

Meeting between Regional Network representatives and the Minister for Local Government, Housing and Planning, Kevin Stewart- Tuesday 19 March, 2019

Attendees

Kevin Stewart MSP, Minister for Local Government, Housing and Planning
Bill Chapman- North of Scotland Regional Network
Leonora Montgomery- North of Scotland Regional Network
Ian Robertson- South East Scotland Regional Network
Sheila Mitchell- South East Scotland Regional Network
Heather Cuthbert- South West Scotland Regional Network
Margaret Dymond- South West Scotland Regional Network
Hugh McClung MBE- Central Scotland Regional Network
June Anderson- Central Scotland Regional Network.

Anne Cook- Scottish Government
Carolynne Watson- Scottish Government
Sarah Newton- Scottish Government (Community Analysis Division)
Dafni Dima- Scottish Government (Community Analysis Division).

1) Welcome & introductions

Hugh McClung welcomed everyone to the meeting, introductions were made and Hugh thanked Mr Stewart for taking the time to meet with the Regional Networks. Mr Stewart noted that he was pleased to attend and have the opportunity to meet with representatives from the networks.

2) Rent affordability in the social rented sector

Sarah Newton and Dafni Dima from the Scottish Government's Directorate for Housing and Social Justice's Community Analysis division gave an overview of their work on rent affordability in the social rented sector.

Sarah and Dafni highlighted that rent affordability is key to several long-term government strategies and that their work is focused both on understanding the current situation in the sector with regard to rent affordability and on exploring ways to ensure social rents are affordable in the future. A literature review on affordability has been completed and will be published in the coming weeks, and current work on rent affordability will feed into the wider work on Housing Beyond 2021. Key findings of the literature review include:

- The main method of calculating affordability is the rent-to-income ratio, set anywhere between 25-30%. A more rounded approach would also take into account payment problems to also reflect the tenant-focused aspect of affordability;
- High housing costs are the biggest driver of poverty in the UK, and is most acute amongst households with children;
- Scotland has the largest social rented housing sector in the UK and lower social rents compared to England and Wales. Scottish social rents increased by 5% in real terms between 2013 and 2017;
- Service charges and fuel costs may also impact on affordability in the future;
- Some landlords use rent setting tools to set rents, such as the tools offered by Housemark and the Scottish Housing Regulator (SHR).

The literature review has identified gaps in knowledge and understanding around affordability, including:

- A knowledge gap around the factors taken into account by landlords in increasing and setting rents and service charges;
- A gap in understanding what 'affordable' means for social tenants;
- Lack of literature regarding the mid-market renting sector.

Sarah and Dafni highlighted that further research is proposed in each of these areas in order to take the work on affordability forward. Mr Stewart noted that this work is key to understanding the sector and that bridging the knowledge and understanding gaps on affordability will help to present clear, transparent information for tenants, enable a wider range of consultation options on rents and encourage consistency in the data published on rents.

3) Rent increases

Margaret Dymond highlighted concerns that some landlords are not meeting their statutory duty to consult with tenants on rent increases, and that in some cases the impact of increases is forcing some tenants into poverty. Mr Stewart noted that landlords are expected to strike a balance between affordability and the level and cost of services they provide, and that rents must be set in a consistent and transparent way. He advised that the work being done on rent affordability was aimed at ensuring tenants had proper information on what rental income and service charges were used for. If tenants have concerns about a landlord failing to consult on rent setting they could consider contacting the Scottish Housing Regulator and raising a significant performance failure.

Hugh highlighted that the Networks' recent work on the Housing Revenue Accounts reveals a mixed picture in approach to rent consultation across local authorities, and Mr Stewart noted that it is important to identify and share best practice approaches to rent consultation.

4) Scottish Housing Regulator & Local Authority finance

Heather Cuthbert noted that local authority tenants are unable to obtain information on finance in relation to the HRA from SHR as this falls under the remit of Audit Scotland and asked if anything can be done to make this process easier for tenants. Mr Stewart advised that the SHR has no role in relation to the governance and financial wellbeing of local authorities and noted that he could see no reason why local authority tenants could not approach Audit Scotland directly for information they require in these areas. Mr Stewart offered to write to Audit Scotland to explain that this issue had been raised and to ask them to meet with Regional Network representatives directly to discuss. Heather said this would be very welcome and thanked Mr Stewart.

