



# **SOCIAL HOUSING**

**AT THE HEART OF THE RECOVERY**

**UNISON Scotland Housing Manifesto**  
**August 2021**



# EXECUTIVE SUMMARY: Our Housing Charter

## A HOUSING SYSTEM FIT FOR PEOPLE

- Increase local authority budgets so that council planning departments and building control services, housing departments and homelessness services are resourced in line with need.
- Raise staffing levels in environmental health, trading standards and other roles that are needed to provide effective regulation and enforcement in the private rented sector.
- Strengthen the National Planning Framework (NPF4) so councils can prioritise the securing of land for new social rented family homes.

## HOUSING SUPPLY – MORE HOMES FOR SOCIAL RENT

- Increase investment in the supply of good quality socially rented housing built to the highest environmental standards.
- Deliver a minimum of 10,600 new council and RSL homes per year between 2021-2026.<sup>1</sup>
- Provide for the range of types of housing need, including large families, the elderly, people with disabilities and individuals with complex support needs.
- Reform the VAT regime and zero rate the refurbishment and conversion of existing buildings for housing use.
- Introduce a requirement for a planning application to permit change of use from main residence to holiday let or Airbnb.
- Increase government funding to enable councils to bring more vacant and derelict land into use for social and affordable housing.
- Give councils and RSLs, at the point of re-sale, first refusal to buy back homes previously in their ownership.
- Help diversify house-building, and meet specific housing needs, by giving planning priority to community-led housing.
- Legislate for the highest standard of energy efficient performance in all new-build homes and ensure environmentally friendly carbon zero materials are sourced for all new house building.

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<sup>1</sup> <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Affordable%20Housing%20Need%20in%20Scotland%20Post-2021.pdf>

## **PUBLIC INVESTMENT IN SOCIAL HOUSING**

- Promote the use of public sector pension funds for social rented housing developments.
- Legislate to allow councils to purchase land at its existing use value for new social house building.
- Introduce a new system of land value capture so that a significant proportion of the uplift in land value from major public infrastructure works is made available to councils to invest in infrastructure and public services.
- Introduce a wealth tax to fund the building of the social rented homes that are needed.
- Raise the level of government subsidy for new build council housing to match that of RSL housing.
- End all government schemes of support to first-time buyers of new build homes.
- Ensure the Housing Supply Programme provides funding for community-led and cooperative housing developments for older people and other groups with specific needs.

## **INVESTING IN THE HOMES WE ALREADY HAVE**

- Introduce a well-funded public retrofitting programme to improve standards of energy efficiency based on a street by street approach and coordinated by local councils.
- Develop the workforce strategies and local supply chains needed to deliver a major public sector retrofitting and house-building programme.

## **A VOICE FOR TENANTS**

- Create a stronger voice for tenants at a local, landlord and national level.
- Provide a strengthened role for tenants and public authorities in the governance of stock transfer landlords.

## **AFFORDABLE RENTS**

- Introduce a system of rent controls to protect private tenants from unpredictable rent increases (frequency of review); excessive rent increases (rent capping), and link increases to the Consumer Price Index (CPI) to stabilise rent levels.
- Introduce a new Scottish Rents Affordability Index to establish a fair rent level for new rental properties and to peg maximum rents at affordable levels across all private rented accommodation. This should incorporate a points-based system taking account of the quality and amenities of a home and not just market rates.
- Give the annual rent consultations mandated for RSLs a statutory status.

# UNISON Scotland Housing Manifesto

## Introduction

During the pandemic we discovered that it is - in fact - possible for politicians to take radical action very quickly. The same urgent political commitment is needed to end homelessness and rough sleeping permanently by building enough social homes of the right type and in the places that are needed.

We have learnt the added value of social housing during a crisis: how it builds community resilience and protects the most vulnerable. During the pandemic, UNISON members in housing associations and councils played an outstanding role in feeding and caring for tenants in need. A similar response from private landlords is unimaginable; they are neither equipped nor motivated to do so. Investment in social housing must now be at the centre of the post-pandemic recovery.

For 40 years governments have driven an agenda where homes are for profit. As a result, unearned housing wealth has become one of the main drivers of the widening gap between rich and poor. Promoting the idea that social housing is a 'safety net' which only exists to help the poor and vulnerable is part of this agenda. It has been spun by governments since the 1980s, leading to the unjust stigmatisation of council housing in particular – and social housing generally – as well as those who live in it.

The shortage of affordable homes for people on low to medium incomes in Scotland is a direct result of market-driven housing policies. They have created the situation where there are not enough homes of the right type affordable to people of all incomes.

- The Right to Buy combined with demolition has left the social housing stock depleted. Social housing is now out of reach to all but those in the greatest housing need.
- At the same time home ownership and private renting have both become increasingly unaffordable. House prices in Scotland have spiralled while wages have stagnated. In many parts of Scotland buying a home is often not an option.
- To fill the gap, the private rented sector (PRS) has trebled in size in the past fifteen years and now accounts for 15% of all homes.<sup>2</sup> But rents are high and have been rising fast. This has increased the risk of poverty amongst the young, immigrants, non-white people and low-income families, all of whom are disproportionately PRS tenants.<sup>3</sup>

One consequence of this broken housing system is the growing number of children living in temporary homelessness accommodation.<sup>4</sup>

<sup>2</sup> Annex A: <https://www.gov.scot/publications/private-sector-rentstatistics-2010-2019/pages/11/>

<sup>3</sup> See page 8 <https://commonweal.scot/New%20Common%20Weal/cache/file/9C1569C1-D554-69DC-9EA150DF5D14ACD1.pdf>

<sup>4</sup> Over 7,280 children at March 2020, a 7% rise in a single year <https://www.gov.scot/publications/homelessness-scotland-2019-2020/pages/4/>

Another is the fact that, increasingly, young people are postponing living on their own, and either stay at home with their parents for longer or live in multiple occupancy shared households.<sup>5</sup> They are part of the growing group of 'hidden homeless'.

As more people lose their jobs in the economic crisis, Scotland's housing problems are set to become worse. The shortage of social housing means people on benefits or low wages are being forced into often unsuitable homes in the private rented sector (PRS). The pressure on that sector is set to grow.

- The focus of government policy has for too long disproportionately been on promoting home ownership instead of addressing housing need. We want to see a focus on meeting the needs of ordinary people and families on lower incomes.

- We believe a large scale programme of social house building must be at the heart of our economic recovery from the corona virus pandemic. This investment will create skilled jobs and apprenticeships. It can also have a multiplier effect all the way down the supply chain, helping revive small businesses and regenerate our communities.

- Housing investment should also be an essential part of any Green New Deal. The use of low emission, energy efficient construction materials,

and the retro-fitting of our aging housing stock should be a top priority for any industrial strategy aimed at meeting our climate change targets.<sup>6</sup>

This document is designed to put a spotlight on some of the issues affecting UNISON's members in Scotland and the people they serve. It identifies proposals that will begin to meaningfully address the housing crisis, to provide decent, safe, secure and genuinely affordable homes for all.

<sup>5</sup> [http://civitas.org.uk/reports\\_articles/rise-and-fall-the-shift-in-household-growth-rates-since-the-1990s/](http://civitas.org.uk/reports_articles/rise-and-fall-the-shift-in-household-growth-rates-since-the-1990s/)

<sup>6</sup> <https://www.ippr.org/files/2020-07/transforming-the-economy-after-covid19-july2020.pdf>



