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# NORTH AYRSHIRE COUNCIL

15 June 2021

## Cabinet

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**Title:** Housing to 2040

**Purpose:** To update Cabinet on the 'Housing to 2040' paper, published in March 2021.

**Recommendation:** That Cabinet (i) notes the key areas of focus within the paper; (ii) notes the intention to develop a Housing to 2040 Steering Group which will consider the strategic implications for North Ayrshire Council and develop an action plan to achieve appropriate standards/targets within established timescales to be reported to a future Cabinet (iii) approves an annual progress reporting cycle thereafter.

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### 1. Executive Summary

- 1.1 On 15 March 2021, the Scottish Government published '[Housing to 2040](#)', described as "Scotland's first ever long-term national housing strategy". The paper sets out a vision for housing in Scotland to 2040, and a route map to get there.
- 1.2 The paper is built around four 'parts': more homes at the heart of great places; affordability and choice; affordable warmth and zero emission homes; and improving the quality of all homes. Each part is split further to ensure a cohesive approach to the national policy direction.
- 1.3 This Cabinet report highlights the key areas of focus within the Housing to 2040 strategy. It further states the intention to develop a Steering Group to consider the strategic implications for North Ayrshire Council, which revolve around ensuring that all policy making decisions support the national housing approach and develop a structure to implement resultant actions. It is proposed that the Group develops an action plan to achieve appropriate standards/targets within established timescales and reports the outcome to a future Cabinet for approval, and thereafter provides annual updates on progress towards the delivery of the ambitions and targets set out in the strategy.

### 2. Background

- 2.1 Housing to 2040 was published on 15 March 2021 and is described as "Scotland's first ever long-term national housing strategy". The paper sets out a vision for housing in Scotland to 2040, and a route map to get there. The paper is built around four 'parts', each split further to ensure a cohesive approach to the national policy direction:

- More homes at the heart of great places
- Affordability and choice
- Affordable warmth and zero emission homes
- Improving the quality of all homes

2.2 Recognising the correlation between both good housing and vibrant communities, with health and wellbeing outcomes, Housing to 2040 links with other strategic agendas including the 'Place-based Investment Programme'. Regional economic growth aligned to Community Wealth Building is recognised as an integral part of the benefits of the Housing to 2040 approach.

2.3 The programmes set out in Housing to 2040 are also crucial in Scotland's recovery from the COVID-19 pandemic, noting the links between investing in housing and the construction industry in supporting the economy and employment.

### **Part 1 - More homes at the heart of great places**

2.4 The aim within this part of the route map is for '*everyone to have a safe, high quality home that is affordable and meets their needs in the place they want to be*'. To achieve this, it is intended to:

- Continue to invest nationally in the supply of affordable homes, with a commitment to build an additional 100,000 affordable homes over a ten-year period, 70% of which will be in the social rented sector.
- Attract private investment to help deliver more energy-efficient homes which use zero emissions heating, are adapted to our future climate and meet the needs of people who live in them. This is intended to create a sector that promotes renewal and improvement of homes whilst meeting both increased regulatory, and improved all tenure, standards.
- Take a place-based approach, ensuring that homes and places work together seamlessly around town centres by applying concepts such as 20-minute neighbourhoods. This will be achieved by strengthening planning policies, forging greater cohesion between Local Housing Strategies and Local Development Plans, investing in demonstrator locations, and launching a new £50 million Vacant and Derelict Land Investment Programme.
- Build on existing strategies to empower communities, allowing them to shape decision making to improve the delivery of affordable and good quality homes for everyone. The strategy notes the tangible benefits of Community Wealth Building strategies and the power of anchor institutions to increase socio-economic and wellbeing outcomes, acknowledging North Ayrshire as leading this agenda nationally.

- Take action so that rural and island communities have access to high-quality, affordable and market housing which has been planned alongside the economic and physical infrastructure and helps people to live, work and thrive, stemming rural depopulation.
- Review the role of taxation in supporting the Housing to 2040 vision for both new and existing homes and communities.

