

## Your details

Please complete the following details below. It is essential that we have a name and the name of any organisation if you are responding on their behalf. Contact details would be helpful if we need to follow up on any points.

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Would you like us to keep your response confidential:	No	

## Consultation questions

Below you will find response boxes for each of our consultation questions. If possible, please base your response on answers to these questions.

Some questions may be somewhat irrelevant to your interests, in which case please feel free to answer as many or as few as you like. And please feel free to offer other comments if you think they are relevant to our remit. There is space at the end for you to do so.

You can skip to the section(s) that you wish to respond to through the links below:

1. [Wellbeing](#)
2. [Housing and investment](#)
3. [Housing and the economy](#)
4. [Housing and welfare policy](#)
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6. [Housing and health and education](#)
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8. [The Private Rented Sector \(PRS\)](#)

## Section 1: Our assessment of the importance of housing for wellbeing in Scotland

**Q.1.** Has our assessment of housing and wellbeing missed any important benefits and, if so, which benefits and what is the evidence for this?

We would agree that your assessment has covered the main benefits. Whilst we acknowledge that housing, in itself, is not solely responsible for improving health and wellbeing it is well documented that good quality housing is an integral and essential part of improving and maintaining the health and wellbeing of individuals and communities.

GHA, a subsidiary of Wheatley Group, is a partner in the GoWell Research Project, which aims to investigate and capture the impact of investment in housing regeneration and neighbourhood renewal on health and wellbeing for residents within 15 areas of Glasgow.

The GoWell study has found that residents' beliefs around the impact that their home and neighbourhood can have on their health is not only directly linked to the physical conditions of their homes. The study has found that social relationships and support structures within and beyond the local neighbourhood including participation within the community; individual or community support from community organisations and professional services (e.g. health, police, housing, etc); and relocation as part of the clearance and new build programme were considered important for a range of health and wellbeing issues.

The benefits outlined in your consultation also reflect the World Health Organisations definition of health - "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity".



# Commission on Housing & Wellbeing

2. Has our assessment exaggerated any of the benefits of housing for wellbeing and, if so, in what respects and what are your reasons for saying this?

We do not believe that your assessment exaggerates any of the benefits of housing. In addition to the above we would add that research has evidenced that, for many years, housing is one of the main settings that affect health. There is a wide range of research which, although difficult to quantify, demonstrates the links between housing, health and wellbeing. Health and Wellbeing is an extremely complex issue which involves a number of factors over and above individual lifestyle. Housing, in itself, is not directly responsible for good or bad health and wellbeing but it does play a major role in the broader social and economic policy environment.

The benefits of good quality housing cannot and should not be undervalued. Studies carried out in the U.K and internationally have highlighted that the home is the foundation for psychological, physical and mental wellbeing.

Although the Scottish Government's recent consultation on Public Bodies (Joint Working)(Scotland) Act 2014 did not recognise the 'partnership' role that Housing Organisations should and will need to play to deliver the outcomes outlined in the draft Regulations it does demonstrate their recognition that housing is a key and critical element to not only improving health and wellbeing but contributing towards their longer term sustainment.

## Section 2: Does Scotland invest enough in housing?

**Q.3.** Do you agree with our assessment of the current position on investment in housing?

We agree with your assessment and recognise the national shortfall in housing supply, particularly the availability of suitable and effective land that can be developed at an economic cost. Glasgow is a post industrial city and development sites often require expensive decontamination and infrastructure works. Added to this are local authority constraints, all of which can limit the development potential of land and increase the costs significantly.

We also recognise that the scope of regeneration needs to be wider than affordable housing if we want to contribute effectively to the overall health and wellbeing of our communities. Wheatley Group and its subsidiaries also consider the availability of local community facilities and services to help us deliver our vision of better homes and better lives.

The Wheatley Group recognise the key role we have to play to broker strategic partnerships with local authorities to help our subsidiaries deliver on their strategic plans in relation to asset growth and community regeneration. These partnerships not only help our subsidiaries deliver their improvement and regeneration programmes but also help local authorities to maximise their assets and resources.