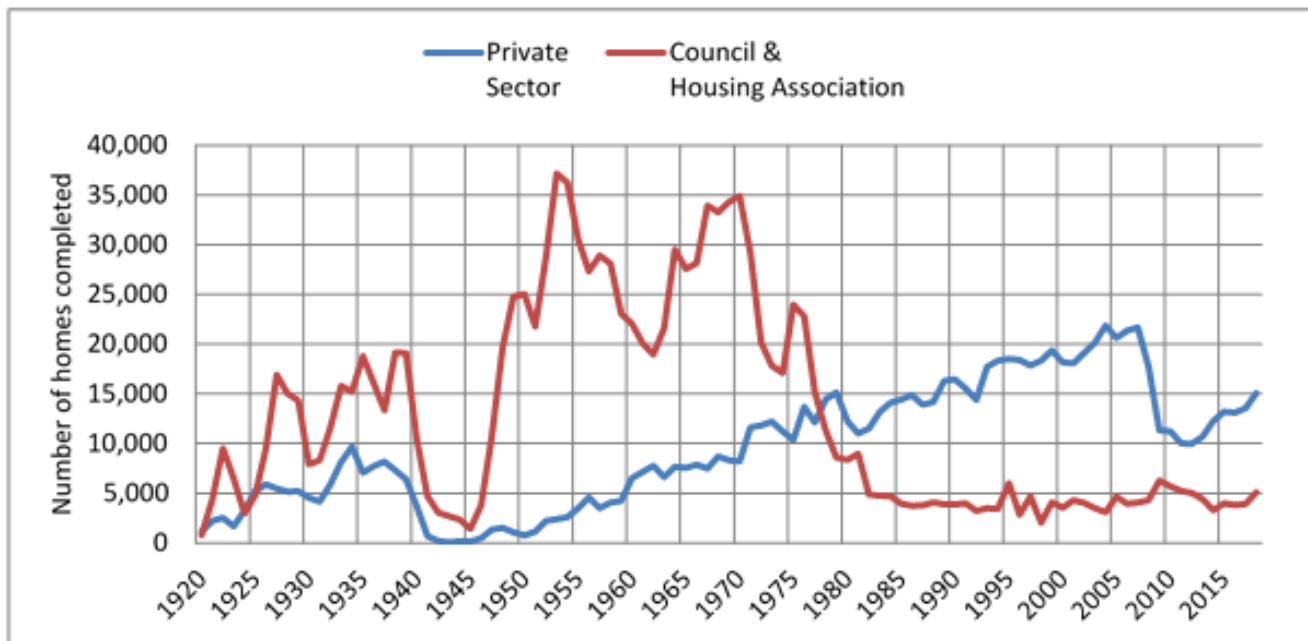
## Overview: Scotland's housing crisis

### HOUSING TRENDS IN SCOTLAND

The basic problem is not enough homes, of the right type, that people can afford. For the past 40 years governments of all types have favoured a privatised housing system. We sold off council homes and didn't replace them and left housing to the market. New social housebuilding was slashed in the 1970s and almost ground to a halt in the following decades.

Chart 1

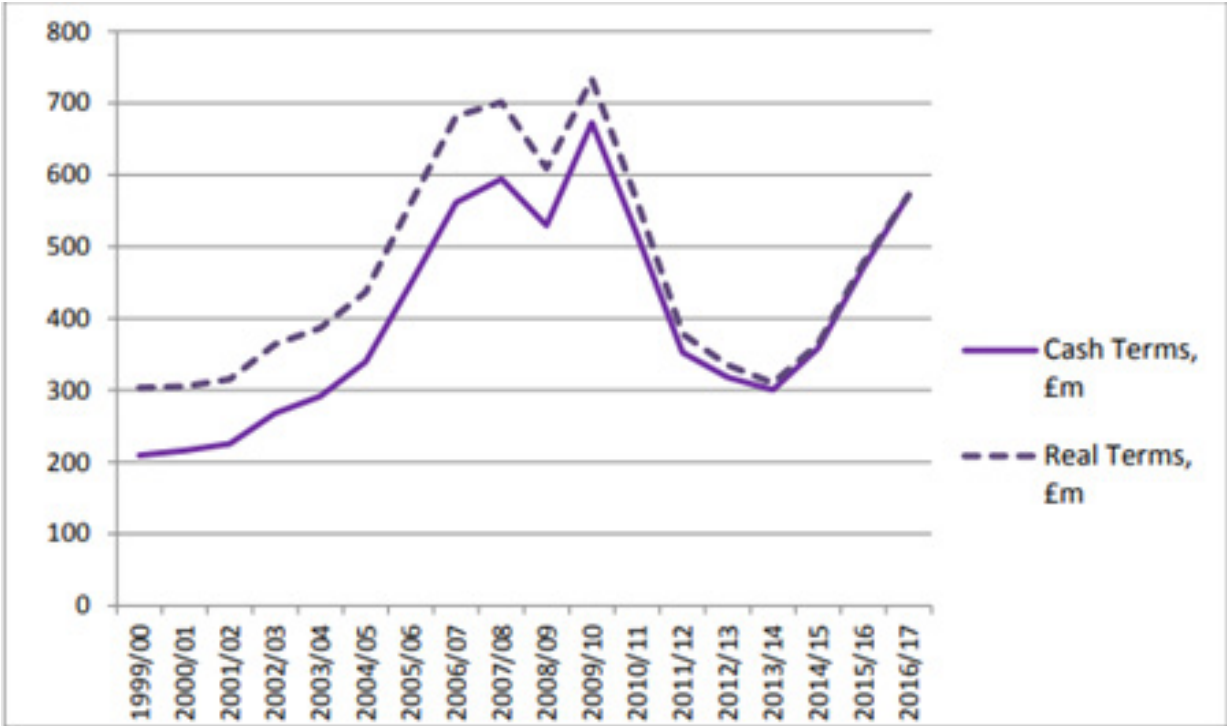
**New homes completed in Scotland: 1920 to present**



Source: Scottish Government, Communities Analysis Division (Housing Statistics)

Housing for profit now dominates – but the private sector has continuously failed to build the homes that are needed. Even now, more than ten years after the banking crash, private sector house building has still not recovered to pre-crash levels. Completions in 2018 were still only 69% of what they were in 2007 (15,097 compared to 21,685). This isn't accidental, it is the inevitable result when the main driver is making money, rather than meeting needs.

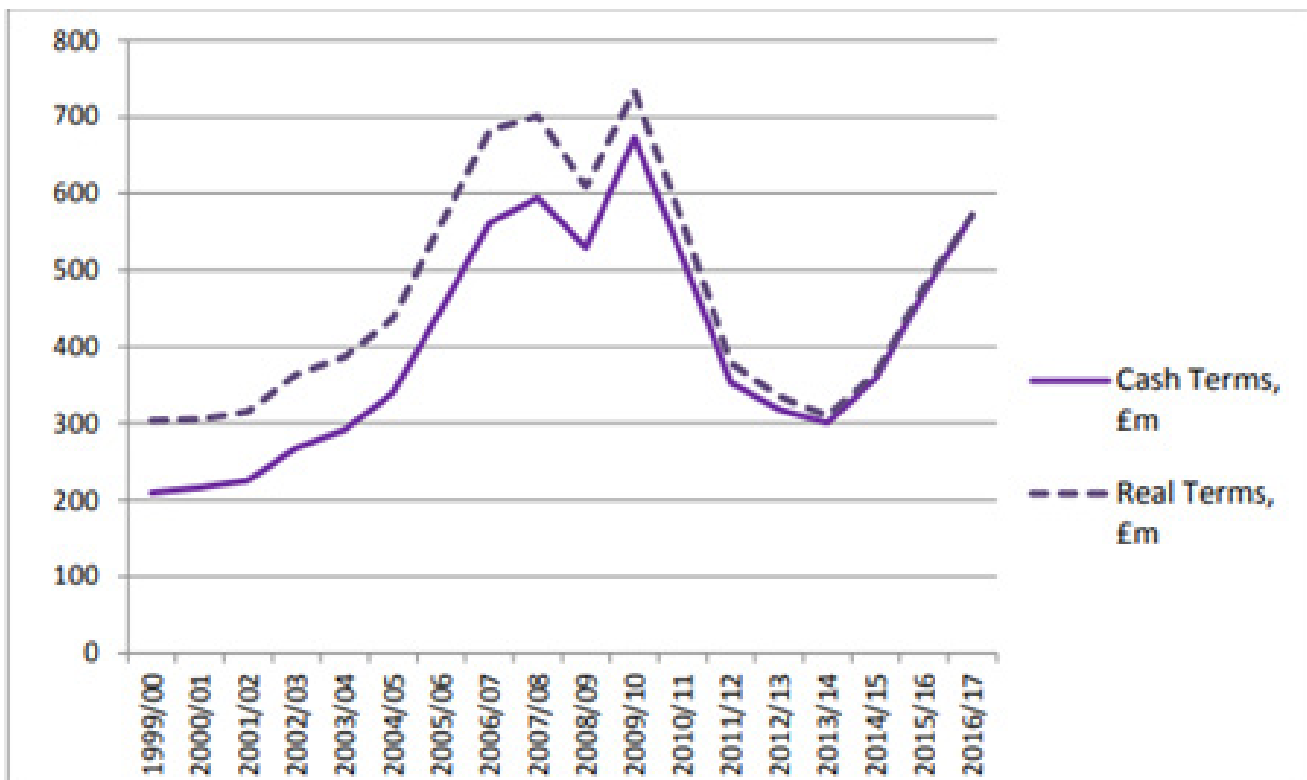
**Chart 2: Number of new homes completed in Scotland since devolution in 1999**



Source: Scottish Government, Communities Analysis Division (Housing Statistics).

