

Housing, Regeneration and Planning



The Scottish
Government

Investing in Affordable Housing, a Consultation: an Analysis of Responses



**INVESTING IN AFFORDABLE HOUSING,
A CONSULTATION: AN ANALYSIS OF RESPONSES**

**John Scott and Steven Reid
ODS Consulting**

**Scottish Government Social Research
2009**

This report is available on the Scottish Government Social Research website only www.scotland.gov.uk/socialresearch.

The views expressed in this report are those of the researcher and do not necessarily represent those of the Scottish Government or Scottish Ministers.

© Crown Copyright 2009

Limited extracts from the text may be produced provided the source is acknowledged. For more extensive reproduction, please contact the Queens Printers of Scotland, Admail, ADM 4058, Edinburgh EH1 1NG. Email: licensing@oqps.gov.uk

CONTENTS

EXECUTIVE SUMMARY

1.	INTRODUCTION.....	1
2.	OVERVIEW OF RESPONSES	2
3.	CHAPTER ONE – BACKGROUND AND ECONOMIC SITUATION	5
4.	CHAPTER TWO – A MORE STRATEGIC APPROACH	8
5.	CHAPTER THREE – LEAD DEVELOPERS	22
6.	CHAPTER FOUR – DEVELOPMENT CONSORTIA	28
7.	CHAPTER FIVE – PROPOSED COMPETITIVE MECHANISMS	37
8.	CHAPTER SIX – IMPLEMENTATION	51

LIST OF TABLES

Table 2.1: Distribution of responses to the Investing in Affordable Housing consultation paper.....	2
Table 3.1: Responses to Q1 by stakeholder group	5
Table 3.2: Responses to Q2 by stakeholder group	6
Table 4.1: Responses to Q3 by stakeholder group	8
Table 4.2: Responses to Q4 by stakeholder group	10
Table 4.3: Responses to Q5a by stakeholder group	11
Table 4.4: Responses to Q5b by stakeholder group	12
Table 4.5: Responses to Q6 by stakeholder group	13
Table 4.6: Responses to Q7a by stakeholder group	15
Table 4.7: Responses to Q8 by stakeholder group	19
Table 5.1: Responses to Q10a by stakeholder group	22
Table 6.1: Responses to Q13a by stakeholder group	29
Table 6.2: Responses to Q14a by stakeholder group	33
Table 6.3: Responses to Q15 by stakeholder group	35
Table 7.1: Responses to Q16 by stakeholder group	37
Table 7.2: Responses to Q17 by stakeholder group	39
Table 7.3: Responses to Q18 by stakeholder group	40
Table 7.4: Responses to Q19 by stakeholder group	42
Table 7.5: Responses to Q21 by stakeholder group	46
Table 7.6: Responses to Q22a by stakeholder group	48

ANNEXES

- Annex One: Consultation Recipients
- Annex Two: Consultation Respondents

EXECUTIVE SUMMARY

Introduction

This report provides an analysis to the Scottish Government consultation “Investing in Affordable Housing”. The consultation set out proposals for a more strategic approach to the allocation of subsidy through a network of Lead Developers across Scotland and sought views on the proposed mechanisms for introduction.

General overview

- There was broad support for a more strategic approach to the development of affordable housing in Scotland and respondents supported efforts to make housing investment more effective and efficient. However, most of the consultees (from across the range of respondent groups) raised significant concerns about the proposed Lead Developer approach.
- There was widespread opposition to the idea of Lead Developers as a *mandatory* approach for most of Scotland. Respondents felt that there are a range of models for partnership (including voluntary development consortia) that should be considered and should be encouraged to develop as appropriate to local context.

Background and economic situation

- Most respondents who offered a view broadly agreed with the economic assessment set out in the consultation. However, there were some concerns that the assessment underestimated the situation and that the situation has worsened since the publication of the consultation document.
- Overall, a majority of respondents who offered a view on this issue felt that the current economic climate weakens the case for investment reform, and in particular, weakens the case for the specific reforms proposed in the consultation document.

A more strategic approach

- A strong majority agreed with the principle that Strategic Housing Investment Plans (and related strategies) should form the basis of investment priorities for five years.
- Nearly three-quarters of respondents disagreed with the approach to geographic regions for investment. The size of the possible regions suggested in the consultation was the biggest concern.
- Most respondents commenting on the proposed treatment of Orkney, Shetland and the Western Isles agreed with the approach, assuming the proposed regional approach were to be taken forward. There were more mixed views on the proposed approach for Glasgow City and City of Edinburgh Councils.
- There was strong agreement amongst respondents that Councils, in collaboration with RSLs, should advise on the regions if the proposals go ahead.

- Overall, respondents broadly agreed with the content proposed for Prospectuses. Concerns related to issues of duplication and additional layers of bureaucracy.
- There were concerns that the move to a regionalised approach to development would marginalise specialist housing requirements due to costs and added complexity.
- Most respondents agreed that there would be a need to provide guidance on maximum rent levels.

Lead Developers

- Most responses were negative in relation to the benefits of Lead Developers. By far the most common concern was a perceived lack of evidence to support the benefits listed in the consultation document. Another significant concern was the increased level of risk that lead developers may be exposed to – and the lack of clear incentives for lead developers to balance these risks.
- A majority of respondents felt that there were issues for non-developing RSLs that had not been considered in the Lead Developer proposals. Several respondents raised concerns that non-developing RSLs would be marginalised in the proposed system.
- There were mixed views on the proposed routes for establishing Lead Developers. Many respondents said that there was a need for greater clarity on the process and calls for more detail on the pre-qualification criteria.

Development consortia

- In relation to development consortia, by far the most common area of concern was about the role of Lead Developers and the perceived inequality that will result. Respondents were concerned that Lead Developers will potentially dominate consortia with non-developing RSLs in a 'client' role.
- While some welcomed the flexibility that had been described in the consultation document, others felt the proposals were too prescriptive and describe a 'one type fits all' solution.
- Respondents said that they would like further guidance in relation to governance issues for consortia and Lead Developers.
- A majority of respondents felt that there were circumstances in which consortium members should include local authorities and other non-RSL bodies. It was felt that this could broaden efficiencies and increase skills and expertise in consortia. However, there were some concerns in relation to local authority involvement and potential conflicts of interest if they become members of consortia.
- A majority of respondents said that there are circumstances in which bodies other than RSLs might be eligible to become heads of consortia and Lead Developers. There was support for non-RSL delivery vehicles (including existing development consortia) to act as Lead Developer.

Proposed competitive mechanisms

- Most respondents agreed there was merit in introducing a pre-qualification process in any new arrangements. However, a number of local authorities suggested that they had a role in the assessment process as the strategic housing authority.
- Respondents were supportive of the criteria and information requirements set out in the document as a basis for the pre-qualification process.
- Respondents broadly agreed with the proposed approach to the development of an assessment framework. Local authorities generally welcomed the assessment framework being progressed jointly with COSLA and the SFHA although a number suggested that the role of local authorities required to be clarified.
- A majority of respondents disagreed with the proposed approach to the appointment and management of Lead Developers.
- Respondents suggested that grant arrangements could be improved through streamlining of the project assessment / appraisal process. Many proposed that longer term programmes were the priority.

Implementation

- A large majority of respondents raised concerns over the proposed implementation timescales. Phases such as “overly ambitious”, “challenging” and “unrealistic” were common responses.

1. INTRODUCTION

About this report

- 1.1 This report provides an analysis to the Scottish Government consultation “Investing in Affordable Housing”. It gives a detailed analysis of each element of the consultation. It looks in detail at the responses to the consultation questions and provides an analysis of the views of particular groups, highlighting trends and issues where appropriate.

Background to the consultation

- 1.2 The consultation set out proposals for a more strategic approach to the allocation of subsidy through a network of Lead Developers across Scotland and sought views on the proposed mechanisms for introduction. The new approach aims to maximise efficiency in procurement and to promote the development of expertise within the RSL sector through setting up development consortia and recognising some RSLs as Lead Developers.
- 1.3 Under the proposals a number of local authority areas would be grouped together for investment planning purposes. Regional Prospectuses would be prepared that draw on local authorities’ Strategic Housing Investment Plans (SHIPs) and would specify local investment priorities. These would act as bidding documents for RSLs.
- 1.4 RSLs would be invited to apply to be Pre-Qualified so that they would be eligible to bid for grant and to lead consortia of developing associations. Those RSLs who gain recognition as Lead Developers would benefit from longer-term commitment for funding and have greater autonomy and flexibility in management and delivery of new affordable housing.
- 1.5 It was proposed that Orkney, Shetland and the Western Isles would be excluded from the grouping of local authorities into regions for investment and the RSLs working in these areas would not be required to be pre-qualified. And Glasgow and Edinburgh would continue to manage investment under their existing arrangements on behalf of the Scottish Government.
- 1.6 The consultation paper was published on 9 December 2008 and the consultation period ended on 17 March 2009. It was publicised widely (both electronically and by letter) with a link to the relevant area in the Scottish Government’s website. A full list of consultation recipients is given as Annex One. A total of 233 responses were received. A full list of respondents is given as Annex Two.
- 1.7 The consultation included 24 questions in relation to the proposals. Respondents were able to provide either an open response or complete the consultation questionnaire offering systematic responses to each of the consultation questions. At the end of the consultation questionnaire respondents had the opportunity to give general / additional comments.

2. OVERVIEW OF RESPONSES

Introduction

2.1 This section gives an overview of the responses that were received to the consultation. It considers who the responses came from, who was not represented in the response, and gives general comments on the responses.

Who replied to the consultation?

2.2 In total, 237 replies were made to the consultation. However, three of these included replies from organisations and individuals which confirmed that their response was part of an earlier shared submission. One further response stated that the respondent had no comment on the consultation paper. These four responses have not been counted in the response analysis.

2.3 A total of 233 responses were therefore received to the consultation. These came from a range of organisations as well as private individuals.

Type	Total received	% of responses
Local authorities	29	12
RSLs - specialist	8	3
RSLs - rural	11	5
RSLs - urban / stock transfer (<1000 units)	29	12
RSLs - urban / stock transfer (>1000 units)	44	19
RSL Consortia	4	2
RTO	43	18
Organisations providing services to RSLs	19	8
Representative bodies	25	11
Private individuals	12	5
Other	9	4
Total	233	100

2.4 As Table 2.1 shows, 41 per cent of responses came from Registered Social Landlords (RSLs) or RSL consortia. The largest group of respondents were large urban / stock transfer RSLs (in ownership of 1000 or more units) who made up 19 per cent of the responses. Eighteen per cent of responses (43) came from Registered Tenants Organisations (RTOs). Twenty-nine of Scotland's 32 Local Authorities submitted responses including Scottish Borders Council who made a joint submission with the Borders Housing Network. A significant number of respondents came from representative bodies, making up 11 per cent of all responses. Twelve private individuals (5%) responded to the consultation. Some organisations undertook consultation exercises in order to represent wider views in their response. For example, the Tenant Participation Advisory Service Scotland (TPAS Scotland) held consultation sessions with tenants and the Rural Housing Service drew on feedback from their annual conference.

Who was not represented in the responses?

- 2.5 Although the response came from a wide cross-section of organisations and individuals with an interest in the proposals there were some notable gaps in the response sample. Three local authorities did not respond to the consultation – Dundee City Council, Fife Council and Stirling Council.
- 2.6 There was a limited response from private housebuilders directly involved in the development of affordable housing in Scotland. Most large (national) housebuilders did not reply to the consultation although there were responses from seven (mainly locally based) firms and relevant representative bodies including Homes for Scotland.
- 2.7 There were no separate responses from Community Planning Partnerships although there was a strong response from local authorities. There were no responses from academic institutions or from organisations dealing with homelessness.

The interpretation of quantitative and qualitative information

- 2.8 This report uses figures (and tables) showing the number of respondents to demonstrate how strongly elements of the proposals were supported or opposed. Whilst this is a useful way to see the general opinion among respondents, it has not been relied on as the main method of analysing views and developing conclusions.
- 2.9 In many cases responses were complex and respondents approached questions in different ways – making it difficult in some cases to categorise responses in terms of support or opposition. Because of this, a qualitative approach has been the main focus of the analysis, based on what people said and trends in views. The qualitative approach allows us to consider the merits of particular arguments and any conflicting views.
- 2.10 Tables have been omitted for some questions where they do not add sufficient value to the qualitative analysis.
- 2.11 It is also worth noting that where responses ‘overlap’ (for example, where the respondent has expressed support for a proposal but gone on to raise issues / suggest changes) totals will not equal 233 (the overall number of respondents).

General overview of the responses

- 2.12 The consultation received a large response from a range of stakeholders involved in the provision of affordable housing in Scotland. The vast majority of respondents completed the consultation questionnaire answering the prescribed questions.
- 2.13 There was broad support for a more strategic approach to the development of affordable housing in Scotland and respondents supported efforts to make

housing investment more effective and efficient. There was also broad support for more collaborative working between those involved in the development of affordable housing and relevant stakeholders at the appropriate strategic level. Respondents were also interested in the experience of RSL development consortia already established in Scotland – and what lessons could be drawn from these examples.

- 2.14 Most of the consultees (from across the range of respondent groups) raised significant concerns about the proposed Lead Developer approach. Many of the respondents that were opposed to the idea of introducing Lead Developers had difficulty answering specific questions on how the proposed system would operate – for example, on the proposed routes for establishing Lead Developers (Q11) or the pre-qualification process (Q16). Of those opposed to the new approach in principle, some stated their opposition in response to these detailed questions while others considered the question separately and answered hypothetically, were the new approach to go ahead. This variation in the manner of responses makes it difficult to summarise the views on these questions succinctly.
- 2.15 There was widespread opposition to the idea of Lead Developers as a *mandatory* approach for most of Scotland. Generally, respondents felt that there are a range of models for partnership (including voluntary development consortia) that should be considered. These should be encouraged to develop organically as appropriate to local context. Respondents were particularly concerned that there was a lack of positive evidence to support the introduction of Lead Developers. There was also concern about maintaining equality within partnerships and the importance of ensuring local expertise and community involvement. Many respondents felt that there was insufficient detail in the consultation paper on how the Lead Developer approach would operate. There was also significant concern across consultees about the proposal for large (multi-authority) regions as a basis for development activity.

