A final farewell

Tenants in Shetland are among the last to be transferred from Scottish Homes. Michael Lloyd looks back at the often-controversial history of Scotland’s pioneering housing quango

Twelve curtain falls on Scottish Homes next spring. With fewer than 1,000 houses remaining under management and its regulatory role handed to Communities Scotland, its demise may barely be noticed.

Yet in its time the organisation exerted enormous influence on housing management and policy north of the border. It started life as both landlord (of more than 80,000 houses) and regulator – with a host of other functions thrown in.

Scottish Homes was born at the height of the Thatcher era, when Malcolm (now Sir Malcolm) Rifkind was Scottish Secretary. The then Scottish housing minister, Iain James Douglas-Hamilton, recalls the government’s primary objectives as extending private ownership and its regulatory role handed to Communities Scotland.

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‘Scottish homes was the child of a marriage between the Scottish Special Housing Association and the Scottish division of the Housing Corporation. Stirling University lecturer Mary Taylor, who had worked for the SSHA, says the Scottish councils believed it to be a Trojan horse for the Thatcher agenda.’

‘Acrimony doesn’t begin to describe the tone of the discussions that were going on,’ says Ms Taylor. ‘Some councils wouldn’t even acknowledge the existence of Scottish Homes.’

According to Kenny Simpson it was almost seven years before there was any formal contact with the Convention of Scottish Local Authorities. As a consequence, he considers there was a lack of effective co-ordination between the regeneration efforts of councils and Scottish Homes.

‘There was no real dialogue with councils about their objectives for an area, as compared with Scottish Homes’ objectives,’ he argues. ‘Often the council had a completely different set of objectives.’

Mr Corbett also considers the organisation’s role in regeneration projects has been overstated.

‘There was a temptation for it to take creditor regeneration which had its roots in a long process,’ he says. ‘I am not sure Scottish Homes was a vital catalyst. It brought in a lot of money but much of the regeneration stuff was happening anyway.’

Lord James Douglas-Hamilton defends the organisation’s efforts. Without it, he says, Scottish housing renewal wouldn’t have had focus and pace. ‘If Scottish Homes hadn’t existed and all the money had gone to local authorities I don’t think they would necessarily have had the imagination to put together the schemes with the private sector and housing associations which have been done so successfully.’

Mary Taylor partially agrees that, with hindsight, the council sector was in need of a shake up. ‘I am not sure that the way that has been achieved has always been beneficial social outcomes but there was a danger in defending council housing, that people clung to a way of doing things that had become stale.’

‘After weathering this stormy start, Scottish Homes gradually moved into calmer waters – and Gavin Corbett says by the mid-90s it was winning its opponents over. ‘At time passed people tended to have more respect and some good partnerships were formed,’ says Mr Corbett, adding that one of the areas in which Scottish Homes shone was its research programme.

It transformed the way we think about assessing housing need and housing planning. It had been mostly done on the back of an envelope before then.’

He also believes the house condition survey was a major achievement as was the community ownership programme. And there is a consensus that Scottish Homes had innovative staff and a board with clout.

Alan Ferguson, director of the Centre for the Study of Scotland, says the organisation managed to steer a different policy course from England on many occasions. It is unclear, though, whether it took the initiative or the Scottish ministers needed to show they had minds of their own.

‘Housing association grant rates were higher than in England,’ says Mr Ferguson. ‘Managers managed to carve out a different approach and emphasis – and that benefitted Scotland.’

In any quango, there is a limit to the independence of officials, however expert. Mary Taylor says that Scottish Homes could not protect itself sufficiently in public at ministerial decisions to make deep cuts in housing finance in 1995/96. Though many Scottish Homes staff resented these cuts, their close relations with government meant it was difficult for them to articulate that dissent.

‘The people in charge of investment then were held and are still pretty cross now, seven years later.’

Many hoped the incoming Labour government would ring policy changes, Ms Taylor says. But they were to be disappointed. Instead ‘Scottish Homes’ quasi-independent status ended, with incorporation into the Scottish Executive as Communities Scotland.

Ironically, according to Mr Ferguson, ‘Scottish Homes’ independent spirit did not fail once the executive’s civil servants got their hands on it. ‘I think they saw themselves as making policy for the government,’ he says. ‘The fact that they said that no doubt annoyed traditional civil servants. There was interminister warfare.’

Kenny Simpson believes the civil servants saw an opportunity to win in Scottish Homes, tying its hands.

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The council’s head of housing Chris Medley says the transfer will allow Shetland to take a more flexible approach to managing its stock but it won’t help to solve the island’s housing problems since there is no net gain of rented homes. Like many local authorities, Shetland is desperately short of affordable housing.

"One of the homes became empty last week and the photographs show it like a museum of housing in the 1950s," Mr Medley says. Renovation may make the homes more attractive for tenants to buy but the council is trying to counteract right to buy pressure by reducing rents as far as possible. It may have some way to go, as they are still the second highest in Scotland.

Goodbye quango, hello council

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