Since the 1980s housing associations have become the main providers of new social housing but the number of homes built has been far too low. Since the Scottish Parliament was set up, the largest number of new housing association and council homes completed in a single year was 6,285, in 2009. The low in recent times was 2014, when just 3,315 social homes were completed, as public spending on social housing collapsed (see Chart 2).

**Chart 3: Affordable Housing Supply Programme spending 1999/00 to 2015/16 and budget 2016/17, Cash and real terms (2016/17 prices)**



Source: Scottish Parliament Information Centre (SPICe) <sup>7</sup>

The upturn in public investment after 2014 reflects the £1.6 billion Scottish Government investment in affordable housing over the 5 years from 2011 to 2016. In this period 33,490 affordable homes were built, including 22,523 for social rent. In the 5-year period to March 2021, a total of £3.5 billion is being invested on a target of 50,000 affordable homes, 35,000 of which are for social rent.<sup>8</sup> This represents an 84% increase in spending and a 75% increase in the supply of social rented homes.

<sup>7</sup> [http://www.parliament.scot/ResearchBriefingsAndFactsheets/S5/SB\\_16-49\\_Housing\\_Supply\\_Budget.pdf](http://www.parliament.scot/ResearchBriefingsAndFactsheets/S5/SB_16-49_Housing_Supply_Budget.pdf)

<sup>8</sup> [https://www.audit-scotland.gov.uk/uploads/docs/report/2020/nr\\_200409\\_affordable\\_housing.pdf](https://www.audit-scotland.gov.uk/uploads/docs/report/2020/nr_200409_affordable_housing.pdf)



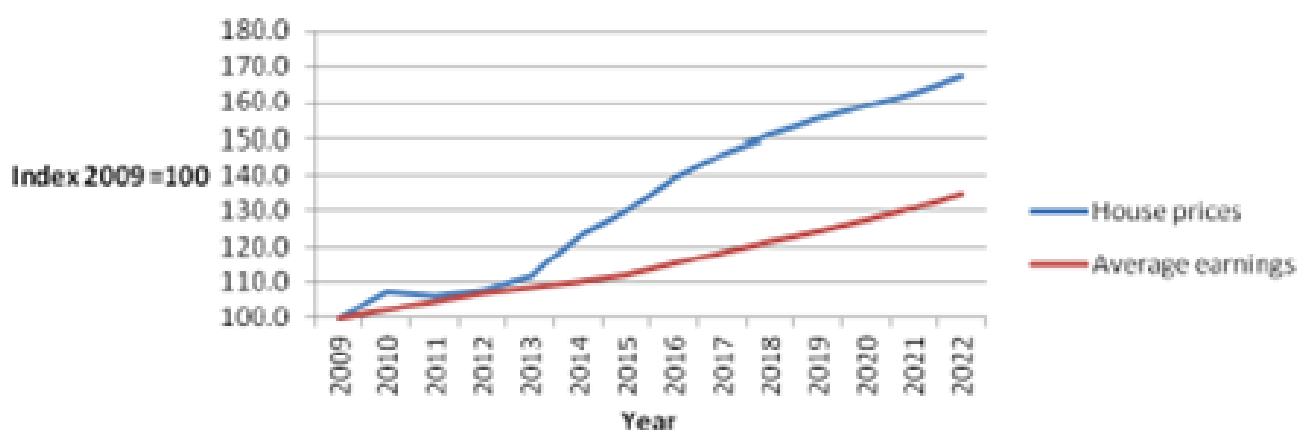
While this is extremely positive, two issues remain. Firstly, what are termed ‘affordable’ homes by government remain unaffordable to people on low incomes, for example, the mid-market rent homes being built by RSLs. Second, overall housing supply is still nowhere near where it needs to be to meet the population’s needs and especially of people on low incomes. Those who benefit from the current housing system are the private house builders, who can charge premium prices for new homes, and property owners, whose unearned wealth grows at the expense of their tenants, paying ever increasing rents.

## Home ownership

Home ownership has been championed for over 30 years but is increasingly out of reach for workers on low to medium incomes. The failure to build sufficient homes explains why house prices have continued to rise, by 52% in Scotland between 2004 and 2017<sup>9</sup> with the average house price now £178,800.<sup>10</sup> But wages have been left behind, as UNISON’s analysis of UK data shows (Chart 2). The growing gap between the wages and house prices explains why first-time home ownership has slumped in recent years especially amongst younger people.

Chart 4

### Graph showing index of house prices and index of average earnings, 2009 = 100



Source: UNISON analysis of Office for Budget Responsibility economic and fiscal outlooks

<sup>9</sup> [https://scotland.shelter.org.uk/housing\\_policy/key\\_statistics/homelessness\\_facts\\_and\\_research](https://scotland.shelter.org.uk/housing_policy/key_statistics/homelessness_facts_and_research)

<sup>10</sup> <https://www.aberdeenshire.gov.uk/media/24652/aberdeenshires-housing-market-2019.pdf>

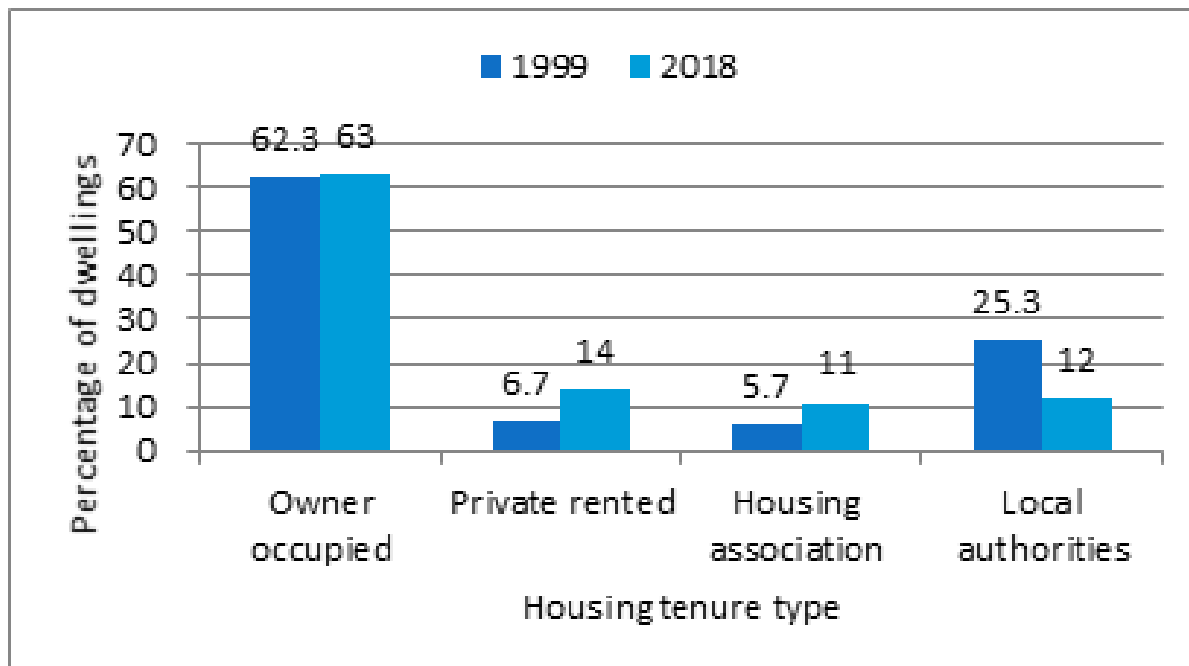
UNISON has looked at what it is like for nurses, librarians, teaching assistants, NHS cleaners and police community support officers trying to buy a home for the first time. In all but one Scottish local authority area, it found it would take more than ten years for them to save enough for a deposit, if they saved £100 per month.<sup>11</sup> If you are a public service worker on the average Scottish wage of £24,440 per year (2019)<sup>12</sup> then buying a home is completely out of the question if you live in Edinburgh (average house price £277,000)<sup>13</sup> or Aberdeenshire (£211,000)<sup>14</sup>. In rural and island communities the growth of second home-ownership is pricing young people and families out of the market, while the growth of precarious employment means more and more people cannot get a mortgage.

### Social rented housing

Scotland’s housing story since devolution is the decline of social rented housing and the rise of the private rented sector (PRS). In 1999, almost a third of dwellings (31%) were in the social rented sector but by 2018 this had fallen to less than a quarter (23%). Meanwhile, the private rented sector has doubled in size.