3. CHAPTER ONE – BACKGROUND AND ECONOMIC SITUATION

Introduction

- 3.1 This section analyses the response in relation to Chapter One: Introduction. The chapter explains the purpose and objectives behind the proposals and considers the implications of the credit crunch for future housing investment as the context for the proposed reforms.

Question 1

To what extent does our assessment of the current economic situation reflect your assessment?

	Broadly Agree	Different Assessment	No Response
Local authorities	21	5	3
RSLs - specialist	3	2	3
RSLs - rural	0	6	5
RSLs - urban / stock transfer (<1000 units)	8	8	13
RSLs - urban / stock transfer (>1000 units)	23	11	10
RSL Consortia	2	0	2
RTO	23	2	18
Organisations providing services to RSLs	3	6	10
Representative bodies	5	12	8
Private individuals	3	1	8
Other	5	0	4
Total	96	53	84
Percentage %	41	23	36
Percentage of those responding %	64	36	-

- 3.2 About two-thirds of respondents offered a clear view on this issue. Around two-thirds of these respondents broadly agreed with the economic assessment set out in the consultation document. However, around one third disagreed. The most common concern was that the assessment underestimated the situation - respondents felt the economic situation was more serious, complex and challenging than that the document outlined, describing it as “*significantly more severe*”, having “*worsened significantly*”, “*continuing to deteriorate markedly*”, and saying it “*underestimates the scale of the problem*”. Some highlighted that the situation has worsened since the publication of this document, and remains unpredictable.
- 3.3 A number of RSL respondents (both those who broadly agreed and disagreed with the Government’s assessment) emphasised the impact the current HAG model has had on RSLs (despite recent changes). They encouraged the Government to review the current approach to HAG as a better way of reforming investment.

Question 2

Does the economic situation strengthen or weaken the case for investment reform at this time, and why?

	Strengthen	Weaken	Neither	No Response
Local authorities	15	4	10	0
RSLs - specialist	0	6	1	1
RSLs - rural	1	9	0	1
RSLs - urban / stock transfer (<1000 units)	3	20	2	4
RSLs - urban / stock transfer (>1000 units)	8	33	0	3
RSL Consortia	1	0	2	1
RTO	25	5	1	12
Organisations providing services to RSLs	1	9	1	8
Representative bodies	5	17	0	3
Private individuals	4	1	1	6
Other	4	1	0	4
Total	67	105	18	43
<i>Percentage %</i>	29	45	8	18
<i>Percentage of those responding %</i>	35	55	9	-

- 3.4 Overall, a small majority of respondents who offered a view on this issue felt that the current economic climate weakens the case for investment reform, and in particular, weakens the case for the specific reforms proposed in the consultation document. This compared with just over a third who believed the current climate strengthens the case for reform.
- 3.5 Although a majority of respondents felt the current climate weakens the case, views differed between different groups of respondents. Most local authorities, RTOs, and other organisations felt it strengthens the case for investment reform of some kind. But most RSLs and representative bodies disagreed, with RSLs feeling strongly that it weakened the case for reform.
- 3.6 The main arguments for some kind of investment reform were the need to increase the supply of housing at this time, and the need to find more efficient approaches (although there were some concerns that too much focus on low costs could be detrimental). There was certainly support for increased supply of affordable housing. There was a strong view (both from those who believed there should be investment reform and those who did not) that further and greater investment is needed (perhaps instead of reform) and a significant number of respondents felt that further changes to Housing Association Grant (HAG) and the Affordable Housing Investment Programme (AHIP) would be more beneficial in achieving their goals.
- 3.7 Some respondents questioned the evidence base for the proposals, feeling there is no strong case that the proposals will bring about the desired changes. Even respondents who believed the current economic climate strengthened the case for investment reform, did not necessarily believe the

proposals set out by the Scottish Government were the best way to deliver change.

3.8 Respondents who felt the current climate weakens the case for investment reform set out a number of reasons:

- Further reform of AHIP and HAG would be more appropriate and beneficial;
- There is a lack of evidence to support the idea that the proposals will lead to a greater supply of homes and efficiencies;
- The changes would divert resources and time of senior staff at a time when RSLs are facing significant pressures and demands;
- The future lending position of banks and building societies is unclear and borrowing is currently difficult and expensive; and
- Widespread and fundamental reforms could be destabilising at a time of uncertainty.

4. CHAPTER TWO – A MORE STRATEGIC APPROACH

Introduction

4.1 This section analyses the response in relation to Chapter Two: A More Strategic Approach to Affordable Housing Investment. The chapter proposes:

- the introduction of prospectuses for investment in affordable homes;
- key principles to support the adoption of regional areas for planning investment;
- a different approach for Orkney, Shetland, the Western Isles, Glasgow and Edinburgh (compared with the rest of Scotland).

Question 3

Do you agree that local authority Strategic Housing Investment Plans and related strategies should form the basis for identifying investment priorities for periods of up to five years?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	28	1	0
RSLs - specialist	7	1	0
RSLs - rural	10	0	1
RSLs - urban / stock transfer (<1000 units)	21	1	7
RSLs - urban / stock transfer (>1000 units)	41	2	1
RSL Consortia	3	0	1
RTO	31	4	8
Organisations providing services to RSLs	9	0	10
Representative bodies	14	3	8
Private individuals	9	0	3
Other	6	0	3
Total	179	12	42
Percentage %	77	5	18
Percentage of those responding %	94	6	-

4.2 The overwhelming majority of respondents to this question agreed with the principle that SHIPs (and related strategies) should form the basis of investment priorities for five years.

4.3 Generally, respondents supporting the approach felt:

- five years was a good timeframe to work within (although some flexibility would be needed within plans);
- local authorities were well placed to coordinate the identification of investment priorities; and
- the existing processes in place to develop SHIPs and LHSs could support this.

“The Local Housing Strategies and Strategic Housing Investment Plans should be the main documents in identifying local investment and development priorities”
(Perth and Kinross Council)

4.4 The few respondents who felt this was the wrong approach identified two main issues:

- the quality and consistency of the SHIPs across local authority areas varies, and the significant power this would grant local authorities; and
- SHIPs are currently bid documents, and are more speculative than the Local Housing Strategies.

“the quality of the SHIPs and Local Housing Strategies produced by LAs is variable.”
(Loretto Housing Association)

“Its strength is that it contains an overview of assessed need, a broad range of potentially deliverable sites, as well as an overview of the potential mix required. However, the SHIP is at present itself a bid document . . .[and] . . . some local authorities will have introduced a more opportunistic and speculative element”.
(Clackmannanshire Council)

4.5 These issues were reinforced by some respondents who broadly supported the use of the SHIP.

4.6 Respondents who were generally supportive identified other challenges or issues that need to be addressed for SHIPs to be successfully used as the basis for investment priorities up to five years:

- While the five year planning period was welcomed by most, some respondents felt it was ambitious. Several mentioned the need to have flexibility to be able to effectively respond to economic and other changes.
- There is a need to bring LHSs, SHIPs and prospectuses within the same planning cycle.
- Some SHIPs currently focus on subsidised affordable housing too much, and neglect private development.
- Detailed resource assumptions need to be provided in time to develop realistic and effective SHIPs.

4.7 A significant number of respondents were concerned about the lack of detail in the document about how the SHIP priorities will be reflected in regional prospectuses, and how national priorities and geographic allocation of resources will be weighted and determined. Respondents felt greater clarity and detail was needed on these issues. Some respondents highlighted that this process would be complex, resource intensive and costly.

“We have concerns about the ability to achieve consistency between local authority SHIPs and the proposed regional prospectuses. This will require decisions about the relative priorities within SHIPs of individual local authorities in each region.”
(SFHA)

Question 4

Do you agree with our proposed principles on which geographic regions for investment will be based?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	16	12	1
RSLs - specialist	0	7	1
RSLs - rural	2	8	1
RSLs - urban / stock transfer (<1000 units)	5	19	5
RSLs - urban / stock transfer (>1000 units)	7	31	6
RSL Consortia	1	2	1
RTO	11	25	7
Organisations providing services to RSLs	1	11	7
Representative bodies	3	14	8
Private individuals	4	5	3
Other	3	3	3
Total	53	137	43
<i>Percentage %</i>	23	59	18
<i>Percentage of those responding %</i>	28	72	-

4.8 Nearly three-quarters of respondents to this question disagreed with the approach to geographic investment.

4.9 Of those respondents who supported the general principles, many raised concerns about the size and arrangement of the regions set out in Figure 2 of the consultation paper. There were differing views between local authorities and RSLs – most local authorities broadly agreed with the principles, whilst most RSLs disagreed.

4.10 The size of the possible regions suggested was the biggest concern. Respondents felt that strong regional and cultural identity might be lost, diversity of needs could not be recognised, and there could be conflict between different local authorities' SHIPs. A combination of Highland, Moray, Aberdeen City and Aberdeenshire in particular was seen as much too large to take account of diversity of need and the capacity of existing small developers. For example, Dumfries and Galloway Council said:

“We have significant concerns about the size of the proposed regions. There is a risk that strong regional and cultural identity will be lost and the Council’s development aspirations will not be achieved.”

(Dumfries and Galloway Council)

4.11 Respondents questioned the assumption that larger regions might offer procurement benefits, and felt there is a lack of evidence to support the expected economies of scale:

“We have a fundamental problem with these principles. There is little evidence that simply creating larger geographical units will bring the economies of scale the Government are looking for.”

(I-Flair)

- 4.12 Respondents felt that the proposed approach would not take account of housing market areas, how the construction industry operates, or existing cross boundary relationships between local authorities and RSLs. These issues are taken in to account in strategic planning documents yet respondents felt that the proposed regional approach would cut across these.
- 4.13 Respondents were concerned that the proposed regional approach would raise practical challenges as well. In particular, they were unclear about how the different priorities (and competing interests) identified in SHIPs and any disagreements would be resolved. This led to concern from some that smaller, rural priorities might be lost alongside larger urban agendas. Some felt that practical difficulties would lead to inefficiencies that would outweigh any efficiency benefits.

Question 5

a. Do you agree with our proposed treatment of Orkney, Shetland and the Western Isles Councils?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	15	4	10
RSLs – specialist	3	0	5
RSLs – rural	9	0	2
RSLs - urban / stock transfer (<1000 units)	8	2	19
RSLs - urban / stock transfer (>1000 units)	14	4	26
RSL Consortia	2	0	2
RTO	26	4	13
Organisations providing services to RSLs	7	2	10
Representative bodies	9	1	15
Private individuals	7	0	5
Other	4	0	5
Total	104	17	112
<i>Percentage %</i>	45	7	48
<i>Percentage of those responding %</i>	86	14	-

- 4.14 About half of all respondents offered a view on this issue. Most (about five out of six respondents) who answered this question agreed with the proposed treatment of Orkney, Shetland and the Western Isles, if the proposed regional approach were to be taken forward. However, a significant number of respondents (even those who generally agreed with the approach) highlighted that other rural areas should be treated in a similar way – they often have similar characteristics and offer similar challenges. For this reason, respondents called for other areas to be exempt from the regional approach. Examples included Dumfries and Galloway, some areas of the Highlands and Arran. Many respondents drew particular attention to the need to reassess the treatment of Argyll and Bute. A significant number of respondents also emphasised the need to reconsider the inclusion of some rural areas.

“Without rigorous rural proofing of both SHIPs and regional prospectuses our belief is that rural housing needs will be invisible.” (Rural Housing Service)

4.15 Those who opposed the proposed treatment of Orkney, Shetland and the Western Isles offered various reasons. Most commonly, they felt that all areas should be treated the same. Responses also reflected the fundamental opposition to the regional approach:

“We feel that the justification for not including the three island authorities in the new regional structure, applies across the whole country. Taking local authorities together on the basis of geography does not take account of the particular local circumstances prevailing for each of the authorities . . . or the variance in the size of the current investment programmes.”

(East Ayrshire Council)

b. Do you agree with our proposed approach for Glasgow City and City of Edinburgh Councils?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	20	5	4
RSLs - specialist	4	3	1
RSLs - rural	0	7	4
RSLs - urban / stock transfer (<1000 units)	6	8	15
RSLs - urban / stock transfer (>1000 units)	12	16	16
RSL Consortia	1	0	3
RTO	18	12	13
Organisations providing services to RSLs	7	2	10
Representative bodies	4	6	15
Private individuals	3	4	5
Other	2	3	4
Total	77	66	90
Percentage %	33	28	39
Percentage of those responding %	54	46	-

4.16 Around three-fifths of respondents answered this question. Generally, their views were more polarised on this issue than on the treatment of the Island authority areas. Overall, more respondents agreed than disagreed with the proposed treatment of Glasgow and Edinburgh, but views varied between different groups – most RSLs broadly disagreed but local authorities broadly agreed.

4.17 Reasons for disagreeing included:

- Given the significant investment made in these areas, excluding them would reduce significantly the anticipated efficiencies the proposals are aimed at delivering.
- No good reasons or evidence had been offered in the consultation document for the exclusion of the two cities from the regional approach.
- Separate treatment would undermine the arguments for a regional approach and could conflict with existing relationships
- The Cities have key role in local housing market areas, and therefore have an important role to play within the regional structure.

- It would not take account of regional housing markets and the connections with surrounding areas – this was a particular concern in Edinburgh

4.18 Some of the respondents who agreed overall with the treatment of these two Councils voiced similar concerns. Some also highlighted their support for the transfer of management of development funding to all local authorities.

