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IN SCOTLAND

Low Demand Housing in Scotland

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THE CHARTERED INSTITUTE OF HOUSING IN SCOTLAND

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Executive Summary

Low demand for housing is a problem for almost every landlord in Scotland. *The Good Practice in Housing Management: Review of Progress* found that all local authorities and 57% of surveyed RSLs believed they were managing low demand stock. Although low demand stock is not a new phenomenon, having been on the housing agenda for the last 30 years, it does seem to be a growing problem with the aforementioned review indicating that 62% of social landlords thought the problem of low demand had increased in recent years.

Low demand housing has the characteristics of small waiting lists, frequent refusals, high void rates and high turnover. It is affected by the changing economic base in areas, changing population and migration patterns as well as demographic and aspirational changes. Low demand has significant resource implications for landlords as well as having a detrimental impact on communities.

The problem affects all sectors, although there are, as yet, only a few examples of private sector stock suffering low demand in Scotland – in contrast to parts of England. The council sector bears the brunt of the problem with the strongest evidence of low demand being in Glasgow, Paisley, Clydebank, Dumbarton and Inverclyde. Low demand RSL stock is largely concentrated in older stock acquired through stock transfer. Special needs stock has also been affected in some areas, particularly where the stock is in poor quality or in a poor location.

This report examines the extent and causes of low demand in more detail but it particularly focuses on strategies to prevent and tackle the problem, setting out responses which landlords are using and can be using.

In order to do this, it's important that housing organisations acknowledge that low demand stock exists and then move from there to measuring the extent – by building up a profile of their stock. Strategies, taking account of economic and social factors, can then be developed in order to prevent wider areas becoming low demand and to tackle those which already exhibit symptoms.

Strategies to prevent and tackle low demand include improving access, housing management responses, demolition and regeneration, and are often used in combination rather than in sequence.

One response to low demand involves improving access to housing stock through initiatives such as lettings procedures, marketing and pricing initiatives. All such initiatives are attempts to expand the customer base and customer choice and can involve a fundamental change in culture for a landlord, from rationing scarce resources to marketing a product.

Marketing approaches are often accompanied by improvements in neighbourhood management. These can be useful where low demand is a result of dissatisfaction with a neighbourhood rather than just an individual's home. In particular, intensive neighbourhood management can help prevent and tackle problems of anti-social behaviour and crime (as well as the perception of crime), particularly when housing organisations work with others such as the police.

A more radical response to low demand is the reduction in the housing stock, sometimes through 'opportunity conversion' but usually through demolition. This should be used when surplus stock has been identified through housing needs assessments. Whilst demolition is not without its critics, it is clear that there are some areas in Scotland – and the rest of the UK – where there is no demand for the stock and demolition is the only strategic and practical action.

Local regeneration strategies are a comprehensive strategy to tackling long-term low demand. Implementing a sustainable regeneration programme is a complex and difficult process and is no simple solution to the problem – it can offer particular benefits for tackling low demand. Given the partnership work present in today's regeneration projects, this method also ensures that a corporate approach is taken to solving low demand rather than the fragmented solutions undertaken by most housing organisations.

There is no single magic solution which can be applied to all housing experiencing low demand. The strategy developed must be designed specifically to tackle the root causes of low demand whether they be at a regional or local neighbourhood level. However it is important to recognise that many of the causes of low demand lie outwith the direct control of landlords and are often only resolved by the work of other agencies.

1. Introduction

This report builds on an earlier discussion paper published by the Chartered Institute of Housing in Scotland (CIHS) in 1998, and provides information about responses to the problem of low demand. The debate in England over the last two to three years has rehearsed many of the background issues and a substantial literature has now built up, much of which is acknowledged to be applicable to the situation in Scotland (Scott *et al.*, 2001).

Information for this report is based on:

- *Good Practice in Housing Management* by Scott *et al.* and parallel literature review;
- UK literature review with particular reference to DETR good practice research;
- Telephone survey of local authority housing departments to identify staff perceptions of low demand and responses to it;
- Examples from the CIH Good Practice Unit database and further published sources.

The focus of this report is on low demand in the social rented sector (that is, housing owned by councils, housing associations and other registered social landlords (RSLs)). However, given the strategic function of local authorities, and in particular the need for local housing strategies to cover all sectors, low demand issues in the private rented sector and owner-occupied homes are also briefly discussed.

Following introductory sections setting out the background to low demand (Section 2), the social and economic context (Section 3) and identifying low demand areas (Section 4), we consider four main approaches to low demand, each of which is considered in subsequent sections of this report:

- Improving access to social housing using lettings procedures, marketing and pricing initiatives (Section 5)
- Housing management responses (Section 6)
- Restructuring and demolition (Section 7)
- Regeneration strategies (Section 8)

It is beyond the scope of this report formally to evaluate the success of each type of measure. A key message, however, is the importance of adopting a co-ordinated approach, in partnership with other agencies. This is covered in Sections 4 and 7.

The report will be useful to housing officers and staff involved in housing planning and development, in particular those who are involved in the development of local housing strategies. It will also be of use to managers currently assessing the reasons for, and solutions to, low demand housing issues. Social work staff, planners, police and voluntary organisations working with and for tenants and residents will also find this a useful reference point.

2. Background

What is Low Demand Housing?

Low demand is not an absolute concept and understanding of what is meant by low demand varies between landlords. For example, what one regards as being a low demand property may be restricted to houses that are physically lying empty, with no prospect of tenants to take up lettings. Another landlord may point to problems of low demand existing where there are multiple refusals of offers or where tenancies take a bit longer to let.

Demand also varies across a landlord's stock. There is no landlord in Scotland that has stock which is uniformly of the same quality, so potential tenants will always have more interest in one part of the stock than another.

That demand should vary between or within areas is not, in itself, problematic. The emergence of low demand, as a problem, implies a deeper-seated and longer-lasting difficulty – one which could affect the viability of a landlord or a neighbourhood.

In this report low demand in the social rented sector is normally seen as having the following characteristics:

- There is a small or non-existent waiting list;
- Tenancy offers are frequently refused;
- There are high numbers of empty properties available for letting;
- There is a high tenancy turnover.

This definition is directly taken from the *Good Practice in Housing Management* by Scott et al and published by the Scottish Executive and Scottish Homes in 2001. A more detailed definition is given in Section 4.

Who is Affected by Low Demand?

Landlords faced with low demand have problems of increased demands on management time and resources. The organisation bears the cost of rent loss for void properties, securing voids and repairing damage caused by vandalism, and the image of the organisation suffers from association with blighted property.

Once an area begins to suffer from low demand a cycle of decline can begin as the image of the neighbourhood declines and more stock becomes void. At its most extreme it will also affect other agencies such as police, education services, economic development, social work and the voluntary sector. A concentrated area of low demand stock is likely to suffer from a higher level of crime and remaining residents will have a heightened fear of crime, while a decline in population will reduce the viability of other services. In rural areas this could go so far as to result in the closure of schools or businesses.

Is Low Demand a New Problem?

Landlords have been concerned about problems of difficult-to-let housing for at least thirty years, with early concerns focusing on the emergence of dump estates. By the late 1980s and early 1990s there was a great deal of attention focused on void management, with Ministerial attention turned to reducing the number of council houses which were vacant at any one time. The material

issued at the time tended to emphasise housing management responses to reducing voids, although some landlords, like Glasgow City Council, had already embarked on a large-scale demolition programme.

From a landlord perspective, although there has been a growing appreciation that the problem was often well beyond managerial responses, there is sometimes a hesitation about highlighting low demand stock. Some respondents to the telephone survey carried out for this report said they had a fear that pointing to the emergence of widespread low demand might undermine the case for investment to meet other housing need. In some cases the scale of low demand stemming from population decline has been such that it is seen to threaten the viability of an entire administrative area or to dramatically change the make-up of a council ward.

It was not until the second half of the 1990s that the term low demand gained a foothold in discussion. To date, the debate has had greater prominence in England. It is unclear whether or not this difference in emphasis is due to any difference in the scale or causes of the problem, although it may be a result of the wider spread of the problem in the private sector and the greater vulnerability of English RSLs to loss of rent income from low demand.

Low Demand in England

An important lynchpin in the approach to low demand has been the formulation of the National Strategy for Neighbourhood Renewal, published in 1998. This set in train a series of Policy Action Teams, one of which (PAT 7) published its recommendations on *Unpopular Housing* in 1999. Further research was published by the DETR in 2000 entitled *Low Demand Housing and Unpopular Neighbourhoods* and was accompanied by a guide to good practice.

Another important development was the publication of the Urban Task Force (UTF) report in 2000. Together these reports add up to a substantial literature in only three or four years and confirm low demand as a major concern of housing policy.

Although attention is often focused on low demand in the social sector, in some areas of England there has also been considerable impact on the private sector, with some neighbourhoods experiencing negligible property values, abandonment and dereliction. The 2000 DETR report demonstrates that low demand across all sectors is inter-related, and that initiatives to tackle the problem need to take this into account.

In April 2000 the Westminster government acknowledged the scale and importance of tackling low demand in England: the Cabinet Office report, *A New Commitment to Neighbourhood Renewal: National Strategy Action Plan* (Social Exclusion Unit 2001), included a commitment to 'monitor low demand and abandonment with the aim of achieving a turn round in declining demand'.

This commitment was strengthened in April 2002 with the establishment of nine pathfinders, sub-regional areas at risk of market collapse ranging from 40,000 to 120,000 units in Manchester, Merseyside, east Lancashire, Oldham/Rochdale, south Yorkshire, Humberside, Tyneside, north Staffordshire and Birmingham.

The role of the pathfinder areas is to inform future investment decisions, including scope for taking early action where appropriate, and to produce good practice. The government has expressed a wish to see local authorities and partners such as the Housing Corporation, police, Regional Development Agencies and local health authorities working closely together to mesh improvements in housing with job creation, better public services and a reduction in crime.

Low Demand in Scotland

As mentioned above, Scottish Office publications in the early 1990s focused on void management, leading to the publication of a Good Practice Note on *Void Management* in 1994.

In 1997 the Scottish Office launched the Empty Homes Initiative (EHI), established to develop and implement strategies to bring empty properties across all categories of ownership back into use. The EHI also resulted in a number of local studies which touched on the wider problems of low demand. The report *An Evaluation of the Empty Homes Initiative*, published by the Central Research Unit in 2001, concluded that the initiative had only a modest impact.

A total of 1,623 housing units were created through the first three rounds of EHI. The scheme was deemed successful at having dealt with one of the most significant causes of market failure, that is, the cost of repairs and upgrading being in excess of the likely rental yield. EHI had also encouraged all but three local authorities to research the extent of empty homes in their area. However, one criticism made in the evaluation was that few councils paid sufficient attention to demand side factors, one notable exception being Glasgow's demolition project which attempted to analyse demand led reasons for empty homes.