**Chart 5: Change in housing tenure in Scotland since devolution in 1999**

Source: Scottish Government Housing & Social Justice Directorate<sup>15</sup>



<sup>11</sup> <https://thinkhouse.org.uk/site/assets/files/1563/unison.pdf>

<sup>12</sup> ONS Annual Survey of Hours and Earnings <https://spice-spotlight.scot/2019/10/31/earnings-in-scotland-2019/>

<sup>13</sup> ESPC survey <https://espc.com/news/post/house-price-report-september-2019#1>

<sup>14</sup> <https://www.aberdeenshire.gov.uk/media/24652/aberdeenshires-housing-market-2019.pdf>

<sup>15</sup> <https://www.gov.scot/publications/housing-statistics-stock-by-tenure/>

From 1980 onwards half a million council and housing association homes in Scotland were sold off under the right to buy scheme. In 1981 more than half (52%) of all dwellings in Scotland were council homes. By 1999, the right to buy had reduced this to 25%. And it got worse. In the first decade of devolution Scotland lost proportionately more of its social housing stock through right to buy than any other part of the UK.<sup>16</sup> UNISON welcomed the abolition of right to buy in July 2016, but it came too late, and the supply of social housing is now far too low to meet demand.

Since 1999 the social housing sector has also seen a shift from local authority to housing association homes. The transfer of council housing stock in five council areas from 2002 combined with demolition has halved the share of council homes from 25% of dwellings to 12%. Correspondingly, the share of homes owned by housing associations has almost doubled, from 5.7% to 11%.

Because of the shortage of social homes, over 132,000 households were on council waiting lists for housing in 2018.<sup>17</sup> Shelter Scotland estimate 70,000 children – 1 in every 13 children - are on waiting lists with their families.<sup>18</sup> To put this in perspective: the total local authority housing stock in Scotland is 314,000 homes and in 2018 fewer than 25,000 homes were let to new tenants.<sup>19</sup>

## Private rented sector

The lack of social housing and unaffordability of home ownership explains why in 2020 the private rented sector (PRS) provided 15% of all homes in Scotland. Private renting is highest in Glasgow, Aberdeen, Dundee and Edinburgh (where 26% of households rent privately). North and South Ayrshire, Dumfries & Galloway, Falkirk, Stirling, Perth and Kinross, Angus and Moray all have between 13-18% of households in the PRS.<sup>20</sup> Private renters used to be predominantly students and young people but are now a much more diverse group. The number of families with children renting privately has grown and includes more than 30% of children in the poorest households.<sup>21</sup> The quality of PRS housing available to those on low incomes is very often low, causing frequent moves by low income families with children, constantly searching for somewhere better to live.

Rents in the private sector have shot up and are now double the level of social rents. Between 2010 and 2019 the average rent for a 2 bedroom home in the PRS rose by 24.6% in Scotland, outstripping inflation over the same period, which was 20.8%.<sup>22</sup> In the Scottish Household Survey 1 in 10 households renting privately said they were on a council waiting list and the main reason given was they couldn't afford their rent and needed somewhere cheaper.<sup>23</sup> The number of older people renting privately is also growing and according to Scottish Widows future retirees may be spending 42% of their pensions on private rents.<sup>24</sup>

<sup>16</sup> [file:///C:/Users/galloways/Downloads/impact\\_of\\_devolution\\_long\\_term\\_care\\_housing.pdf](file:///C:/Users/galloways/Downloads/impact_of_devolution_long_term_care_housing.pdf) p.35.

<sup>17</sup> Compared with 335,000 households in 2011-12.

<sup>18</sup> <https://www.scottishhousingnews.com/article/shelter-scotland-70-000-children-on-social-housing-waiting-lists>

<sup>19</sup> Shelter Scotland [https://scotland.shelter.org.uk/housing\\_policy/key\\_statistics/homelessness\\_facts\\_and\\_research](https://scotland.shelter.org.uk/housing_policy/key_statistics/homelessness_facts_and_research)

<sup>20</sup> <https://sp-bpr-en-prod-cdnep.azureedge.net/published/2018/11/14/Private-renting-reforms--how-to-evidence-the-impact-of-legislation-1/SB%2018-77.pdf> pp6-7.

<sup>21</sup> <https://sp-bpr-en-prod-cdnep.azureedge.net/published/2019/5/14/Overview-of-private-rented-housing-reforms-in-Scotland/SB%2019-29.pdf>

<sup>22</sup> Measured using the Consumer Price Index.

<sup>23</sup> <https://www.gov.scot/publications/scotlands-people-annual-report-results-2017-scottish-household-survey/>

<sup>24</sup> <https://www.glasgowtimes.co.uk/news/18489337.mike-dailly-tenants-right-seek-lower-rent/>

The problem of high rents is acute in some areas. Rents have risen much faster than inflation in the past nine years in Lothian (+ 46.3% in 9 years) and in Greater Glasgow (+38%).<sup>25</sup> One causal factor in Edinburgh is the growth of short-let Air'B'n'Bs which have forced up rents by reducing the supply of homes for longer let.

## Austerity and housing

Assistance with housing costs through Housing Benefit and Universal Credit has been drastically reduced as part of the austerity programme. The UK Government in its June 2010 Budget announced that housing benefit expenditure would be cut by £1.8 billion by the end of that parliament, but that was just the beginning. It was rapidly followed by the bedroom tax, the benefits cap (which was applied by cutting the housing benefit paid), below inflation up-ratings followed by a four-year freeze and extending the application of the Shared Accommodation Rate to under 35s. Housing arrears have soared as Universal Credit has been rolled out and use of benefit sanctions increased.<sup>26</sup>

The Scottish Government has mitigated the impact of the bedroom tax for tenants, and introduced Housing Choice, so benefit recipients could opt to have their rent paid directly to their landlord.

UNISON has lent its weight to demands for the UK Government to:<sup>27</sup>

- Immediately raise the Local Housing Allowance rates and the housing element of Universal Credit to at least the 30th percentile
- End the 5 week wait for the first payment under Universal Credit
- End the benefit cap, abolish the bedroom tax, and repeal the two-child limit.

## Effective use of public money

There remains massive unmet need for social housing, with 132,000 households on waiting lists in 2019.<sup>28</sup> Yet public money which could have been spent addressing that need has been misused.

The Building Scotland Fund was set by the Scottish Government in 2018 and capitalised with £150m to invest in housing over 3 years.<sup>29</sup> All of the loans in the first two years were given to private developers - £100m in total – with only 700 homes allocated for 'affordable' housing. Public money was loaned to private companies including the Stewart Milne Group and Sigma, for developments which include no affordable housing at all – not a single home.<sup>30</sup> This is a scandalous misuse of public money by an organisation created as a forerunner to the Scottish National Investment Bank.

At the same time exorbitant sums of public money are being spent by cash-strapped councils on

25 <https://www.gov.scot/publications/private-sector-rent-statistics-2010-2019/pages/4>

26 <https://digitalpublications.parliament.scot/Committees/Report/SSC/2019/6/12/Social-Security-Support-for-Housing#Rent-arrears>

27 <https://www.unison.org.uk/content/uploads/2020/01/UNISON-Housing-Manifesto-JANUARY-2020-FINAL.pdf>

28 <https://www.gov.scot/publications/housing-statistics-scotland-2019-key-trends-summary/pages/13/>

29 <https://www.gov.scot/publications/building-scotland-fund/pages/objectives/>

30 <https://www.scottishhousingnews.com/article/only-700-affordable-homes-delivered-building-scotland-fund-despite-100m-spend>

temporary homeless accommodation. Scottish local authorities spent in total £660m on temporary homeless accommodation between 2012-2017. During the pandemic for example, Glasgow City Council was paying for hotel and B&B accommodation for 600 people due to the lack of available social and private rental homes.<sup>31</sup> This is economic madness.

Nor has it made sense for the government to fund Help to Buy schemes, the main beneficiary of which have been the private house builders, who increase their prices in line with the subsidy offered to buyers. (The Help to Buy (Scotland) scheme was created to boost the house-building industry after the 2008 banking crash, by providing government help with buying a new build home up to the value of £250,000).<sup>32</sup> UNISON welcomes the Scottish Government's decision to close the main Help to Buy scheme from February 2021.<sup>33</sup> However over £100 million of public money will still be spent in 2021-22 on two smaller help to buy schemes which benefit small and medium developers.<sup>34</sup>

Over the 16 year period, 1998 to 2014, the annual value of housing benefit payments to UK private landlords almost tripled, from £3.4billion to £9.2billion.<sup>35</sup> This reflects the expansion of the PRS over these years, which means more and more public money in the form of housing benefit is being channelled directly to private landlords. Benefit income to local authority landlords goes into the Housing Revenue Account and is available for maintenance, refurbishment and new house building and is subject to a democratic process. In contrast benefit income paid to private landlords is a direct transfer of public money to private interests and because of the lack of regulation carries no guarantee of investment to improve the homes of tenants.