4.19 Some respondents to question 5a and 5b highlighted the potential tensions between rural and urban housing needs in the proposed regional structure. Some respondents felt that rural needs might not be met if the proposals went ahead. Some (particularly those who disagreed with the separate treatment of some areas) emphasised the need for clear, transparent decision making and funding priorities to ensure fairness and equity for all areas. An annual analysis of levels of investment was proposed as a way of monitoring this issue.

“The exclusion of such a significant proportion of Scotland from the proposals reinforces our fundamental view that local authority boundaries should form the basis of a strategic approach to partnership working and any cross boundary work should be by mutual not enforced consent.” (RIHAF)

Question 6

Do you agree that Councils, as the strategic planning and housing authorities, and in collaboration with RSLs, should advise on the regions to be adopted as the basis for Prospectuses?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	28	1	0
RSLs - specialist	8	0	0
RSLs - rural	6	3	2
RSLs - urban / stock transfer (<1000 units)	17	5	7
RSLs - urban / stock transfer (>1000 units)	31	2	11
RSL Consortia	2	0	2
RTO	29	6	8
Organisations providing services to RSLs	7	1	11
Representative bodies	11	4	10
Private individuals	6	1	5
Other	6	0	3
Total	151	23	59
Percentage %	65	10	25
Percentage of those responding %	87	13	-

4.20 Three-quarters of respondents answered this question. There was strong agreement amongst these respondents that Councils, in collaboration with RSLs, should advise on the regions if the proposals go ahead. Almost all those who disagreed did so because they fundamentally disagreed with the general approach of the proposal, rather than believing different organisations

should take on this role. Generally, respondents felt that local authorities were well placed to take on this role:

“Their strategic housing responsibilities, contributions to prospectuses, and subsequent delivery of the new framework are crucial.”

(Glasgow City Council)

- 4.21 Many respondents highlighted the importance of involving others in a meaningful way. RSLs, in particular were seen as being key to the decision making process:

“Given that RSLs will be the key suppliers in this new regime it is appropriate that they should have a say in how prospectus regions are developed.”

(Inverclyde Council)

“Housing Associations have significant experience of working across regions and their views on the basis for the establishment of regions are critical.”

(Aberdeenshire Housing Partnership)

- 4.22 Respondents also highlighted the need to engage developers, representative bodies and tenants in this process, although several highlighted that this dialogue might be difficult to manage (due to different views and priorities), particularly within the planned timescales.

“There are three parties involved in the delivery of affordable homes – councils, RSLs and private house builders. All three parties should be involved in the decision making process. A lack of integration remains the key issue why Scotland is not delivering more affordable homes.”

(Geddes Consulting)

- 4.23 Others highlighted that the Scottish Government must play a key role in identifying the outcomes expected from the new structures and in facilitating the discussion about a possible regional structure.

Question 7

a. Do you agree with the content proposed for Prospectuses?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	18	11	0
RSLs - specialist	4	3	1
RSLs - rural	1	7	3
RSLs - urban / stock transfer (<1000 units)	13	9	7
RSLs - urban / stock transfer (>1000 units)	23	12	9
RSL Consortia	3	0	1
RTO	29	3	11
Organisations providing services to RSLs	5	3	11
Representative bodies	4	12	9
Private individuals	7	0	5
Other	6	0	3
Total	113	60	60
Percentage %	48	26	26
Percentage of those responding %	65	35	-

- 4.24 Around three-quarters of respondents answered this question. Overall, 65 per cent of those responding were supportive. Eighteen local authorities broadly agreed with the content proposed for Prospectuses. In particular, a number highlighted the importance of the LHS and SHIP forming the basis of each Prospectus.

“The Prospectuses should draw information from the SHIP for each of the constituent local authority areas rather than setting out new requirements”.
(Renfrewshire Council)

- 4.25 Glasgow City Council welcomed the strong commitment to housing quality. But a number of authorities qualified their support. For example, Aberdeenshire Council were concerned that the Regions proposed were too large. Highland Council had anxieties over how the budget allocations would be arrived at and whether they would be influenced by Lead Developers’ ability to reduce costs which could mitigate against rural areas. Orkney Council felt that “the problem for the Government will be to ensure that each prospectus genuinely reflects the combined SHIPs...” And Renfrewshire queried where responsibility for the preparation of the Prospectuses would lie.
- 4.26 Of the 10 authorities that were less supportive of the proposals, issues of duplication and additional layers of bureaucracy were highlighted by a number of respondents.

“...the Local Housing strategy already achieves the aims of the proposed prospectuses and we see little merit in introducing a further layer of bureaucracy that could dilute local priorities and decision making”.
(Dumfries and Galloway Council)

“This would add an additional layer of complexity to matching housing needs to development between the SHIP and regional ‘prospectus’.”

(Perth and Kinross Council)

- 4.27 Others raised concern that the final allocation of resources to be spent in each Region appeared to be dependent on the proposals from and performance of Lead Developers.
- 4.28 Whilst supporting the proposed scope of the Prospectuses, Loch Lomond and The Trossachs National Park were concerned that the consultation paper did not address what mechanisms would be put in place if local authorities were unable to agree regional housing funding priorities. They also highlighted that the paper had not considered whether there would be a requirement for a Strategic Environmental Assessment of the proposed Prospectuses – which in their experience was a resource intensive process.
- 4.29 Hillcrest Housing Association felt that it was unrealistic to identify specific sites for a five year programme. They, and other RSLs, drew attention to the role of Section 75 agreements in contributing to affordable housing supply and the need to accommodate opportunity led development. The need to recognise the dynamic nature of housing development and the importance of flexibility was reinforced by others.
- 4.30 A number of RSLs highlighted the role of the Prospectuses as bidding documents and the importance of quality standards being detailed and mandatory as it was unlikely competing developers would seek to enhance them. The Link Group felt that the focus must be on more than ‘bricks and mortar’. Irvine Housing Association felt that it was important guidance on priorities was weighted towards housing need rather than deliverability to ensure that more complex developments were supported.
- 4.31 A sizeable minority of RSLs disagreed with the proposed Prospectuses. A common theme through many of their responses was their view that the SHIP was the right mechanism to prioritise development. Prospectuses were seen as introducing another layer of bureaucracy which could undermine accountability and local decision making.

“Local authority SHIPs should be the main method of articulating investment priorities at local level”.

(GWSFHA)

“It is difficult to see how such large and disparate regions will result in more strategic decision making”.

(Forth Housing Association)

- 4.32 COSLA agreed that investment priorities should be made at the local authority level:

“Any decisions on priorities for investment must be made and agreed at local authority level, even if a regional approach is developed for the delivery of affordable housing.”

(COSLA)

4.33 This view was reinforced by a number of RTOs.

“Tenants are concerned that certain local authority areas will lose out because of the way priorities may be identified in prospectuses”. (TPAS)

b. How can we ensure that the housing need of people with specialist requirements or in remote or rural areas are fully reflected in Prospectuses?

4.34 Many respondents said that the existing information gathered to inform the LHS and SHIP should be used as the basis for the Prospectus. Respondents felt that there should not be duplication of this work to assess housing need and demand.

“The SHIP and LHS should provide a basis of information for providing housing for people with particular needs and should be included as part of the prospectus. There will also be the need to review this at regular intervals in the course of the development programme.” (West Lothian Council)

4.35 Several respondents expressed concern that the move to a regionalised approach to development would marginalise specialist housing requirements due to costs and added complexity. These consultees argued that, for specialist and rural / remote housing requirements to be met, planning should continue to take place at the local level.

“There is a concern that rural housing priorities could become marginalised if a regionalised basis is pursued because they are more expensive to deliver.” (COSLA)

“We suggest that the LHS and SHIP form the basis of investment planning and prioritisation... The prospectuses proposal and the overall approach by the Scottish Government...gives us significant concerns that rural housing schemes will become increasingly sidelined by any regional lead developer.” (RIHAF)

4.36 Several respondents felt that specialist housing development would inevitably become marginalised but suggested solutions. Some consultees said there should be a separate category for this type of development as a requirement for the Prospectuses. Turner and Townsend proposed that more complex developments should be tied in with contracts for more ‘straightforward’ or inexpensive development:

“There is the risk that bidders may be tempted to “cherry pick” the lowest cost developments in any prospectus in order to win bids and this raises the prospect of expensive but necessary sites with unusual requirements not attracting bidders. It may be necessary to link “easy” developments with more complex sites which might include specialist elements, in order to attract bidders.” (Turner and Townsend)

- 4.37 Loretto Housing Association said that specialist developments could be excluded from the Prospectus:

“Where housing needs are very specific there are risks in the broad-brush approach. We would suggest that developments for people with specialist requirements or in remote / rural areas are generally best not included in prospectuses, because the design solution may be crucial to the success of the project and could be compromised if procured as part of a large scale programme.”
(Loretto Housing Association)

- 4.38 Several respondents emphasised the importance of not losing existing RSL expertise in these types of development – regardless of consortia membership.

“It is important to recognise that different RSLs will have expertise and knowledge in different areas of provision and it will not necessarily be the case that each consortium has experience across the range of housing. RSLs with expertise in the provision of housing for particular needs may not necessarily opt to become part of a number of consortiums if they are currently working across the country. It is important that this expertise is not lost...”
(East Renfrewshire Council)

- 4.39 Some consultees stated that more specialised development requires a level of flexibility to be built into the system including flexibility within the funding regime.

“Specialist requirements arising in more remote or rural areas could be met by ensuring that there is a degree of flexibility built into the programme to allow adjustments to the specific development proposals at a later stage as and when specific individuals needs become known.”
(Perth and Kinross Council)

“The greatest risk in relation to meeting the needs of people with specialist housing requirements, or housing in remote rural areas will be the lack of flexibility.”
(South Lanarkshire Council)

- 4.40 Forth Valley Housing Network also raised the issue of revenue funding requirements for the development of specialist accommodation and the need to address this in Prospectuses:

“Certain types of supported housing, for example very sheltered housing, cost more in development terms but also require subsequent revenue funding. Any element of supported housing in a prospectus must therefore be accompanied by assurances from the relevant local authority that such revenue support is planned and provided for, in particular through Supporting People.”
(Forth Valley Housing Network excluding Link Group)

4.41 A number of consultees emphasised the importance of consultation with local communities and relevant stakeholders (including health and social work professionals). Some respondents stated that there may be a role for Rural Housing Enablers in the development of Prospectuses.

Question 8

Do you agree that there is a need to provide guidance within Prospectuses on maximum rent levels and is the proposed framework acceptable?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	14	11	4
RSLs - specialist	4	4	0
RSLs - rural	2	8	1
RSLs - urban / stock transfer (<1000 units)	6	10	13
RSLs - urban / stock transfer (>1000 units)	21	19	4
RSL Consortia	1	1	2
RTO	32	2	9
Organisations providing services to RSLs	3	2	14
Representative bodies	6	10	9
Private individuals	7	1	4
Other	3	0	6
Total	99	68	66
<i>Percentage %</i>	42	29	28
<i>Percentage of those responding %</i>	59	41	-

4.42 Just under three-quarters of respondents gave their view. Overall, around three-fifths of respondents agreed that there was a need to provide guidance on maximum rent levels. But there were significantly different views between the different respondent groups. Local Authorities were more likely to agree than disagree, but respondents from the rural RSLs and smaller urban / stock transfer RSLs generally disagreed.

4.43 Many respondents (both those who agreed and disagreed) agreed with the Scottish Government's concern that the award of grant on the basis of the lowest requirement for subsidy could put pressure on rents. But there were a number of concerns about the proposed approach. Many respondents felt that the proposals did not take account of wider issues which have a significant influence on affordability. In particular, the availability of subsidy and private finance were highlighted:

"The major factor in controlling rent levels is the availability of subsidy."

(City of Edinburgh Council)

"Ensuring affordable rents is more about the level of subsidy available, accessibility and affordability of private finance than about RSL's potentially acting irresponsibly in seeking to develop at all costs."

(CIH Scotland)

- 4.44 Others voiced concern about setting guidance at a national or regional level, as it does not take account of local circumstances, and could undermine the autonomy of individual organisations:

“The Prospectuses should provide guidance on maximum rent levels. However, these need to take account of different circumstances across the proposed regions, particularly the relatively lower income levels in rural areas”.
(Moray Council)

- 4.45 A number of respondents called for the Scottish Government to consider how local needs, rent policies of Housing Associations and local circumstances be taken into account.

“We have serious reservations about the use of such guidelines. All our associations are businesses which have to make informed decisions about rents. Balancing the need to protect viability and affordability. The imposition of such guidelines . . . would serve to undermine the autonomy and in turn to reduce the scope for associations to make sensible business decisions on behalf of their organisations and tenants.”
(I-Flair)

- 4.46 Others were concerned that maximum levels would become the “expected norm”.

- 4.47 As with other questions, some respondents disagreed because of their opposition to the general approach set out in the consultation document and emphasised their general opposition to the lead developer approach:

“We understand the rationale behind rent guidelines, but have concern that their introduction will erode business freedom of individual associations. . . The perceived need to introduce rent guidelines reflects how the competition ‘solution’ creates unintended and undesired consequences.”
(Forth Valley Housing Network - excluding the Link Group)

Question 9

a. Are there other issues which would similarly benefit from guidance?

b. What are these and what is the case for including them?

- 4.48 Most respondents suggested areas where further guidance and clarification needs to be provided. There were a wide variety of suggestions, but some issues were consistently raised by a number of respondents:

- Further guidance on how governance and decision making processes will operate within the proposed regional structure was requested. In particular, respondents asked for guidance on how LHS and SHIP priorities would be developed into a regional prospectus. Some respondents expressed concern that arrangements need to be in place to safeguard local priorities and ensure local needs are met.