With the exception of the evaluation of the EHI and previous work on void management, there are very few government publications on low demand in Scotland. One of the few papers published on the subject is the 1998 CIHS discussion paper, *Low Demand Housing in Scotland: Identifying the Problems and Solutions*. It looked at low demand within the context of changing economic, social and demographic circumstances.

The rapid change in economic base in the last twenty years has had markedly different impacts in different areas and it is no surprise to find the biggest problems of low demand in areas where net employment loss has been greatest.

These national or structural factors sit alongside more local factors which can help to explain why one estate is more vulnerable to failing demand than another. Alongside quality and type of housing, neighbourhood-wide factors such as poor amenities and services, poor image and concern about anti-social behaviour and crime are also significant.

Since the 1998 discussion paper was published there have been two important developments which influence discussion on low demand in Scotland. Firstly, New Housing Partnership (NHP) funding from the Scottish Executive encouraged councils to examine their stock in detail. The information on stock condition and projected future demand for social housing which followed from NHP funded appraisals has meant that councils can make long-term strategic choices concerning the future of council housing in their area.

Secondly, through the major review of housing management, *Good Practice in Housing Management*, published in 2001, Glasgow University collated information on low demand (as opposed to voids) on behalf of the Scottish Executive for the first time.

The Extent of Low Demand in Scotland

Good Practice in Housing Management: Review of Progress by Scott et al. estimated the number of low demand social rented properties in 1999. Using the definition given at the beginning of Section 2 above, all local authorities and 57% of surveyed RSLs believed they were managing low demand stock. The study estimated that 42,000 council houses were classified as low demand,

with 20,000 housing association properties in the same category. This equates to 7.2% of council stock and 16.1% of RSL stock, or 8.8% of the total social rented stock.

In Scott *et al.* landlords were asked if the problem had changed in the previous three years. 38% of councils and 18% of RSLs thought the problem had increased substantially. All in all, 62% of social landlords thought the problem of low demand had increased to some extent.

Six authorities recorded low demand housing as being more than 10% of their stock, all but one of which was in the west of Scotland. The highest recorded level of low demand is 15% of stock; however, one authority which did not respond to this part of the survey has plans to demolish one in five of its houses in the next ten years, so its level of low demand is likely to be over 20% of stock.

There are however a number of factors which should be considered concerning the collation of this material before any conclusions are drawn from it. The estimates are based on a postal survey of landlords which asked them to estimate the number of low demand properties in their stock, based on the characteristics indicated at the beginning of Section 2 above. This, of course, is an inexact way of making an estimate and appears to have led councils to underestimate, and RSLs to overestimate, the number of their low demand properties.

For example, a number of authorities with classic characteristics associated with low demand – for example, industrial decline – recorded levels of low demand at around 1% of their stock while two of the local authorities with known high levels of low demand housing did not respond to this part of the questionnaire.

The review of housing management study suggested, as one possible explanation for the high levels of low demand stock amongst RSLs, that much of the low demand stock is ex-public sector stock transferred from local authorities or, to a lesser extent, Scottish Homes or new towns. However, there has so far been insufficient qualitative research to either prove or disprove this theory.

While low demand in stock in all sectors often suffers from the same characteristics, there are some issues which affect specific sectors. These are explored in the next three sections on the private sector, housing associations and sheltered housing. Examples of local authority low demand stock are given throughout the report.

The Private Sector

Given the strengthened strategic role of local authorities following the Housing (Scotland) Act 2001, the debate on low demand should not be focused on the social rented sector alone. As strategic bodies and as part of the local housing strategy process, local authorities are required to collate information on neighbourhoods where private sector housing is predominant and one or more of the following symptoms apply:

- Private property value is particularly low and/or falling in absolute terms;
- High private sector void rate;
- High turnover of residents;
- Significant incidence of long-term private sector voids or abandoned properties;
- Visibly high incidence of properties for sale or let.

(Definition from Office of the Deputy Prime Minister)

Further details on the local authority's strategic role is given in Section 4.

The *Good Practice in Housing Management: Review of Progress* was confined to the social rented sector only. The most recent research on the private sector is *The Future of Owner Occupation in Scotland: Issues of Sustainability*, published by Communities Scotland in 2001. This report concluded there was little evidence from which it was possible to conclude whether or not a problem of low demand exists in the private sector.

The ESRC Cities project quoted in the Communities Scotland report confirms that low demand private sector stock is to be found in low demand public sector estates and hence the stock in question is ex-Right to Buy (RTB) stock. Twenty-two out of twenty-seven areas with the strongest evidence of low demand are in Glasgow, with others in Paisley, Clydebank, Dumbarton and Inverclyde.

This issue is all the more pressing as a recent Scottish Executive report, *Owner Occupation among Low Income Households in Scotland*, concludes that the number of low income owner-occupied households is likely to continue to grow, driven by a combination of demographic and socio-economic trends.

So far there is little evidence that low demand in the privately-rented and owner-occupied sectors in Scotland is creating the kinds of problems that have been highlighted in the north of England. One of the few examples cited in the Communities Scotland report was that of Dundee where demographic and economic changes have led to a particularly weak market for inner city tenemental stock.

Housing Associations

Despite figures to the contrary in the *Review of Housing Management* (see above), anecdotal evidence gathered for this project suggests that council housing has so far borne the brunt of low demand in Scotland.

The serious impact of low demand on some English RSLs prompted a CIH report, *Sustaining Success – RSLs, Financial Risk and Low Demand*, which looked at the importance of supporting RSLs' presence in areas of severe economic decline, where they may be the only viable organisation operating in the area. There is recognition that RSLs and the Housing Corporation have a key role to play in the strategic regeneration of low demand areas, with Approved Development Programme funding permitted to finance demolition where there is strong justification (Social Exclusion Unit, 2001).

Hillcrest Housing Association prepared a difficult to let (DTL) action plan in August 2000, following a report in April 2000 from a DTL working party. This report identified the emergence of, and a likely increase in, low demand properties, unless remedial action was taken. The action plan covers three key areas:

- **Identifying the problem.** Low demand is defined as properties which have been refused four or more times and have been void for more than 30 days. The association also monitors blocks with a high level of transfer requests and/or higher than average turnover.
- **Finding out why properties are not popular.** This involves surveys of why tenants terminate; tenant meetings; interviews with refusing applicants and ex-tenants; revised forms to cover choices more fully; and accompanied viewing.

- **Devising an action plan.** Approaches under consideration or actively being developed include: altering the rent setting policy in order that the rents in unpopular areas are reduced; better internal management procedures; 'physical intervention'; liaison with other providers; better marketing.

In 1980 **Link Housing Association** took on 108 'room and kitchen' flats in Camelon, near Falkirk. By 1998 their unpopularity was such that one in three had been abandoned and turnover stood at 43% per annum. Link took action on three fronts to address the problem:

- Conversion and upgrading of bedsits into family sized flats. This proved very popular and has helped produce an important change in the demographics of the area.
- An intensive management strategy which had a positive impact on reducing incidents of anti-social behaviour and on encouraging residents to report problems to Link and the police.
- A newly-appointed liaison officer worked with local area staff to help establish a new residents association, Cam-Link. The association is still thriving. As well as arranging its own social functions and fund-raising events, Cam-Link works closely with staff in the area office and has been involved in 'good neighbour' initiatives such as accompanied viewings with prospective tenants.

Overall the scheme has led to a dramatic reduction in turnover, down to an average of 20% per annum over the past three years. This at a time when Link's overall figure for re-lets in central Scotland increased by 35% in 2001-02.

Sheltered Housing

One example of unco-ordinated over-provision becoming apparent is in supported stock for older people. While not previously widely recognised in Scotland, this has been a long-term problem in England and Wales: *Difficult to Let Sheltered Housing*, published by Tinker in 1995, details the extent, consequences and possible solutions.

This showed that, unlike other types of low demand, low demand sheltered housing is not concentrated in particular areas of the country. 92% of local authorities and 79% of large RSLs reported that they had some difficulty to let sheltered housing, often less than 10% of their total sheltered stock. All types of sheltered housing – medium dependency, sheltered and very sheltered – were included to some extent.

Tinker's report concluded that the main causes of low demand were:

- Outdated design and facilities e.g. bedsits and shared bathrooms; upper floor flats with no lift access;
- Poor location e.g. distance from shops and/or public transport; or in rural areas;
- Over-provision of sheltered housing locally, while more elderly people are remaining longer in their original homes.

These factors are not only relevant to sheltered housing; they also replicate some of the causes of neighbourhood level low demand in general stock.

Tinker found that landlords were adopting a range of remedies to tackle low demand in sheltered housing, including the following:

- Refurbishment: e.g. installing lifts, converting bedsits to 1-bedroom flats, general scheme upgrades;
- Marketing: often via the local press;
- Reviewing allocation policies: e.g. reducing the age limit, or accepting individual tenants with higher dependency levels;
- Change of use for the scheme to a related needs group or to a new client group, such as housing with support for young homeless people;
- Disposal of the scheme – either transfer to another landlord, or demolition.

There are obviously specific management and support issues arising from closing or refurbishing a sheltered housing scheme and these are addressed in CIH's Good Practice Guide Decanting Tenants and in three specific publications:

- *Moving On – Good Practice Guidelines for Involving Residents in the Closure or Refurbishment of Sheltered Housing* (Age Concern)
- *Decommissioning Procedures for Retirement Housing* (Anchor Trust)
- *Involving Older People in Upheaval and Change to their Housing Environment* (Housing 21)

BIH Housing Association in Northern Ireland has adopted localised strategies to promote sheltered housing which is difficult to let in some areas:

- Contacting occupational therapists and social services;
- Contacting local advice services;
- Holding open days with invitations to ministers of churches, occupational therapists etc.;
- Advertising in local newspapers;
- Advertising in butchers' and bakers' shops;
- Distributing flyers advertising accommodation for display in black taxis;
- Offering incentives such as redecoration allowances and rent-free weeks.

Castle Rock Housing Association (CRHA) in Edinburgh has a number of low demand schemes. The biggest problem area is older bedsit sheltered accommodation on two floors with no lift. When the raised expectations of older people are combined with the location of some of these schemes, the result is that no-one wants to live in them.

CRHA embarked on a strategy of local lettings initiatives for all low demand schemes. It wanted to ensure that it was not creating artificial barriers to letting, for example by designating a scheme for a certain age group.

It carried out a review of the following:

- Void levels over the past two years;
- Refusal rates and reasons for refusal;

- Existing waiting list for the geographical area;
- The views of tenants in the properties;
- Larger development plans for the area;
- Views of social work and health board.