## Homelessness

A steep rise in evictions and homelessness is anticipated because of the covid crisis. People in the most insecure jobs on the lowest pay have been the first to lose their jobs. Those most at threat include young people working in hospitality and retail, who are most likely to live in private rented housing.

Since the introduction of the homelessness prevention approach called Housing Options, homelessness applications have fallen markedly, from 55,600 in 2010-11 to 34,700 in 2016-17.<sup>36</sup> However in the past couple of years applications have been on the rise, with 36,500 households applying as homeless in 2018-19.<sup>37</sup> This is a sign, warns Shelter, that we are not going far enough or fast enough in action on homelessness. The government's Housing First approach to help individuals with multiple and complex needs into tenancies is very welcome but its impact so far is very small.<sup>38</sup> It requires significantly greater resources to match its ambition.

31 <https://www.housingregulator.gov.scot/landlord-performance/national-reports/thematic-work/report-on-inquiry-into-glasgow-city-councils-services-for-people-who-are-experiencing-homelessness-november-2020#section-3>

32 [https://scotland.shelter.org.uk/\\_data/assets/pdf\\_file/0010/1925668/Affordable\\_Housing\\_Need\\_in\\_Scotland\\_Post-21\\_final\\_report.pdf\\_nocache](https://scotland.shelter.org.uk/_data/assets/pdf_file/0010/1925668/Affordable_Housing_Need_in_Scotland_Post-21_final_report.pdf_nocache)

33 <https://www.scottishhousingnews.com/article/budgetary-constraints-force-closure-of-help-to-buy>

34 These are the shared equity pilot scheme called the First Home Fund and the Help to Buy Smaller Developers Scheme. Together these schemes are predicted to help around 4,000 people buy new homes at a public subsidy of £25,000 per home.

35 This is the UK figure. <https://www.ft.com/content/b94cd0d2-95a8-11e4-a390-00144feabdc0#axzz3Vx670aLT>

36 <https://www.gov.scot/publications/homelessness-scotland-2019-2020/>

37 Shelter Scotland [https://scotland.shelter.org.uk/housing\\_policy/key\\_statistics/homelessness\\_facts\\_and\\_research](https://scotland.shelter.org.uk/housing_policy/key_statistics/homelessness_facts_and_research)

38 [https://scotland.shelter.org.uk/\\_data/assets/pdf\\_file/0007/1749346/Housing\\_First\\_in\\_Scotland\\_FINAL.pdf\\_nocache](https://scotland.shelter.org.uk/_data/assets/pdf_file/0007/1749346/Housing_First_in_Scotland_FINAL.pdf_nocache)

Statutory homelessness, because it dominates new social housing lets, has a knock-on effect on the thousands of households waiting for social housing. It means that people on waiting lists must wait far, far longer for the chance of a home. These issues are compounded in places like Glasgow, where the council no longer directly controls the social housing stock and must negotiate temporary homeless accommodation with between 60-70 different RSLs.

## Housing Standards

A comparison of housing standards between the social and private housing sectors clearly demonstrates the case for better regulation. The Scottish Government's Housing to 2040 Strategy pledges to act on this by introducing a new Housing Standard set in law that applies to all tenures.<sup>39</sup>

In 2018, 41% of Scottish homes failed to meet the Scottish Housing Quality Standard (SHQS), introduced in 2004, including 57% of accommodation in the private rented and 36% in the social rented sector.<sup>40</sup> Social landlords are required to make sure that all their homes meet this standard. Currently no similar requirement is made of private owners and landlords, even though the private rented sector has the highest level of homes in critical and urgent disrepair (39%) compared to 26% of all homes. In fact, nearly 1 in 10 private rented homes in Scotland are in critical, urgent, and extensive disrepair.<sup>41</sup>

In terms of energy efficiency, more than a third of households in Scotland (898,000 or 36%) are in fuel poverty, 11% of these are in extreme fuel poverty. Levels of extreme fuel poverty are higher in rural than urban areas.<sup>42</sup> Almost a third of all Scottish homes (30%) fail the SHQS for energy efficiency, making the problem of fuel poverty for people on low incomes even worse. This is a major problem, but also a reason why housing should be at the centre of a green economic recovery.

Social rented housing tends to be more energy efficient than the owner occupied or private rented sector. This is because unlike the private rented sector, social rented housing is regulated and subject to a minimum Energy Efficiency Standard.<sup>43</sup> Over half (54%) of social housing is in energy efficiency rating band C or better, compared to just over two-fifths (44%) in the private rented sector and 38% of owner-occupied households. 7 per cent of dwellings in the social sector are within EPC bands E, F or G, while 17% of owner-occupied dwellings and 25% of the private rented sector are within these EPC bands. Given the growing number of people on the lowest incomes who live in private rented homes, tackling fuel poverty by raising energy efficiency within the PRS should be a much higher priority – but this requires regulation.

39 <https://www.gov.scot/publications/housing-2040-2/pages/2/>

40 <https://www.gov.scot/publications/scottish-house-condition-survey-2018-key-findings/pages/2/>

41 <https://www.gov.scot/publications/scottish-house-condition-survey-2018-key-findings/pages/8/#Table48>

42 <https://www.gov.scot/publications/scottish-house-condition-survey-2018-key-findings/pages/2/>

43 <https://www.gov.scot/publications/scottish-house-condition-survey-2018-key-findings/pages/5/>



# UNISON HOUSING POLICY AGENDA: TACKLING THE HOUSING CRISIS

## A HOUSING SYSTEM FIT FOR PEOPLE

Austerity has had a massive impact on the housing system in Scotland. A decade of disproportionate cuts to local government has created huge pressures on council planning departments, housing departments and on homelessness services. UNISON's Damage series of reports - surveying staff who work in these roles - shows that crucial parts of our housing system are failing the public due to cuts.

UNISON believes we need to strengthen our planning system and give tenants, communities and local authorities a stronger influence in local planning and housing decisions. This has been weakened by the underfunding of local government and the loss of expertise in planning departments following more than a decade of budget cuts. Local authority planning teams play a vital role in ensuring that the decisions about how, when and how our communities change are democratically decided upon. It is a vital public service. We believe that the route to improved participation in planning is through democratic policy making in the first place and ensuring that those policies are adhered to.

Some councils have reduced the scope of their departments, including cutting area planning functions. The Scottish Government has centralised the analysis of local housing needs, removing this important function from local authority staff who know their local communities. The neglect of essential policy work can have

far reaching consequences for communities. It leaves open the possibility of the wrong development in the wrong place as well as the missing of opportunities. Many local authority planners feel that they are overpowered by the resources that big developers can bring to bear when trying to get approval for their plans. Meanwhile opportunities to counter the power of the big developers in recent planning legislation, by giving tenants and communities equal access of appeals to planning decisions have unfortunately been opposed by the Scottish Government. In the interests of social justice and local democracy, these council services should be receiving investment and not cuts.

## Planning departments

Local authority planning departments provide essential services including building standards. For years UNISON has been saying that severe cuts to planning departments are leading to potential safety risks for the public, reducing the quality of the service delivered and worsening inequalities.<sup>44</sup> Over the past decade planning has been an 'easy target' for cuts. These are in the main 'back office' jobs with little public profile, despite their huge importance for public safety and community wellbeing. Staffing levels across planning have decreased by approximately 20% since 2009, with a loss of expertise and experience. Planning revenue spending has fallen 21% since 2010/11: one of the largest reductions in local government.

44 [https://unison-scotland.org.uk/briefings/b035\\_BargainingBrief\\_CutsInPlanning\\_Jun2013.pdf](https://unison-scotland.org.uk/briefings/b035_BargainingBrief_CutsInPlanning_Jun2013.pdf)

**“ We have been restricted to one morning per week on site. This is wholly insufficient to do our job. While we will never see everything, I now regularly have to sign off jobs when I have seen nothing at all. UNISON member, Building Standards.**

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Building standards is a council service that is essential for public safety. It deals with the processing of building warrants, therefore checking building design and construction. It also ensures that buildings are made safe. The Grenfell Inquiry has underlined how crucial it is that local authority building standards teams are properly resourced. UNISON's report 'Building Stress', describes an understaffed service under huge pressure due to years of 'salami slicing' budget cuts.<sup>45</sup> The real terms cut in pay means building standards teams struggle to recruit and retain staff whose expertise is in demand in the private sector. Our members describe a situation where they work unpaid hours to get their work done and struggle with the pressure of workload. They feel public safety is being undermined by stretched resources because they do not get enough time to be out on site.