- Quality and environmental standards were key issues that respondents felt required guidance to ensure standards are preserved. There was general concern that quality might be compromised with the drive for greater efficiency, and that the consultation document does not highlight or take account of the importance of quality. Some respondents mentioned the need for guidance on “specialist” developments and the need to explicitly mention Housing for Varying Needs Standards.
- Respondents asked for definitions and guidance on affordable rents and affordable mortgage levels to ensure housing meets needs.
- Some respondents asked for guidance and definitions on mid market rents, and their relative priority within the local housing strategy and SHIPs (although several respondents mentioned the Scottish Government’s plans to do this).
- Respondents raised a number of issues that related to clarity about different responsibilities – they felt it is important to be clear about the different responsibilities of the different agencies and organisations involved in development. For example, there is no mention of forms of contract, contract conditions or the relationship between client and employer agent. Others for clarity and guidance about risk sharing.
- Some respondents asked for more guidance on rural areas, and how barriers can be overcome and efficiencies delivered.
- A number of respondents felt clarification is now needed on how the future HAG benchmarks and grant appraisal methodology will fit with the approach.
- Some respondents were concerned about the impact of the proposals on a wide range of matters for RSL’s including financial, legal and constitutional issues (like charitable status) and felt that further guidance was needed on these issues.

5. CHAPTER THREE – LEAD DEVELOPERS

Introduction

5.1 This section analyses the response in relation to Chapter Three: Lead Developers: A More Specialist Role for Development. The chapter sets out the model for delivering affordable housing through regional Lead Developers. It explains:

- the role and responsibilities of Lead Developers;
- the proposed process for appointing Lead Developers; and
- the implications for RSLs.

Question 10

a. Is the Lead Developer role proposed here sufficient to deliver a more streamlined and effective approach to investment in and procurement of new affordable housing?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	8	21	0
RSLs - specialist	2	5	1
RSLs - rural	0	10	1
RSLs - urban / stock transfer (<1000 units)	2	20	7
RSLs - urban / stock transfer (>1000 units)	10	30	4
RSL Consortia	1	2	1
RTO	14	17	12
Organisations providing services to RSLs	3	6	10
Representative bodies	3	16	6
Private individuals	3	4	5
Other	3	3	3
Total	49	134	50
Percentage %	21	58	21
Percentage of those responding %	27	73	-

5.2 Nearly four-fifths of respondents answered this question. Many of those that did took the opportunity to explain their opposition to (or support for) the idea of introducing Lead Developers – rather than giving a clear view on whether the proposed Lead Developer role will deliver a more streamlined and efficient approach to investment. In some cases respondents opposed the principle of Lead Developers on ground that it would have a negative impact on the delivery of affordable housing but agreed that they would streamline the approach to investment and procurement. This means that any quantitative analysis of the responses to this question should be treated with caution. Nevertheless, nearly three-fifths of all respondents (and nearly three-quarters of those answering the question) disagreed or expressed significant concerns about the potential for Lead Developers to deliver a more streamlined and effective approach.

5.3 Many of those giving 'positive' responses agreed that Lead Developer would bring the suggested efficiencies / improvements, in principle, but raised a number of concerns principally around a lack of existing evidence, potential additional work resulting from a new approach, and issues around risk management.

5.4 Respondents that were most supportive agreed with the benefits listed in the consultation paper and particularly that Lead Developers will focus expertise in relation to land assembly, procurement and project management. A number of respondents said that Lead Developers will improve partnership working enabling stronger relationships with (central and local) government, contractors and other private sector partners. Several respondents highlighted existing development consortia as positive examples of improvements in performance. Respondents in Fife stated that the proposed Lead Developer model was similar to what is (successfully) in place in Fife although they stressed that benefits were due to process rather than economies of scale:

“Having a lead developer in Fife has delivered a more streamlined and effective approach to investment and procurement of new affordable housing. The benefits are being delivered through process improvements and partnership working, rather than through volume procurement arrangements.”
(Fife Housing Partnership)

5.5 Respondents that felt Lead Developers would bring improvements, raised concerns about the lack of evidence in the consultation document or from elsewhere to support the listed benefits. Respondents suggested the development of pilots and further learning from existing consortia in Scotland.

5.6 There were also concerns about the potential additional work to be undertaken by Lead Developers / consortia:

“Although there will be efficiencies to be achieved by the Scottish Government by transferring a lot of the day to day bureaucratic administration to Lead Developers....The Lead Developer will spend much more of its time servicing the consortium.”
(Turner and Townsend)

5.7 Several respondents also raised concerns about risk management and the concentration of risk with a small number of specialist developers:

“The document fails to acknowledge risk management, ownership and transfer within the proposed arrangements and it is implied that risk will be placed with the Lead Developer. Risk management, financial accountability, and project governance need to be considered as part of the contractual set-up and, if not treated appropriately will result in increases in development costs rather than decreases.”
(Glasgow Housing Association)

- 5.8 Most responses were negative in relation to the benefits of Lead Developers. By far the most common concern, expressed by all groups of respondents, was a perceived lack of evidence to support the benefits listed in the consultation document.

“The Scottish Government anticipates that large scale competition for subsidy will secure efficiencies in the delivery of affordable housing. However, the consultation does not provide evidence that a Lead Developer approach is the most effective procurement approach for affordable housing.” (COSLA)

- 5.9 Several respondents said that the experience of Scottish development partnerships and evidence from England and Wales suggest that efficiencies will not result.

“We have major concerns with the lead developer model proposed. We believe that there is little or no evidence to suggest that bulk procurement leads to savings. Evidence from England suggests that while competition led to lower grant levels this was due to cross subsidy from sales, sharp rent increases and subsidy from reserves. It has become clear that this model is unsustainable, and the English system is broken.” (SFHA)

- 5.10 Many respondents felt that the proposed approach would lead to greater bureaucracy and costs for RSLs. For example, I-Flair said:

“We do not believe that there will be the economies of scale and efficiencies described in the consultation paper. We believe that the bureaucracy surrounding the new arrangements would negate any potential savings.” (I-Flair)

- 5.11 Another significant concern among respondents was the increased level of risk that lead developers may be exposed to – and the lack of clear incentives for lead developers to balance these risks (since ownership of some of the assets would typically be transferred to another RSL).

“The proposed role of Lead Developer carries a much higher level of risk than under current arrangements.....The management of development is normally loss-making as a process in its own right. The incentive to develop at present despite these negative factors is that the finished housing becomes an asset of the developing RSL and generates a rental income stream. If the housing is to be transferred to another RSL on completion then the lead developer will be required to mitigate the risk and ensure that it fully covers the cost of managing development.” (Bield Housing Association)

“We fear that the price of that risk will be reflected in the price of transferred completed houses to others, and this may prove prohibitive for smaller associations.” (Oak Tree Housing Association)

- 5.12 While many saw the issue of risk as a stumbling block for the proposals, those that were more supportive of the idea felt that there was rationale for Lead Developers to have greater autonomy.

“...a review such as this is overdue and in theory acceptable. There is, however, a long-standing tradition of small-scale, local delivery mechanisms and if Lead Developers are to take the risks in changing this then greater empowerment is necessary.”
(Link Group)

5.13 Cunningham Housing Association agreed stating that, *“the role also needs to be further developed to ensure that the risk is more controllable by the Lead Developer”*.

5.14 Several consultees stated that achieving a more efficient and effective approach was not just about ‘economies of scale’ and bulk procurement.

“Achieving optimum economic value is not just down to volume. Much depends on the skill and expertise of the developing RSL, the sites they are developing and capacity within the construction sector.”

(South Lanarkshire Council)

b. Does it adequately balance and recognise the needs and roles of non-developing RSL partners?

5.15 A minority of respondents (about a fifth) said that the Lead Developer role proposed adequately balances / recognises the needs and roles of non-developing RSL partners. The majority of those responding to this question felt that there were issues for non-developing RSLs that had not been considered. Several respondents, including local authorities and RSLs, raised concerns that non-developing RSLs would be marginalised in the proposed system and that this may pose a long-term threat to their viability. There were concerns that non-developing RSLs would be less able to attract resources, including staff and board members – with negative consequences both for the organisation and local residents. It was also argued that non-developing RSLs would lose development expertise making them less able to compete for development status in future rounds – further marginalising them.

5.16 Respondents were worried that the role of non-developing RSLs in providing local expertise (and facilitating community engagement) in the development process, is not sufficiently recognised in the consultation.

“The roles and responsibilities of “non developing RSL’s” identified...are primarily focused on the planning, specification, contracting and procurement of development contracts. Currently there is a wealth of expertise and community engagement within the sector and this enables developments that work within those communities.”
(Aberdeenshire Housing Partnership)

5.17 It was also argued that there should be more recognition of the role of non-developing RSLs in the development of Strategic Development Plans, Local Housing Strategies and other strategies relevant to the development process.

5.18 Respondents repeated concerns about the lack of clarity on where risk lies. Several consultees questioned whether Lead Developers would be compelled

to transfer housing if development risk remains with them. Some respondents felt that non-developing RSLs would struggle to raise the necessary finance to purchase newly developed stock – particularly with the current constraints on lending. Consultees also sought clarity on what would happen where an RSL has built up a land bank ahead of future development activity (more likely during the economic downturn) but has non-developer status under the proposed system.

Question 11

What are your views on the routes we propose for establishing Lead Developers?

5.19 There were mixed views on the proposed routes for establishing Lead Developers, with a significant number of respondents saying that the process was “reasonable” or “appropriate”. This was the case for respondents that were both supportive of and opposed to the idea of Lead Developers in principle. Many of the consultees responding to this question took the opportunity to reiterate their strong opposition to the principle of Lead Developers rather than commenting on the proposed routes to establish the role.

5.20 Generally, there was a positive response to the question from local authorities, although some sought clarification that Councils would have a key role throughout the process, including at the national pre-qualification phase.

“Local Authorities must be fully engaged in this process even at the initial stage of pre-qualification.”
(Glasgow City Council)

5.21 COSLA felt that local authorities should be involved in selecting Lead Developers and the allocation of investment.

“It must be up to councils to agree upon the suitability of RSLs seeking Lead Developer status and the level of total investment programmed within their area.”
(COSLA)

5.22 Many respondents said that there was a need for greater clarity on the process. In particular, there were calls for more detail on the pre-qualification criteria.

5.23 Consultees also wanted clarity on the identification and appointment of lead developers - and the role of the Scottish Government in this process. For example, one RSL was concerned that since the appointment of the Lead Developer will be at the discretion of the Scottish Government (in consultation with the relevant Local Authority) RSL consortium members will have a limited role to play. CIH Scotland were concerned that Government appointment of Lead Developers will have consequences for the functioning of consortia:

“The Government will appoint the Lead Developers and rightly suggest that a consortium will probably put forward the head of the consortium for lead developer status. However, this status is of course not guaranteed, as it requires the approval of the Scottish Government. This leaves some unanswered questions as to how the consortia will be able to develop a formal partnership agreement when it may be unclear who the Lead Developer is going to be.”
(CIH Scotland)

- 5.24 Respondents also sought clarity on how subsidy competition would work at the regional level, and what the procedure would be where Lead Developer proposals are not deemed satisfactory. Some consultees raised concerns about increased bureaucracy and costs and a number of RTO respondents said that there should be a role for tenants in the process for appointing Lead Developers.

6. CHAPTER FOUR – DEVELOPMENT CONSORTIA

Introduction

- 6.1 This section analyses the response in relation to chapter Four: Development Consortia. The chapter explains the role of the head of a consortium, formation of consortia, the importance of consortium agreements and the bodies which would be able to join a consortium.

Question 12

Do you agree with the proposed principles of consortia and responsibilities for consortium heads?

- 6.2 Approximately a third of consultees gave positive responses in relation to principles of consortia and the responsibilities for consortium heads, typically describing the principles as “appropriate” and “sound”.
- 6.3 By far the most common area of concern was in relation to the role of Lead Developers and the perceived inequality that will result within consortia. Respondents were concerned that Lead Developers will dominate the consortia with non-developing RSLs in ‘client’ role, and there were calls for a “partnership of equals” to be established with shared responsibilities and potentially through a jointly owned development vehicle.
- 6.4 While some welcomed the flexibility that had been described in the consultation document, others felt the proposals were too prescriptive and describe a ‘one type fits all’ solution. Many respondents said that they support greater collaborative working by RSLs but that this should be able to develop naturally and as appropriate to local contexts. Some said that the idea of consortia headed by a Lead Developer will be appropriate in some areas, but not others, and should not be a “forced” arrangement. For example, Bridgewater Housing Association said:

“This model may work in some parts of the country (particularly where there is already a strong local developer and a number of other RSLs with no development track record) and we do not wish to argue that it is inappropriate in all circumstances. But we would contend that there are other consortium models which would be more appropriate in our circumstances.”

(Bridgewater Housing Association)

- 6.5 Some respondents did not see what incentive there would be for RSLs to become consortium heads and take on the potential financial risk. There was also a view that the competitive process for appointing a Lead Developer would hinder rather than enhance partnership working within consortia.

“It’s not clear what incentive there is for RSL’s with development experience to participate in a voluntary selection process for prequalification and subsequently application for Lead Developer in a competitive environment.

This lack of clarity or shared agenda will hinder partnership working creating an atmosphere of distrust and self interest.” (South Lanarkshire Council)

6.6 Several respondents felt that there needed to be more detail on how the consortia model would operate in practice. There were also concerns that the consultation underestimates the complexities involved in establishing consortia and the time and resources required.