2.5 North Ayrshire Council has adopted many of these principles in its work to date, including:

- an ambitious development programme which includes new island housing
- capital investment in the fuel efficiency of our stock to address fuel poverty and climate change
- the introduction of Community Wealth Building and Community Engagement strategies
- a place based approach to the regeneration of Council estates

However, there is scope to be even more ambitious, particularly around private sector housing where further work could be done to encourage investment in existing stock to ensure all tenures in North Ayrshire meet national aspirations for the housing sector.

## **Part 2 - Affordability and Choice**

2.7 Part 2 of the route map supports the objective for *‘everyone to have access to a home that is affordable and choices about where they live, no matter what tenure they live in’*. Key commitments in this section include:

- A comprehensive audit of housing and homeless regulations which will begin in 2021, ensuring people including marginalised groups have a right to, and can access, adequate housing. There will also be £20m financial investment over five years to support local authorities to improve and widen access to Gypsy/Traveller accommodation.
- The commissioning of research into housing insecurity and hidden homelessness and the introduction of ‘homeless prevention legislation’ to ensure that public bodies across Scotland have statutory responsibilities for preventing homelessness, in addition to a national programme to facilitate access to the private rented sector for homeless households.. This reaffirms the vision to end homelessness and builds on recent efforts to reform the homeless system, as set out within the ‘Ending Homelessness Together’ agenda.
- A change to legislation which will be introduced via a new housing bill early in the new parliament, detailing a new approach to providing greater integration between the public and private rented sectors so they “operate well together” within places and communities. The development of a new Rented Sector Strategy will commence this year, with an equalities-based approach focusing on improved access to social housing for equality groups, improved data on housing need and demand, strengthened rights for tenants and the introduction of tenure neutral standards.
- A national vision for home ownership where homes are prioritised for living in rather than as a means of accumulating wealth. Measures include greater regulatory powers over empty and second homes and short-term lets, phasing out the ‘Help to Buy scheme, extending the growth of self-building as a viable option and exploring construction and development options to make house prices more affordable.

2.8 The Council already builds new homes to tenure neutral standards. We have a strong preventative approach to homelessness and a proactive approach to empty homes. Our allocation policy recognises the needs of equality groups, as does the Local Housing Strategy. However, a significant amount of work will be required nationally, and therefore locally, to meet the vision of ‘homes for living’ as opposed to ‘homes for investment’. This will require engagement with local owners, landlords and developers.

## **Part 3 - Affordable Warmth and Zero Emission Homes**

2.9 In Part 3 of the paper, the Scottish Government sets out how housing can realise its potential as an integral part of the solution to the climate crisis – a vision predicated on ‘zero emission’ new and existing homes. There is also an acknowledgement that housing has a role in the green economy. This element of Housing to 2040 sits alongside the draft ‘Heat in Buildings’ strategy. This part of the route map covers:

- Zero emissions in new homes - new regulations from 2024 will stipulate that new homes must use zero direct emissions heating. The Government aims for all new homes delivered by Registered Social Landlords and local authorities to be zero emissions homes by 2026. A review of energy standards between 2021-2024 will also be undertaken, and a zero emissions new build affordable homes strategy has to be developed in 2021 which will focus on greater use of offsite construction and the introduction of a new business model for the delivery of affordable homes based on collaborative procurement.
- Zero emissions in existing homes - currently developing a strategic approach on how to leverage funds to retrofit existing homes to meet climate targets. It is expected that the framework will integrate the draft Heat in Buildings action points to kick start investment and a regulatory framework for existing homes. An independent Zero Emissions Social Housing Task Force will be convened in 2021 to advise on requirements in social housing to meet net zero targets and, longer-term, inform what is required in the private rented and owner occupier sectors.
- Housing's contribution to the green economy - measures include outlining the economic implications of the projected £33 billion investment in buildings to meet net zero targets, initiating a new supply chain action plan specifically focused on the development of energy efficiency and zero emissions heat in buildings supply chains in Scotland.