Your assessment notes that there were 170,000 households on a least one social housing waiting list in Scotland in September 2013. Scottish Government statistics at March 2014 demonstrate that, in the last 6 months there has been a 6% increase to 179,954. This suggests that the need for affordable social housing is growing significantly since the financial crisis and the limited housing options available.

Wheatley Group can demonstrate a high demand for social rented housing across the 11 local authority areas in which we currently operate. We have a housing waiting list of 29,440 across the whole group, which is 16% of the total number of households on social housing waiting lists across Scotland.

As noted in your assessment Wheatley Group recognises that the funding landscape for the housing sector has changed significantly over the last few years. With many RSLs including Wheatley Group pursuing bank funding to help us deliver our strategic objectives, including growth.

The contribution that housing makes to health and wellbeing is currently underestimated and housing is often seen more as a resource for Health and Social Services to meet their strategic outcomes rather than an equal and critical partner for the delivery of improved health and wellbeing outcomes. If housing is to help deliver better health and wellbeing outcomes through the delivery of good quality housing then we would suggest that additional grant funding should come from the overall capital budget rather than the just housing element. This could provide an opportunity for joint resourcing across health, social care and housing within the new integrated Health and Social Care Services which would allow us agree joint priorities and build on existing holistic approaches to addressing issues relating to housing, health and wellbeing.



## Q. 4 Do you agree with our brief assessment of current policy on investment in housing?

We agree with your assessment that affordable housing targets appear to be driven by what was thought to be affordable by the Government rather than a comprehensive assessment of housing need and demand.

Wheatley Group believe that a review of housing needs and demands assessments carried out by local authorities needs to be reviewed on a national level to gain a full and comprehensive understanding of the scale and nature of need and demand.

The current scale of housing need is not fully understood and it is imperative that, as a sector, we are able to evidence the true scale of need before the next spending review in 2015.

We acknowledge that the Government has diverted more of the housing budget towards low cost home ownership/mid market/intermediate rent and agree that meeting social housing need will always be a priority. However we do not believe that social housing demand should be met at the exclusion of all others.

Whilst the highest level of need is for social housing there is also a need to provide a range of housing solutions to meet the needs and aspirations of our communities.

Statistics suggests that the increase in demand for social housing, since the financial crisis, is 'new' demand from individuals/households who would normally have considered home ownership as their preferred housing option. The significant increase in social housing applications may also suggest that people see social housing as the only suitable secure housing option.

Wheatley Group's core business will always remain within the social rented sector however we recognise that our communities need and want choice and we are committed to developing and providing a range of housing solutions to meet their needs and help them fulfil their aspirations.

In 2012 Wheatley Group commissioned joint research with Glasgow City Council to establish the demand and potential for mid market rental properties in Glasgow. The study found that there was a large potential market in Glasgow with the main driver being:

- Projected increase in population
- Overall level of social deprivation in Glasgow has improved
- The economic downturn has resulted in restricted access to mortgages
- The housing needs and demand analysis demonstrated a strong demand for affordable housing in Glasgow
- Reduced household income

Through our subsidiary, Lowther Homes, Wheatley Group is diversifying and expanding the range of tenures for people looking for a home. In addition to developing our MMR service we are due to complete a small scale shared equity development in Glasgow.

Wheatley Group believe that MMR and low cost home ownership should be seen in the context of the wider housing system and that the Scottish Government should continue to invest across the housing sector to provide individuals with real choice and reduce the burden on the social rented sector.



# Commission on Housing & Wellbeing

**Q.5** Do you agree with our suggestions for further action in the area of investment in housing?

We agree with your suggestions for further action particularly your points about setting national and local targets for overall house building requirements and the need to allocate more of the overall capital budget to investment in affordable housing, restoring the real value of the budget that existed before the cuts in the 2012/13 spending review.

As we stated in our response to 'current policy on investment' it is essential that the housing sector gain a full understanding and are able to evidence housing need before the next spending review in 2015.

However although we agree that building new social housing is a priority the focus on social housing should not be at the expense of other housing options. People need access to a range of affordable housing options, if the priority within the affordable housing programme budget is fixed solely on social housing then as a sector we are restricting choice and increasing the burden on the social rented sector. This could form part of the discussion with the Scottish Government for allocating more of the overall capital budget to investment in affordable housing.