6.7 Some national and specialist RSLs raised concerns about the practical (and resource) implication of engaging with multiple consortia across Scotland. For example, Key Housing Association said:

“As a nationally operating organisation, in common with the bulk of specialist RSLs, we see real difficulties with engaging with multiple consortia across regions. We also feel that the proposals do not provide any safeguard to the possibility of specialist housing skills and approaches being marginalised by consortia with little experience (or interest) in supported accommodation provision.” (Key Housing Association)

Question 13

a. Do you agree with the proposals on formation of consortia, including the requirement of a formal agreement to govern relationships within consortia?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	21	6	2
RSLs - specialist	4	3	1
RSLs - rural	2	8	1
RSLs - urban / stock transfer (<1000 units)	7	15	7
RSLs - urban / stock transfer (>1000 units)	16	20	8
RSL Consortia	1	1	2
RTO	26	7	10
Organisations providing services to RSLs	3	4	12
Representative bodies	6	9	10
Private individuals	6	1	5
Other	5	0	4
Total	97	74	62
Percentage %	42	32	27
Percentage of those responding %	57	43	-

6.8 Nearly three-quarters of respondents answered this question. The response was relatively positive with a majority of those giving an answer (57%) supporting the proposals on formation of consortia. Many of those giving positive responses said that a formal agreement would be essential for the consortia.

“Formal agreement setting out roles and responsibilities and clear dispute resolution process will be essential for the consortia to function properly.” (South Lanarkshire Council)

- 6.9 Some respondents, while supportive of the approach, stressed that establishing consortia and putting formal arrangements in place is time consuming and resource intensive.

“The implementation of such consortia will be difficult and time consuming at a senior officer level. This, in its self, is a major element of work which may not lead to anything if that consortium is unsuccessful in its bid – this is lost time and money at a time when all Associations are looking at themselves in relation to efficiencies and cost savings.” (Hjaltland Housing Association)

- 6.10 Respondents were clear that there should not be a ‘one size fits all’ approach to forming consortia although there were different views on the level of flexibility that is being suggested. Some felt that the flexibility stated in the consultation was appropriate:

“The proposals on formation of consortia do offer the appropriate amount of flexibility to allow consortia to develop their structures over the pre-qualification stage. This seems sensible given the principles in the proposal will be new for many RSLs and they may need to consider which route or consortium would best suit their needs.” (Castlerock Edinvar)

- 6.11 A number of respondents said that there would have to be sufficient flexibility to take account of the range of sizes of consortia.

“In principle we agree with the proposals on formation of consortia but this would depend on how many members there would be in the consortium, what the different members would be responsible for and how big the area was that it would cover.” (Cairngorms National Park)

- 6.12 Among those disagreeing with the proposals for establishing consortia, the far most common view was that consortia should be entered into on a voluntary basis. Several respondents felt that the complexity and potential resource issues were too significant for them to support the proposals.

“We regard the consortia arrangements set out in the consultation document as unworkable. They would result in complex and expensive legal agreements having to be developed. We reiterate our view that strategic development partnerships should evolve as a “bottom up” process rather than the inflexible arrangements envisaged in the consultation document.”

(Milnbank Housing Association)

b. What guidance would be helpful to support the sector in setting up consortia and Lead Developer arrangements?

- 6.13 There was a relatively consistent response in relation to guidance to help establish consortia and Lead Developer arrangements. Most respondents sought guidance in relation to governance issues. In particular, respondents would like to see model / template agreements for setting up consortia.

“It may be useful to develop template legal agreements that could be used by consortia members.”
(West Lothian Council)

“Seeking legal and contractual advice on standard templates for consortia would ensure there was not a duplication of costs and efforts by different partners.”
(Hanover (Scotland) Housing Association)

- 6.14 Several respondents said that they would like guidance on agreements in relation to consortia membership, managing development risk and the transference of completed housing.

“It would be useful to develop a model agreement for a consortium. Programme agreements and grant offers will require to be revised. It would also be useful to develop a model legal agreement for the transfer of completed homes from the lead developer to the RSL that will own and manage the homes.”
(City of Edinburgh Council)

“Membership - including provisions relating to introduction of a new member / members, expulsion of a member in breach, member voluntarily withdrawing from membership: decision-making and implications in each case.”
(Turner and Townsend)

“The key matters are managing development risk, resolving funding shortfalls at the point of the sale of completed homes to consortia members and increasing the level of lending to meet the working capital necessary to finance the lead developer.”
(Geddes Consulting)

- 6.15 While respondents wanted to see clear guidance in relation to governance many stated that this should not be ‘over-prescriptive’.

“Guidance must not be overly prescriptive in terms of mechanisms and working relationships.”
(SFHA)

- 6.16 Many respondents felt that good practice guidance should be developed based on the experiences of development consortia already operating in Scotland and experiences from England. Shetland Islands Council also felt that experience from the private sector should be drawn on in guidance.

- 6.17 Respondents also sought guidance in relation to tax issues, charitable law implications and other relevant statutes. Link Group was concerned about charitable status and EU regulations:

“We also must establish if, as a Scottish Charity we are permitted to be a lead developer as it's described. We would have assumed this to be a trading activity and therefore would have to be delivered through a non-charitable subsidiary. The current proposals would not allow this. We also believe that any proposals will have to dovetail with European Procurement regulations (for example, length of programmes, timescales for advertising, selection, etc.).”
(Link Group)

- 6.18 I-Flair listed the following as areas for clarification through guidance:
- The ability of charitable RSLs to provide development services to non-charitable RSLs, including the view of HM Revenue and Customs.
 - Compliance with EU procurement directives
 - VAT and other taxation issues
 - The application of TUPE to the transfer of staff between organisations.

c. What guidance would be helpful to ensure tenant and community engagement in decision-making?

6.19 Generally, consultees found it difficult to answer this question in relation to the provision of guidance with many raising concerns about the overall impact the proposals could have on tenant and community engagement (for example, in relation to more ‘centralised’ development activity). Many respondents commented on tenant participation more generally and stated that this would be hampered by the Lead Developer proposals.

6.20 Many respondents (particularly local authorities and RSLs) felt that the question of providing “guidance” was inappropriate. There was a strong view that there is sufficient guidance and legislation and that the issue is making sure this is adhered to rather than developing new guidance for the development process.

“Inverclyde Council takes the view that existing guidance and existing legislation are sufficient and that the key to meaningful engagement in decision-making lies in putting the existing guidance and legislation into action rather than creating yet more guidance. The Scottish Government could make it a requirement that lead developers and consortiums must demonstrate that consultation has taken place... before work can begin.” (Inverclyde Council)

6.21 Several respondents emphasised the key importance of the LHS and SHIPs in setting priorities and that this was the stage where tenant and community engagement should take place.

“While the RSL partners may be able to bring additional local knowledge to the process (e.g. in relation to proposed housing mix etc.) and clearly have a role in consulting tenants and residents on issues of design and layout etc, the development consortia should not be re-assessing need in consultation with local communities.” (Renfrewshire Council)

6.22 Some respondents stated more strongly that tenants should be involved in consortium structures. This included tenant membership of the consortium Board / management team and / or tenant involvement in the appointment of Lead Developers for the consortium. It was stated that guidance would be useful in relation to setting up tenant working groups and appointing tenants to the management team in an advisory capacity. One consultee said that guidance would be beneficial in relation to training tenant representatives on the development process, using targets / indicators and working with developers to deliver new build programmes.

6.23 A number of respondents suggested that guidance would be most useful in relation to engaging tenant in the design and delivery of new housing. Raploch URC said that there should be guidance on, “*How best to work with community groups to discuss design issues, quality, housing management and maintenance*”.

Question 14

a. Do you consider that there may be circumstances in which consortium membership should include local authorities and other non-RSL bodies?

b. In what circumstances would you see this as appropriate?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	24	4	1
RSLs - specialist	6	2	0
RSLs - rural	9	1	1
RSLs - urban / stock transfer (<1000 units)	11	11	7
RSLs - urban / stock transfer (>1000 units)	28	10	6
RSL Consortia	1	0	3
RTO	25	11	8
Organisations providing services to RSLs	4	4	11
Representative bodies	14	4	8
Private individuals	7	1	4
Other	6	0	3
Total*	135	48	52
<i>Percentage %</i>	58	21	22
<i>Percentage of those responding %</i>	74	26	-

*this table includes some overlaps to reflect the nature of the responses

6.24 Around three-quarters of respondents supported for this proposal. However around one quarter felt that there were no circumstances in which local authorities and other non-RSL bodies should be able to join consortia. The main issue raised was in relation to local authorities and potential conflicts of interest if they become members of consortia. Respondents, including some local authorities, pointed out that councils have a strategic function (where they agree investment priorities with central government) and would be assessing bids from consortia that they are part of. There were also concerns about conflict resulting from local authorities’ role as major land owners, disposing of much of this land for development.

“With its duties in relation to strategic planning, land assembly and disposal, and funding, the local authority already undertakes a number of important (and sometimes conflicting) roles. Consortium membership would produce a further potential conflict of interest.” (GWSFHA)

“We disagree strongly with the proposal that local authorities may be members of a consortium. There is an inherent conflict of interest between their production of SHIPs and their input into regional prospectuses on the one hand, and being a delivery agent as part of a consortium on the other hand. This conflict of interest would increase if local authorities are building new affordable housing themselves.” (SFHA)

- 6.25 A few respondents were concerned that the potentials involvement of elected members would politicise and further complicate the approach to housing procurement. Concerns about the involvement of other non-RSL bodies related to the regulation of subsidiary RSL organisations and potential conflicts of interest in relation to private sector organisations.

“Private developers should probably be excluded from a consortium as they will ultimately be the group being commissioned by a consortium to build the new homes. Again the need to separate the commissioner role and contractor role is important.”
(CIH Scotland)

- 6.26 A majority (nearly three-quarters of those responding to the question) felt that there were circumstances in which consortium members should include local authorities and other non-RSL bodies. For all stakeholder groups a majority took this view with the exception of small urban / stock transfer RSLs (less than 1000 units) and organisations providing support to RSLs. And there was notable support for non-RSL membership among local authorities, larger urban / stock transfer RSLs (greater than 1000 units) and RTOs. Since those supporting non-RSL membership gave their reasons under both 14a and 14b we treat the two parts of the question together here.

- 6.27 There was broad support for non-RSL bodies joining consortia on grounds that this could broaden efficiencies in the provision of affordable housing, increase skills and expertise in consortia. There was stronger support for the involvement of local authorities than other non-RSL bodies. Council membership was supported on grounds that they could share risk, help ensure that strategic targets are met and potentially attract wider sources of funding into the consortium.

“There are potential advantages in non-RSL bodies being members of consortia, particularly where they can facilitate pooling of resources and sharing of expertise and services, across a collective working group. It is especially appropriate that if a local authority is to acquire new stock, this should be delivered using existing RSL expertise.”
(Williamsburgh Housing Association)

- 6.28 A majority of respondents felt that the most appropriate circumstance for local authority membership was when the council is intending to directly deliver affordable housing.

“If a local authority is looking to deliver a substantial programme of new house-building in its area, combining this with the programme of an RSL consortium may offer additional economies of scale.”
(Angus Council)

- 6.29 However, many consultees recognised that there were potential conflicts of interest to be resolved.

“There are potentially significant benefits to be gained through a Local Authority being part of an RSL led Consortium; however there are public procurement constraints for local authorities which must be resolved. There

may also be issues related to any potential conflict with the Local Authority’s strategic role related to investment decisions, however this could be addressed through the partnering arrangements between the Local Authority and the Lead Developing Housing Association.” (Fife Housing Association)

6.30 Several respondents argued that non-regulated partnerships (including existing development consortia) should be involved:

“The proposals exclude this option on the grounds that such a body would not be regulated or receive subsidy. However we see no reason why subsidy should not continue to be directed to individual registered association partners within the partnership.” (EVH)

Question 15

Are there circumstances in which bodies other than RSLs might be eligible to become heads of consortia and Lead Developers?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	20	7	2
RSLs - specialist	2	6	0
RSLs - rural	7	2	2
RSLs - urban / stock transfer (<1000 units)	13	10	6
RSLs - urban / stock transfer (>1000 units)	20	15	9
RSL Consortia	3	1	0
RTO	10	17	16
Organisations providing services to RSLs	3	5	11
Representative bodies	10	5	10
Private individuals	4	4	4
Other	4	0	5
Total	96	72	65
<i>Percentage %</i>	41	31	28
<i>Percentage of those responding %</i>	57	43	-

6.31 Just under three-fifths of those answering this question felt that there were circumstances where bodies other than RSLs might become heads of consortia and Lead Developers. For most stakeholder groups a majority took this view with the exception of: organisations providing service to RSLs; specialist RSLs, RTOs and private individuals. The strongest support for non-RSL Lead Developers came from local authorities and from a sizeable proportion of RSLs.

6.32 The most common response was in support of allowing non-RSL delivery vehicles (including existing development consortia) to act as Lead Developer. Respondents with this view felt that the regulatory issues raised in the consultation paper could be addressed and cited practice in England and Northern Ireland.

“It should be possible for a non-RSL delivery vehicle, set up on a not-for-profit basis and owned by RSLs, to act as the head of a consortium, providing clear

arrangements were in place to transfer completed houses to the RSL members. In England, it is possible to allocate subsidy to such bodies; we do not therefore see the regulatory issue as an insuperable problem.”

(Forth Valley Housing Network – excluding Link Group)

“We support the idea that a non RSL delivery vehicle jointly owned by registered RSLs should be eligible to act as a consortium head. We believe that the regulatory framework currently in place for RSLs could be applied to minimise the regulatory concerns which appear to be the key stumbling block.”

(Ochil View Housing Association)

- 6.33 Consultees supported a lead role for delivery partnerships on grounds of existing expertise and community links, greater potential for equality within a consortium (compared with a single Lead Developer) and the scope for sharing development risk.

“A jointly owned development company or special purpose vehicle may be the best way of giving expression to our preference for a ‘Partnership of Equals’. Such an organisation would employ the staff, procure contracts, raise development finance, and handle all the development administration on behalf of the member associations. It would spread the risk across the member RSLs rather than concentrating it in one RSL. It would be controlled by its members, and thus retain its focus on communities.”

(I-Flair)

- 6.34 Several respondents (primarily local authorities) felt that where a Council is developing new affordable housing they should be able to lead a consortium. COSLA felt that councils should be able to become Lead Developers since some councils are now developing social housing at costs below that of RSLs:

“Councils should have the opportunity to be lead developers as well as consortia members.”