2.10 Compliance with the zero emissions target by 2026 will mean planning and building new homes to this standard from 2024, an endeavour for which the Council must be ready. We await the outcome of the Zero Emissions Task Force to assess the impact this will have on the Council's existing housing stock, however, our compliance with SHQS (Scottish Housing Quality Standard) and EESSH (Energy Efficiency Standard for Social Housing) has shown how the Council can adapt and improve stock to meet national standards. The process of developing a strategic plan for achieving EESSH2 standards within the Council housing estate by the 2032 deadline has begun. Achieving these standards in private sector housing will be more challenging, and will require appropriate regulations, investment, and a developed inter agency response. The next Local Housing Strategy (2022-2027) will outline how housing can contribute to the green economy in line with wider corporate strategies including the Environmental Sustainability & Climate Change Strategy 2021-23, as well as with Housing to 2040.

## **Part 4 - Improving the quality of all homes**

2.11 The final part of the Housing to 2040 paper details the improvement in standards of homes on two fronts - firstly across the housing sector with the aim of a tenure neutral quality standard where 'everyone can expect the same high standards no matter what kind of home or tenure they live in', and secondly by ensuring homes can be easily adapted offering a range of flexible housing options to enable independent living throughout a persons life supporting the needs of older and disabled people. This part of the route map covers:

- A new housing standard, which will be set in law and which will establish ‘no margins of tolerance, no exemptions and no acceptable levels of substandard homes.’ Consultation on the standard begins in 2021, which is expected to be phased in between 2025-30. Whilst recognising home repairs and maintenance is the responsibility of homeowners, support will be offered to help homeowners be proactive.
- Independent Living, with a commitment to ensuring housing can support those with long term conditions and disabilities, so they may live independently in their own home if they desire. In addition to taking action to increase accessibility within existing homes, there is a commitment to retrofitting social homes, the streamlining and acceleration of the adaptations process, and the provision of assistance for older and disabled homeowners who want to move to a home which better meets their needs.

2.12 North Ayrshire Council is well placed to meet these criteria, as many of these national ambitions are embedded in our own working practices. Our housing stock meets the high condition standards set nationally. Our Private Sector Housing Team work to improve conditions in the private rented sector and can only benefit from any additional powers which result from this national strategy. The Council works closely with the Health and Social Care Partnership to ensure our people can remain at home, living independently, for as long as possible. Our development programme aims to build flexibility into our new homes, to create ‘homes for life’ and explores innovative new housing models to allow independent living. Nonetheless, we strive to be more ambitious in these endeavours, and national support would help us achieve this.

2.13 The Housing to 2040 agenda makes housing integral to community led regeneration, community wealth building and town centre regeneration. Successful delivery requires collaboration and integrated working across Planning, Regeneration, Economic Development, Corporate Sustainability and Housing Services, as well as valued inputs from Connected Communities and the Health and Social Care Partnership, building on well established relationships as demonstrated across current working practices.

2.14 Housing to 2040 is a comprehensive roadmap, which impacts a range of legislative, strategic and policy frameworks impacting on a significant proportion of current and planned workstreams. To ensure policy making in North Ayrshire supports the national ambitions and achieves set targets, it is proposed that an inter-agency Housing to 2040 Steering Group be established, led by Housing Services. The Steering Group will consider where the various strands of the Housing 2040 strategy sit within the North Ayrshire policy framework, reviewing our current position, to understand the strategic and financial implications. Lead officers will then be identified to take forward key workstreams. It is further proposed that an action plan be brought to a future Cabinet for consideration, and progress reported annually thereafter, including updates on emerging policy, strategy and legislation outlined in the paper.

