

## Update on Scottish Government Housing Policies

# Briefing on ...

## Scottish Government Housing Policies - Update

### Introduction

There has been a flurry of housing policies and initiatives announced by the Scottish Government since late 2008. This briefing aims to provide an update on these developments. It will look at policies relating to affordable housing (including council house building), support for home owners and more general support including debt and legal advice as well as fuel efficiency advice.

### Affordable Housing

The Scottish Government has been criticised for the lowest number of housing starts since records began in 1980. The number has fallen by more than half, from 6,709 in the second quarter of 2008, to 3,173 in the third quarter. Although clearly this is largely down to the recession.

The main policy response to this was the intention of bringing forward the projected spending on affordable housing to be spent this financial year and next year. Initially this was set at £100 million (with £60 million coming from the Scottish Government and £40 million from local government) but was later increased to £120 million. The accelerated investment is aimed at new construction and to support purchases of land and unsold stock in order to deliver affordable housing more quickly to help meet housing need.

This included a £25 million fund to help local authorities' kick-start a new generation of council house-building. Although there has been an increase in councils building (in 2007, 432 council homes were started as compared to 6 in the previous four years), the majority of the funding has been directed towards

housing associations who not only have a larger share of the investment but also receive a greater level of subsidy per new house than councils.

However, the Scottish Federation of Housing Associations (SFHA) is campaigning for a higher level of subsidy – stating that the new subsidies are less than they previously received. The Scottish Government is currently consulting on this issue.

An agreement was also reached with CoSLA to provide councils with greater flexibility in how they use revenue raised from reducing the Council Tax discount on second homes and long-term empty properties. This can now be used to either build affordable homes themselves, to purchase unsold stock from private developers or fund RSLs. Although confirmation of the new arrangements is still to be issued it is unclear how many councils will be able to benefit from this policy.

There is also a new criteria for the purchase of unsold stock from private housing developers that can be bought by housing associations.

### Support for Home Owners

The Scottish Government has announced their plans for a Home Owners Support Fund. This provides options for those struggling to pay their mortgages to enter into either a Mortgage to Rent or a Mortgage to Shared Equity Scheme. The SG plans to invest £35 million over two years into these schemes and expect to help over 200 households stay

in their homes this year. For those who have bought a home through the Low cost Initiative for First Time Buyers shared equity schemes who are facing financial difficulties, the Scottish Government are developing procedures to allow them to reduce their equity stake.

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For new buyers the plan is to raise the threshold prices for the Open Market Shared Equity Pilot Scheme which would allow prospective buyers a wider range of properties to choose from. Although this scheme originally operated in only

10 local authority areas, an additional £60 million will be invested for 2009/10 to allow it to expand across the whole of Scotland.

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## Advice and Support

### **Debt and Legal Issues**

The Scottish Government has announced a range of policies associated with providing general debt advice as well as some legal support to those who find themselves in danger of losing their homes through repossession or eviction.

This includes making £3 million available, over two years, to expand the coverage and capacity of the In-Court and other advice services, ensuring that more people are able to access support and receive assistance when they are in court facing repossession. Changes to Legal Aid rules in 2009 will allow 1 million more people to access this support. However Scottish Labour is calling for free legal aid for everyone who is in danger of having their home repossessed, similar to a scheme in England and Wales where legal aid is provided regardless of financial circumstances.

The Scottish Government has also established a Repossessions Group of key stakeholders to consider whether there is adequate legal protection for homeowners in risk of repossession. However, this body is not expected to report its findings until 30th April 2009.

The provisions in Section 11 of the Homelessness etc. (Scotland) Act 2003 will also come into force on 1 April this year, requiring lenders and landlords to notify the relevant local authority when they take action to repossess a property. This will give local authorities early notice of households at risk of homelessness, allowing them to get in touch with these families and, if necessary, plan to find accommodation for them.

The Scottish Government has also provided an additional £1 million to expand Citizens Advice services while also increasing funding to the National Debtline. This will include launching a major awareness-raising campaign for the National Debtline, with £382,000 of Scottish Government funding, to encourage more people facing

difficulties to seek money advice at an early stage.

However, according to a recent Shelter report, social landlords (councils and RSLs) are twice as likely to obtain a decree of eviction against their tenants than a mortgage lender is for a private home-owner. However, these figures are disputed by social landlords and many highlight that it is a court decision to allow an eviction, often after every other alternative has been tried to address rent arrears. Despite this, Shelter is concerned that tenants do not have the same protection as home owners.

### **Fuel Efficiency**

Another component of the advice and support offered relates to the issue of fuel efficiency and tackling fuel poverty. The Scottish Government announced an additional £10 million by March 2009 for their Central Heating Programme and from April 2009 fuel poverty programmes are to be extended to include families on low incomes with children under 5 or with disabled children under 16. Although they previously introduced means testing for pensioners.

The issue of fuel poverty is also being addressed by a proposed Energy Assistance Package for the fuel poor, as recommended by the Fuel Poverty Forum. This will aim to provide help and advice on all aspects of fuel poverty such as checking those vulnerable to fuel poverty are on the best fuel tariff and maximising their income and improving the energy efficiency of their homes.

Energy companies have also agreed to work with the Government on providing a package of insulation measures, funded under the Carbon Emissions Reduction Target (CERT), to fuel poor households, and the Government will fund enhanced energy efficiency improvements to those households hardest hit by higher fuel bills.

### Action for Branches

This briefing paper is intended mainly for information purposes to update branches on the latest housing policies and initiatives from the Scottish Government.

### Further Information

UNISON Scotland  
<http://www.unison-scotland.org.uk>

Scottish Government  
– Housing  
<http://www.scotland.gov.uk/News/Releases/By-Topic/Q/Topic/44>