Only after the review concurred with anecdotal low demand evidence did CRHA fund refurbishment and change of use in some of its schemes.

3. The Economy, Population Change and Social Change

The 1998 CIH in Scotland discussion paper describes in detail the way in which low demand can be a product of changes in population, the economy and social outlook. It is clear from the examples throughout this report that strategies to tackle the problem of low demand must take account of the wider contextual issues affecting the community in question. Programmes that do not consider this wider context risk wasting millions of pounds on projects which fail to tackle underlying structural causes.

The 2001 DETR Social Exclusion Unit report lists some of the key social and economic changes that have affected some of England's most marginal neighbourhoods:

- Mass joblessness as the result of several recessions, and the decline of manufacturing industry;
- Rising skill demands affecting future employment prospects;
- More family breakdown, with the majority of lone parents reliant on benefit;
- Declining popularity of social housing;
- The increasing concentration of vulnerable people in deprived neighbourhoods;
- Increasing availability of drugs and the growth of a drug economy.

The report also sums up the self-perpetuating cycles resulting from these factors which harm the sustainability of a neighbourhood:

- Areas with high unemployment rates also often have poor reputations, making it harder for people who live there to get jobs;
- If you know few other people with jobs, you have less access to the networks that often help to find employment;
- If a community is under pressure, its public services are put under strain too, just when they are most needed;
- If the income of an area goes down, it is less likely to be able to sustain shops and banks, but has more need than ever of access to credit and good value shops;
- If people start to leave an area, high turnover can destabilise communities, and if properties are not filled, desertion creates a deteriorating physical environment and more opportunity for crime.

These points demonstrate the range and complexity of the factors contributing to low demand, and again underline the fact that it is more than a housing management issue. This section introduces the demographic, economic and social changes which contribute to the increase in low demand and which must be borne in mind when tackling the issue.

Population Based Factors

Shifts in population, at a local or regional level, will obviously affect housing demand. Migration patterns bring more rapid change to an area than gradual birth and death rate trends, and can therefore have a particularly dramatic effect on housing demand.

The study by Holmans and Simpson in 1999, *Low Demand – Separating Fact from Fiction*, looks at this issue in detail, and in particular examines whether recent and projected population shifts should lead to a revision of projected housing need figures. The report concluded there was no evidence for altering new household projections in England and consequent need for new units of subsidised housing. However, the location of these houses will need to be altered substantially if

current migration patterns continue and this demonstrates the importance of collating information, not only on population growth, but also on migration patterns.

A more recent report by Bate, Best and Holmans (2000) looks at the impact of migration on housing requirements in England. A key conclusion is that policies designed to regenerate the northern cities will not necessarily reduce pressure on the southern housing market. This is because some areas of low demand are not caused by issues of housing quality but by economic and employment changes, again showing the importance of recognising the cause of low demand in order to estimate the likely impact of any localised project.

Looking at the Scottish household projections, four of the six fastest growth areas are in the east of Scotland, the exceptions being Stirling and East Renfrewshire. West Lothian is projected to have a 24% growth in the number of households to 2012: East Lothian and Edinburgh are close behind with 19% and 17% respectively. The other high-growth authority is Aberdeenshire. Meanwhile five of the bottom six authorities for household growth are in the west of Scotland, the exception being Dundee. These are Inverclyde, East Ayrshire, West Dunbartonshire, Dumfries and Galloway and the Western Isles. Inverclyde and Dundee share the unique distinction of facing actual reductions in the number of households over the next decade.

There are some limitations to using household projections based on local authority boundaries as housing market areas may be larger or smaller than the unitary authority area. Information on the wider housing market can be most easily found in the housing market context statements published by Communities Scotland. The context statements are designed to 'provide an overview of the broader strategic and environmental context in which the housing market operates', and they include information on the characteristics of the housing market area discussed, the challenges facing local housing providers and particular housing problems facing the population.

Results from the 2001 Census are also now available for use including counts of the resident population as at Census Day (29 April 2001). Detailed results including summary statistics covering the majority of Census questions and topics for each settlement and locality are listed on the General Register Officer for Scotland website - www.groscotland.gov.uk . This is a valuable information resource, particularly when used soon after their publication when the figures are relatively up-to-date.

Economic Change

One of the main drivers of population change is, of course, the economic environment and there is a strong correlation between low demand for social housing and economic blight.

While the most visible problems of Scottish low demand are found in former industrial areas such as Glasgow, Renfrewshire and Inverclyde, it is also clear that the decline in traditional employment has created pockets of low demand within other local authorities. Examples include former mining towns, rural areas where agricultural employment has been high or areas close to former defence bases.

Western Isles

While there are pockets of low demand housing in the more remote parts of the Western Isles, the largest scale problem is in Balivanich on the island of Benbecula.

Balivanich is an artificial township created to house RAF personnel and built up in a way not seen elsewhere in the Western Isles. By 1990 there were 270 MoD properties plus 72 council properties in the township.

In 1997 the MoD announced the sale of 89 houses. Some people bought houses for as little as £3,000. Although the houses were in good condition, there was simply insufficient demand for them. In 1999 the MoD decided another 89 properties were surplus to their requirements.

With over 30% of the houses in the township lying vacant Comhairle nan Eilean Siar (Western Isles Council) decided to intervene. Plans were prepared for the whole of the township on a consultative basis, with selective demolition and improvements to the remaining houses.

In 2000 the Comhairle requested an additional £3 million in borrowing consent from the Scottish Executive. £2.5 million was granted, allowing the Comhairle to buy the remaining 89 houses from the MoD.

18 houses have now been added to the Comhairle's stock, 34 houses have been offered for sale to private buyers and 45 houses are being demolished. House price stability has been achieved and the township is changing to a mixed ownership civilian community.

Scottish Borders Council

In 1999 Scottish Borders Council produced a housing strategy for Hawick in response to a growing problem of low demand in the town, caused by a decline in the local economy and traditional industries which led to a considerable drop in population. Research was carried out with the assistance of other council departments, the local enterprise company and health board and investigated the following factors:

The Economy – Figures were collated for notified vacancies, job centre placings and income support data. Research used in the preparation of past bid documents to the then Scottish Office was also utilised.

Housing – Local authority statistics including void analysis, waiting lists and homelessness applications were collected. The same information was also gathered from RSLs active in the town while interviews with local estate agents provided information from the private sector.

Demographics – Census information was also used including the socio-economic groups of local households. However, the value of such information was diminished as the data was out of date by the time the Hawick study was carried out and therefore other sources were utilised, such as Health Board and employment services data.

Community Participation – Views were gathered from elected members and community groups in the areas deemed to be worst affected.

The final report made 23 specific recommendations on how low demand stock should be tackled. These included:

- While void management procedures were unlikely to have much impact, they should be updated;
- The demand for the provision of furnished accommodation should be investigated;
- The concentration of homeless accommodation units in one street should be ended;
- Less desirable blocks should be upgraded;
- A number of smaller flats should be integrated to provide larger family units;
- There should be no further new-build development unless it is to meet the shortfall in special needs housing;
- There should be a timetable of selective demolition.

One further change in employment patterns which is of particular importance in remote or rural areas is working from home. Developments in information technology have made it easier to work from home and this has resulted in a marked increase in the number of homeworkers in Scotland.

Recent research by the Scottish Executive estimated there to be between 100,000 to 200,000 homework units in Scotland, involving more than 6% of the rural population. Such a change in employment patterns could be used to halt population decline in areas where this has been due to a drop in employment opportunities and where communities have skills which can be adapted to home working.

Further information on encouraging homework units can be obtained in *Scottish House: Homework Units in Rural Scotland* by Smyth, Gray and Major (2001).

Social Change

While low demand for social housing is undoubtedly linked to wider economic change there are also changes within the housing sector which are key factors. Attitudes to social housing have changed significantly over the past two decades, while home-ownership is now accessible to a much wider range of households than was true when most council housing was built, thanks to the wider availability of funding.

In many areas, social housing is increasingly regarded as the tenure of last resort. Polls indicate a growing stigma attached to social housing, particularly council housing. Given a choice of tenure, few people wish to opt for social housing, and even fewer regard it as a good choice for their children or grandchildren (MORI poll cited in Pattinson, *Welsh Housing Quarterly*, 2000). Another poll by MORI in 2001 shows that 79 per cent of people in Britain believe that owning your own home is either critical or important to a reasonable standard of living.

In the meantime social landlords are dealing with the consequences of these and other changes, for example:

- A greater proportion of vulnerable tenants who require additional support;
- The tendency for those who can move out of social renting to do so, and the expectation that social renting is no longer for life, but for 'emergency' periods in people's lives;
- A greater concentration of less stable households, with a higher degree of family and relationship breakdown contributing to more frequent tenancy changes. Murie (NafW/CIH, 2000) has identified a greater tendency for households on some estates to form and re-form. The consequent moves are often for short distances and to other properties owned by the same landlord.

Murie describes these changes as ‘changing demand’ to which landlords need to adapt their services as appropriate, and no longer expect their tenants to remain with them for a lifetime. He recommends more intensive management and support services alongside better co-ordination between housing and other agencies. Some approaches tie in with the responses to low demand considered in Section 6 below.

A net result of these changes, which are specific to the social rented sector and how it is perceived, is that some estates are becoming unpopular even in relatively high demand places.

Moray Council

Although low demand is not restricted to one area in Moray, Lhanbryde is one village near Elgin that is experiencing difficulties in re-letting certain types of properties.

A number of factors have contributed to the problem of low demand including a declining economy; lack of public transport to Elgin, anti-social behaviour, crime and the design of maisonettes. Some areas of Lhanbryde have also suffered from a lack of community spirit; consequently they appear neglected and in need of redevelopment.

In order to overturn the situation, the Moray Council has undertaken a number of initiatives.

- Opening a local estate office;
- Setting up a local multi-agency group;
- Establishing a Working Group involving the police and other agencies to deal purely with crime and anti-social behaviour;
- Establishing a Tenants’ Forum;
- Drafting a Local Estate Strategy;
- Providing the services of an estate warden (part-time basis);
- Establishing The Lhanbryde Challenge Project through which various funding is accessed to set up a number of community projects.

In the future

As part of the Neighbourhood Strategy it is hoped that a number of the problem factors can be addressed. Local lettings plans, estate upgrades, crime prevention, inward investment and the future of the maisonettes may all form part of the strategy.

Extensive consultations will take place with all the service users, customers and residents to enable the strategy to work and promote community pride and ownership once more in Lhanbryde.

4. Identifying Low Demand Housing and Planning a Strategic Response

Tackling low demand housing effectively depends on:

- Defining the problem;
- Identifying the presence of low demand housing;
- Identifying the causes;
- Forecasting areas that may be affected in the future;
- Planning a strategic response making best use of available resources.

