



## **Firm foundations – the future for housing in Scotland**

Scottish Government

Northgate Information Solutions' response  
January 2008

# Firm foundations – the future for housing in Scotland

## Introduction

1. Northgate welcomes the opportunity to respond to the Scottish Government's discussion document 'Firm foundations – the future for housing in Scotland'.
2. We wholeheartedly support the Government's view that to meet the needs of all in Scotland, housing policy must provide choice and variety - a mix of houses to buy and to rent.
3. Our response largely focuses on the proposal to modernise the regulation of social housing and the need to ensure energy efficient, high quality housing and sustainable places that promote health and wellbeing in Scotland.
4. We also provide some information on technology and its role in promoting sustainable housing. We recommend that the Scottish Government should consider the role of technology in supporting the business of delivering high quality housing.

## Action on housing supply

5. All citizens have the right to enjoy accessible and responsive public services, able to deliver sustained improvement to the quality of life. It is fundamental to community well-being. Community well-being is founded on trust between local citizens and public authorities. Where there is perceived inactivity on the part of public authorities in dealing with citizens' day to day concerns, the public is less likely to trust their ability to deliver fair and efficient public services.
6. Affordable and sustainable housing delivered through a simpler and more streamlined planning system, accessible to all, is central to the creation of 'successful places' and the well-being of our communities. Yet many individuals and families are living in sub-standard accommodation that is failing to meet their needs, contributing to unhealthy, unhappy lives and causing unnecessary damage to the environment.
7. The challenge is to work in effective partnerships to deliver personalised housing services that meet the needs of all members of the community and the needs of future generations.
8. We support the introduction of powers for local authorities to build new homes. The work of local authorities is critical in ensuring that a range of organisations, communities and individuals can work effectively and efficiently to improve the availability and standards of housing in their area. The provision of more public sector land for housing development is essential to the success of this initiative.
9. We support the view that Choice-Based Letting schemes in England have opened up new opportunities and wider choice for tenants and that assessments of housing need - and the means of meeting it - should take account of wider housing market areas and not just of the position within a particular local authority boundary. Collaboration between authorities is a

critical factor for success as is the collection of quality data and the sharing of information not only between local authorities but with other providers of social housing.

10. To support a strategic approach of the type envisaged we believe that there is a strong case for developing a specialist national function not only to bring a long-term perspective on the operation of regional housing markets in Scotland, but also to analyse trends and requirements and to provide advice to support local government and social landlords in the drive to improve the functioning of housing markets. We think there is a case for such a function to share best practice; to promote and foster innovation; to have a particular role in combating disadvantage in the housing market; and to encourage greater well-being by supporting interventions which promote mixed communities and quality services. It could also have specific responsibilities for wider liaison with house providers in Scotland including developers, the private rented sector and registered social landlords with the objective of promoting a healthy housing market. This would build upon the valuable work carried out by local authorities through landlord forums.

## **Low income households, homelessness and the private rented sector**

11. It is clear that opening up the private rented sector to low income households and the homeless could provide greater choice and wider opportunities. However, protective measures will need to be put in place to ensure that the most vulnerable in our communities are protected and that their housing is of sufficient quality.
12. Accessing the private rented sector is particularly difficult for people reliant on housing benefits not only because of the complexity of the benefits system but also the need, in many cases, to provide a deposit to the private landlord. Consideration should be given to developing a more strategic role for local authorities to promote access to quality housing in the private rented sector. This could be achieved for example through the provision of services designed to negotiate suitable accommodation in the private sector; the provision of local authority backed guarantees in place of deposits; and ensuring that citizens are accessing their full right to benefits. Particularly for homeless people and vulnerable members of the community on-going support throughout the duration of the tenancy may be necessary and local authority services should be designed to meet that need.
13. Greater use could be made of developing leasing schemes whereby local authorities, registered social landlords and organisations lease property on long-term contracts from the private rented sector. These could be linked not only to supporting homeless people, but also to providing permanent or semi-permanent accommodation for those suffering from harassment or domestic violence, people separated from their families and migrant workers.
14. Greater consideration could also be given to the role of social enterprise and the third sector in delivering private rented accommodation to those on low incomes and the homeless, and to providing the services outlined in paragraphs 11 and 12.
15. Swift payment of housing and other benefits is essential for a well performing rented sector. This may require a review of front and back office functioning, business process reengineering, the introduction of rules based technology to speed up the process and to deal with change of circumstance. Rent shortfall may also provide a barrier to access the private rented sector because the market rent is higher than the rent levels and because of

