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## Press release

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### Tenants benefiting from housing transfers

**The transfer of council housing ownership is bringing benefits for tenants, says an Audit Scotland report published today. The report also finds that management of transfers is improving but better, clearer measures are needed to assess impact and value for money.**

The report, *Council Housing Transfers*, says the hand over of more than 100,000 council homes to new landlords since 1998 has brought more investment in properties - doubling it in Glasgow - and promoted tenant control. It is facilitating increased repairs and maintenance and the building of new homes, and is keeping rent increases down.

The Scottish Executive should now reinforce its approach with clearer goals and measures for quality of service and tenant involvement. This would help increase the overall impact and the value for money of transfers. During this year and next, six more councils will transfer a total of 50,000 homes.

The seven completed transfers that Audit Scotland examined in the report will result in £3.2 billion of investment into properties over the next 30 years. This is significantly more than the councils involved previously spent. Annual rent increases will be kept to one per cent or less in real terms, compared with average rises of three per cent a year in real terms under council ownership.

These results are possible partly because HM Treasury is paying off the historic housing debt of councils that undertake transfers. This allows income from rents to be invested in improving service to tenants and refurbishing homes, rather than paying for debt.

Auditor General for Scotland Robert Black said: "Council housing in Scotland needs a lot of money to bring it to a decent standard. Paying off historic housing debt during transfers is freeing landlords to invest in improving properties, which is a significant benefit for tenants. By giving tenants more control and responsibility for housing management, transfers should also support better housing management."

Each new landlord now has tenants making up at least one-third of its governing body, but there have been different approaches to tenant involvement. More than half of tenant groups responding to an Audit Scotland survey undertaken for the report say transfers have produced a big improvement in participation. But a quarter of tenant groups has seen no difference and one in ten say it has worsened.

The report says the central guidance for the earlier transfers did not provide a good route map and the Scottish Executive and councils under-estimated the workload involved. The first seven transfers incurred costs of £59 million. However lessons have been learned and new national standards and targets introduced in 2004 have greatly improved the strategic direction and guidance. These new standards cover all landlords of social housing, including councils that retain their properties.

Accounts Commission Deputy Chair Isabelle Low said: "This comprehensive assessment of the transfer policy so far shows that many tenants are now benefiting from the higher investment it makes possible. Looking ahead, the challenge for councils is to take action to achieve the new national standards for decent homes for their tenants."

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## Notes to editors

1. Under the *New Housing Partnerships* (NHP) programme launched in 1997, 103,400 homes have transferred to new landlords in nine council areas.
2. The report examined full or partial transfers completed in seven council areas: Scottish Borders, Glasgow, Dumfries & Galloway, North Lanarkshire (Old Monkland), Dundee (Ardler), Edinburgh (Craigmillar Castle) and East Dunbartonshire (Hillhead), a total of 103,100 homes. Audit Scotland also examined the planned transfer of all 23,000 homes in Edinburgh but this no longer going ahead after tenants voted against it in December 2005. The report did not examine the transfers of a total of 300 homes at North Ayrshire and Renfrewshire.
3. The following councils are planning to transfer all their remaining housing in 2006 and 2007: Renfrewshire, Highland, Inverclyde, Stirling, Argyll & Bute and Western Isles. This includes 49,700 properties.
4. Since 1998 the Scottish Office and then the Scottish Executive have spent £258 million on the NHP, including direct support for transfers and wider initiatives. HM Treasury has provided £1.3 billion for early redemption of councils' housing debt on transfer and could pay a further £0.4 billion if all the current transfers go ahead.
5. In August 2005, Audit Scotland conducted a survey of all registered tenant organisations in Scotland seeking views on the impact of the transfers. Analysis in the report is based on findings from the 226 (37 per cent) that responded. Analysis of the results is in Appendix Two of the report.
6. The Glasgow Housing Association is committing to transferring most of the 81,400 homes it acquired from Glasgow City Council in 2003 to many smaller independent landlords to give full tenant control. Case study 5 in Appendix 4 of the report summarises the complex new structures that were used to meet the community ownership goal in the Glasgow transfer. Case study 6 in Appendix 4 of the report discusses the Association's plans for second stage transfers, which remain subject to uncertainty.
7. The Scottish Housing Quality Standard, introduced in 2004, provides a national target for the condition and quality of houses, to be achieved by 2015. Councils and other landlords are now preparing plans to meet that deadline.
8. All Audit Scotland reports published since 2000 can be found on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)
9. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. Audit Scotland has prepared this report jointly for the Auditor General for Scotland and the Accounts Commission for Scotland:
  - The Auditor General is responsible for securing the audit of the Scottish Executive and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Executive or the Scottish Parliament.
  - The Accounts Commission for Scotland was set up in 1975 and is independent of both central and local government. The commission checks whether local authorities, fire and police boards spend £9 billion of public money properly and effectively.