

Co-operation and Mutuality Scotland

Response to Proposed Housing (Scotland) Bill for the Local Government and Communities Committee of the Scottish Parliament

1. Introduction

1.1 Co-operation and Mutuality Scotland (CMS) is a membership organisation with a clear and focused purpose and vision. Our purpose is to develop and extend co-operation and mutuality in Scotland's communities. Our vision is to be a strategic voice for co-operation and mutuality; to be a partner, with government and others, in the development and support of new and existing co-operatives and mutual enterprises, and to be an effective forum for co-operative and mutual enterprise.

1.2 CMS is the main umbrella organisation for the co-operative and mutual sector in Scotland; it was launched in June 2003. CMS covers the full range of co-operative and mutual enterprises – namely worker co-ops, employee owned businesses, housing co-ops, credit unions, other financial services, agriculture, fishing community businesses and consumer co-ops.

1.3 We believe that there should be some serious consideration given to promoting the co-operative housing sector. The current bill could be a missed opportunity in our opinion; we would wish both the Scottish Parliament and the Scottish Government to give greater consideration to co-operative housing solutions. The Commission on Co-operative and Mutual Housing recently published a report *Bringing Democracy Home* we would hope that this report was considered by everyone promoting housing policy.¹

¹ http://www.cooperatives-uk.coop/live/images/cme_resources/Users/CMSUSER/Housing-Commission-Report.pdf

2. Social Housing Charter

2.1 A central theme of the Bill is clearly the proposed Social Housing Charter. It is important that the proposed charter reflects the diversity of the social housing sector. There is more to the social housing sector than municipal housing or housing associations. The charter as well as recognising the differences in governance must also recognise the differences in the nature of the various housing providers. Housing co-operatives in particular are embedded within the communities they operate in and serve. The charter should take into account the context of the Registered Social Landlord particularly in relation to their size, area of operation and community when their performance is assessed. We want to stress that we believe that there is no one size fits all solution in housing as co-operatives we are clear that big is not always beautiful.

3. Allocation Policies

3.1 We suggest that the opportunity is taken to address issues around current allocation legislation and its impact on communities.

3.2 At present the obligation to house those in greatest need at all times produces unintended consequences. The nature of our communities is changing with many of the economically active forced to find accommodation outwith the community. Research has shown that sustainable communities need *inter alia* to have a range of incomes within the community to strengthen the local economy and it should provide a range of housing such that residents can continue to live there as their circumstances change. Some of our communities are largely mono tenure. In the past this did not present so much of a problem since the community embraced a large number of economically active households.

3.3 The current allocation rules are changing this since many economically active people do not have a sufficient level of need to be allocated a house.

3.4 We are in danger of failing to learn from past mistakes. The areas of deprivation which we are challenged to regenerate were not historic accidents. They were the unintended consequence of policy decisions which resulted in an intensification of those with the greatest need – and least purchasing power – within restricted areas and the out migration of the economically active.

3.5 It should be stressed that we are strongly in favour of meeting the needs of those in greatest housing need but these needs are best served by establishing and maintaining sustainable communities.

3.6 Priority should be given to the development of local lettings initiatives to ensure a good cross section of prospective tenants are housed. This model could be developed for use within existing communities setting the criteria to be employed.

4. Mid Rent

4.1 The introduction of mid rent is very welcome but under the existing rules these are almost certain to be built outwith our communities as a result of lack of sites within some communities. The preference should be that they are within the community for the reasons noted above.

4.2 This could be achieved by freedom to use some of the existing stock for this purpose with replacement new build stock for rent being provided on new developments.

4.3 This would deliver a mixed economy within the existing communities strengthening community cohesiveness.

4.4 This could deliver a quick effective response to the current market pressure to assist those applicants unable to secure mortgage finance as a result of the recession.

5. The Radical Option on Tenure

5.1 In policy terms there is a strong case for tenure being attached to the person and not the property. This would introduce much more flexibility in how we can respond to changing needs and would be eminently achievable.

5.2 The Bill offers an opportunity to consider this in detail and achieve a radical change to the current restrictive policies.

6. Conclusion

6.1 We believe that more should be done to promote housing co-operatives in Scotland and that both the Scottish Parliament and the Scottish Government should give some serious consideration to this. We believe that more impact of housing providers and we believe that co-operative solutions offer more to communities than other housing models.

6.2 We believe that housing co-operatives offer an unique alternative to other housing models. We believe that housing co-operatives are well placed to provide more than just housing and we believe that this commitment to the community allows housing co-operatives to fulfil many of the policy ambitions of the Scottish Government and the Scottish Parliament. We would welcome the opportunity to present our case to the Local Government and Communities Committee in due course.