housing benefit restrictions for the under 25s. The effective use of discretionary payments may provide a solution to this but it is essential that the use of discretion is analysed effectively to ensure an equitable approach.

16. The issues relating to balancing the needs of the private rented sector and protecting the tenant, particularly those who are most vulnerable to exploitation, are complex. We therefore believe that there are strong arguments for developing a national forum involving the private rented sector, the public sector, tenants and other invited experts to identify particular problems, promote solutions, develop innovation and share best practice in opening up the private sector to those living on low incomes and homeless people. We recommend that the proposed review of the private rented sector should test out whether there would be support for such a body.

## Empty property

17. Making better use of empty property is essential to tackling the problem of homelessness. Information and the sharing of information may form a vital part of this. Developing a comprehensive national information database would help in the forecasting of housing needs in Scotland, the targeting of resources and the regeneration of poor housing stock. Information analysis would assist in identifying trends and causes of empty properties such as fly -ipping, crime and anti-social behaviour and problems concerned with vandalism.
18. Some local authorities have used information to establish links between private landlords and developers seeking to purchase empty properties in suitable locations, with owners of long-term empty properties contacted and provided with information about developers in their areas. These schemes result in bringing empty properties back into use especially in those areas where local property agents consider the market unattractive and non-profitable.

## Social housing

19. We fully endorse the role of social housing in providing quality housing to all. It is vital in encouraging sustainable communities and in enabling low income households to access higher quality housing than they may be currently able to in the private sector. Registered social landlords as providers of social housing are also increasingly playing a wider role in contributing to place-shaping within their local community through, for example, the provision of employment training.
20. We support the view that choice-based lettings can widen opportunities for tenants. There is a need to ensure that the most vulnerable tenants are treated equitably within the system, through for example additional support and advice. Developing adequate measures of tenant satisfaction is also important and tenant feedback from the process would help to create continuous improvement in the system.
21. We support the strengthening of social housing provision in the interests of community well-being. For the sector to thrive in the future it is our view that there needs to be an ambitious change programme involving a partnership between local providers, a new proactive regulator, the Scottish Government and other relevant stakeholders. This should support a significant cultural shift towards tenant empowerment and involvement, and encourage new

and innovative forms of working in collaboration between the social housing sector, public sector and private sector to deliver improved and enhanced tenant-based services.

22. We therefore welcome the Scottish Government's decision to establish an independent social housing regulator whose statutory objectives would include promoting the interests of existing and future tenants.
23. Both our own experience in working in partnership with small, medium-sized and larger registered social landlords and extensive research carried out throughout the sector show that social housing tenants continue to have relatively high levels of dissatisfaction with their landlords. At the same time, some social landlords are under extreme financial pressure to provide services within the context of making cashable and non-cashable efficiency gains. But the use of sub-market rents limits tenant choice and gives limited incentives to landlords to provide good management.
24. If social housing is to become the housing of choice for groups of citizens, there needs to be a significant shift, as the Scottish Government has recognised, toward tenant involvement and participation. This, in turn, requires new forms of leadership, management and collaboration which encourage inclusion and the engagement of tenants in shaping and delivering services that meet their needs.
25. Effective delivery is based on establishing an open learning environment where people can experiment with new ideas, learn from chance experiences, assess individual needs, share information and reach conclusions from all these experiences to drive through a programme of continuous improvement and create social value within the social housing sector.
26. Social housing regulation is therefore essential not only to protect tenants but to improve standards of housing and to support effective and efficient housing management throughout the sector.
27. The new regulatory regime needs to be comprehensive, consistent, clear, accessible and accountable to citizens and local communities. We welcome the Scottish Government decision to modernise social housing regulation and its recognition that there needs to be a lighter touch for regulation involving self regulation, less routine inspection and the use of information to make sound risk assessments and to provide greater accountability to tenants and other relevant stakeholders.
28. For the regulator to operate effectively, providers should be statutorily required to provide information to the regulator. We recommend that de minima the information required should include:
  - level of tenant satisfaction, tenant involvement and choice
  - the standard of housing and service provided
  - financial projections (for housing associations only)
  - average operating costs
  - rents
29. We also recommend that all providers should establish formal arrangements to:
  - enable tenants to make periodic assessments of the quality of services provided