(COSLA)

- 6.35 However, some respondents argued that there would be practical issues if the proposal for multi-authority regions is adopted – and that this might make the option unattractive for local authorities.

7. CHAPTER FIVE – PROPOSED COMPETITIVE MECHANISMS FOR AWARDING SUBSIDY AND APPOINTING LEAD DEVELOPERS

Introduction

7.1 This section summarises the responses to Chapter Five: Proposed Competitive mechanisms for Awarding Subsidy and Appointing Lead Developers. The chapter:

- Describes the underlying processes behind pre-qualification, formation of consortia and appointment of Lead Developers;
- Explains the proposed bidding arrangements for pre-qualified RSLs, including application of the proposed funding criteria in an assessment process;
- explains the route for pre-qualified RSLs to be recognised as a Lead Developer; and
- sets out proposals for a more streamlined and outcome-focussed grant agreement for Lead Developers.

Question 16

Do you agree that a pre-qualification process should be included in the new arrangements?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	25	4	0
RSLs - specialist	6	2	0
RSLs - rural	8	1	2
RSLs - urban / stock transfer (<1000 units)	14	8	7
RSLs - urban / stock transfer (>1000 units)	28	10	7
RSL Consortia	1	0	3
RTO	27	7	8
Organisations providing services to RSLs	5	1	13
Representative bodies	10	5	10
Private individuals	6	1	5
Other	6	0	3
Total	136	39	58
Percentage %	58	17	25
Percentage of those responding %	78	22	-

7.2 Three-quarters of respondents answered this question. Most respondents, including the vast majority of local authorities and a high proportion of RSLs agreed there was merit in introducing a pre-qualification process in any new arrangements. However, a number of local authorities suggested that they had a role in the assessment process as the strategic housing authority.

“If the lead developer proposals are to be progressed then the Council would see merit in the proposed pre-qualification process. Local authorities should have a key role in this process as the strategic housing authority”.

(Dumfries and Galloway Council)

“We would agree that a pre-qualification process should be established to ensure subsidy is directed to the most able and strongest performing RSLs. Local authorities need to be closely involved in both setting the criteria to ensure close links wider strategic priorities are achieved and should also be involved in the assessment process”. (South Lanarkshire Council)

7.3 One RSL (Trust) raised the issue of a conflict of interest if a local authority was a member of a consortium and they or their representative body was involved in pre-qualification selection.

7.4 Another (Atrium Homes) highlighted the lack of any appeals process being identified in the consultation document. They suggested that this requires to be included in the selection process.

7.5 One RSL (Hjatland) suggested that there might be circumstances in which a pre-qualification process was not beneficial. In keeping with the proposed treatment of Orkney, Shetland Islands and the Western Isles described in the consultation they suggested that, in areas where there is only one RSL operating, a pre-qualification process would not deliver good value for money.

7.6 Of the organisations that were opposed to the proposal, three main reasons were cited. Firstly, many disagreed with the principle of introducing lead developers.

“...pre-qualification may be ‘putting the cart before the horse’. Pre-qualification and the creation of lead developers appear in the consultation to be given greater weight and therefore greater importance than partnership working through a consortia approach”. (CIH Scotland)

7.7 A number of these respondents did however suggest that they would support the introduction of some form of accreditation.

7.8 Secondly, some suggested that criteria should already be in place to assess the performance of developing RSLs through scheme assessment and inspection processes.

“It is felt questionable whether a separate process is required – could qualification be the outcome of a satisfactory report under the current regulatory measures?” (Perth and Kinross Council)

7.9 Finally, a small number questioned whether the motive was to filter out the number of RSLs that would be eligible to apply to become lead developers.

“Why should there be pre-qualification for RSLs when we are already accepted developers. Is this a new artificial device to remove a number of RSLs at an early stage?” (Argyll Community Housing Association)

Question 17

Are the pre-qualification criteria and information requirements set out in Appendix C a reasonable basis on which to work with the Regulator, the SFHA and COSLA to refine the pre-qualification process?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	22	5	2
RSLs - specialist	4	3	1
RSLs - rural	7	2	2
RSLs - urban / stock transfer (<1000 units)	14	7	8
RSLs - urban / stock transfer (>1000 units)	25	8	11
RSL Consortia	1	0	3
RTO	23	5	15
Organisations providing services to RSLs	4	2	13
Representative bodies	9	6	10
Private individuals	5	1	6
Other	4	0	5
Total	118	39	76
<i>Percentage %</i>	51	17	33
<i>Percentage of those responding %</i>	75	25	-

7.10 Only two-thirds of respondents answered this question. Of those who did three-quarters agreed that that the criteria were appropriate as the basis for further work. Suggestions made for additional areas to be considered included:

- customer involvement in design and development of projects;
- programme management skills;
- some form of quality / price index to measure proposals against;
- record of partnership working with local authorities;
- criteria for innovation, design and sustainability;
- equalities;
- approach to sustainable rural development; and
- where and how risks will be borne;

7.11 The Council of Mortgage Lenders indicated that more detailed consideration of financial standing was required than the latest audited accounts and five year financial forecasts.

“It would in our view be also appropriate to consider the long-term viability and capacity of the HA concerned to both develop new stock and to continue to invest in existing stock. Lenders would normally do this by looking at 30 year business plans”.
(The Council of Mortgage Lenders)

7.12 Castlerock Edinvar suggested that the pre-qualifying prospectus should identify the scale of programme to be managed in each region. Trust Housing Association suggested that the criteria should be proportionate to the size of development an RSL wishes to bid for.

7.13 A number of RSLs highlighted that it was not yet clear what weighting would be given to different criteria or how the assessment would be carried out.

“...key in the process will be the weightings and criteria used for assessment”
(Servite Housing Association)

7.14 Some queried how the information already collected would be used.

“It is not clear how the wealth of information the Government itself already holds (or should hold) about past performance, standards, costs would be factored into the assessment. For example, no mention is made of post-completion review assessments which the Government and TMDF local authorities should be carrying out as part of the existing HAG procedures”.
(GWSFHA)

7.15 Thirty-nine (25 per cent) respondents indicated that they did not consider the criteria to be a reasonable basis on which to proceed. In many cases this was because specific criteria had been omitted. Examples included:

- partnership working to deliver LHSs and SHIPs;
- formal account being taken of the local authority’s perspective as strategic housing enabler;
- post completion resident satisfaction surveys;
- experience in the development of specialist housing for developers proposing to undertake such activity;
- quality of build standards; and
- housing management and property maintenance.

Question 18

Do you agree with the proposed funding criteria for bids for specific projects?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	21	8	0
RSLs - specialist	2	3	3
RSLs - rural	2	7	2
RSLs - urban / stock transfer (<1000 units)	4	14	11
RSLs - urban / stock transfer (>1000 units)	14	19	11
RSL Consortia	1	2	1
RTO	27	4	12
Organisations providing services to RSLs	3	3	13
Representative bodies	4	10	11
Private individuals	3	3	6
Other	5	0	4
Total	86	73	74
<i>Percentage %</i>	37	31	32
<i>Percentage of those responding %</i>	54	46	-

7.16 Only two-thirds of respondents answered this question. Just over half of these supported the proposed funding criteria. However, many of these responses were qualified.

7.17 Twenty-one local authorities broadly supported the proposals.

“The funding criteria capture the key considerations of quality, cost, management and capacity to deliver”. (North Ayrshire Council)

7.18 However, there were a number of underlying concerns, particularly in relation to the relative level of weighting that would be given to different criteria.

“We would ask the question of how much weighting would be given to each criteria. For example, if a local authority did not endorse a particular bid would that in effect stop the bid?” (Shetland Islands Council)

“The Council would advocate in favour of a consistent approach which puts quality at a minimum 60% as a means of not replicating the mistakes of past generations....It is our belief that the housing association movement in the past 5 years has produced a standard of product in design, space and energy efficiency that is a cost worth paying”. (Clackmannanshire Council)

“If the easy projects only are allowed to be funded this may inhibit problem solving and prevent strategic important sites being taken forward. This would have a significant impact in rural and regeneration areas”. (Aberdeenshire Council)

7.19 Of the eight local authorities raising concerns, a number questioned whether it was viable for RSLs to be certain about their proposals.

“We cannot see that an RSL would be in a position to accurately confirm the total amount of subsidy required at the stage the information requested”. (Glasgow City Council)

“(The RSL’s) ability to confirm that it can secure ownership of the site is likely to be heavily caveated....Having ownership in itself does not guarantee the site may be developed”. (East Ayrshire Council)

7.20 Many of the RSLs agreeing with the proposed funding criteria caveated their responses around a number of issues. Qualifications included:

- disagreement with the principles of lead developers;
- the need to develop a transparent appraisal system;
- concerns over the level of financial information that will be available at this stage; and
- problems associated with land ownership or acquisition.

7.21 Those RSLs stating their opposition were generally opposed to the principle of competition for subsidy. In addition there were concerns over whether pre-

qualifying RSLs could demonstrate ‘deliverability’ over a multi-year programme.

“It is difficult to see how an RSL can embark on a process to acquire sites for a proportion of a proposed programme ahead of funding being available”.
(Cube Housing Association)

“The main flaw of the proposed funding criteria is the expectation that an RSL must be able to confirm the total subsidy required. In order to do so, each project would need to be taken to cost plan stage (at least), before a RSL could submit proposals. This is extremely wasteful, inefficient and simply not practical”.
(Williamsburgh Housing Association)

Question 19

Do you agree with our proposed approach to development of an assessment framework?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	20	7	2
RSLs - specialist	4	2	2
RSLs - rural	3	6	2
RSLs - urban / stock transfer (<1000 units)	6	12	11
RSLs - urban / stock transfer (>1000 units)	13	18	13
RSL Consortia	1	0	3
RTO	26	2	15
Organisations providing services to RSLs	3	2	14
Representative bodies	4	8	13
Private individuals	5	1	6
Other	4	0	5
Total	89	58	86
<i>Percentage %</i>	38	25	37
<i>Percentage of those responding %</i>	61	39	-

7.22 Just under two-thirds of respondents answered this question with three-fifths broadly agreeing with the proposed approach to the development of an assessment framework.

7.23 Twenty local authorities indicated their support for the proposals in contrast to RSLs which broadly disagreed with the proposals. In particular, local authorities generally welcomed the assessment framework being progressed jointly with COSLA and the SFHA. A number suggested that the role of local authorities required to be clarified.

“...we agree that it is very important that local authorities are able to contribute to the assessment of proposals....it is essential that the roles and responsibilities of local authority and Scottish Government staff are clarified and that there is transparency around the decision making process”.
(Renfrewshire Council)

- 7.24 CIH Scotland suggested that the Scottish Government should consider the appropriateness of including others with a key interest in developing the framework.

“This may include lenders or representatives of lenders, representatives of private builders and tenants’ bodies. The Scottish Government may also wish to consider if there is a role for an impartial, cross-sector voice on any group that considers the framework in more detail”. (CIH Scotland)

- 7.25 Of the 26 RSLs indicating their broad support, the importance of transparency and objectivity was highlighted by many.

“...essential that it is fully transparent and that there is an appeals procedure”. (Port of Leith Housing Association)

- 7.26 One (Hillcrest Housing Association) suggested it might be appropriate to involve the Scottish Housing Regulator. A number raised the issue of the relative weightings that would be given to price and quality criteria.

“The issue of quality versus quantity requires to be addressed. We broadly agree with the assessment proposals outlined and welcome the introduction of a transparent framework to assess funding bids. The requirement to meet and exceed subsidy targets is a given and we are keen to see other criteria introduced which will look at additional benefits such as wider community regeneration outputs and innovation in relation to environmental sustainability, etc.” (Home Scotland)

- 7.27 The seven local authorities that were not supportive of the approach to the assessment framework raised issues concerning the role of councils in the assessment process.

“...local authorities must be central to the process”. (South Ayrshire Council)

“Projects are already prioritised within the SHIPs prepared by local authorities, so would it not be more logical to allocate subsidy to projects which meet the funding criteria on the basis of SHIP prioritisation?” (Angus Council)

- 7.28 Scottish Borders Council and the Borders Housing Network suggested that competition cannot guarantee the best results.

“In our situation inappropriate competition could lead to the appointment of a developer with no experience of working with the local construction industry, little understanding of the local Borders situation, with no history of working with the local authority, and little likelihood of support from local non-developing associations”.

(Scottish Borders Council / Borders Housing Network)

- 7.29 I-Flair suggested that the framework was too focused on ‘price’.

“Whilst we are in agreement with the need to demonstrate efficiency, we are opposed to such an assessment which will encourage cost cutting, to the detriment of the eventual occupants of the houses; encourage larger schemes at lower unit costs, to the detriment of communities where the need is for a more small scale and sensitive approach; deter innovation in design, risk taking and community involvement...” (I-Flair)

- 7.30 The Glasgow and West of Scotland Forum of Housing Associations raised concerns about the future ownership and management of new housing.

“It is not enough to ‘specify’ who the future owner and manager of the stock will be, without providing much more information about how the process of transfer would be expected to work in contractual and financial terms”. (GWSFHA)

Question 20

How might we enhance the involvement of local authorities, RSLs and other stakeholders in the assessment of proposals?

- 7.31 The SFHA and a number of respondents – particularly RSLs – declined to answer this question as they were opposed to the underlying principles of competition. Many of the other respondents raised the need for clear and transparent procedures to be established with *“full consultation on the assessment criteria and the assessment framework before it is finalised”* (West Lothian Council). Making a link between the LHS, SHIP, Regional Prospectus and funding assessment proposals was reiterated by many.

- 7.32 A number of local authorities and some RSLs suggested that local authorities should be involved in the assessment process.

“Local authorities should be fully involved in the whole assessment process”. (The Moray Council)

“We expect local authorities to be fully involved in the appraisal of all proposals.” (Argyll and Bute Council)

- 7.33 City of Edinburgh Council highlighted the use it made of an Assessment Panel to assess applications from RSLs for Preferred Partner status.