Defining the Problem

A brief definition of low demand in social housing was given in Section 2 based on that used in *Good Practice in Housing Management* by Scott et al. The Review defines low demand as housing exhibiting one or more of the following characteristics:

- A small or non-existent waiting list;
- Tenancy offers frequently refused;
- High rates of voids available for letting;
- High rates of tenancy turnover.

However, it is recognised that more specific measures are needed to aid local approaches to addressing the problem. The definitions below derive from two key texts from the Department of Environment, Transport and Regions (DETR) on low demand in England: *Policy Action Team 7 – Unpopular Housing* and *Responding to Low Demand Housing and Unpopular Neighbourhoods: a Guide to Good Practice*.

The DETR guidance distinguishes between indicators at a council or housing market area and those at a neighbourhood level. The wider area indicators are suggested as:

- Vacancy rate above 3% (at a point in time);
- Gross (i.e. including transfers) re-let rate above 10% (per annum);
- Net re-let rate above 7% (per annum).

It is suggested that in areas with rates above these levels there may be an overall problem of low demand. These figures cannot be taken as absolutes and will vary over time and as market conditions vary. However, they may be useful as a starting point for low demand analysis.

At a neighbourhood level DETR guidance gives a more developed range of indicators, suggesting that an estate may be classified as low demand whenever two or more of the following indicators are above the threshold value:

- Vacancy rate above 3.5% (at a point in time);
- Rate of available vacancies above 3% (at a point in time);
- Long-term (i.e. over six months) vacancies above 2% (at a point in time);
- Gross re-let rate above 13% (per annum);
- Net re-let rate above 8% (per annum);
- Waiting/transfer list as % of annual re-lets above 100%;
- Re-let interval above 49 days;
- Offers/lettings ratio above two.

The guidance suggests that these ratios be applied to neighbourhoods of around 1,000 houses. Typically, the smaller the area, the more extreme the values might be.

Without comparable research in Scotland, it cannot be assumed that the same thresholds will apply. When examining low demand landlords should therefore see these figures as a useful starting point rather than a set of absolute indicators, and should adapt these to suit local circumstances.

Given the lack of specific Scottish guidance on low demand thresholds, landlords may also find it useful to develop their own definition of low demand housing.

Renfrewshire Council

Renfrewshire Council has introduced a number of early warning indicators in a bid to highlight action needed to ensure the sustainability of the Council's estates. The indicators are detailed below.

Six monthly assessments of:

- Void properties – numbers, demand and turnover;
- Terminations – abandonments, evictions, transfers, private sector and medical reasons;
- Anti-social behaviour – number of cases and what degree of ASB;
- Criminal behaviour – assaults, break-ins, car theft, vandalism, fire raising;
- Estate profile of residents.

Annual visible inspections of:

- Open spaces – fly tipping, littering, fencing and vandalism;
- Property condition – common repairs, general fabric, garden maintenance, fencing;
- Play areas – general repairs, paintwork, litter and vandalism;
- General environment – road and pavement condition and lighting.

The indicators will be measured in each council ward and will be used to bring together a multi-agency action plan to address the issues which are leading to problems of low demand.

The advantage of such indicators is that the information should all be readily available from standard information on lettings and waiting lists. Landlords would want to supplement this with other information not so easily or universally available: for example, information from outcomes from choice-based lettings schemes or exit surveys of tenants (see below).

City and County of Swansea

In order to find out more about the reasons why tenants leave their properties, the City and County of Swansea introduced an exit survey of tenants in 1997. Analysis collated in 2001 showed that:

- The average length of tenancy was between 3 and 5 years. 45% of all tenancies ended within three years. Short-term tenancies of less than a year numbered 18% with tenancies of 6 months or less equalling 11%.

- The three most common reasons for ending tenancies city-wide were 'fear of harassment', 'property too small' and 'bad reputation of area'.
- Single and lone parents cited mainly 'quality of life' responses such as the fear of anti-social behaviour and the bad reputation of the area. Couples with and without children gave mainly property-related reasons, for example 'property too small' (48%), alongside 'quality of life' choices as their main reasons. Finally, older tenants – both single and couples – predominantly gave health reasons.
- There was a definite split in reasons given between those areas which were perceived as being difficult-to-let estates and those which were perceived as being more desirable. The predominant reasons given for the 5 difficult-to-let estates were the bad reputation of the area and a fear of both general harassment and theft/burglary, whereas the most popular end-of-tenancy reasons given from the more desirable estates were 'property too small', or 'move to sheltered housing or residential care'.
- The perception or fear of problems associated with anti-social behaviour far outweighed reports of actual incidents. This was best illustrated in relation to the top three anti-social behaviour reasons, theft/burglary, harassment and vandalism. The fear of these factors was 50% to 75% greater than actual incidents reported. However, this may just highlight the fact that not all incidents are reported.
- Of the 53% of those not having a transfer to another council property the main choice of tenure was a move to a private landlord (12%). This group was predominantly made up of single people or lone parents. It was noted that a need for support from family and friends was influential in most people's reasons for ending their tenancies amongst this group.

Identifying Areas

Using the information described, housing organisations can build a profile of their stock in order to determine which areas are facing problems of low demand. One of the largest exercises in the collation of information on low demand was brought about by the introduction of the Empty Homes Initiative (for further information see the Scottish Executive's 2001 document, *Evaluation of the Empty Homes Initiative*).

Another way to gather information on stock is to utilise a Geographic Information System (GIS), a computer-based tool for mapping, analysing and integrating complex data. GIS is particularly effective for identifying and understanding market trends and monitoring investment patterns.

The Scottish Executive is currently promoting the use of GIS through a web-mapping pilot project to encourage local bodies to share information. Further information can be accessed at: www.web-mapping.scot-homes.gov.uk/index.html

Manchester City Council

Manchester City Council has a dedicated Housing Demand Team which uses a Geographic Information System (GIS) to map the level of demand for local authority and RSL homes. Housing managers attach a 'lettability' value to each house based on their personal opinion of factors such as house style and area.

This data is combined with demographic and social information using GIS to provide detailed profiles of each local area within the City which identify the key issues for each neighbourhood. The information is being used by the council to aid better investment decisions and to monitor the impact of intervention.

The council is in the process of extending this to include indicators of demand for private rented and owner-occupied homes to enable monitoring of the housing market and demand across all tenures.

No matter how it is collated, detailed analysis will allow a landlord organisation to identify low demand stock. However, there are, of course, varying degrees to which areas will be affected and a number of authorities have begun to classify 'at risk' areas alongside those already facing severe, sometimes terminal problems of low demand. For some authorities suffering dwindling demand, this involves facing up to tough realities. In Scotland, Inverclyde Council and Glasgow and Aberdeen City Councils have all moved away from a 'worst first' approach to investment (see Section 6).

Newydd Housing Association: *'The Way Forward'* Community Business Plan

Newydd Housing Association adopted a community revival strategy that enabled the Association to identify and tackle poor performance on particular estates.

Key performance indicators such as rent arrears, void levels, turnover and maintenance costs were broken down at estate level and trigger points were set. Soft indicators such as crime rates, lack of local facilities and employment opportunities were also considered as part of the monitoring process. If performance fell below the trigger points the Association could identify the problems and consider appropriate action.

The performance of a particular estate was compared against a matrix of the features of a successful community. Once the problem areas had been identified the Association undertook financial, physical and environmental appraisals and consulted residents about possible improvements.

On the Cwmbach estate in Aberdare, this process revealed that there was no demand for the accommodation and many of the existing residents had no intention of staying in the area. However, the consultation process indicated that there was a small group of residents who wanted to remain on the estate. Newydd has now demolished about half of the flats on the estate. The remaining tenants are being encouraged to become more involved in their community and the Association is providing a high level of support to achieve this.

Identifying the Causes

One of the important distinctions between area-wide and neighbourhood-level indicators of low demand as defined at the beginning of this section is that the causes of, and therefore responses to, low demand are quite different if there is low demand at both an area and neighbourhood level.

An authority that faces structural low demand will be looking at causes relating to the types of population shifts, economic changes and travel patterns referred to in Section 3. These problems are faced most starkly in the west central belt of Scotland and lead to a range of solutions including demolition and alternative use of sites. Problems of localised low demand where overall demand is high are likely to be more susceptible to estate-level responses which deal with issues of housing quality and public perception of the neighbourhood in question.

Inverclyde Council: the housing market, local economy and depopulation

Having explored, at some cost, the various investment and management options for reviving demand, Inverclyde Council is faced with a hostile economic and demographic climate. In November 1999 the council appointed planning consultants to look at the connections between the housing system and that economic and demographic context. Importantly, the brief for the work was shared between various departments in the council and with partner agencies, Scottish Homes and the local enterprise company.

The conclusions of the study were presented in July 2000, and set out the key elements of a strategy as follows:

- Major stock reduction (20%) in the council sector to stabilise it in the long term;
- Protection of neighbourhoods which are currently sustainable;
- Focus on place-making in key settlements, building on advantages of locations;
- Being aware of the impact of land-release plans in the Structure Plan;
- Maintaining a sites pipeline to support economic development;
- Developing the Firth of Clyde location for tourism.

The council has accepted the conclusions with regard to broad strategy but now faces the much more difficult task of translating that broad strategy into detailed plans.

Further details of the Inverclyde response are given in Section 7, which looks at demolition.

Forecasting Future Low Demand

One vital tool required for forecasting future incidence of low demand is a local housing needs assessment. A good assessment can prevent the mis-targeting of supply and can reveal opportunities to solve local problems.

Given the intricacies of local housing markets, a needs assessment must cover all housing sectors including the private sector and give due regard to owner-occupiers, private landlords and private developments. Assessments should also take account of the condition of, and demand for, the existing housing stock in addition to the need for additional affordable housing.

Indicators such as changes to average house prices, selling times, void rates, refusal levels and mean and median tenancy periods can all be used to indicate future levels of demand. A prediction of future low demand should also incorporate other local level factors such as health, crime, education, employment and poverty as they will all have a serious impact on housing demand in an area. This suggests that effective analysis of housing needs should involve all partner agencies such as Communities Scotland, social work departments, education departments and health boards. Local enterprise companies should also be contacted to obtain information on local economic trends and future expectations.

Designing Local Housing Strategies: A Good Practice Guide, written by Goss and Blackaby for the CIH, details the data requirements for a housing needs assessment. Data should:

- Relate to land use, economic development, and community care in addition to housing policy;
- Support the enabling role of the local authority and inform other agencies of housing opportunities;
- Support the management of the local authority's housing stock;
- Assist the local authority in meeting their statutory obligations with regards to homelessness etc.;
- Identify the local housing system by tenure, demography and geography;
- Identify present and anticipated changes to demand and the housing stock through reference to a wide variety of sources;
- Identify the implications of these changes and any subsequent imbalances.