We agree that the Scottish Housing Quality Standard should apply to all tenures. However we believe that, in the private sector, consideration should be given to different levels of standards and that any action to introduce SHQS would need to be supported by grant funding.

**H**

**Q6.** Do you have any other suggestions that we have not mentioned in relation to investment in housing?

No further comments

### **Section 3: Getting a better fit between housing and the economy**

**Q.7.** Do you agree with our assessment of the current position regarding housing and the economy? What more would you add?

We agree with your assessment of the current position regarding housing and the economy and would add that the supply of affordable housing is a foundation stone for a successful economy. It can create attractive localities and neighbourhoods which draw in investment by businesses, supporting productivity and consumption. The accessibility of housing, including affordable housing, supports healthy labour markets. Housing provides local services offering neighbourhood management, support for vulnerable people and acts as a delivery partner in many local public services. It engages with community organisations and delivers employment both directly and indirectly. It also directly supports the construction sector which is vital for economic growth. In addition to the visible construction sector there is also hidden supply chain services i.e. materials supply, transport and employment resulting from employee expenditure on local goods and services.

Housing also indirectly supports all other sectors that seek inward investment including tourism, leisure, retail and financial services by ensuring that the housing needs of the workforce are met in attractive and sustainable neighbourhoods.

There needs to be a national recognition of priority for housing investment funding and its contribution to the wider economy through creating employment and through good quality homes. The construction industry as a sector has one of the highest multiplier effects, creating more direct and indirect employment than other potential investment.

Wheatley Group launched the Wheatley Pledge in September 2013 which is creating hundreds of new apprenticeships and jobs for people in disadvantaged communities. The scheme will support 300 people from across Central Scotland. Contractors and suppliers of Wheatley Group, parent company of GHA, are incentivised to sign up to the “Wheatley Pledge” – giving their commitment to do more for people living in Wheatley’s communities including creating new jobs and apprenticeships.

In addition to improving the economic wellbeing of our communities it will also help to address the predicted skills shortage in the construction industry in Scotland.



**Q.8.** Do you agree with our assessment of the current situation of UK Government policy with regards to the housing market and the economy?

In the medium term you are suggesting supporting local initiatives such as community land trusts and other mechanisms to secure permanent, affordable private housing with lower costs for first time buyers.

Existing community land trusts in Scotland are concentrated in the highlands and islands. The Community Land Trust referred to in the consultation document is the official charity for Community Land Trusts in England and Wales however we note that they state that some of the most successful CLTs have benefited from partnering with a not-for-profit housing association to develop and manage their homes.

We would support further investigation into CLT's as a model for supporting an increase in affordable housing in Scotland.

In relation to the longer term aims to remove stamp duty, the Scottish Government have just announced their proposal to replace stamp duty with a new land and building transactions tax to be introduced from April 2015. We would support this new tax but would add that the Government must also consider regional variations, there should be smaller incremental thresholds between bands and these should be reviewed periodically and systematically to ensure they fit the market.

**Q.9.** What are your views about the five areas of policy reforms suggested here?

We support the proposed introduction of a new land and building transactions tax (see above comments).

We would also support a call for wide consultation to consider options for replacing council tax but, as above, this should be based on regional variations, with incremental bands which were systematically and periodically reviewed to ensure that it was fit for purpose on an on-going basis.

We would support initiatives to improve the supply of land for housing providing these initiatives support local community engagement and empowerment processes. The recommendation to develop a Scottish Land Delivery Agency should be widely consulted on to establish the level of support for this type of agency, outline the benefits and ensure that it fits with the strategic aims of affordable housing in Scotland.

## Section 4: Getting a better fit between housing and welfare policy

**Q.10.** Do you agree with our assessment of the current position regarding housing and welfare benefits? What more would you add?

We do agree with your assessment of the current position regarding housing and welfare benefits and would add that the relationship between personal and capital subsidy should be investigated, including the impact any changes would have on affordable rents.

**Q.11.** Do you agree with our assessment of the current situation of government policy at UK levels and the possible outcomes post-referendum? What more would you add?

We do support the proposal of the Scottish Government's Expert Working Group to split the housing element from the rest of the cash benefit. However this does not address the issues of the annual cost of housing benefit budget outlined in the previous section or address in-work poverty.