- 7.34 North Ayrshire Council suggested the involvement of an independent assessor to “triangulate” assessments undertaken by Scottish and local government representatives.

- 7.35 South Lanarkshire Council and the Association for Public Service Excellence proposed a collaborative approach involving local authorities in the preparation of Regional Prospectuses.

- 7.36 Other respondents suggested the involvement of RSLs, tenant representatives, equalities groups and private developers in the assessment

process.

“Consultations with individual local authorities, RSLs and tenant and community organisations should take place as part of the assessment process”.
(TPAS Scotland)

- 7.37 However, the challenge of balancing transparent commissioning procedures with potential conflicts of interest was highlighted by a number of respondents. CIH Scotland felt it would be difficult to bring RSLs further into the assessment process and they would, in effect, be contractors. I-Flair raised concerns over the involvement of local authorities for a number of reasons.

“Firstly, where local authorities themselves are building houses, they will not be impartial in their choice of other developers; secondly where local authorities have been active in the promotion and development of consortia – and we favour such an involvement – they will be pre-disposed towards the consortium at the expense of others. Thirdly, it is unclear how local authorities will decide priorities between their individual areas”.
(I-Flair)

- 7.38 Not all respondents favoured an inclusive approach to the assessment of proposals. Bield Housing Association raised concerns over the potential for increased delays in the development process. They argued that local authorities and others are involved in shaping the LHS and SHIP documents, and it is up to the Scottish Government to manage the programme efficiently.

“It would be somewhat ironic if in trying to make development more efficient by reducing the number of developing RSLs the process became more complicated by introducing more bodies to the appraisal process”.
(Bield Housing Association)

- 7.39 This view was reinforced by others.

“We already have SHIPs, Local Housing Strategies and there is also the planning system. These proposals add Regional Prospectuses, HAG Competition and Consortium Agreements. It would appear that these should give sufficient opportunities for engagement in the process without adding yet more bureaucracy”.
(Fyne Homes)

Question 21

Do you agree with our proposed approach to the appointment and management of Lead Developers?

	Broadly Agree	Broadly Disagree	No Response
Local authorities	17	9	3
RSLs - specialist	2	4	2
RSLs - rural	0	9	2
RSLs - urban / stock transfer (<1000 units)	5	19	5
RSLs - urban / stock transfer (>1000 units)	17	19	8
RSL Consortia	1	1	2
RTO	17	17	9
Organisations providing services to RSLs	4	3	12
Representative bodies	2	14	9
Private individuals	3	3	6
Other	6	0	3
Total	74	98	61
<i>Percentage %</i>	32	42	26
<i>Percentage of those responding %</i>	43	57	-

- 7.40 Overall nearly three-quarters of respondents expressed a view, with a majority broadly disagreeing.
- 7.41 Seventeen local authorities were broadly supportive of the proposed approach to the appointment and management of Lead Developers, with some caveats.
- 7.42 Angus Council queried the logic of appointing more than one lead developer in each region. Whilst they recognised that the merit of the approach in terms of avoiding the creation of regional monopolies, they suggested that this would reduce the scope for economies of scale.
- 7.43 Orkney Islands Council suggested that lead developers will find little in the way of competition when seeking re-appointment after five years. Glasgow City Council felt that the requirement to provide 'fully costed' project proposals for the first 12 to 24 months was unrealistic. West Lothian Council highlighted the importance of performance monitoring.
- 7.44 Five of the nine authorities that were not supportive of the proposals suggested that there was a need for more detailed information on the appointment of Lead Developers. Three councils felt that the proposals took insufficient cognisance of the role of local authorities.
- 7.45 Dumfries and Galloway Council and North Lanarkshire Council both felt that the consultation document did not provide the evidence base for Lead Developers to be introduced.

"It is not clear why [the goal of delivering the majority of the Investment Programme through Lead developers] has been set, other than to transfer administrative costs away from the Scottish Government to the consortium

members, as at no point does the documents evidence volume savings during the construction phase as a result of this proposal”.

(Dumfries and Galloway Council)

7.46 South Lanarkshire Council raised concerns that appointing Lead Developers “to deliver large scale programmes with the risk that this may be on the basis of short term contracts” would introduce risk and uncertainty resulting in loss of experience and expertise in the sector.

7.47 CIH Scotland suggested that the appointment of the Lead Developer should be tied into the consortium process. Each consortium should apply for pre-approval rather than individual RSLs and then agree which RSL in the consortium should be lead developer.

“CIH suggests that this is best practice in partnership working, which the consortia process should be. The links, degree of trust, sharing of information and financial viability/ business planning and governance between the consortium partners is crucial and it is these relationships and agreements that the Scottish Government and its local authority partners should be concerned with, rather than the status of individual RSLs.” (CIH Scotland)

7.48 A considerably greater proportion of RSLs than local authorities disagreed with the proposals - although the proportion broadly agreeing increased with larger urban and stock transfer organisations.

7.49 A large number of those indicating their disagreement once again cited the level of risk a Lead Developer would be expected to take and many were sceptical that the proposal would result in the benefits envisaged. A number suggested that it would result in reduced choice as RSLs lost skills and expertise.

“It would be preferable to have a partnership based approach with the sharing of risk and allowing RSLs to bring their particular area of expertise to the partnership and allow continuous improvement from sharing knowledge and skills within the partnership”. (Arklet Housing Association)

7.50 The Rural and Island Housing Association Forum felt that the expectations being placed on Lead developers were unrealistic. Their concerns related to a range of issues including TUPE, charitable status, VAT, EU procurement and long term financial planning.

“We have doubts that any significant benefits will arise from the competition element of the proposals, particularly in rural areas. In the longer term there is likely to be a threat to diversity of providers, as the organisations unsuccessful in the first round, will have de-skilled”. (RIHAF)

7.51 Of those RSLs generally supporting the proposed approach issues relating to the length of the lead developer contract were raised by a number of RSLs. Grampian Housing Association was concerned that the proposed five year time limit was too short’ given the time it would take to become fully functional.

Irvine Housing Association, on the other hand, suggested that if renewal of Lead Developers only takes place every five years it would be difficult for RSLs to make competitive bids against existing developers resulting in a lack of incentive to improve procurement functions.

- 7.52 Castlerock Edinvar indicated that whilst an agreement setting out how consortia will operate should be relatively straightforward, agreement covering the transfer of housing and the treatment of risk will be significantly more complicated. This view was echoed by Home Scotland who suggested the new proposals might take some time to deliver.

“The document raises significant questions regarding issues such as risk for Lead Developers and the relationship with consortium members, legal responsibilities, funding roles, etc. and for this reason we would envisage these proposals being phased in over a more gradual period”.

(Home Scotland)

Question 22

- a. Do you agree with the overall approach to grant agreements for Lead Developers as set out here?**

	Broadly Agree	Broadly Disagree	No Response
Local authorities	19	5	5
RSLs - specialist	3	3	2
RSLs - rural	1	7	3
RSLs - urban / stock transfer (<1000 units)	4	12	13
RSLs - urban / stock transfer (>1000 units)	19	16	9
RSL Consortia	1	1	2
RTO	18	11	14
Organisations providing services to RSLs	1	4	14
Representative bodies	3	10	12
Private individuals	3	2	7
Other	3	0	6
Total	75	71	87
Percentage %	32	30	37
Percentage of those responding %	51	49	-

- 7.53 Around three-fifths of respondents expressed a view. A very small majority of respondents answering this question welcomed the principle of streamlining the administration of grant agreements by linking subsidy to agreed outcomes and outputs. Many of those who indicated their disagreement based this on streamlining only being proposed for lead developers.

“Longer term planning agreements are universally agreed to be one of the most important factors in realising the potential for greater efficiency in the planning and delivery of investment programmes”.

(GWSFHA)

“CIH would prefer to see grant agreements being made with a consortium rather than an individual RSL...”

(CIH Scotland)

7.54 A number of those indicating their support raised specific issues. Argyll and Bute Council (and others) pointed to the need for clear guidelines on monitoring the payment of grant against outputs and outcomes. Highland Council highlighted the need for quick interventions if Lead Developers did not meet their targets. Whilst Inverclyde Council supported the view that a Lead Developer would receive reduced funding in such circumstances, they recognised this could have an adverse impact on non-developing members of the consortium.

7.55 Renfrewshire Council welcomed the objective of a more streamlined approach but suggested the proposed changes could lead to an increased burden of administration within Lead Developer organisations. This view was reinforced by Scottish Borders Council.

“There is a substantial risk of creating an increased burden of financial risk and administration within Lead Developer RSLs which would counter the advantages of streamlining”.

(Scottish Borders Council / Borders Housing Network)

7.56 Both City of Edinburgh and Glasgow City Councils welcomed the opportunity to work with the Scottish Government and SFHA to develop a revised grant agreement.

7.57 Fife Housing Partnership highlighted that streamlined arrangements were already successfully in place in Fife. However, Castlerock Edinvar suggested that:

“a fundamental overhaul of the current grant administration system is required that will allow flexibility within the system to enable Lead Developers to procure new homes in the most efficient manner whilst taking account of the risks and rewards of being a Lead Developer”.

(Castlerock Edinvar)

7.58 This was amplified by the Link Group which queried whether individual projects would still require assessment and be subject to specific grant approvals.

“If this is to be the case it is unlikely that ‘streamlining’ will be of great value, other than to have in place a grant planning target over a specified time period”.

(Link Group)

b. What do you suggest we could alter to make grant payments more streamlined?

7.59 Local authority respondents made a number of suggestions including longer term commitments to future funding and a tranche based grant payment system which is broadly what is reflected in the proposals. The importance of a robust performance framework was recognised by a number of respondents.

7.60 Not surprisingly RSLs provided a greater range of opinions. A number suggested that streamlining of the project assessment / appraisal process was a greater priority than grant payment. Many proposed that longer term programmes were the priority. Others agreed with the reduction in the level of scrutiny associated with grant payments that was implicit within these proposals.

“...the grant payment system could be designed to become similar to a loan drawdown facility”. (Link Group)

“Maximum level of grant set based upon detailed costs, with total flexibility on how that grant is used”. (Horizon Housing Association)

“...one payment at acquisition and one payment at start on site”. (Castlerock Edinvar)

“Associations would benefit greatly from long term funding and a much lighter approach to monitoring, there is a strong case to be made for a much more streamlined approach, with draw down against programme agreements and milestones rather than there being detailed analysis on a scheme by scheme basis”. (SFHA)

7.61 Grampian Housing Association highlighted the Devanha model where there is fixed grant allocation for three or more years. Fife Housing Partnership indicated that regular programme meetings involving the Scottish Government, Fife Council and RSLs to monitor key performance indicators had led to a reduction in project approval times. Aberdeenshire Housing Partnership recommended that a review of the approaches being developed across Scotland should be undertaken to identify best practice and areas for improvement.

8. CHAPTER SIX – IMPLEMENTATION

Introduction

8.1 This section summarises the response in relation to Chapter Six: Implementation. The chapter sets a proposed timescale for implementing the proposals and seeks views on what to include in a monitoring and evaluation framework.

Question 23

Do you have any comments on the proposed timetable?

8.2 The overwhelming majority of the 171 organisations and individuals who responded to this question raised concerns over the proposed implementation timescales. Phases such as “overly ambitious”, “challenging” and “unrealistic” were common responses.

8.3 None of the local authorities that responded felt the timescales to be achievable. Particular concerns raised related to the proposal that regional Prospectuses should be published by November 2009.

“From a local authority point of view, the target of November 2009 for publishing regional Prospectuses will be difficult to meet (given the work which still has to be undertaken in relation to identifying regions, bringing together SHIPs and taking account of the resources available....”

(Renfrewshire Council)

8.4 All 15 representative bodies that responded to the question raised concerns over the proposed timescales.

“...existing, successful consortia have evolved over time, learning, responding to local conditions, building on partners’ strengths and weaknesses. It is entirely inappropriate to expect consortia to be formed and working relationships to be resolved in such a short timescale”. (SFHA)

8.5 One highlighted the potential negative consequences of a protracted debate over implementing any proposals.

“Timing is a problem but delaying or continuing this debate for a longer period will also create a spectre and diversion for professional staff, and bodies.”

(EVH)

8.6 All but one (Clyde Valley Housing Association) of the 83 individual RSLs or consortia of RSLs that responded also raised concerns about the timescales outlined.

Question 24

Which indicators and what aspects of the Investment Programme should be included in a monitoring and evaluation framework?

- 8.7 Respondents suggested a mix of quantitative and qualitative indicators should be included in a monitoring and evaluation framework. Typical indicators cited included the number and type of houses completed, unit costs and subsidy levels, information about quality and sustainability and the extent to which local programmes deliver on the priorities set out in SHIPs. Others suggested affordability of rents, meeting wider regeneration objectives and resident involvement.
- 8.8 A number of consultees highlighted the importance of good baseline information so that meaningful comparisons could be made with previous procurement arrangements.
- 8.9 CIH Scotland suggested that it was premature to comment on a monitoring and evaluation framework until an investment framework and procurement methods had been agreed.