In many cases, detailed research has been prepared as part of New Housing Partnerships funding and most Scottish councils have carried out or are carrying out detailed feasibility or option appraisal work, funded through the New Housing Partnership programme. In most cases this would involve projections of future demand as well as profile of stock condition. Scottish local authorities should therefore be in a much better position to predict low demand in their stock than only two or three years ago.

Local Housing Strategies

Throughout this report there is constant emphasis on viewing low demand within the context of local housing strategies. This is of particular importance to local authorities given their strategic role and the statutory duty introduced in the Housing (Scotland) Act 2001 to provide a local housing strategy for their area.

Communities Scotland has been charged with providing guidance on the preparation of such strategies, details of which can be found on a dedicated local housing strategy website: www.lhs.scot-homes.gov.uk. It is not the purpose of this report to repeat that guidance here; however, it is useful to recognise some key considerations:

- Take account of changes over time, including a clear view on what the housing market will look like in the future bearing in mind trends and any future effects of current policies. From a low demand perspective this will include demographic, economic and social changes as well as more housing-related matters such as stock condition.
- Understand the housing system as a whole and do not focus on a single tenure or area. This includes the interaction between different tenure markets and the impact of new-build (both private and RSL) stock on the demand for current stock of all tenures.

- Households have no regard for administrative boundaries so identify the current housing market areas relevant to each local strategy. Local low demand does not exist in a vacuum and decisions in one local authority will influence neighbouring areas.
- Strategies need to focus on the causes of problems and not simply concentrate on the symptoms. A snapshot of the number of low demand dwellings in the area is an interesting point but it is of no use in itself in dealing with the problem.
- Integrate the housing requirements of particular groups in the community into the broader picture. Are elderly residents becoming isolated in a low demand area as more economically mobile households move away? Are black and minority ethnic households unable to take advantage of available stock because the neighbourhood does not meet their cultural requirements?
- Account must be taken of the resources available from partnership organisations including RSLs and social inclusion partnerships (SIPs) when identifying actions to deal with issues arising from the local housing strategy.

Dumfries and Galloway

Craigforth consultants carried out two reports for Dumfries and Galloway Council to assess the impact of different stock transfer options on long-term demand. The reports point out that housing markets in rural areas can be very small and that social rented markets are much more localised than private housing markets in Dumfries and Galloway. The localised nature of housing markets limits the extent to which initiatives and actions can impact upon low demand, even across areas that can be quite close together.

North Ayrshire

Craigforth consultants carried out a housing pressure analysis for North Ayrshire Council. The analysis revealed that 84% of waiting list applicants and 91% of transfer applicants selected allocation areas within a single housing market area. This made it possible to use the information to make reasonably accurate measures of the housing demand for each locality. The report concluded that transfers result in no net gain/loss of properties and therefore concentrated on waiting list demand to assess whether there are housing shortages or surpluses in particular locations. This in turn is compared with annual turnover to form the basis for more detailed analysis.

City of Edinburgh Council

City of Edinburgh Council has completed its housing strategy for the period 2002–2007 relating to the full range of housing and housing needs in the city.

The council has developed five 'challenges' including Challenge D – every Edinburgh household can find a home that is affordable to them, of high quality, in a clean, safe and thriving neighbourhood.

This challenge includes the following objectives:

- Stimulate demand in areas which are less popular or have high investment needs by 2010 (this will be measured by ensuring that no area has a turnover rate in social rented housing more than 5% above the city average);
- Improve and develop local mixed tenure housing and estate management services;
- Further develop policies and practices to ensure that people live without the fear of crime, harassment and anti-social behaviour;
- Contribute to community planning which aims to develop thriving communities with good facilities.

For further details see City of Edinburgh Council, *City Housing Strategy 2002-2007*.

5. Improving Access to Social Housing: Lettings Procedures, Marketing and Pricing Initiatives

A key approach to tackling low demand is to present the product as more attractive and make it easier for people to access. There are a range of possibilities within this theme but typically they tend to be among the first response when low demand emerges as an issue. Particularly among councillors, there can be a reluctance to countenance more intensive approaches such as estate investment or demolition until they are convinced that all would-be customers of houses have been given the opportunity to live in the area.

As one local authority officer put it, for a number of years the message from councillors was, *'if the housing department made more effort to get people for the houses there would not be a problem of low demand'*. This authority is now demolishing on a large scale.

This serves as a warning about the limitations of simply changing access routes. At worst, it can be simply a delaying technique which ends up costing more in the long term.

Cole's study into changing demand in 1999 usefully identified the 'low demand learning curve' which characterises organisations' progress in tackling low demand. They found that initially landlords tended to respond to the immediate problem in a short-term way, relying in particular on housing management and lettings measures to try to reduce voids. Typically it was only after some of these measures had been tried and failed, and some valuable time had been lost while the area deteriorated further, that longer-term and more complex measures were considered and implemented with more success.

This pattern underlines the importance of organisations learning about good practice from each other, and building on the experience of others to avoid repeating the same mistakes. It also highlights the need to determine the reasons behind a low demand problem as early as possible, as structural low demand caused by wider issues such as economic or demographic changes is unlikely to be solved by improving access or housing management.

Allocation Policy

Marketing and allocations approaches are often the first responses to low demand. Good Practice in Housing Management by Scott et al. indicates that in Scotland 77% of RSLs and 75% of local authorities had adopted changes to allocations policies and designation of properties in order to attract more tenants.

The CIH Good Practice Briefing on Sustainable Lettings suggests it can involve the following approaches:

- Local lettings schemes;
- Restricting eligibility for rehousing;
- Targeting local people and giving them more priority;
- Targeting new groups such as people in paid employment or students;
- Use of incentives to attract households to social housing, e.g. rent-free weeks;
- Allowing more under-occupancy than usual;
- Increasing choice for applicants;
- Enhancing service standards;
- Reducing bureaucracy e.g. introducing fast-track systems;
- Provision of tenancy support to enable tenants to maintain a tenancy.

Marketing Initiatives

Scott *et al.* indicates 58% of Scottish RSLs and 41% of Scottish local authorities had adopted marketing initiatives to promote their stock, with another 19% and 41% respectively considering implementing such a policy. The study does not show what percentage of stock these schemes currently cover, or their success.

The same study also showed that 58% of RSLs and 59% of local authorities had introduced pricing incentives to attract or retain tenants (although again it is impossible to estimate what proportion of stock is affected). These include:

- Decoration allowances for new tenants;
- Introduction of greater rent differentials related to unpopularity;
- Rent-free periods for new tenants;
- Other pricing/cash incentives.

While some of these measures are familiar to many landlords over a number of years, others reflect a more fundamental shift in the way housing services are delivered. Tackling low demand requires a change in culture from the traditional approach of rationing a scarce resource to marketing a product to potential customers who have the option to choose other products. This calls for change by people at all levels in an organisation, if the cultural shift is to be genuinely noticeable to the customer.

West Dunbartonshire Council: marketing council housing

West Dunbartonshire Council has faced a growing problem of low demand in the urban parts of the authority, as a result partly of employment loss and also of new house-building in the private sector.

The Council's response to date has been to move in a concerted way towards more effective marketing of its properties and it currently advertises vacancies for which there is no waiting list in a number of ways:

- Contacting applicants with reminders of properties on offer;
- Advertising properties in local newspapers;
- Placing summary adverts in the regional press;
- Creating an estate agent window in local offices presenting the advantages of properties much the same as the private sector;
- Creating a website for information about properties;
- Briefings to employers looking to bring staff into the area;
- Newsletters.

The council is considering whether or not to extend advertisements to all council vacancies.

Alongside these information approaches the council has also developed some of its processes including:

- Two show flats in Clydebank and Alexandria;

- Accompanied viewings;
- Open days for prospective tenants.

Importantly, however, these changes have gone hand-in-hand with more far-reaching changes described in following sections:

- A void feasibility study leading to increased use of caretakers;
- Targeting housing officer time on particular estates;
- Door entry schemes;
- Installation of CCTV;
- Demolition of housing of poor quality and/or poor image.

Another tool which more and more landlords are using to attract new tenants is the internet, allowing up-to-date information to be made available to any interested party. However, it is important not to over-rely on the web as many tenants and prospective tenants do not have ready access to the internet.

The Internet

Berwickshire Housing Association (BHA) – As part of their Choice Based Lettings (CBL) system, BHA advertises vacant stock on their website .

Stockport Council also runs a CBL system, details of which can be found at .

To broaden the availability of their website, www.derbyhomefinder.org, **Derby Council** has funded six internet kiosks in areas with low home access to the internet.

Adopting an 'estate agent' approach extends the principle of providing information in a customer-friendly way. Adverts in local newspapers and on buses, and displays in public areas such as post offices, libraries and supermarkets are all recommended. Adverts promoting advantages such as low rents, quick access, no deposit, central heating and access to local amenities will all help to counter the negative image of the social rented sector. Some landlords have experimented with not including a council/RSL identity in adverts (e.g. using anonymous box numbers instead) and sometimes found it attracted more, and a wider range of, applicants. However, when planning advertising it is important to be honest with customers about the properties they are taking on – otherwise new tenants will quickly move out again, thus perpetuating the problem.

North Lanarkshire

North Lanarkshire Council (NLC) has developed a range of marketing approaches to low demand housing:

- Fliers for properties distributed widely in the community;
- Open day promoted through leaflets and posters;
- Housing and property hotline;
- Adverts in council newsletter;
- Mailshot to applicants on the waiting list;
- Advertising in local and national press; local radio; and the Big Issue.

These overtly marketing-type approaches are linked to other ways in which the 'product' is made more attractive:

- New allocation policy;
- Dedicated staff team on voids;
- Displays at local fair days;
- Incentives - free home contents insurance; white goods;
- Accompanied viewing;
- Enhanced decoration allowances;
- Show flats;
- Estate caretaking, CCTV, gardens improved and closes cleaned by NLC.

These changes have led to a marked improvement: stock previously marked for clearance in one area due to a 25% void rate now has a waiting list.

Expanding the Customer Base

Expanding the customer base at a local level is an important aim in a strategy to tackle low demand, as otherwise landlords will continue to pursue the same diminishing pool of tenants. Further, marketing which attracts economically active tenants will increase the income spread and sustainability of a neighbourhood. Some local authorities are therefore looking to attract company lets and city commuters into low demand stock.

New approaches to lettings as a way of tackling low demand are taking place against a background where the orthodoxies of letting practice over the last thirty years are being examined.

Angus

In response to concerns over problems of low demand and over-supply of certain stock in the Arbroath area, Angus Council introduced a three-month pilot project to market low demand and medium demand properties in the town.