For many of our tenants on low incomes, an increase in wages has a negligible impact on the household budget because of the corresponding impact on tax credits and benefit entitlement. We believe reforms to benefits can better support routes into employability if complemented by changes to the way the tax system is organised. As outlined in our response to the Smith Commission, Wheatley believes that control over both sides of the equation should be devolved in order to allow policy responses to be developed that provide a coherent approach to tackling in-work poverty appropriate to the needs of our customers.

**Q12.** What are your views about the medium term policy options presented here? What other ideas and issues strike you over this time frame?

Wheatley believes that a further devolved settlement presents the opportunity to do things differently, to redesign the system as a whole to create a responsive, person-centred system that breaks the cycle of poverty and minimises dependency. Housing Benefit has the potential to be a key plank of the overall social provision in Scotland. Wheatley believes Scotland should have a clear remit to develop its own approach to Housing Benefit that supports a range of social and wellbeing outcomes including welfare reform, employability and care.

For example, social housing providers have significant potential to play an increased role with regard to the care agenda, but this is currently limited by Housing Benefit being set at UK level. Having a devolved care system interfacing with a national Housing Benefit system does not allow the best person-centred choices for promoting independent living. More flexibility with respect to support for housing costs would complement the care agenda, allowing the potential for more tailored, preventative services, linked to individual budgets, which contribute to tenants' health and wellbeing.



# Commission on Housing & Wellbeing

**Q.13.** Do you agree that we have a unique opportunity to consider longer term policy options over the next key period in Scotland's history? How do you respond to the options proposed here? Are there other options that should be considered?

We do agree that we are entering a key period in Scotland's history which will offer a unique opportunity to consider the longer term policy options. As we indicated with question 11 and 12 we believe that a further devolved settlement presents the opportunity to redesign the housing, welfare and tax system as a whole to create a responsive, person-centred system that breaks the cycle of poverty and minimises dependency.

## Section 5: Getting a better fit between housing and the environment

**Q.14.** Do you agree with our assessment of the importance of housing to the environment?

We agree with your assessment and in addition to ways in which we should be aiming to reduce the environmental impact and we would add that:

- 'Green infrastructure' should be incorporated into site development to utilise natural process for managing surface water and drainage. This would mitigate the increasing instances of flooding and reduce pollutants from run-off entering the water course
- Encourage better whole life waste management from site development standards through to householders behaviour and provision of waste minimisation measures
- Put people first in the hierarchy of site design; promoting shared surfaces and use of site features or planting to reduce density of traffic with control of vehicle movement and speed.
- Promote use of materials within construction that are from sustainable sources and do not rely on fossil fuels or irreplaceable resources – and incorporate this requirement into the initial design approach.
- Promote habitat and biodiversity through protection of any existing habitat and enhancement of future habitat or connecting green corridors. In support of the Scottish Government 2020 Biodiversity Strategy.
- Make the most of passive energy such as solar gain, being mindful of the positive benefits of natural light but aware of future temperature increases.

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**Q15.** Do you agree with our brief assessment of current policy on housing in relation to the environment?

In relation to the climate change target we would add that the Scottish Government's Energy Efficiency Standard for Social Housing (ESSH) demonstrates only a marginal additional requirement for energy efficiency over the current Scottish Housing Quality Standard (SHQS). With the ESSH target for some electric heated detached properties actually below the current SHQS standard, representing a regression.

We applaud the Scottish Government Heat Generation Policy Statement and endorse the objective of mitigating fuel poverty and localising energy as part of our own endeavours to decarbonise and decentralise the national energy sector.



**Q16.** Do you agree with our suggestions for further action in the area of housing and the environment?

We agree with your suggestions for further action and would add:

**Medium Term**

- To engage with local authorities to simplify planning for micro-renewables
- To link a reduction in business rates or council tax for developments and retrofit projects that incorporate certified micro-renewables

**Longer Term**

- To work with OFGEM to assess the licensing agreements for private sector energy utilities to require them to operate in support of national poverty and energy efficiency targets; potentially requiring a 'windfall clause' for excessive profits not reinvested into the business or used in support of national targets

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**Q17.** Do you have other suggestions that we have not mentioned in relation to housing and the environment?