- share benchmarking information about their performance and costs with other providers and publish this information to tenants more widely
  - include an independent element in their performance assessment so that there is effective external challenge
30. We recommend that consideration be given to enable tenant complaints to be used as a means to trigger interventions by the regulator.

## New technology

31. Northgate believes that new technology has the potential to drive through radical improvements to housing and planning services, but only where people are placed at the heart of new and existing systems. This is not only about citizen-focus but also about prioritising, preparing and energising front-line staff to enable them to make a real impact.
32. New technology adds value when it provides the best practical solution and enhances relationships between people and between organisations. It can assist in managing scarce resources, in joining up services and in reducing bureaucracy – allowing public authorities to focus on service delivery.
33. Technology can also help inform staff how well they are achieving things that matter to citizens, and many organisations have developed proactive communications campaigns designed to ensure that target audiences are fully aware of improvements and can feed into the process. Without such processes in place, organisations may find that they replace one outmoded system with a modern so-called ‘solution’ which fails to meet citizens’ needs and damages trust rather than builds it. It is essential that any investment in technology delivers value-added rewards in terms of improved delivery of services and increased trust.
34. Citizens increasingly expect services to be personalised to their needs. We would like to see greater use of new and innovative forms of communication to reach out to diverse communities.
35. The proactive use of mobile technology can support this process through supporting efficiency gains whilst ensuring that organisations are able to target and support hard-to-reach groups effectively and deliver personalised services to all.
36. When combined with the ability to integrate information systems across the range of agencies responsible for delivering housing and support services, mobile technology can enable significant improvements in the consistency, immediacy and responsiveness of service provision. In addition, there are unrealised benefits in the application of technology to support the independence of older persons and vulnerable members of our communities, and we would like to see innovative approaches piloted to establish a way forward that delivers best value and quality services to everyone in Scotland.

## About Northgate

Northgate is a technology services company with a difference. It is committed to high quality public services and understands the public sector. That knowledge is core to its business.

Northgate's task is to enhance public sector value through the intelligent use of people and information technology systems and to share in the economic and social benefits that this brings.

Northgate assists the public sector to promote community well-being by helping them provide citizens with accessible and responsive one-stop services based on clear and detailed information; by engaging with public sector employees to transfer and enhance skills; and by working with public sector management to enhance performance management. In housing, Northgate works with over ninety clients assisting them in the management of over three million local authority and housing association properties worldwide.

### **Further information**

Joe Bradley  
Managing Director, Local government and social housing  
Northgate Information Solutions  
Peoplebuilding2  
Peoplebuilding Estate  
Maylands Avenue  
Hemel Hempstead  
HP2 4NW

[joe.bradley@northgate-is.com](mailto:joe.bradley@northgate-is.com)  
[www.northgate-is.com](http://www.northgate-is.com)

Kathy Sutton  
Fellows' Associates  
90 Long Acre  
London  
WC2E 9RZ

[ksutton@fellowsassociates.com](mailto:ksutton@fellowsassociates.com)