## Housing services

UNISON's report, 'Open the Door', described the huge pressures on those delivering social housing provision in local authorities and housing associations back in 2014.<sup>46</sup> It was based on a survey of housing officers of all types, members of rent teams, lettings officers, accommodation managers and community or factoring staff. Staff spoke of the difficulty of trying to maintain standards of service in the face of decreased staffing, shortage of available housing stock, and

policy changes as council attempt to cope with declining resources. Over half the staff regularly worked unpaid hours as they tried to deliver the best they could for those using housing services. Housing services must be properly funded.

We also need a planning framework in Scotland that helps us address the housing crisis. The new National Planning Framework (NPF4) must strengthen the ability of councils to prioritise the securing of land for new affordable rented homes and the building of sufficient social rented homes to meet local needs.

## Summary

- Increase local authority budgets so that council planning departments and building control services, housing departments and homelessness services are resourced in line with need.
- Raise staffing levels in environmental health, trading standards and other roles that are needed to provide effective regulation and enforcement in the private rented sector.
- Strengthen the National Planning Framework (NPF4) so councils can prioritise the securing of land for new social rented family homes.

<sup>45</sup> <https://unison-scotland.org/wp-content/uploads/20170627-Building-stress.pdf>

<sup>46</sup> [https://unison-scotland.org/wp-content/uploads/OpenTheDoor\\_TheHomesWeNeed\\_Oct2014.pdf](https://unison-scotland.org/wp-content/uploads/OpenTheDoor_TheHomesWeNeed_Oct2014.pdf)

## HOMES FOR SOCIAL RENT

The main priority to 2040 must be increasing the rate of construction of new social housing, especially council housing. UNISON believes in the aspiration of well-designed quality council and RSL housing being available to all regardless of income level, as a way of achieving socially integrated inclusive communities. This is an aspiration which Scotland was able to achieve in the past, and which we believe can be achieved once again.

Moreover, raising the quality of social housing will put pressure on private housebuilders to do the same.<sup>47</sup> Housing should be making a major contribution to fighting climate change and legislation is urgently needed to ensure that future house construction across all tenures uses sustainable building materials<sup>48</sup> and achieves the highest energy efficiency performance using Passivhaus or similar approaches.

UNISON welcomed the drive to build 50,000 new affordable homes between 2016-2021, with 35,000 for social rent and we welcome the government's pledge to deliver on this, despite the delays caused by the pandemic. This represents a record level of social house building since devolution albeit set against an extremely low bar.

However this target was estimated to be 10,000 below the actual number required in these five years according to the Chartered Institute of Housing, Shelter Scotland and the Scottish Federation of Housing Associations.<sup>49</sup> In its 2021 Annual Housing Review the Chartered Institute of Housing reported that despite 35,000 new social homes being built in these 5 years, once demolitions and sales are taken into account the net increase in social rented homes in Scotland is

just 25,000.<sup>50</sup> Audit Scotland has also reported finding no available evidence to show that councils' assessments of housing need had informed the specific numbers and tenure balance of the Scottish Government's original target.<sup>51</sup>

Unfortunately, this is set to be repeated. The government's Housing to 2040 Strategy sets a target of 100,000 new affordable houses to be built over the next 10 years, 70% of these for social rent. However, this is 3,000 fewer than the minimum number required to meet demand.<sup>52</sup> In their Housing Needs Assessment, Shelter, the SFHA and the Chartered Institute of Housing estimate that we need to build a minimum of 10,600 new social homes each year until 2026.<sup>53</sup> To rectify this there must be increased investment in the Affordable Housing Supply Programme (AHSP), building on the frameworks councils have put in place to help deliver the new homes.

The expansion of social housing does not need to rely on new build. The refurbishment of existing buildings for housing should be part of this plan. Our town centres are full of vacant retail premises which could be converted into homes, providing a green and affordable housing option particularly for young people. Deindustrialisation and depopulation have resulted in boarded up former industrial premises, primary schools and other public buildings lying empty for decades. However, VAT is charged on building conversions, while full relief from VAT is given to new build developments.<sup>54</sup> The current VAT regime is a disincentive to greener housing policies and should be reformed.

We also need to tackle the fact that so many of the council homes lost through right to buy are

47 <https://passivehouse.com/> Passivhaus is internationally recognised as the highest standard of construction for achieving energy efficiency performance.  
48 Concrete, for example, is responsible for between 4-8% of all CO2 omissions world-wide and comprises 10% of the world's industrial water use, including in "water stressed" regions.

49 [https://scotland.shelter.org.uk/\\_data/assets/pdf\\_file/0010/1190872/7909\\_Summary\\_Housing\\_Needs\\_Research.pdf](https://scotland.shelter.org.uk/_data/assets/pdf_file/0010/1190872/7909_Summary_Housing_Needs_Research.pdf)

50 <https://www.scottishhousingnews.com/article/affordable-housing-investment-results-in-net-growth-of-social-housing-in-scotland-finds-ukhr>

51 <https://www.audit-scotland.gov.uk/report/affordable-housing>

52 The number of new social rented homes is 2,100 fewer than estimated need.

53 [https://blog.scotland.shelter.org.uk/when\\_great\\_isnt\\_good\\_enough/?utm\\_source=Adestra&utm\\_medium=email&utm\\_campaign=9930&utm\\_content=Scotland\\_Housing-to-2040-update\\_2021\\_03\\_22&utm\\_term=](https://blog.scotland.shelter.org.uk/when_great_isnt_good_enough/?utm_source=Adestra&utm_medium=email&utm_campaign=9930&utm_content=Scotland_Housing-to-2040-update_2021_03_22&utm_term=)

54 <https://www.gov.uk/guidance/buildings-and-construction-vat-notice-708#section6>

“To build 3.1m more social homes over the next 20 years shows these could provide a return on investment in 39 years, with a cost of £10.7bn per year on average – reduced to £3.8bn when savings in benefits and increased taxes are considered. **independent economic analysis of Shelter’s vision**

now in the hands of private landlords. Legislation is needed to give councils and RSLs first refusal to buy back homes previously in public ownership before they are re-sold on the open market. The diversification of housing ownership should be part of community wealth building approaches by local authorities through initiatives such as supporting the development of community-led housing cooperatives. Research by the Scottish Land Commission underlines the need for this.<sup>55</sup> It has shown that the profit maximisation model of private housing developers means they are unable to deliver the homes that are needed in rural areas and in urban areas where land remediation work is necessary.

We also need to focus on building the range of types of homes that are needed. There is understandably a focus on the projected growth of single person and elderly households. This is creating a problem with housing availability: higher demand for homes overall as more people live alone and demand for smaller homes than in the past which the market hasn’t met and which social housing didn’t plan for in the past. In some areas there is also a dire shortage of accommodation suitable for larger families, leading to the unacceptable situation of children living in temporary accommodation for lengthy periods. International experience shows that cooperative community led housing is a good solution for older people, and for families. Yet this option is still not properly supported in Scotland. In many areas a significant expansion is also needed in housing support services for vulnerable persons including families with children as these have also been badly affected by cuts.

Given Scotland’s demographic and health profile, accessibility is a key issue for future housing. There are welcome moves towards this. The adoption of a human rights-based approach within the Housing to 2040 strategy

is encouraging as is the emphasis on a common Accessibility Standard embedded in law and applying to all housing tenures. Consideration of new forms of design and construction methodology should be encouraged to put accessibility and flexibility at the forefront of deliberations.

## Summary

- Increase investment in the supply of good quality socially rented housing built to the highest environmental standards.
- Deliver a minimum of 10,600 new council and RSL homes per year between 2021-2026.<sup>56</sup>
- Provide for the range of types of housing need, including large families, the elderly, people with disabilities and individuals with complex support needs.
- Reform the VAT regime and zero rate the refurbishment and conversion of existing buildings for housing use.
- Introduce a requirement for a planning application to permit change of use from main residence to holiday let or Airbnb.
- Increase government funding to enable councils to bring more vacant and derelict land into use for social and affordable housing.
- Give councils and RSLs, at the point of re-sale, first refusal to buy back homes previously in their ownership.
- Help diversify house-building, and meet specific housing needs, by giving planning priority to community-led housing.
- Legislate for the highest standard of energy efficient performance in all new-build homes and ensure environmentally friendly carbon zero materials are sourced for all new house building.