See response to questions 14 + 16

## Section 6: Housing and Health and Education

**Q.18.** Do you agree with our on our assessment of the importance of housing to health and education?

We agree with your assessment which is supported by the findings in the GoWell Study as well as numerous other studies both in the UK and internationally. Although issues affecting health and education are extremely complex and include a number of factors such as poverty, we do not underestimate the importance of housing as a large contributing factor.

The home is the cornerstone from which every individual builds their lives. Without a safe and secure place to stay it is very difficult to maintain and sustain good physical and mental health, seek employment, training or educational opportunities.

**Q.19.** Do you agree with our brief assessment of current policy on housing and health and education?

We agree with your brief assessment on current policies and would add that:

Wheatley Group and its RSL subsidiaries acknowledge the role we have to play to reduce homelessness, fuel poverty, overcrowding and ensure that our services meet the needs of an ageing population. We have built effective and good working partnership with local authorities to address and alleviate homelessness in our areas of operation. All of our RSL subsidiaries have an excellent track record for housing homeless households.

Wheatley Group also provides a Housing Options Service which is a partnership between Glasgow City Council Homelessness Services and DRS, Glasgow Housing Association, Queens Cross Housing Association and NHS Greater Glasgow and Clyde.

The service started initially as a pilot in the North West of the City in June 2012 and has proven to be very effective. An evaluation carried out in 2013 recommended that the service should be rolled out across the city which is currently on-going.

In addition to housing advice, our Housing Options service provides access to a range of Wheatley wrap around services such as:

- Welfare benefits , Fuel and money advice
- Employability and access to bursaries
- Access and training with I.T. skills
- Tenancy support services

We are also undertaking research into the needs of older people which aims to:

- Identify and understand the aspirations and key motivations of our older customers (including sheltered and general needs housing) and potential customers in terms of housing and support services, and what they are willing and able to pay for
- Identify cutting edge practice and models of housing and care, and possible funding options, in order to inform our future services.



**Q.20.** Do you agree with our suggestions for further action in the area of housing and health and education?

We agree with your suggestions for further action, in particular expanding the use of technology such as telecare, an option currently being investigated by Wheatley Group.

In relation to your suggestion that housing is integrated into health and social care, it is not clear what you mean by the term 'integrated'. The Wheatley response to the Scottish Government consultation on integrated health and social care was to highlight that housing should be recognised as a key and critical partner in the new integrated health and social care services.

In our response to question 12 we set out our views on the significant potential for social housing providers to play an increased role with regard to the care agenda and promoting independent living, linked to Housing Benefit reform.

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**Q.21.** Do you have other suggestions which we have not mentioned in relation to housing and health and education?

It is important not to under estimate the importance of early intervention partnership working to improve educational attainment outcomes and aspirations for children and young people to help break the cycle of deprivation.

## Section 7: Housing and Community Regeneration

**Q.22.** Do you agree with our on our assessment of the importance of community regeneration?

We agree with your assessment that housing has an important part to play in regenerating communities suffering from major social and economic problems. We recognise that housing improvements alone are insufficient and cannot address the whole range of socio-economic issues facing our communities and needs to be part of a wider partnership approach across a range of agencies.

We also agree that resources need to be deployed more effectively and tailored to meet actual needs and not the perceived needs of the organisations delivering them.

Wheatley Group Community Governance and Compliance Team works with all of our subsidiaries to help them review and develop their community engagement plans. We continually work with our communities to identify areas where they can get involved to influence and shape decision and services affecting their communities. This has been particularly prevalent in the transformation regeneration areas in Glasgow where GHA, Glasgow City Council, partners and local communities have worked together to contribute to and oversee the wider regeneration plans.



## **Q.23** Do you agree with our brief assessment of current policy on community regeneration?

We agree with your assessment on current policy particularly in relation to the Government's decision to devolve powers to local authorities and their local community planning partners. We acknowledge the limited successes achieved through the community planning partnerships highlighted in the 2013 Audit Scotland report.