ANNEX ONE– CONSULTATION RECIPIENTS

List of Consultation Recipients

The following organisations were specifically invited to respond to the consultation:

Aberdeen City Council
Aberdeenshire Council
Angus Council
Argyll and Bute Council
City of Edinburgh Council
Clackmannanshire Council
Comhairle nan Eilean Siar (Western Isles Council)
Dumfries and Galloway Council
Dundee City Council
East Ayrshire Council
East Dunbartonshire Council
East Lothian Council
East Renfrewshire Council
Falkirk Council
Fife Council
Glasgow City Council
Inverclyde Council
Midlothian Council
Moray Council
North Ayrshire Council
North Lanarkshire Council
Orkney Islands Council
Perth and Kinross Council
Renfrewshire Council
Scottish Borders Council
Shetland Islands Council
South Ayrshire Council
South Lanarkshire Council
Stirling Council
The Highland Council
West Dunbartonshire Council
West Lothian Council

The Aberdeen City Alliance
Aberdeenshire Community Planning Partnership
Angus Community Planning Partnership
Argyll & Bute Community Planning Partnership
Clackmannanshire Community Planning Partnership
Dumfries & Galloway Partnership
Dundee Community Planning Partnership
East Ayrshire Community Planning Partnership
East Dunbartonshire Community Planning Partnership
East Lothian Community Planning Partnership

East Renfrewshire Community Planning Partnership
Edinburgh Partnership
Falkirk Community Planning Partnership
Fife Partnership
Glasgow Community Planning Partnership Ltd
Highland Wellbeing Alliance
Inverclyde Alliance
Midlothian Community Planning Partnership
Moray Community Planning Partnership
North Ayrshire Community Planning Partnership
North Lanarkshire Partnership
Orkney Community Planning Partnership
Outer Hebrides Community Planning Partnership
Perth and Kinross Community Planning Partnership
Renfrewshire Community Planning Partnership
Scottish Borders Community Planning Partnership
Shetland Community Planning Partnership
South Ayrshire Community Planning Partnership
South Lanarkshire Community Planning partnership
Stirling Community Planning Partnership
West Dunbartonshire Community Planning partnership
West Lothian Community Planning Partnership

Age Concern Scotland (ACS)
Alzheimer Scotland - Action on Dementia
Architecture and Design Scotland (A+DS)
Association of Chartered Certified Accountants (ACCA)
Association of Local Authority Chief Housing Officers (ALACHO)
Audit Scotland
Benefit Fraud Inspectorate (BFI)
Black and Ethnic Minority Infrastructure in Scotland (BEMIS)
Cairngorms National Park Authority
Capability Scotland
Catholic Parliamentary Office
Central Scotland Racial Equality Council Ltd (CSRECL)
Chartered Institute of Housing (CIH) Scotland
Chartered Institute of Management Accountants (CIMA)
Chartered Institute of Public Finance and Accountancy (CIPFA) in Scotland
Citizens Advice Scotland (CAS)
Construction Industry Council (CIC)
Convention of Scottish Local Authorities (COSLA)
Council of Ethnic Minority Voluntary Sector Organisations (CEMVO) Scotland
Council of Mortgage Lenders (CML) Scotland
Cyrenians
Deaf Action
Deafblind Scotland
Department for Communities and Local Government (DCLG) - Housing Strategy and Support
Department for Work and Pensions (DWP) - Housing Benefits Strategy Division
Edinburgh & Lothians Racial Equality Council (ELREC)

Employers in Voluntary Housing (EVH)
Enable
Energy Action Scotland (EAS)
Energy Savings Trust Scotland
Engender
English Partnerships
Equality and Human Rights Commission
Equality Network
Glasgow Caledonian University - Department of Economics
Glasgow Caledonian University - Scottish Poverty Information Unit
Glasgow Homelessness Network (GHN)
Grampian Racial Equality Council (GREC)
Haig Homes
Help the Aged
Heriot-Watt University - School of the Built Environment
Highlands and Islands Enterprise (HIE)
HM Inspectorate of Education
HM Treasury - Housing and Urban Team
Homes for Scotland (HfS)
Housing Quality Network (HQN)
Inclusion Scotland
Institute of Chartered Accountants in Scotland (ICAS)
Joseph Rowntree Foundation (JRF)
Leonard Cheshire Scotland
Loch Lomond and Trossachs National Park Authority
Mobility and Access Committee for Scotland (MACS)
National Approved Lettings Scheme (NALS)
Northern Ireland Assembly - Housing Research Policy and Legislation
Northern Ireland Housing Executive
Office of the Scottish Charity Regulator (OSCR)
Positive Action in Housing (PAIH)
Poverty Alliance
Royal National Institute for Deaf People (RNID) Scotland
Royal National Institute for the Blind (RNIB) Scotland
Rural Housing Service
Save the Children
Scottish Association for Mental Health (SAMH)
Scottish Churches Parliamentary Office (SCPO)
Scottish Commission for the Regulation of Care (SCRC)
Scottish Consortium for Learning Disability (SCLD)
Scottish Council for Single Homeless (SCSH)
Scottish Council for Voluntary Organisations (SCVO)
Scottish Council of Jewish Communities (SCoJeC)
Scottish Council on Deafness (SCoD)
Scottish Deaf Association (SDA)
Scottish Disability Equality Forum (SDEF)
Scottish Enterprise (SE)
Scottish Federation of Housing Associations (SFHA)
Scottish Housing Best Value Network (SHBVN)
Scottish Interfaith Council (SIFC)

Scottish Islamic Foundation (SIF)
Scottish Older Peoples Advisory Group (SOPAG)
Scottish Public Services Ombudsman (SPSO)
Scottish Refugee Council (SRC)
Scottish Trade Union Congress (STUC)
Scottish Urban Regeneration Forum (SURF)
Scottish Women's Aid (SWA)
Scottish Women's Convention (SWC)
Sense Scotland
Shelter Scotland
Social Economy Scotland (SES)
Social Work Inspection Agency (SWIA)
Society of Local Authority Chief Executives (SOLACE) Scotland
St. Andrews University - Centre for Housing Research
Stonewall Scotland
The Audit Commission Housing Inspectorate
The Big Issue
The Housing Corporation
Traveller Education and Information Project (TEIP)
Travellers Site Managers Association (TSMAS)
University of Aberdeen - Centre for Study of Public Policy
University of Edinburgh - School of Social and Political Science
University of Glasgow - Department of Urban Studies
University of Highlands and Islands (UHI) - UHI Policy Web
University of Stirling - Department of Applied Social Science
University of Strathclyde - Senior Studies Institute
University of York - The Centre for Housing Policy
Volunteer Development Scotland (VDS)
Welsh Assembly Government - Housing, Social Justice and Regeneration
West of Scotland Racial Equality Council (WSREC)
West of Scotland Seniors Forum (WSSF)
World Wildlife Fund (WWF) Scotland

ANNEX TWO – CONSULTATION RESPONDENTS

List of Respondents

The following organisations and individuals responded to the consultation:

Local authorities

Aberdeen City Council
Aberdeenshire Council
Angus Council
Argyll and Bute Council
City of Edinburgh Council
Clackmannanshire Council
Comhairle nan Eilean Siar (Western Isles Council)
Dumfries and Galloway Council
East Ayrshire Council
East Dunbartonshire Council
East Lothian Council
East Renfrewshire Council
Falkirk Council
Glasgow City Council
Highland Council
Inverclyde Council
Midlothian Council
Moray Council
North Ayrshire Council
North Lanarkshire Council
Orkney Islands Council
Perth and Kinross Council
Renfrewshire Council
Scottish Borders Council (responding with the Borders Housing Network)
Shetland Islands Council
South Ayrshire Council
South Lanarkshire Council
West Dunbartonshire Council
West Lothian Council

Registered Social Landlords (RSLs)

Abbeyfield Scotland
Aberdeenshire Housing Partnership
Abertay Housing Association
Abronhill Housing Association
Albyn Housing Society, Cairn Housing Association, Lochaber Housing Association,
Lochalsh & Skye Housing Association and Pentland Housing Association (shared
response)
Almond Housing Association
Angus Housing Association

Ardenglen Housing Association
Argyll Community Housing Association
Arklet Housing Association
Atrium Homes
Ayrshire Housing
Bield Housing Association
Blairtummock Housing Association
Bridgewater Housing Association
Cairn Housing Association
Calvay Housing Association
Cassiltoun Housing Association
Castlehill Housing Association
Castlerock Edinvar Places for People
Cathcart and District Housing Association
Cloch Housing Association
Clyde Valley Housing Association
Clydesdale Housing Association
Cordale Housing Association
Craigdale Housing Association
Cube Housing Association
Cunninghame Housing Association
Dumfries and Galloway Housing Partnership
Dunbritton Housing Association
East Kilbride and District Housing Association
East Lothian Housing Association
Easthall Park Housing
Fife Housing Association
Forth Housing Association
Fyne Homes Limited
Gardeen Housing Association
Garrion and Forgewood
Glasgow Housing Association
Glen Oaks Housing Association
Grampian Housing Association
Hanover (Scotland) Housing Association
Hebridian Housing Partnership
Hillcrest Housing Association
Hillhead Housing Association
Hjaltland Housing Association
Home Scotland
Horizon Housing Association
Irvine Housing Association
Key Housing Association
Knowes Housing Association
Lanarkshire Housing Association
Langstane Housing Association
Larkfield Housing Association
Link Group
Linstone Housing Association
Loreburn Housing Association

Loretto Housing Association
Margaret Blackwood Housing Association
Maryhill Housing Association
Melville Housing Association
Milnbank Housing Association
New Gorbals Housing Association
Next Step Homes
North Glasgow Housing Association
Oak Tree Housing Association
Ochil View Housing Association
Orkney Housing Association
Paragon Housing Association
Parkhead Housing Association
Partick Housing Association
Perthshire Housing Association
Port of Leith Housing Association
Provanhall Housing Association
Queen's Cross Housing Association
River Clyde Homes
Rural Stirling Housing Association
Rutherglen and Cambuslang Housing Association
Servite Houses
Shettleston Housing Association
Shire Housing Association
Southside Housing Association
Tenants First Housing Co-operative
Thenew Housing Association
Trafalgar Housing Association
Trust Housing Association
Welso Housing Management
West Highland Housing Association
Whiteinch and Scotstoun Housing Association
Williamsburgh Housing Association
Wishaw and District Housing Association
Yoker Housing Association

RSL Consortia

Devanha
Fife Alliance
Highland Housing Alliance
The Rowan Group

Registered Tenants Organisations (RTOs)

Annan East Tenants and Residents Association
Ballater and Crathie Community Council
Balmoral Tenants and Residents Association
Bingham Tenants Organisation
Blackness Area Residents Association

Castlepark and Eglinton Group
Clackmannanshire Tenants and Residents Federation
Community Regeneration Forum
Craigie Residents Association
Cunninghame Housing Association's Registered Tenants Organisations
Dundee Federation of Tenants Associations
Dundee Hillcrest Tenants Forum
East Lothian Tenants and Residents Panel
Eastpark Residents Association
Edinburgh Tenants and Residents Associations
Eildon Tenants Organisation
Eskview Tenants and Residents Association
Five Sister's Area Committee
Fullarton Tenants Association
Govan Residents Association
Invergordon Albyn Residents Association
Lossiemouth Tenants Forum
Maxwellton Court Tenants and Residents Association
Midlothian Tenants Forum
Milton Albyn Housing Forum
Nairn Suburban Community Council
Old Town Residents Association
Partick United Residents Group
Perth and Kinross Residents and Tenants Federation
Radnor Park Tenants Association
Regional Network 1
Rockwell Tenants and Residents Association
Rosshead Tenants and Residents Association
Scottish Borders Tenants Organisation
Scottish Tenants Organisation (STO)
Sheuchan Owners and Tenants
Shortlees Tenants and Residents Association
South Gardens Tenants Organisation
South Lanarkshire Tenants Development Support Project
Speycoast Tenants Forum
Strathfillan Housing Group
Treetops Tenants and Residents Association
Waterside Tenants and Residents Association

Organisations providing services to RSLs

CHAP Construction
Geddes Consulting
Hahn Practice Scotland
John Brown (Strone) Ltd
Lorne Macleod
M&K Macleod Limited
Mactaggart and Mickel
McGrigors LLP
Neilson Binnie-McKenzie

Orkney Builders Ltd
OSC Eco homes Ltd
Pert-Bruce Construction
RE Campbell Ltd
Stewart Milne Homes
Traprain Consultants
TSL Contractors Ltd
Turner and Townsend
Wates Living Space

Representative bodies

Borders Housing Network (responding with Scottish Borders Council)
Building Societies Association (BSA)
Chartered Institute of Housing (CIH) Scotland
Convention of Scottish Local Authorities (COSLA)
Council of Mortgage Lenders (CML)
Employers in Voluntary Housing (EVH)
Fife Housing Partnership
Forth Valley Housing Network (excluding the Link Group)
Glasgow and West of Scotland Development Forum
Glasgow and West of Scotland Forum of Housing Associations (GWSFHA)
Greater Easterhouse Community Ownership Forum (GECOF)
Homes for Scotland (HfS)
I-Flair (Inverclyde Housing Association Forum and Federation of Local Associations in Renfrewshire)
Lanarkshire Voluntary Housing Forum (LVHF)
Lothian Housing Forum
National Federation of Property Professionals (NFOPP)
Royal institute of Chartered Surveyors (RICS) Scotland
Rural and Island Housing Association Forum (RIHAF)
Rural Housing Service
Scottish Building Federation (SBF)
Scottish Churches Housing Action (SCHA)
Scottish Disability Equality Forum (SDEF)
Scottish Federation of Housing Associations (SFHA)
Scottish Rural Property and Business Association (SRPBA)
Tayside Grampian & Fife Senior Officers Group
Tenant Participation Advisory Service (TPAS) Scotland

Private individuals

Eric Allan
Joseph Cassidy
John Deasy
Samuel Hewitt
Sandra Knight
Richard Leiper
Phil McCafferty
Lynne Palmer

Others

Association for Public Sector Excellence (APSE)

Cairngorms National Park

Care Commission

Forth Ports PLC

Loch Lomond and The Trossachs National Park

Raploch Urban Regeneration Company

Alan Reid MP

Strathmore Estates

UNISON

ISSN 0950 2254
ISBN 978 0 7559 7556 3
(Web only publication)

www.scotland.gov.uk/socialresearch

The text pages of this document are produced from 100% Elemental Chlorine-Free material.
The paper carries the Nordic Ecolabel for low emissions during production, and is 100% recyclable.

RR Donnelley B61029 06/09

