Shelter Scotland welcomes the opportunity to provide evidence to the Local Government and Regeneration Committee inquiry into the Scottish Government’s regeneration strategy. Our primary area of expertise is not with regeneration policy in itself. We provide advice and support to some of the most disadvantaged people in Scotland, many of whom live or are allocated accommodation in areas which are the focus of regeneration activity. So our main interest is in how regeneration policy can enhance opportunities and outcomes for those disadvantaged people. In addition, as “Achieving a Sustainable Future” sets out, we host the Scottish Empty Homes Partnership, funded by the Scottish Government, so have specific insights into the role of empty homes re-use in supporting regeneration.

1. The importance of housing supply

It is now many decades since housing supply was the sole driver of regeneration policy. Programmes which focus only on building new homes will not secure lasting change. But sometimes it seems that recognition of housing supply not being the whole answer gets interpreted as not being the answer at all. In fact, the provision of new and improved homes will, in many cases, be the most visible and pervasive sign of an area changing.

So housing supply is still critical and the extent to which capital budgets for new affordable homes have been slashed in recent years is certainly a challenge for regeneration as for other linked areas of policy. The Scottish Government has sought to mitigate the impact of budget cuts by reducing the per unit grant spending on social housing and introducing a new model, the National Housing Trust (NHT), to take up a lot of the slack in seeking to reach its 6,000 homes a year target. NHT is still a very new model, with higher rents, less security and questions over what happens to the properties in the long term. For regeneration purposes, it might well produce greater diversity of tenure for disadvantaged areas but at the cost of being out of the reach of the most disadvantaged people. In other words, the neighbourhood may well be transformed but only by displacing people who hitherto lived there. So, in developing the NHT model, the Scottish Government needs to pay
greater attention to whom it is for, the long term use of the properties and how it fits alongside social housing in meeting the needs of the most disadvantaged people in the most hard-pressed areas.

The extent to which disadvantaged households are concentrated in specific areas is well-documented. The sheer scale of public sector housing Right to Buy (over half a million public homes sold in Scotland alone) has accentuated this trend. While Right to Buy has had a benefit of potentially stabilising some neighbourhoods by allowing people who otherwise would have had to move to satisfy aspirations for home-ownership, this effect has been manifestly more pronounced in more sought-after areas, leaving the least popular areas further behind. The Scottish Government recently consulted on scrapping the Right to Buy. Although the policy has very limited effect now compared to the 1980s and early 1990s, in our view its demise would be welcome as a policy which has run roughshod over local regeneration strategies.

However, a less well-documented effect of Right to Buy still has lasting impact on regeneration activities. Some estimates suggest that 1 in 5 former publicly-rented homes are now rented privately. The proportions may be much higher in some areas. It is not likely that these properties will be exemplars of private property management but can impede very local imperatives like common property repairs as well as wider regeneration activity.

More generally, the role of private landlords is probably one of the newest themes to emerge in the last 10 years. The scale of growth in private renting, the degree to which it is fragmented across owners with only one or two property holdings and the lack of a consistent professional management model are highly challenging for regeneration purposes but would have been much less prominent only a decade ago. It is now hard to envisage successful regeneration without tackling weaknesses in private renting.

Part of the answer may lie in more focused engagement with private property owners in specific areas, maybe even strategic buy-back of former public homes, if the price and quality is right. However, Shelter Scotland believes that a more fundamental change of direction is needed. We need stability in rented markets, providing longer term security and prospects for tenants and incentives for landlords to invest for the longer term in both property quality and management. That is why, in our Rethink
Renting campaign, we have been calling for greater security of tenure for private tenants to be placed at the heart of a new settlement for private renting. We believe that among the many positive effects that will have is a stabilization of neighbourhoods currently characterized by high turnover.

Finally, on this theme we want to draw attention to the importance of action on empty property. As host of the Scottish Empty Homes Partnership, funded by the Scottish Government, Shelter Scotland is well-placed to appreciate the negative impacts on neighbourhood of even a small number of empty properties. As well as marking an area as one of potential neglect and decline, empty property can become a magnet for anti-social and criminal behavior.

So tackling empty property has a great deal to commend it, particularly as a key part of town centre renewal.

In our view, there are three key elements to reducing the number of empty homes:

- The first lies in incentives for property owners to bring property back into use. The Scottish Government is to be commended here for, first, bringing in a £4 million empty homes revolving loan fund, administered largely by local authorities, which has now been fully-subscribed. Further rounds of funding would be helpful. On the flip-side, powers have also been given to councils to increase council tax (up to 200% of standard charge) once a property has been empty for a year or more. So far, at least one council has updated its policy to make use of those powers. More should follow suit.

