

Local Government and Regeneration Committee  
Scrutiny of Scottish Government's Draft Budget 2014/15

SUMBISSION FROM SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS (SFHA)

## Background

The SFHA is the representative body for housing associations and co-operatives in Scotland.

Housing associations and co-operatives in Scotland own, manage and maintain 46% of the country's affordable rented housing stock and 11% of the total stock. This represents 274,996 homes across Scotland. In addition, they provide a range of broader tenancy sustainment and community regeneration services across the country, from the most densely urban to the most remote rural communities. They operate in some of the poorest communities in our country.

Housing associations and co-operatives are one of the main drivers of regeneration in Scotland today, of both place and people, with bricks and mortar regeneration working hand in hand with economic, social and environmental regeneration in deprived areas of Scotland.

## Introduction

While the call for evidence focusses on the role of local authorities, we believe that housing associations and co-operatives have a key role to play in helping the Scottish Government to achieve its overarching purpose – that of sustainable economic growth. We therefore wish to highlight ways in which investment in housing and related activities can both boost the economy and help promote regeneration. Our submission draws on previous submissions to the committee – the call for evidence for scrutiny of the 2013/14 Scottish Budget, and the enquiry into the delivery of regeneration in Scotland.

In particular Scotland's housing associations and co-operatives have a role to play in promoting the spend to save agenda championed by the Christie Commission, and in delivering a stimulus to the economy and creating jobs – investment in housing has a high multiplier effect on jobs, while a recent study from Consumer Futures found that investing in the energy efficiency of existing homes was the most effective way to stimulate the economy and provide jobs and training<sup>1</sup>.

We are therefore taking this opportunity to restate our case for significant investment in housing and housing related services. Good quality, warm and genuinely affordable housing is central to a successful Scotland; Scotland's housing associations and co-operatives have an excellent track record in providing this. The range of additional services our sector provides, alongside housing provision, makes a significant contribution to the prevention of costly public expenditure – for example the provision of medical adaptations to homes and the provision of support services, can allow people to live longer in their own homes while preventing the cost of acute services.

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<sup>1</sup> Consumer Futures (2013), Jobs, Growth and Warm Homes; Evaluating the Economic Stimulus of Investing in Energy Efficiency Measures in Fuel Poor Homes

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## **The Role that Associations and Co-operatives can play in boosting the economy and promoting regeneration**

### **Investment in New Affordable Housing**

A recent report on housing by Audit Scotland identifies that national and local government recognise that good housing can make a positive contribution to many government priorities, including economic growth, community empowerment and improved health. Investing in new build homes has a high multiplier effect, creating and sustaining jobs and apprenticeships. A well functioning housing also benefits the economy by increasing labour market mobility. Housing associations and co-operatives can help the Scottish Government to achieve these aims if properly supported. A study into the housing led regeneration of the Vineburgh estate in North Ayrshire by Cunninghame Housing Association demonstrated the positive impact on the health, well being and self confidence of people in the area.<sup>2</sup>

### **Energy Efficiency and Renewables**

The Scottish Government has set ambitious targets for both carbon emission reduction and for the production of energy in renewables. Housing associations and co-operatives have a significant role to play in both investing in area based schemes to improve existing homes, and investing in community renewables and district heating projects. A balance of grant to improve existing housing and zero interest loans to develop renewables projects would allow our members to build on their work in these areas. European Structural Funds provide another potential source of funding for these projects, and we call on funds to be ring fenced for housing. Renewables schemes such as those being developed by Berwickshire and Ore Valley Housing Associations can recycle surpluses into building new affordable housing and providing employment training.

### **Preventative Spend**

Like other western European countries, Scotland faces the challenges posed by an ageing population. Housing associations and co-operatives have a significant role to play in meeting those challenges. By providing houses built to meet the needs of people with disabilities, by adapting homes to meet the changing needs of their residents, and by providing support services to people who are older, are vulnerable or have a disability, our members can provide a better quality of life for their tenants while helping to save costs from acute services. A study on the Social Return on Investment of investing in adaptations in sheltered housing by Hanover, Trust and Bield Housing Associations found that for every £1 invested, between £5.50 and £6 were saved in social care and health costs<sup>3</sup>.

### **Conclusion**

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<sup>2</sup> Social Value Lab (2013), Measuring the Impact of Housing Led Regeneration - Vineburgh North Ayrshire; Making Our Communities Better Places

<sup>3</sup> Joint Improvement Team (2011), Measuring the SROI of Stage 3 Adaptations in Very Sheltered Housing

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Housing associations and co-operatives have a vital role to play in helping the Scottish Government to achieve its overarching aim of sustainable economic growth. Investing in social housing can create jobs, alleviate climate change, improve health and educational attainments and allow people to remain in their own homes and enjoy a better quality of life. Investing in social housing not only benefits the economy, but helps to create a fairer, healthier Scotland by benefitting some of the poorest in Scotland. We are therefore calling on the Scottish Government to provide sustained investment in affordable housing to allow our members to help realise these goals.