Three runs of a brochure advertising vacant stock were sent to all those on the town's active waiting list. The brochure advertised properties like an estate agent and the council arranged open viewing times for selected dwellings to encourage interest. A final evaluation of the scheme has yet to be completed but current evidence suggests that the initiative was successful with a particularly high level of interest generated from the first brochure.

The council has also given the go-ahead to the demolition of forty-eight low demand units in Arbroath as part of the Cliffrun (multi-agency) regeneration project.

There is a growing interest in the UK in the development of choice based letting schemes, including the Delft model of lettings used in the Netherlands. This model places the onus for seeking social rented housing on the applicant or customer rather than on the housing organisation, with the intention that tenants will have greater commitment to a home they have actively chosen rather than been allocated via a bureaucratic system. The CIH in Scotland has published a discussion paper, *Allocations and Choice in Scotland*, on the implications of choice for allocations practice in Scotland.

City of Edinburgh Council

The development of a choice based letting (CBL) system in Edinburgh was largely brought about due to dissatisfaction with the old bureaucratic allocation system including a high rate of refusals, high tenancy turnover and the large number of empty properties in a city with a housing shortage.

The system was first tested in areas of low demand and was deemed a success as it attracted applicants not previously registered and those in employment, leading to an increase in the number of sustainable tenancies with 90% intact after six months.

The system was rolled out to a complete council ward and this also led to a decrease in voids. It is also thought that the CBL scheme will reveal stock for which there is no demand, thus leading to more fundamental choices such as demolition being considered for dwellings which are deemed unlettable.

The scheme has now been expanded to cover all council stock in the city. Information can be found in a fortnightly supplement in the Edinburgh Evening News and free copies of the supplement are available at all local area housing offices. A website has also been launched and includes details of all stock available and the chance to register interest in a property online - www.keytochoice.scotsman.com

6. Housing Management Responses

As shown in the previous section, marketing approaches are rarely put in place by landlords in isolation. Most commonly, they are accompanied by improvements in neighbourhood management. In this section we look at management approaches to tackling low demand, including low-level investment.

The Importance of Housing Management

Low demand can initially emerge as a quality issue with certain types or sizes of property being predominant amongst the voids. Housing management responses can help address this issue. This is also an important conclusion of the *Good Practice in Housing Management Review*, which found that improvements to housing management practice may make the area a more attractive one for potential tenants to choose, and existing tenants to remain in.

Like all responses to low demand, a housing management led approach needs to be based on a realistic appraisal of the underlying problems, but it does have the advantage of being relatively quick and cost-effective to implement compared, for example, with major refurbishment or demolition. However, the necessary investment in time, financial resources and staffing still means that landlords have to make choices about which areas to prioritise in any planned response to low demand.

In learning to tackle and manage low demand with limited resources, it is becoming evident that the 'worst first' approach may not be the most cost-effective. Crucial elements within a low demand strategy should include:

- Protecting areas which are currently popular (to avert future decline);
- Investing in 'at risk' areas (before the spiral of decline becomes too severe);
- For areas where there is no prospect of generating demand, managing the decline in a sensitive way (social landlords are not in a position to quickly abandon an area).

Anti-Social Behaviour and Crime

A key element in an estate's unpopularity is its reputation for anti-social behaviour and crime, and these are both a *cause* and a *consequence* of low demand, for example as empty properties are vandalised or less stable households move in. This is a particular problem in council stock, with the Scottish Household Survey finding that only 23% of council tenants feel very safe in their local neighbourhood. This is compared to 36% of owner-occupiers.

The Scottish Household Survey Bulletin Number 8 shows that, in relation to physical attacks, those renting from a local authority or Scottish Homes are at greater risk: they account for 42% of victims but only comprise 23% of households. Landlords are generally familiar with the range of options available for tackling anti-social behaviour and crime, although the use of anti-social behaviour orders (ASBOs) and professional witnesses is mixed throughout Scotland.

The *Good Practice in Housing Management Review* stresses the importance of evaluating the effectiveness of anti-crime measures and adopting them as appropriate. For example, it points to a tendency to expect too much of costly security measures such as CCTV (although the examples below demonstrate how CCTV can be used effectively). Further work on the promotion of good practice can be obtained from the office of the Sociable Neighbourhoods National Co-ordinator, Housing Division 2, Scottish Executive, Victoria Quay, Edinburgh.

Tackling anti-social behaviour requires a partnership approach with other agencies, particularly the police, given the limits to landlords' powers and responsibilities. Effective partnership can also increase the resources available to reduce crime in an area. This includes long-term as well as short-term initiatives, for example diversionary approaches such as family support centres and young people's activities.

Improving the environment and estate design can achieve a range of benefits, for example creating more attractive surroundings and reducing the opportunities for crime. Some are relatively inexpensive, such as 'alley-gating' to block off the paths and walkways used as escape routes by criminals. An additional benefit which can arise from environmental improvement work is the scope to involve residents, build capacity and increase commitment to the area. This is particularly the case in projects which are targeted towards young people and children on estates, as well as adult residents.

One particular aspect of crime and anti-social behaviour which has a very direct effect on demand is racist harassment, and effective measures to eliminate it will increase the likelihood of black and minority ethnic households accepting a property in a particular area. CIH's Good Practice Guide on developing black and minority ethnic housing strategies (Blackaby & Chahal, 2000) contains substantial guidance on this.

Highland Council

The Merkinch Action Plan in Inverness is an example of a local management initiative that gives priority to tackling anti-social behaviour and crime. The area in question is designated 'hard to let', with 50 houses lying empty (10% of the stock), and suffers from a poor reputation and high levels of crime.

The Action Plan was instigated by Highland Council and the Northern Constabulary and was drawn up following consultation with residents associations. Increased police activity includes:

- Two community police officers stationed in the community office;
- Better liaison between police and housing officers;
- Installation of CCTV cameras;
- Reinforcing a positive message on policing in the area.

The council has also set up a 'quick response' team to deal with graffiti, rubbish removal and vandalism. It has replaced metal security shutters with a more visually congruous type. A feasibility study has been carried out into a reparation scheme whereby people causing damage make good that damage. The council is also looking actively to use Anti-Social Behaviour Orders.

Dundee City Council

Dundee City Council calculated that the housing department was spending £1 million a year rectifying criminal damage. A range of initiatives have reduced the costs associated with vandalism and tenant feedback indicates that they now feel safer. Measures include:

- Concierge schemes with comprehensive CCTV for multi-storey blocks;
- Changes to estate design to 'design out crime';
- Working with police to improve security and tackle crime;
- Using interim interdicts to curb anti-social behaviour;
- Intruder alarms in empty properties.

Throughout the literature it is clear that local perception of the level of crime in an area or estate has a huge impact on its reputation and consequent level of demand. The case studies examined by Holmans and Simpson point to examples where an estate remained stigmatised in the view of the wider community, despite significant improvements on the ground.

More Intensive Housing Management

The *Good Practice in Housing Management Review* identifies the following measures which some landlords have adopted as a response to low demand:

- Introduction of resident caretakers;
- Installation of concierges;
- Introduction of a higher staff/stock ratio.

Further possible initiatives include:

- Estate based managers;
- Close and garden cleaning;
- Enhance void management practices;
- Supporting tenants groups.

These are all approaches which landlords can largely adopt unilaterally, and monitor success over a period of time. Estate based staff with greater accountability to the local community will soon identify a range of other factors which affect the popularity of an area, many of which are non-housing issues, for example refuse collection, transport, schools and other children's facilities.

Aberdeen City Council

Following a Housing Management Study Aberdeen City Council has involved residents when developing strategies to combat low demand. High priority was given to consultation with residents to identify solutions to low demand including mixed tenure and selective demolition. There is now also a greater emphasis on the preferences of tenants and those on the waiting list. A report has been completed which includes surveys of housing applicants, surveys and focus groups of people living in low demand areas and interviews with staff and councillors.

Clackmannanshire

Clackmannanshire Council has looked to involve residents prior to formulating policy. A sub-group of the Local Area Forum is looking at the possibility of a local letting initiative for low demand areas. Community representatives may also be involved in interviewing potential applicants for housing although it is not clear what, if any, say they might have over decisions.

The Scottish Executive is strongly promoting the concept of neighbourhood management, and the organising and co-ordinating of basic services locally, both for housing management and for area services such as cleansing and security.

The community regeneration strategy, *Better Communities*, highlights a number of advantages to neighbourhood management including:

- Local residents being able to become more involved;
- Greater early intervention to prevent problems from escalating;
- Improvements to the physical appearance of neighbourhoods;
- Positive effects on community safety, security and the fear of crime;
- Better work with delivery agencies to improve mainstream services.

Renfrewshire Neighbourhood Wardens Scheme

Renfrewshire Council has employed sixteen civilian neighbourhood wardens to work in Ferguslie Park, Foxbar and Shortroods (all in Paisley) as well as Johnstone West. The areas were selected due to the high level of vandalism and fear of crime.

The wardens will carry out foot patrols, alert police to incidents such as vandalism and liaise with environmental services to clean up litter and graffiti. They will have no power of arrest but will be trained to offer advice to concerned residents.

The project is being funded using £1.3 million from the Scottish Executive's Better Neighbourhoods Services Fund.

7. Restructuring and Demolition

The most radical response to low demand is to reduce the number of houses – usually through demolition or, less commonly, through converting properties or stock height reduction. Demolition and conversion can be focused across a landlord's housing stock or it can narrow in on specific types of property – most commonly, blocks of flats where the long term maintenance and refurbishment costs are very high.

Demolition

Support for large scale demolition in the 1980s and 1990s was low amongst politicians, housing professionals and tenants alike. This was due in part to the perceived failure of (private) slum clearance programmes in earlier decades and the outstanding debt still remaining from much of the stock in question. However, by the second half of the 1990s many landlords were coming to terms with surplus housing stock and, in some cases, with the obsolescence of properties built only thirty or forty years before.

According to *Good Practice in Housing Management* by Scott et al., 56% of local authorities had used selective demolition as a response to low demand and 66% had implemented major rehabilitation or modernisation. Far fewer RSLs had used these measures, largely due to the different type and age of stock in management and the scale of the organisations themselves. The telephone survey carried out for this report indicated a range of examples of demolition, with some local authorities engaged in an ongoing programme, while others were reluctant to demolish, for example because of local political opposition.

Inverclyde: thinking the unthinkable

Inverclyde Council has one of the most pervasive problems of low demand in Scotland, mainly as a result of population loss but compounded by unattractive building designs and isolated locations.

The council now accepts the need for significant stock reductions but recognises that demolition is not simply a housing-related decision. There are political considerations: for example, because low demand is concentrated in certain areas, it impacts on the wards of some councillors more than others.