GHA is a full member of Glasgow Community Planning Partnership and we have been involved in agreeing priorities for the new SOA. GHA are committed to working with our CPP partners to respond to the recommendations in the Audit Scotland report and we would add that Audit Scotland's recent review of the Glasgow CPP recognised the progress being made with partners to deliver shared outcomes.

Wheatley Group and its subsidiaries have made a commitment to supporting people's ability to live life to the fullest. This is an integral part of our strategic approach to Asset and Partnership Growth and building Stronger Communities.

Our subsidiaries are rooted in the local communities and we use our strength as a group to contribute to the economic wellbeing and regeneration across all of the areas we operate. We are proud of the increased contribution that Wheatley Group has made by extending our wider action activities, which among other services, includes access to:

- education, training and jobs through our bursaries programme, employability service, modern apprentice programme and Wheatley Pledge
- money, fuel and welfare benefits advices
- handyman service
- Silver deal (recreational activities for our older customers)
- Lone Parent Support and Advice Service

We work with our customers to meet both the physical and social regeneration needs of our communities.

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## **Q.24.** Do you agree with our suggestions for further action in the area of community regeneration?

We agree with your suggestions for further action and would add that there should be a clear set of objectives linked to social regeneration.

We agree that there should be a specific focus on developing effective local partnerships with strong political support. You have cited GHA's Community Improvement Partnership (CIP), which evolved out of a desire to look at new and innovative ways to tackle community safety challenges, within GHA's communities across the city. It was important to accept that the nature of community safety issues, their causes, and potential responses to them, are complex and cannot be resolved by a single organisation acting alone.

The CIP has been widely recognised in Scotland and throughout the UK. It has generated interest at both Scottish and UK Government level. The partnership has received ministerial recognition; Scottish Justice Secretary Kenny MacAskill officially launched the Partnership in August 2012. The CIP was presented to the Scottish housing sector at the Chartered Institute Conference in March 2013 and this generated a real appetite from across the housing sector to learn from the example of the CIP.

In relation to extending the proposed Community Empowerment Bill to give tenants both council and housing association tenants the right to request a community buy out, while the Wheatley Group is supportive of the principle of community control the Group also notes a number of issues. It is unclear to what extent the proposed legislation is demand driven, i.e. to what extent have communities in urban settings expressed an appetite to exercise a community right to buy?

There have been examples of successful community takeovers in Scotland but there have also been numerous examples of agencies working together to deliver positive outcomes for communities in terms of managing facilities and in other initiatives. We would like to see more focus on partnership working and promoting this approach rather than looking to introduce new legislation. There is a strong argument that the legislative framework for community ownership is already there and that there is willingness among urban agencies to support them as long takeovers are viable.

Overall, local authorities, community planning partnerships and 'community anchor' organisations such as housing associations are more often than not facilitators rather than barriers to community empowerment.

## **25.** Do you have other suggestions which we have not mentioned in relation to community regeneration?

We would suggest that the Scottish Government consider the funding streams for social regeneration in addition to physical regeneration.

The GoWell research findings suggest that the impact of social regeneration can have a significant positive affect on health and wellbeing however this is not recognised to the same degree in relation to Government funding focused solely on physical regeneration.

## Section 8: Do we need a more robust private rented sector?

**Q.26.** Do you agree with our views on the need for a more effective private rented sector which can make a greater contribution to meeting housing needs?

We agree with your views that there needs to be a more effective private rented sector (PRS).

In recent years the PRS has altered its tenant profile and social composition. It is now recognised as a diverse sector with a broad tenant base. Although it still caters for 'niche markets', for particular groups such as students, young professionals, recent migrants and people in receipt of Housing Benefit. The proportion of 16-34 year olds in the PRS has rapidly expanded from 13% in 1999 to 33% by 2010. Although owner occupation still remains the most important tenure for this age group, its share decreased by 10% to 43% in 2010. Within the PRS, therefore, over half the tenants (57%) are in the 16-34 age group, 36% are aged 35-64 and 6% are aged 65 and over (Scottish Government, 2012b). This means that the PRS has a higher share of lower and middle-income groups, and a smaller proportion of those within higher incomes, compared to the population as a whole.

Lower income households are housed within the PRS either through choice, to access a greater variety of properties or neighbourhoods, or out of necessity, given they are now neither in a position to access owner occupation nor likely to be allocated social housing.