### **3. Proposals**

- 3.1 That Cabinet (i) notes the key areas of focus within the paper; (ii) notes the intention to develop a Housing to 2040 Steering Group to consider the strategic implications for North Ayrshire Council and to develop an action plan to achieve appropriate standards/targets within established timescales to be reported to a future Cabinet (iii) approves an annual progress reporting cycle thereafter.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 Many of the ambitions/standards set out in the Housing to 2040 paper will have yet unquantifiable financial implications for the Council, and in particular Housing Services. The establishment of a Housing to 2040 Steering Group will support the development of actions to achieve these standards, which will incorporate a review of the investment required. It is acknowledged that the Government has detailed proposed investment within the paper, with initiatives such as the Vacant and Derelict Land Investment Programme, as well as the intention to encourage private investment within the housing sector in their plans.

#### **Human Resources**

- 4.2 Collaboration between Planning, Regeneration, Economic Development, Corporate Sustainability and Housing Services will be fundamental , as Housing to 2040 makes housing integral to community led regeneration, community wealth building, town centre regeneration. It is anticipated that this can be absorbed by existing resources at present.

#### **Legal**

- 4.3 Housing to 2040 includes the introduction of standards, such as the New Build Heat Standard, to be established, as well as ambitions around zero emissions targets. When established, the Housing to 2040 Steering Group will take appropriate advice from Legal Services to ensure legal and regulatory requirements.

#### **Equality/Socio-economic**

- 4.4 North Ayrshire Council is in the process of developing the Local Housing Strategy 2022-2026, providing the opportunity for a timely audit of our own housing policies in relation to human-rights, community wealth building, equality, and specialist needs. The forthcoming Local Housing Strategy, coupled with the Rapid Rehousing Transition Plan 2020-25 provides a timely opportunity for further galvanising and building partnerships across public bodies to realise shared responsibilities for homeless prevention, consider how the development of national housing standards can be introduced, and how changes to how housing need and demand can be achieved.

## **Environmental and Sustainability**

- 4.5 There is a national expectation on local authorities to support measures for buildings to meet net zero targets; consider modern construction techniques; and utilising collaborative procurement approaches. This reflects the approach set out in the Council's recently approved Environmental Sustainability & Climate Change Strategy 2021-23, which supports the Council's sustainability aspirations to become net-zero carbon by 2030, become a climate resilient local authority and support enhanced biodiversity across North Ayrshire.

## **Key Priorities**

- 4.6 Ambitions within the Housing to 2040 paper aligns with the following Council Plan strategic actions:
- We will extend our participatory approach, offering communities more opportunities to lead in local decision-making;
  - We will extend the 'Housing First' programme to help reduce homelessness;
  - We will make sure that everyone has the ability and knowledge to participate in the digital world;
  - We will develop and implement a Community Wealth Building strategy;
  - With our social landlord partners, we will build new, modern, energy-efficient homes for life, tailored to the needs of tenants;
  - We will actively promote a mix of homes by facilitating private housing development;
  - We will work with property owners and landlords to make sure our private housing is suitable for the needs of our residents;
  - We will develop additional low carbon renewable energy schemes and networks;
  - We will provide well-kept public places and town centres which will benefit our residents, visitors and businesses;
  - We will, where possible, bring empty properties back into use.

## **Community Wealth Building**

- 4.7 North Ayrshire Council has integrated local economic development into all policy decisions as part of the Community Wealth Building ethos. The forthcoming Local Housing Strategy should build on this and explore the power of local social housing providers to enable and support Community Wealth Building. The forthcoming Local Housing Strategy will also have green recovery in the local area embedded throughout.



## 5. Consultation

- 5.1 Through the development of a Housing to 2040 Steering Group, consultation and collaboration with the appropriate internal and external partners will be key to ensuring policy making decisions support the national housing approach.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **Jacqueline Cameron, Senior Manager (Housing Strategy & Development)**, on **01294 485652**.

### Background Papers

[Housing to 2040](#)