At a wider level, demolition can appear to be an acceptance of the inevitability of population loss, which in turn calls into question the administrative and financial viability of the council (the initial proposals for local government reorganisation in 1994 suggested merging Renfrewshire and Inverclyde). Demolition also impacts on the viability of local shops, schools, community centres and other services. Such factors make the decision to demolish a more wide-ranging and complicated one than might initially be anticipated.

One of the few substantial studies examining the extent of, and rationale for, demolition in the social housing sector is the DTZ Pieda report, published by DETR in 2000. Although covering English local authority landlords only, it contributes to the debate by proposing a model to identify the circumstances where demolition is the most cost-effective solution.

In the Pieda report, reasons given for local authorities' initial reluctance to demolish were:

- Demolition was seen as a 'failure' by members and officers;
- Concern about the net loss of dwellings, in the context of a historic pressure on housing resources;
- Political concerns about resulting redevelopment being carried out by RSLs rather than local authorities;
- The availability, in England, of Estate Action funds to refurbish properties rather than demolish.

Demolition had gradually become more acceptable because:

- Selective demolition made it possible to tackle the very worst problems on an estate;
- It allowed for diversification of tenure and estate remodelling thus tackling other problems such as crime;
- Previous expensive refurbishment programmes had failed to stem low demand so more radical options were required;
- Growing awareness of low demand as a widespread problem made radical solutions more acceptable;
- The changes in funding regimes in England placed less emphasis on improving properties and more on achieving wider, non-housing objectives.

Option Appraisal

Most local authorities' demolition programmes were part of a redevelopment scheme, i.e. some replacement housing was to be provided. There was usually a net loss in the number of housing units because of redevelopment at lower density, and specifically a reduction in the number of social housing units as schemes usually involved tenure diversification. Occasionally, in areas of high demand, demolition was used as an opportunity to increase the density of housing and improve the match between size and demand. Redevelopment of all or part of the site for non-housing purposes could reflect chronic low demand locally, or opportunities to lever in funding by sale of the land.

The Pidea study identified a fundamental weakness in English local authorities' use of option appraisal when considering demolition:

'The absence of formal option appraisals except where required as a condition of central government funding is not entirely surprising. For the past decade local authorities have tended to be operating in an environment where what is done tends to depend on how it can be funded.'

'Investment appraisal is also an alien concept in many areas of local government including housing; few people have had much experience of undertaking option appraisals... Though much progress has been made over the last five years, it has taken time for local authorities and others to understand the value of project appraisal, and to undertake appraisals to a consistently good standard.'

Given the underlying reasons, there is little reason to believe the situation in Scotland is any better.

Appraisal involves a comparison of current and future costs and benefits of different options, including demolition. The following costs are relevant (cited in the DETR Good Practice Guide):

- Management
- Repair and maintenance
- Void protection costs

- Occupancy costs (energy and water)
- Capital costs of works
- Decanting and provision of temporary and permanent housing
- Demolition costs
- Compensation payments to home-owners
- Savings/costs of additional RSL provision due to change in voids
- Opportunity cost of land.

An important point to consider is that the actual demolition costs may be quite small compared to decanting and rehousing costs. Not surprisingly, local levels of demand are of key importance, as are the density of the housing to be demolished and the cost per unit of refurbishment. Demolition and redevelopment is more likely to be cost-effective in areas of low demand as opposed to high demand, partly due to the relative costs of rehousing incurred in each case. Landlords can also determine surplus blocks in advance and take gradual steps to empty the stock, for example by not re-letting properties when vacancies arise.

A significant aspect of this approach to option appraisal is that all 'resource costs' are taken into account, regardless of whether they would be borne by central or local government, the private sector or by individuals. Finally, the study stresses the importance of achieving wider aims in addition to cost-effectiveness. For example in some case studies the cost of demolition and redevelopment only slightly exceeded the cost of refurbishment, but when the additional benefits to wider estate regeneration were taken into account, demolition became the most attractive option.

Wider benefits of demolition and redevelopment include opportunities to increase community sustainability by improving the environment, for example through provision of more green space, and where possible providing non-housing facilities such as leisure, health and community resources.

Glasgow Housing Association (GHA)

The city of Glasgow has extensive experience of demolition, firstly through the slum clearance programme of older private properties and in recent years demolition of its surplus public sector stock.

When analysing future demand Glasgow Housing Association (GHA) had to take account of continuing decline in population, continuing demographic change, continued shift towards owner-occupation and new provision by RSLs. When combined, these factors led to a net growth in the number of households in the city. Therefore, although parts of the city consist of large sections of poor quality council stock for which there is no demand, there is demand for good urban land for residential and employment creation and all demolition plans need to be linked closely to onward use.

Following studies on demand and stock condition, GHA has earmarked for demolition 14,000 units, the vast majority of which are post-war tenements, multi-storey flats and inter-war tenements.

Work will be funded through a demolition grant from the Scottish Executive of £114 million over seven years which will cover demolition costs, home loss and disturbance payments and buy-back from owner-occupiers.

Where feasible the Association plans to carry out new-build work in advance of demolition to minimise disruption to tenants, assist in the maintenance of local amenities and maintain confidence in areas as attractive communities.

Glasgow City Council will also co-ordinate a city-wide strategic review of demand every three years.

For further information see the GHA website - www.gha.org.uk

Dumfries and Galloway

As part of the recent transfer process, Dumfries and Galloway Housing Partnership (DGHP) investigated the scale of low demand stock in the area. DGHP's Business Plan shows that such stock has been identified in areas such as Annan, Lockerbie, Langholm and Upper Nithsdale.

The Council has since begun to address this with selective demolition in Langholm and Kelloholm in Upper Nithsdale. DGHP will also consider, in consultation with affected communities, selective re-modelling and/or demolition of properties where there is inherent low demand.

Renfrewshire Council

As with most other west coast central belt local authorities, Renfrewshire Council suffers from acute problems of low demand with 15–20% of stock (mostly flats) affected. In the past responses have concentrated on housing management activities, such as concierge systems, allocations review, estate caretakers and intensive housing management.

However, the council is now using selective demolition in areas where overall demand is low as well as conversion of properties in high demand areas. This includes the conversion of 34 one apartment flats in Paisley into 17 three apartment properties in response to the low waiting list for smaller properties but high demand for family dwellings in this popular area near to the town centre.

Even if demolition is identified as the most effective option, following a formal appraisal process, there are important issues to consider in how it is implemented. Power and Mumford (1999) point to instances where poorly planned demolition in inner-city areas simply increases the lack of confidence in an area and contributes to further decline. The impact of demolition on local schools, shops and leisure facilities must be addressed, and treatment of the demolition site in the short as well as the long term will affect the success of the scheme. The involvement of local residents throughout the programme is crucial. The CIH Good Practice Guide *Decanting Tenants* (Bird and Campbell, 2000) provides useful guidance here.

Dealing with Owner-Occupied Stock

One aspect of demolition which has emerged as increasingly important is the position of Right to Buy owners (or subsequent owners). Although the rate of Right to Buy can be expected to be lower in low demand areas, it can considerably slow down the process of demolition. This is

important as demolition which happens slowly prolongs blight and sometimes makes an area irretrievable. These, and the many other difficulties faced by housing organisations trying to include owners in regeneration projects, are highlighted in a recent CIH report, *Engaging Owners in Mixed Tenure Neighbourhoods*. The report highlights a dependency by local authorities on traditional methods of acquisition, buy-back and compensation at market value. It also emphasises the limited scope for enforcement by local authorities, and a reluctance to take action due to the unpopularity of such a move as well as a lack of resources to finance it.

Demolition of privately owned housing also raises the issue of compensation for owners. There have been concerns expressed in the past that the system of compensation to owners whose homes are to be demolished is open to abuse: residents, aware that their home is likely to be demolished at some time in the future, apply to buy merely for the purposes of accessing compensation.

Section 48 of the Housing (Scotland) Act 2001 gives landlords the right to apply to Scottish Ministers for permission to refuse an application to exercise the Right to Buy, within one month of a tenant's application, where the landlord has made a decision to demolish the property. Before making a decision to grant a refusal Scottish Ministers will pay particular attention to the length of time until the demolition and the consultation which has taken place between the tenant and the landlord (see Scottish Executive Guidance on the Modernised Right to Buy (SEDD Circular 5/2002) for further details).

Scottish Borders

One of the issues that the council faces is that almost all blocks in the former industrial town of Hawick which are suitable for demolition contain a non-council property due to RTB but, more uniquely, Tenants' Choice. Compulsory purchase is an option, but in reality both owners and Waverley Housing Management approached the council to ask it to take properties off their hands. As the demand for the blighted stock had collapsed, only cost price was discussed.

8. Regeneration Strategies

Properly planned and resourced, an appropriate local regeneration strategy offers the best opportunity to tackle long-term low demand in a neighbourhood. Indeed in many instances such a strategy is the only way to tackle the more structural causes of low demand. The successful strategy may well incorporate elements highlighted in each of the previous sections, depending on a thorough appraisal of the underlying problems, and all solutions must be tailored to the needs of the area concerned.

However, many areas currently undergoing or earmarked for regeneration have been the subject of previous initiatives, often at repeated intervals over the decades as trends and funding regimes have come and gone. Niner (1999) points to the 'seeds of blight' sometimes contained in well-meaning regeneration initiatives, for example a demolition programme underlining lack of confidence in an area, or an unsuccessful mixed tenure programme leaving owners trapped with negative equity.

The DETR Social Exclusion Unit's report of 2001 lists some of the reasons for neighbourhoods continuing to be unsustainable because of weak underlying economic policies:

- Not tackling the barriers to work, such as lack of skills, transport, childcare and discrimination;
- Poor links between housing planning and economic development;
- Too little attention to links between neighbourhoods and wider local and regional economies;
- Failure to attract business to capitalise on the under-used resources - people, buildings and land.

City of Edinburgh Council

City of Edinburgh Council has completed a £7.5 million five-year upgrade of multi-storey flats at Moredun in the south-west of the city. Previously one of the most unpopular areas in the city and named 'Little Beirut' by the remaining residents, the flats have now seen a 30% fall in crime and have a lengthy waiting list.

A major refurbishment of the blocks was carried out including:

- Double glazing;
- New ventilation system;
- Private parking;
- Twenty-four hour concierge system;
- CCTV.

The council has also sold on a number of flats to the new Edinburgh Infirmary Hospital which lies less than half a mile from the estate. These will be used to house key medical staff.

National Regeneration Strategy

The challenge remains to implement appropriate regeneration strategies which achieve sustainable success. The Scottish Executive Community Regeneration Statement, *Better Communities in Scotland: Closing the Gap*, highlighted four core elements of current approaches to regeneration, all of which offer particular benefits for tackling low demand:

- Ensure that programmes recognise the connections between deprived communities and other areas in order to recognise the impact of regeneration projects on the wider community;
- Focus mainstream programmes and budgets to support areas already targeted by central government grants for local regeneration;
- Involve local communities in the decision-making process;
- Collect and share information to assess the effects of initiatives.