<sup>55</sup> [https://www.landcommission.gov.scot/downloads/5ee21ef5b327a\\_LAND-FOCUS\\_Land-for-Housing-and-Dev-June-2020.pdf](https://www.landcommission.gov.scot/downloads/5ee21ef5b327a_LAND-FOCUS_Land-for-Housing-and-Dev-June-2020.pdf)

<sup>56</sup> <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Affordable%20Housing%20Need%20in%20Scotland%20Post-2021.pdf>

“ In the short-term government net debt rises, but in the longer term it leads to a reduction in government net debt when compared with continuing with the current failed policies  
 Independent economic analysis of Shelter’s vision

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## PUBLIC INVESTMENT IN SOCIAL HOUSING

In Scotland the case for public investment in social housing still needs to be made and won convincingly. Some people accept that the privatisation of housing has led to growing inequality, but believe the solution is to find ways into home ownership for people on lower incomes. Many believe that council housing should exist only as a ‘last resort’ option, or safety net for those ‘at the bottom’ of society. And a commitment to private finance underpins current Scottish Government thought and practice on housing development. If government sees social housing as primarily a last resort, there is little chance of it becoming a tenure of choice or being funded in a way that would allow it to seem a long-term.

At a time when the cost of borrowing is at a historical low, public investment is clearly the most cost-effective way of achieving new social homes on the scale that is so urgently needed. The alternative - increased reliance on private finance - undermines our ability to prioritise homes for social rent (rather than mid-market rent). Social rents increased by 75% between 2005-2017, from £42.64 to £74.44 per week.<sup>57</sup> Over the same period average wages rose by 34%, by less than half the increase in rents.<sup>58</sup>

The legal status of RSLs was changed in 2018 so that public investment in social house building could be moved “off balance sheet”. Registered social landlords were reclassified as private sector organisations under the 2017 Housing Amendment Act. This removed or weakened the controls exercised over them by the Housing

Regulator and by local authorities. In recent years RSLs have increasingly entered the commercial letting market by building homes for ‘mid-market rent’. Mid-market rentals provide investors with a higher rate of return and are an attractive form of investment for private equity institutions.

An even greater role for private finance is envisioned in the government’s new Housing to 2040 strategy and the expansion of the new build private rented sector – with an emphasis on ‘affordable’ mid-market rents - is identified as a public policy objective. The Scottish National Investment Bank has made as one of its first decisions, a £40m investment over a 28-year term in a commercial property developer and landlord, to support the development of its property portfolio in Scotland by bringing to market 1,000 new homes for mid-market rent.

While public subsidy levels per ‘unit’ – i.e. for each new home completed - were increased by the Scottish Government in 2016, the expectation remains that RSLs and councils must first seek private or charitable investment. This is also the case with the new Building Scotland Fund, where applicants must show that they have first tried and failed to get private investment.<sup>59</sup> The reliance on private finance seeking returns on investment, and the growth of mid-market rents – although filling a need – means rent levels are likely to continue to rise. There is a fundamental contradiction between aspirations to meet housing needs - especially of individuals and families experiencing poverty - and use of pri-

57 [Registers of Scotland, Scottish Government Social Tenants in Scotland 2016-17](#)

58 Office of National Statistics, Annual Survey of Hours and Earnings (ASHE)

59 <https://www.gov.scot/publications/building-scotland-fund/pages/objectives/>



vate finance, which requires future rental income streams to be maximised through higher rents.

The real solution is greater public investment in social housing combined with rent regulation in the PRS. More investment in council housing specifically is needed. RSLs currently receive significantly higher rates of public subsidy for building homes than councils.<sup>60</sup> Council tenants are being unfairly penalised in this respect and this should be redressed. Many Scottish local authorities including West Lothian, Fife, North Ayrshire and Edinburgh have a vision for council housing in their areas but could do much more for their communities with greater access to public funding and borrowing powers.

Land ownership and the price of land is a central question for new housing. Local authority-owned land which could be used for social house building is often sold to private developers instead to maximise receipts to the council. These decisions are often at odds with the needs of local people and are especially contested when they involve land made vacant by the demolition of social housing. Meanwhile private landowners gain unearned wealth as the value of their assets rises because of major public investment in infrastructure projects. Another impact of this is to make land unaffordable for social housebuilding. What can be done to address these problems?

Firstly, UNISON believes local authorities should be allowed to buy land at its existing use value for developing new homes and communities. This will reduce the cost to government of funding new housing while overcoming a major barrier to social house building.

Secondly, a system of land value capture is needed, so that a significant proportion of the uplift in land value from major public infrastructure works is made available to local government to invest in infrastructure and public services. It is right and fair that the public should benefit from improvements that they have funded. A strengthening and rebalancing of the systems of planning gain (Community Infrastructure Levy and Section 75) that ensures that local communities, through their local councils, genuinely share in the uplift in site value currently being enjoyed only by private developers and landowners

Thirdly, we need a wealth tax. According to Savills in just five years, 2009-2014, private landlords in the UK profited by £177 billion as rental property values grew by 57%.<sup>61</sup> This huge increase in wealth is before any account is taken of income from rent collected on these properties. Could it be any clearer why housing is one of the main drivers of inequality? A wealth tax will help us tackle inequality by redistributing wealth and enable us to build the energy efficient aspirational council homes that are needed and retrofit existing homes to tackle fuel poverty.

60 [https://scotland.shelter.org.uk/\\_data/assets/pdf\\_file/0010/1925668/Affordable\\_Housing\\_Need\\_in\\_Scotland\\_Post-21\\_final\\_report.pdf/\\_nocache](https://scotland.shelter.org.uk/_data/assets/pdf_file/0010/1925668/Affordable_Housing_Need_in_Scotland_Post-21_final_report.pdf/_nocache) p.21-22.  
61 <https://www.ft.com/content/b94cd0d2-95a8-11e4-a390-00144feabdc0#axzz3Vx670aLT>



## UNISON's funding proposals

In UNISON's report, 'Funding and building the homes Scotland needs', we argued that local government pension funds provide a potential source of additional funding for social housing and presented proposals developed jointly with Scottish Federation of Housing Associations.<sup>62</sup> Pension funds have assets of billions of pounds and a requirement to find low-risk, long term, sustainable investments. Housing is an obvious destination for these funds.

Any investment in housing from pension funds would have to provide a rate of return equivalent to that achieved by current investments. Or as an alternative, could be subsidised by the Scottish Government using its housing finance, as it currently does with various private Housing Bonds, stretching the budget further than commercial finance.

UNISON's proposals for using public sector pension funds were recommended by the Lyons Review of Housing, and warmly welcomed by politicians when first used in Scotland.<sup>63</sup> There is a natural fit with the 'community wealth-building approach' of the Centre for Local Economic Strategies (CLES) which has been developed and tested in work with Preston, Manchester and Birmingham City Councils. The approach is currently being tested as part of the Ayrshire Growth Deal and is being explored by the Scottish Government.<sup>64</sup> Housing investment by local authority pension funds makes perfect sense as part of this.

Two precedents for using pension funds in Scotland are:

- The Strathclyde Local Government Pension Fund which invested £35m in the award-winning Commonwealth Village in Dalmarnock, Glasgow.
- The Falkirk Council Local Government Pension Fund which in 2014 invested £30m in social house-building in the Forth Valley through the vehicle of Hearthstone Investment's Housing for Scotland Fund. £6m of Scottish Government funding for Hearthstone enabled construction to proceed, guaranteeing a dependable future income stream for the pension fund.<sup>6566</sup>

Despite these precedents, a recent review found that only a handful of the largest pension funds have dedicated resources and expertise for investing in infrastructure.<sup>67</sup> While the potential amalgamation of Scottish local government pension schemes into one national scheme further enhances its potential use. UNISON recommends the Scottish Government take proactive steps now to align the housing market with the investment requirements of the Local Government Pension Schemes (LGPS).

## Summary

- Promote the use of public sector pension funds for social rented housing developments.
- Legislate to allow councils to purchase land at its existing use value for new social house building.
- Introduce a new system of land value capture so that a significant proportion of the uplift

62 [http://www.unison-scotland.org.uk/housing/FundingAndBuildingTheHomesScotlandNeeds\\_Mar2013.pdf](http://www.unison-scotland.org.uk/housing/FundingAndBuildingTheHomesScotlandNeeds_Mar2013.pdf)

63 <https://www.bbc.co.uk/news/uk-scotland-tayside-central-33049217>

64 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/784363/AGD\\_-\\_Heads\\_of\\_Terms\\_-\\_February\\_2019\\_-\\_Agreed\\_Final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784363/AGD_-_Heads_of_Terms_-_February_2019_-_Agreed_Final.pdf)

66 <https://www.pensionfundsonline.co.uk/content/pension-funds-insider/investment/falkirk-pension-fund-to-benefit-from-social-housing-grant/1809>

67 <https://www.hearthstone.co.uk/housing-fund-scotland/>

68 <https://foe.scot/campaign/fossil-fuel-divestment/local-government/councils-investing-sustainably/>

**“The Scottish Government should look at the example of Germany. The net impact in Germany was that the public purse ended up being a net beneficiary from a substantial energy efficiency programme that had required significant public funding. In fact 3 times more public revenue was generated than the subsidised loan programme cost.**

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in land value from major public infrastructure works is made available to councils to invest in infrastructure and public services.