One-fifth of all PRS households in Scotland are in receipt of Housing Benefit but, as a proportion, this represents a decline from around one-quarter in 1999, reflecting the growth in higher income tenants. Around three-quarters of private tenants are in employment or full-time education, while low-income groups in employment can receive partial Housing Benefit to support their housing costs. So while the proportion of PRS tenants in receipt of Housing Benefit is markedly smaller than in the social rented sector, the actual amount of Housing Benefit paid out to PRS landlords has not only increased significantly, and given the higher rent charges made, as a proportion of the entire Housing Benefit budget, it has also grown (Serpa and Taylor, 2012).

The PRS has also become more significant in accommodating homeless households, given regulation changes introduced 2010 which allowed local authorities to negotiate SATs with private landlords as one means of addressing their homeless housing obligations. This has had its problems, given the lack of security of tenure when compared to the social rented sector, the higher rents charged and a lack of landlords willing to rent to those on Housing Benefit (Scottish Government, 2012b).

While the core demand for private rented housing generally comes from households requiring transitional accommodation, that traditional occupancy pattern is now changing. For more and more people the PRS has become a permanent housing solution, but this is often achieved through a series of short-term lets.



**Q.27.** Do you agree with our brief assessment of current policy on the private rented sector?

We agree with your assessment on current policy and support your recommendation to take action to encourage institutional investors.

In 2011, GHA recognised the key role that they could play as an ‘institutional investor’ to increase housing supply and meet need across all tenures and formed what is now a Wheatley Group subsidiary, Lowther Homes.

Lowther Homes currently offers 134 mid-market rent properties and 247 homes for full market rent. In addition to increasing housing supply, the excellent standard of properties we let and award winning repairs service is also helping to drive up standards and meet aspirations in this sector.

We would therefore support action to encourage “institutional investors” into the sector.



## Q.28. Do you agree with our suggestions for further action in the private rented sector?

We agree that current tenancy arrangements should be reviewed but would add that the flexibility short assured tenancies (SAT's) offer suit many people's lifestyle. However there is no security for tenants who are looking for a longer term option in the private sector. We believe that a range of tenancy options should be explored but SAT's should remain an option for those who would prefer this choice.

The Scottish Government has just launched their 'New Tenancy for the Private Sector' consultation which Wheatley Group will respond to. Wheatley Group, represented by SFHA, has also participated in the Review Group on the Private Rented Sector Tenancy Regime. The remit of this group was to:

- To examine the suitability and effectiveness of the current PRS tenancy regime, considering legislative change where required.
- To develop recommendations to the Scottish Government on how the current regime might work better and/or the options for taking reform forward.

The Group was also asked to consider two key issues identified by the PRS Strategy Group, in relation to what the tenancy regime can offer tenants and landlords:

- security of tenure: a tenant's right to remain in a property and the circumstances in which the landlord may seek to regain possession of their property, subject to the terms of the tenancy agreement: and
- the length of tenancy: how long the tenancy agreement is for.

The Review Group made the following recommendations:

- The reformed tenancy would need to contain a modernised and simplified right of possession, providing clarity for both tenants and landlords; the removal of out-dated repossession grounds and the accompanying complicated notices.
- On length of tenancy, the new tenancy would set a minimum period, as is currently the case. There are a variety of reasons why either party would want a specific minimum term for the tenancy, take for example students, or people letting a home while they are working away. However, the evidence also shows that very few tenants only stay for the current statutory minimum of six months. So the minimum could stay at six months, with the focus on sorting out the roll-over arrangements, or having a requirement to issue a new tenancy, within a defined period.
- Taken together, the proposed reforms would put in place a modern, easy to understand tenancy regime which suits the current, varied market situation, and will thus be attractive to future investors as well as tenants and landlords.

We also agree that it would be useful to consider the learning from Irish/ European models which offer more security for tenants.

In relation to replacing the current arrangements for landlord registration and HMO licensing it would be useful to see evidence to support the suggestions that it is not well targeted or effective before providing a view on this.



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**Q.29.** Do you have other suggestions which we have not mentioned in relation to the private rented sector?

No further comments