- The second area lies in powers to take action where a home lies empty for a long time with no engagement from the owner. Currently, the powers available to Scottish councils are more limited than in England and the consultation on the Community Empowerment and Renewal Bill indicates a willingness to look at powers of leasing and sale when all other attempts to bring property into use have failed.

- The third area, and by far the most important, is pro-active engagement with property owners. From a standing start, two years ago, almost half of
Scotland’s councils now have staff wholly or mainly focused on empty homes. Four of these staff, working across ten councils, work on a shared services basis with Shelter Scotland managing three of these staff (over eight councils). In our experience, the presence of dedicated staff, working with property owners in a tailored one-to-one way, is what actually brings homes back into use.

2. From properties and places to people

Regeneration is not really about properties or places, however, but about people. The Scottish Government’s strategy rightly gives central focus to community-led regeneration. As we alluded to above, regeneration which improves place only at the cost of displacing the people in greatest need of assistance is no regeneration at all.

So, one of the themes that we would like the Committee to examine further is how to broaden the base of community activity in regeneration. This is good in itself – too narrow a base risks burn-out and ossification of energy and ideas. But it is also about building capacity in the people who otherwise are at highest risk of getting left behind.

There are a number of ways in which people under greatest pressure engage with services: for example, through provision of housing support and, more recently, the delivery of housing options processes which help people navigate through housing choices they have.

Put simply, as well as equipping people with the skills needed to maintain a tenancy – budgeting, engaging with services, household management and so on – can we build on that to better understand what skills people need to engage in the community in which they live? We are sure that the best services already do this, as a means of breaking down social isolation, but we suggest it must be more embedded if community-led regeneration is to be broad-based and long-lasting.

A focus on people also informs two other suggestions we want to make. We know that the hardest-pressed areas can be blighted by crime and we know that a great deal of crime is perpetrated by a relatively small number of people stuck in cycles of crime. Breaking that cycle takes a number of different interventions but securing a
stable home is one of them. Shelter Scotland has provided a prisoners service for a decade now – seeking to work with people in prison prior to release to ensure that they are not leaving straight into homelessness or housing chaos – but a proper joined up service across all of Scotland has remained elusive.

Finally, the role of housing allocation policies in influencing social mix in an area needs to be borne in mind. In general, policy-makers have sought to avoid concentrating large numbers of the most disadvantaged people in particular areas. While the social effects might be complex and contested, the economic effects – for example on local shops and services – are not difficult to imagine. As above, nationally-set policies, like Right to Buy, have tended to amplify polarization of populations.

In our view, the role of housing allocations needs to be weighed up. We believe that social landlords have sufficient flexibility to ensure that people in greatest need get access to secure, affordable homes and to do so in a way in which ensure that opportunities are spread across areas and housing types. Even greater flexibility is to be afforded landlords in the forthcoming housing bill. More landlords should have forward-looking lettings plans which set out, pro-actively, how its vacancies will be managed. On the other hand, we have little patience with approaches which restrict allocations or reduce security of tenure (such as probationary tenancies). From a regeneration perspective these approaches simply displace problems.

3. Connecting people to work

As regeneration focus has moved from place to people over the last thirty years, the importance of work has been recognized as paramount. Housing investment is uniquely well-placed to deliver on jobs, with each £100 million of capital investment securing at least 1600 jobs at a time when the construction industry has been hard-hit by recession. Programmes like comprehensive home insulation are even more labour-intensive.

This is in the context of massive job losses in the construction sector in the last 5 years. The Scottish Building Federation estimates that 62,500 jobs have gone – or a quarter of the workforce – in that period. That is not a simply a loss of volume; it is a drain on skills.
For regeneration purposes, however, the main challenge is connecting those people who live in the areas where investment is taking place to the jobs that are provided. Over the last eighteen months Shelter Scotland, along with the Wise Group, developed a potential model which could provide training and employment opportunities for disadvantaged young people through refurbishment of empty homes. The empty homes focus was in response to a specific opportunity which arose but the model would have greater resonance if applied to refurbishment more generally and new construction as well.

4. Further opportunities

As this brief submission has illustrated, regeneration, as a topic, touches on a very large number of policy areas and the challenge may be determining which are central to delivering on the outcomes that regeneration seeks to deliver. For example, there are a number of other themes which we are interested in but have regarded as too broad for the scope of the inquiry. Examples, might include the ways in which welfare reform may help or hinder locally-focused regeneration and, if the latter, the role of organizations in mitigating it; the scope for public land assets and disposals to work harder for longer term benefit, perhaps through models like community land trusts; and the role of third sector organizations as secondary support structures for community-led regeneration.

Contact: Gavin Corbett, Policy Adviser, 0344 515 2468 or gavin_corbett@shelter.org.uk