- Introduce a wealth tax to fund the building of the social rented homes that are needed.
- Raise the level of government subsidy for new build council housing to match that of RSL housing.
- End all government schemes of support to first-time buyers of new build homes.
- Ensure the Housing Supply Programme provides funding for community-led and cooperative housing developments for older people and other groups with specific needs.

## INVESTING IN THE HOMES WE ALREADY HAVE

We need as a matter of urgency a large-scale investment to improve the standard of the housing stock. Done properly this can reduce carbon use through better insulation and reduced use of energy to heat inefficient homes, help tackle health inequalities and reduce pressure on other public services. There is a lot of talk about a green economic recovery. But the pace of change in energy efficiency has been far too slow. We need action.

Carbon reduction and energy efficiency initiatives need to be accelerated across the board across all housing tenures. To achieve the rate and scale of transformation needed to Scotland's aging housing stock requires not just a significant increase in the level of public funding but for this funding to be directed

through local authorities and used as part of a community wealth building approach to local economic development.

The Scottish National Investment Bank (SNIB) should issue bonds to attract investment in green retrofitting of the housing stock. UNISON has argued consistently that the SNIB should be better funded. It is currently capitalised with £200m each year for 10 years. In comparison the 2020/21 budget for the affordable housing supply programme is £590m.

The energy retrofitting of housing is being embraced as part of post-covid economic recovery, for example, as part of the Glasgow City Region recovery plan.<sup>69</sup> A focus on social housing alone is too limited, particularly when standards of energy efficiency are worse in the private rented sector and in private home ownership. We need to be ambitious. All the evidence shows that a street by street approach to retrofitting is the most successful. The government needs to think not just of the policy needed but of the expanded and skilled workforce needed to deliver this: to assess, persuade, organise and deliver the in-home improvements required to address decarbonisation, from basic insulation to smart meters and solar panels.

The energy efficiency drive must be people-powered and involve both an expansion in apprenticeships and the redeployment of workers with existing skills. In 2014 UNISON estimated that getting UK homes up to an EPC rating of C would require more than 100,000 extra workers over a 15 year period. Models such Home Energy Efficiency programmes need to be rolled out across the country and quicker progress made

69 <https://www.unison.org.uk/content/uploads/2014/07/On-line-Catalogue225542.pdf>

“Challenge them – if they don’t have the money, why not? What have they done with it? We’ve paid a premium for years to reach quality standards by 2015 that they failed to meet. So what have they done with the money?  
Local resident, Housing Rights in Practice project, Leith

on introducing low/zero carbon district heating schemes. The installation of district heating initiatives can provide employment and up-skilling opportunities across the country.

## Summary

- Introduce a well-funded public retrofitting programme to improve standards of energy efficiency based on a street by street approach and coordinated by local councils.
- Develop the workforce strategies and local supply chains needed to deliver a major public sector retrofitting and house-building programme.

## A STRONGER VOICE FOR TENANTS

A strong tenants’ voice is essential for good governance and high standards of service in rented housing. The establishment of Living Rent the tenants’ union Living Rent is an important development and its local branches continue to grow. It has made some useful proposals to increase the voice of tenants in the RSL sector.<sup>70</sup> There are some strong examples of tenant involvement across Scotland in RSLs and in councils. The Edinburgh Housing Rights in Practice project involved tenants of three high density tower blocks in Leith and combined a human rights approach to housing with community development.<sup>71</sup>

North Ayrshire Council is one example of a local authority taking a proactive approach to tenant participation, with its ‘Customer Connection’<sup>72</sup>

strategy. It has taken active steps to engage with more marginalised tenants, including young people, travellers and refugees. Participatory budgeting has been in place for ten years giving tenants the opportunity to decide how resources are spent to improve their local area.

In Glasgow the final stage of the stock transfer of council housing to community ownership has not happened. Combined with the consolidation of RSL ownership, this means that in some areas of Scotland decision-making about social housing is taking place far away from the tenants affected

## Summary

- Create a stronger voice for tenants at a local, landlord and national level.
- Provide a strengthened role for tenants and public authorities in the governance of stock transfer landlords.

## AFFORDABLE RENTS

Action is needed to control rent increases in the PRS and to prevent low paid workers and their families being driven to accept unsuitable and low quality housing.<sup>73</sup> The rent pressure zones introduced by the Private Housing Act 2016 were intended to help regulate rents, but in practice have proven too impractical to use. The government’s solution is to reform these, as set out in the Housing to 2040 strategy.<sup>74</sup>

UNISON believes that alongside reform of the housing-related benefits system, effective rent regulation and enforcement in the private rent-

70 <https://www.gov.scot/publications/housing-social-security-second-follow-up-paper-welfare-reform/pages/6/>

71 <https://www.gov.scot/publications/housing-2040-2/>

72 At the time of writing this Private Members Bill was at stage 1 of the parliamentary process.

73 Inflation as measured by the Consumer Price Index (CPI).

74 <https://commonweal.scot/New%20Common%20Weal/cache/file/9C1569C1-D554-69DC-9EA150DF5D14ACD1.pdf>

ed sector is urgently needed. The Fair Rents (Scotland) Bill was introduced but reached only the first stage of the parliamentary process before the 2021 Scottish Election. It proposed to cap rent increases for existing PRS tenancies. If enacted the bill would have resulted in: <sup>75</sup>

- The capping of annual private sector rent increases across Scotland at 1% above inflation;<sup>76</sup>
- The right for any PRS tenant to apply to a rent officer for their rent to be lowered where it appeared reasonable to do so.
- Rent officers and the First-tier Tribunal being able to either lower or maintain the rent, depending on their assessment, when a tenant appeals their rent, but not raise the rent.
- Private rent data being collected in Scotland for the first time. The Landlord Registration Scheme would have been adapted so that landlords had to provide data on rent levels when they registered or renewed their registration.

UNISON strongly supports these proposals but also believes that there is a case for going further by ensuring initial rents are fair whenever new properties enter the private rental market. The tenants' union Living Rent proposes a points system of the type used in the Netherlands.<sup>77</sup>

Social rents have also been rising faster than wages, and affordability is also a concern for council and RSL tenants. The average council rent in Scotland increased by 12% between 2015-2019 (from £67.45 to £75.44 per week). Over the same period housing association rents increased by 9% to £87.98 per week.<sup>78</sup>

Just under 70% of new 'affordable' homes in Scotland are at genuinely affordable social rents, according to the latest review by the Chartered Institute of Housing.<sup>79</sup>

The cost of installing energy efficiency measures and decarbonised heating systems in existing homes across all tenures will be considerable. How this will be achieved without transferring the cost onto tenants through higher rents is a major issue. We believe the funding proposals in this manifesto – based on the principles of redistribution – provide the answer.

## Summary

- Introduce a system of rent controls to protect private tenants from unpredictable rent increases (frequency of review); excessive rent increases (rent capping), and link increases to the Consumer Price Index (CPI) to stabilise rent levels.
- Introduce a new Scottish Rents Affordability Index to establish a fair rent level for new rental properties and to peg maximum rents at affordable levels across all private rented accommodation. This should incorporate a points-based system taking account of the quality and amenities of a home and not just market rates.
- Give the annual rent consultations mandated for RSLs a statutory status.

<sup>75</sup> <https://www.scottishhousingnews.com/article/affordable-housing-investment-results-in-net-growth-of-social-housing-in-scotland-finds-ukhr>

<sup>76</sup> <https://www.housingmmonline.co.uk/news/uk-housing-review-2021-highlights-shocking-fall-in-numbers-of-social-rented-homes/>

<sup>77</sup> <https://www.unison.org.uk/content/uploads/2014/07/On-line-Catalogue225542.pdf>

<sup>78</sup> <https://www.scottishhousingnews.com/article/affordable-housing-investment-results-in-net-growth-of-social-housing-in-scotland-finds-ukhr>

<sup>79</sup> <https://www.housingmmonline.co.uk/news/uk-housing-review-2021-highlights-shocking-fall-in-numbers-of-social-rented-homes/>