Given that, as outlined in earlier sections, low demand is usually rooted in a range of factors, many of which are not specifically housing issues, this social inclusion approach to regeneration offers valuable opportunities.

Stirling Council

Stirling Council has embarked on a large-scale regeneration project in the Raploch estate, Stirling.

As at September 2002, of the 61 blocks within the core of the estate, 58 have been demolished or are in the process of being demolished. Significant progress has been made due to good customer care at the local office level and effective partnership working with Forth Housing Association (FHA): 53 tenants have been rehoused in new FHA homes built elsewhere in the Raploch area, funded by New Housing Partnership money from the Scottish Executive, and 24 tenants have been rehoused in FHA homes outwith the Raploch area, but within the Stirling Council area.

The importance of avoiding vacancies being interspersed throughout the stock has been highlighted for the next phase of rehousing, as previous experience showed that isolated tenants face difficulty in heating their home and have a heightened fear of crime.

Initial negotiations with owners have been positive. However, the council has considered it prudent to progress a Compulsory Purchase Order in parallel to avoid potential difficulties if voluntary agreements cannot be reached.

It is vital that a high degree of co-ordination exists at all levels of strategic planning, particularly the co-ordination of housing with other elements such as economic development, and between local, regional and sub-regional levels of administration.

Neighbourhood Management

In England, the Social Exclusion Unit's promotion of neighbourhood management as a model for improving the delivery and co-ordination of public services to disadvantaged neighbourhoods offers the chance to learn new lessons. A Scottish Executive study, *Neighbourhood Management: Lessons from Working for Communities Pathfinders and related initiatives in Scotland* (Brown et al.), details some Scottish examples.

The chapter on housing management and social inclusion in *Good Practice in Housing Management Review* by Scott et al. considers the potential of housing organisations to contribute to this agenda, and looks at the extent of social landlords' involvement in economic development, play and youth facilities, anti-poverty initiatives and participation initiatives.

Wider Role of Social Landlords

Initiatives of this type link in with the broader role now being envisaged for social landlords in Scotland: housing officers' new role now includes supporting and developing communities alongside the more traditional focus of managing properties. This is demonstrated by the new wider regeneration role of Communities Scotland and is highlighted in the agency's policy *A Wider Role for Registered Social Landlords*. The impact of the wider role has also recently been evaluated by Communities Scotland in *Measuring the Impact of RSL Employment Initiatives: Using the Wider Role Framework* which concluded that good outputs can be achieved from intervention in some areas at limited cost to the RSL.

Communities Scotland is making funding available to housing associations and co-operatives for non-housing activities such as employment, social amenities and crime prevention. The funding is for activities which help improve the economic, social and environmental conditions of communities and is available for staffing, training for staff and volunteers, fundraising advice and consultancy, feasibility and technical studies, market research, and analysis of local needs.

Scottish Homes dedicated over £2 million to wider role activities in 2000/01 and Communities Scotland committed another £8 million for the period from April 2001 to March 2003. The Communities Scotland expressed confidence in the policy and RSLs as regeneration vehicles by providing £8m for the policy in 2003/04 and £4m for the subsequent two years. Two categories of organisation are eligible for wider role grants: social landlords registered with the housing agency, and umbrella or intermediary organisations specifically providing support for registered social landlords.

Queens Cross Housing Association employs two Welfare Rights Officers to offer free, independent and confidential advice to tenants. Help is available on entitlement to benefits, other financial problems and representation at appeal hearings.

The Link Group has worked to ensure that new housing developments are supported by wider regeneration initiatives where required. One example is the Petersburn Regeneration Project in Airdrie. Alongside £18 million investment in housing and environment are:

- Employment Access – maximising local employment and training opportunities;
- Estate Environmental Initiative – training local unemployed people to acquire SVQ II certificates;
- CCTV – establishing a CCTV system in the area's shopping centre to improve community safety and reduce the fear of crime.

Fragmented Approach to Low Demand

Many councils have tended to pursue a fragmented approach when attempting to reverse low demand. Low demand is considered either as specific to a very narrow locality or as an issue for housing management or housing development. There are few examples of local authorities tackling low demand in a holistic way by involving the private sector, health boards or education departments.

However, the development of local housing strategies resulting from the Housing (Scotland) Act 2001 should lead to low demand being approached in a holistic way, shifting the focus away from

the fabric of houses and buildings and giving more attention to issues such as employment, education, health and community development.

The SIP in Alloa

The extent of low demand in Clackmannanshire is limited, mainly to a few estates in Alloa, although it also exists to an extent in Sauchie and Tullibody. Part of Alloa is covered by a Social Inclusion Partnership (SIP), which has helped in the process of linking housing to other actions such as employment, education and training, and helping to build up community capacity. These initiatives aim to assist in tackling the wider problems that lead to low demand housing.

Clackmannanshire Council, in partnership with Ochil View Housing Association and Paragon Housing Association, have been working together over the past few years to produce a common housing application form. The launch of this form took place in April 2002 and immediately resulted in renewed interest in the area through the streamlining of the application and access procedures. The future marketing of void properties in the pilot area will be done on an estate agency basis where schedules and photographs of the properties are provided.

The project is being monitored with the possibility of replicating it in other areas if successful.

Strategy Options from the Consultant's Report on Inverclyde

Inverclyde Regeneration Partnership (comprising Inverclyde Council, Scottish Homes and Scottish Enterprise) commissioned a study on the linkages between the housing market, the local economy and depopulation in Inverclyde, with the aim of assessing how future housing strategies could contribute to local economic regeneration and population stabilisation. The report concluded that:

- Parts of Inverclyde suffered from poor image that resulted in low demand from the private sector and active depopulation;
- The council stock was predominantly tenemental or high rise and was being residualised leading to a fundamental problem of low demand;
- Although the area had suffered huge employment changes and job losses, employment in recent years was stable and employment growth was not hampered by the housing stock. However, there was a heavy reliance on manufacturing and call centres as sources of employment;
- People leaving Inverclyde were predominantly young and economically active. The report also found that people were leaving because of the poor image of Inverclyde as a place that is in long-term decline, with limited job prospects, low quality services and a high crime rate.

The report concluded that Inverclyde would have to adopt a strategic approach to reverse the problems in the area. The solutions offered in the report include:

- The council stock should be reduced to bring down the number of undesirable properties and enhance the demand for the more desirable council housing;

- The council should act as an enabler to bring forward housing development that is desirable;
- There was a need to work with employers to increase inward investment and develop the issues of job quality and training as well as additional job creation;
- Leisure and tourism resources in the region should be developed as this was a major cause of people leaving the area.

Another strategic policy area which can have a significant impact on low demand is land use in the planning system. In *Low Demand for Housing* (2002), Bramley and Pawson conclude that there has been a tendency to release too much land for private development in some areas of England affected by low demand. Such a release of new land increases the supply of housing in the area (albeit in a different sector) and therefore provides tenants with an opportunity to move away from unpopular council stock. There have also been a number of councils who, during research for this project, raised the concern that new housing association developments were exacerbating problems in some areas by taking demand away from existing stock in the social rented sector.

However, it can not simply be concluded that no more houses should be built if sufficient stock already exists. Account must be taken of changing needs and aspirations, for example the number of people who wish to own their own home, the increased demand for low density houses rather than high density flats and the need for more niche housing such as sheltered stock for an aging population. If stock does not cater for the aspirations and wishes of the local population it is likely that some will consider moving to another area where such homes are available, thus perpetuating or even creating a problem of low demand.

The recognition by a local authority that new social rented stock may still be required even when old stock is suffering from low demand is again of particular importance given the requirement to produce local housing strategies and the possibility of councils being given the authority to fund local RSL development.

Angus Council

The need for strategic planning across tenures is highlighted in an example from Angus Council where a sheltered housing development by the council came on stream at the same time as a similar development by Bield Housing Association. This led to an over-supply of lettings for sheltered housing in the area. As a consequence of this, and as part of an ongoing drive to improve relations, there are now better and more frequent discussions between the local authority, RSL development staff and Communities Scotland.

9. Conclusions

Low demand is an issue of increasing importance in Scotland, affecting most social landlords. Given the impact it has, not simply on a landlord's rental income stream, but also on the communities involved, analysis of low demand must be a central theme within local authority local housing strategies.

This strategic role is also important given that low demand across all sectors is inter-related, and initiatives to tackle the problem need to take this into account. It is important that any private sector problem is tackled alongside the drop in demand for social rented properties if agencies are to avoid displacing the problem.

Local housing strategies must also fill the current void of information on the level of low demand in Scotland and the type of problem being faced by landlords. Recent figures from the Scottish Executive are an important first step but further information is needed to clarify the extent of the problem.

While local authorities' strategic role is important, so is that of Communities Scotland and the funding of RSL new-build. The research for this paper has revealed a number of landlords who are concerned that new social housing is continuing to be built despite evidence of low demand in the area. However, this does not mean that no new stock should be built: the question is not whether there are sufficient dwellings in an area, but whether there is appropriate stock which meets the demands of the population. Recognition of this fact by local authorities is particularly significant given the possibility of councils being given the authority to fund local RSL development.

However, low demand should not only be seen as a problem for local authorities to deal with in a strategic context. All landlords must be aware of problems affecting their stock and develop solutions to deal with the stock in question.

This study has underlined the importance of organisations learning about good practice from each other, and building on the experience of others to avoid repeating the same mistakes. It also highlights the need to determine, at as early a stage as possible, the reasons behind the low demand problem, be it strategic low demand at an area level or a localised problem in a neighbourhood.

It also highlights the importance of taking a long term look at the problem. In learning to tackle and manage low demand with limited resources, it is becoming evident that the 'worst first' approach may not be the most cost-effective. Protecting popular areas from decline and investing in 'at risk' areas is also important.

There are many potential solutions to low demand, the usefulness of which depends on the cause of the problem. Many landlords appear to rely on improving access to stock and marketing initiatives in the first instance, reluctant to consider a reduction in stock numbers or the need for a wider regeneration process. While this approach is understandable, it invariably leads to a delay in the initiation of more radical – and more relevant – solutions.

The key message when tackling low demand is partnership and the adoption of a co-ordinated response with other agencies. With the exception of low demand caused by problems in specific localised stock, the problem is likely to be shared by a number of landlords active in the area as well as having an impact on other agencies such as the police, education and social work. Any

proposed solution should be developed involving all affected parties, as it is highly unlikely that any landlord alone could succeed in turning an area around once the spiral of low demand has begun.

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