re-design.

The new funding, for all associations, means a more cost – and money – orientated approach, with scheme approval now increasingly more dependent on financial criteria than individual need.

(iv) Partnership Areas

Finally, in the partnership areas (Wester Hailes, Whitfield, Ferguslie Park and Castlemilk) Scottish Homes is to act in agreement with the local community, in determining the area’s priorities on housing and the physical and social environment. In addition it must “take action to meet those priority needs within 3 years of the agreement, with a view to achieving a minimum private sector contribution of 10% to the physical and social environment programme”. (Target 10)

The three year limit on meeting identified priorities will require intensive work and concentration in these four areas. This target is to be welcomed, as too often in the past sufficient money has not been available to make the desired impact on areas in need of redevelopment. If the blueprint developed in the partnership areas can be made to work, then the exercise can perhaps be repeated elsewhere in Scotland, targeting public and private finance to areas without previous local authority finance or tenants groups.

The Missing Targets

Major areas of concern have been omitted from the targets, and it remains to be seen if the commitment, for example, to social needs can be made within a target framework which concentrates on tenure change and owner occupation. The thousands of people who are not tenants – those who are homeless, or who are sharing accommodation, those trapped in institutions because they have no home in the community – are pushed aside by this concentration. It is not enough to say that local authorities have the legal responsibility for housing those people who are homeless.

The legislation provides no help for single people, or those without dependents. Those agencies which are now, or soon to be, in the position of providing new or improved accommodation must, as part of the "performance indicators" expected of landlords, include people who have no suitable home of their own.

Less headline-grabbing, but equally important, is the level of expertise expected in both the management of Scottish Homes' own stock, which more and more is mixed tenure, and from private sector landlords. Target 1 (funding to private landlords) provides Scottish Homes with the opportunity to demand new levels of management – operating an equal opportunities policy, acceptable arrears and eviction policies, succession rights, and if it so chooses, a strengthening of a "Tenant's Charter", provided for the public sector and housing associations by the Tenant's Rights legislation of 1980.

The forthcoming White Paper on Care in the Community, based on the Griffiths Report, will make "special needs" housing, with the appropriate support services an important issue in the 1990's. Sir James Mellon has publicly stated the importance to be given to special needs, but this will be more difficult to achieve with the reduction in HAG levels and the emphasis on tenure change.

Finally the cost of housing must ensure accessibility by those on low income. In this, Scottish Homes will find many barriers created by the recent social security changes, which reduced benefit levels for many, particularly single people under 25 years of age, and introduced the loan-based Social Fund to replace, amongst other things, the single payments once used to provide basic household items for those whose income was already at poverty level. Without a change in the benefit system and an equitable housing finance subsidy, "affordable" housing will not be possible.

Conclusion

The targets proposed by the Scottish Office were given to an organisation still coming to terms with the upheaval of re-arranging around 1,400 employees, finding new offices, and establishing new work relations both inside and out of the agency.

Whilst the publicity and public relations surrounding the new agency gave an image of an innovative and business-like organisation, the practical reality has been very different, causing frustration for both staff and "customers". The policy gap that existed after April 1st perhaps came as a surprise to many people and it was simply not the case that policies of HCiS and SSHA would continue until replaced by those of Scottish Homes. Whilst the day-to-day work of rent collection and repairs has continued,

new policies and procedures have had to be developed, to put in place the mechanisms required for a new large organisation.

If Scottish Homes is to be successful in meeting the housing needs in Scotland, it must work in partnership with the local authorities and other housing providers, and address the arguments put forward by organisations like the Scottish Council for Single Homeless about inequities in the housing and benefit systems.

To achieve area-renewal on a partnership basis requires time and trust and Scottish Homes has emerged at a time when local authorities feel under threat, with continued restrictions on borrowing and subsequently on modernisation work, and legislation that allows for large-scale transfers out of the public sector. Many Local Authorities, notably Glasgow, have for a long time advocated tenure diversification and are not in conflict with the aim of improving housing standards and choice. Scottish Homes has the power – and the potential – to be a major force for change in Scotland. No-one would deny the need for more housing, for the improvement of houses currently unfit or damp, and for more innovative types of tenure, for example shared ownership, community ownership or staircasing, to allow us to move away from a simple "rent or buy" decision.

The targets given to Scottish Homes have caused disappointment for many and done little to reassure tenants and housing providers alike. The priorities for the organisation should have emerged for discussion with district councils, tenants groups and voluntary organisations to achieve a "Scottish target". Instead we have the Government's desire for more owner-occupation taking precedence over all other needs, and because of this, the first few months of Scottish Homes have raised more questions than ever before.

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