5) Repairs to tenement buildings

Hugh McClung outlined concerns amongst tenants about repairs to older tenement buildings. Tenants welcome proposals from the cross-party working group on tenement maintenance recommending a requirement for owners to have pool funds to meet repairs and maintenance costs but remain concerned that the costs of repairs to older tenement buildings under mixed tenure may in some cases be subsidised by the HRA account if owners do not pay their share. Mr Stewart noted that the work of the cross-party group is welcome and helpful. These issues are complex, and the Scottish Government recognises that in some cases, owners living within tight budgets will struggle to pay. An equity stake fund is currently being piloted and the range of solutions to this issue is widening which is positive progress. Mr Stewart also noted that in instances where there are blocks with particular difficulties, share powers are in place. Beyond that, in mixed tenure blocks where

tenants are not getting a good deal, local authorities have the option to buy back and bring these blocks back into the social housing stock. In relation to the HRA, Mr Stewart stated that it would not be lawful to use the HRA for these purposes. Owners and private landlords have responsibilities and HRA funds will not be used to subsidise these.

6) Social landlords and the costs of medical adaptations

June Anderson raised the issue of landlords funding medical adaptations in cases where NHS budgets should be meeting the cost. This is particularly concerning in the context of current grant freezes. Mr Stewart confirmed that the majority of funding for adaptations comes from Health and Social Care Partnerships. The Scottish Government has provided £10m of additional funding for RSLs in 2019/20 to assist them in delivering adaptations for elderly and disabled tenants. This money is intended to support landlords to deliver on need however it is important to ensure that the bodies responsible for the costs of medical adaptations are delivering. Mr Stewart noted that he is currently working with the Cabinet Secretary for Health and Sport, Jeane Freeman, to implement guidance on adaptations for Integration Joint Boards and promote and establish a person-centred approach to adaptations. There are some strong examples of positive practice and strong leadership in this area and these should be shared and replicated.

Sheila Mitchell noted that landlords have a wide range of target timescales for completing adaptations and asked the Minister whether any action can be taken to minimise waiting times. Mr Stewart highlighted the importance of carrying out adaptations timeously to save money for the public purse however every area and landlord will have different operating contexts and timescales for doing so are agreed locally. As a result, it is difficult to make judgements about target timescales, however in cases of simple adaptations, in general these should be done quickly and efficiently. Mr Stewart also commended the work of Occupational Therapists. Anecdotally, there may be an element of people trying to be at their 'best' during an OT assessment which does not tell the whole story and in some cases can result in people being assessed as requiring minimal or no support. Experienced staff should be aware of this and help to bring out the reality of an individual's circumstances day-to-day.

7) SHR Regulatory Framework and Landlord Assurance Statements

Bill Chapman acknowledged the publication of SHR's new Regulatory Framework and highlighted some disappointment amongst tenants that the Regulator has not taken the opportunity to set out any guiding principles or a framework for tenant involvement or sign off of assurance statements and regulatory returns. Mr Stewart emphasised that SHR is an independent body and that Ministers are unable to direct their operation. The current SHR Chair, George Walker, is keen to meet with tenants and Mr Stewart suggested that the Networks could request a meeting with George Walker, either as part of the Regional Networks' regular meeting cycle with SHR or separately, to discuss this further.

8) Housing Beyond 2021

Ian Robertson asked Mr Stewart for an update on the key outputs of the Housing Beyond 2021 work so far and whether plans are yet in place for the proposed second wave of stakeholder engagement. Mr Stewart noted that staff are working hard to review and analyse the information which came out of the stakeholder engagement in the autumn. It is important that this work is given optimum time and attention in order to influence the right approach to the next wave of engagement. A report setting out the key outputs from the autumn engagement will shortly be published and preparation is underway for further stakeholder engagement later this year. Mr Stewart is clear that he wants to hear as many voices as possible as part of this process, and not just the views of 'experts'. He is hopeful of securing

cross-party support for a longer term vision and framework for the future which maximises individual choice as well as meeting need.

Hugh McClung pointed out that Brexit is likely to have a significant impact on planning, particularly in the immediate short-term. Mr Stewart agreed and noted that the Scottish Government is working responsively to mitigate against the effects of a potential no deal situation in order to preserve supply chains. There are significant cost and resource implications associated with this but this is critical work to protect the most vulnerable in our society. If a hard Brexit takes place, Ministers will want to communicate as much as possible with the communities they work with about the realities on the ground and the issues being faced as a result of leaving the EU.

Hugh McClung thanked Mr Stewart for his time and for his comprehensive responses and reassurances during the session. Mr Stewart noted that he was grateful to have the opportunity to meet with representatives from the networks and to pick up on issues and concerns which would not otherwise be identified during day-to-day work.