AWICS Scotland News

May 2019

Contents:

Housing Development

The Scottish government wants 50,000 affordable homes to be built in Scotland between 2016 and 2021 and has put a large amount of funding behind this ambition. In January, it announced it would increase affordable housing funding by £70million to £826million in its 2019/20 Budget.

Aileen Campbell, the Communities Secretary, said that:

"At the heart of our ambition for a fairer Scotland is that everyone has access to a safe, warm and affordable place to call home. This increased budget forms part of the single biggest investment in, and delivery of, affordable housing since devolution with over £3billion committed, which will deliver good quality, secure and affordable homes, which will in turn help create strong, sustainable communities.

"We have set an ambitious target to deliver at least 50,000 affordable homes over the course of this parliament, including 35,000 for social rent and are making good progress towards that. By ensuring councils and housing associations have financial certainty, we are confident that this commitment can be fulfilled."

The affordable housing budget also increased in last year's budget, when the Scottish government also created the £150million Building Scotland Fund.

The Scottish Federation of Housing Associations has welcomed the increased funding but called on the Scottish Government to go further and confirm funding beyond 2021, when the current parliament ends. The Scottish Government is currently consulting on its plans post-2021 and warned in a consultation document last year that:

"The current level of spend would be challenging to sustain".

Sally Thomas, Chief Executive of the Scottish Federation of Housing Associations, said that:

"While we welcome the Scottish government's funding of £826million, which is part of its commitment to build 50,000 affordable homes, we would urge the government, and all political parties, to commit to a longer-term programme of delivery beyond the lifetime of this parliament. It is vital that the post-2021 Affordable Housing Supply Programme maintains the existing levels of funding to meet outstanding and future need. As well as longer-term funding, it is equally important that we ensure we have the right homes in the right places to meet people's needs and aspirations."

The Scottish Federation of Housing Associations is calling for reform to the planning and land system that it says needs to be changed to provide affordable land for housing development. It also believes the Scottish government should reform the housing system so that:

"A range of high-quality affordable housing is available to meet people changing needs throughout their lives".

In its annual assessment of the risks facing housing associations, the Scottish Housing Regulator noted that several landlords are embarking on 'sizeable development programmes to build new homes, often after a significant period of time since they last developed' and announced that:

"We are therefore planning to engage with a number of landlords to get assurance about how they plan to manage the risks associated with development."

In April 2019, it was announced that an additional £80million over the next two years will help councils to deliver affordable homes across Scotland. The investment will mean local authorities will share a total of £1.3billion between 2019/20 and 2020/21 to help achieve the Scottish Government's development plans. Kevin Stewart MSP, Minister for Housing, said that:

"We believe that everyone should be able to live in a warm affordable home. Our investment and delivery of affordable housing is the biggest since devolution and I am determined to see it benefit communities across Scotland. This investment backs up our ambitions with financial certainty. We will continue to work in partnership with councils and housing associations to deliver quality homes to meet local needs."

And Councillor Kelly Parry (SNP, Midlothian), the Community Wellbeing spokesperson at the Convention of Scottish Local Authorities, said that:

"I am pleased to acknowledge the additional resources that will come to councils in this financial year and in 2020/21 to support the growth of affordable housing for all in our communities."

New Council Houses in North Lanarkshire

The extra affordable housing investment available for each local authority area is decided by a needs-based formula agreed with the Convention of Scottish Local Authorities in 2012. Since 2007 more than 82,000 affordable homes have been delivered, including 55,920 homes for social rent. In 2019/20 council areas will benefit from an extra £42million on previously announced funding for affordable housing. In 2020/21, councils will benefit from an additional £38million.

Scottish Housing Regulator – New Regulatory Framework

The Scottish Housing Regulator implemented its new regulatory framework in April 2019.

The framework includes the publication of a new engagement plan for every registered social landlord in Scotland. According to the regulator, the main areas of engagement will be financial health, governance and delivery of services for tenants and service users.

The new framework will also mean the regulator publishes a regulatory status for each landlord and requires them to publish annual assurance statements outlining their compliance with regulations.

The new framework is risk-based. The Scottish Housing Regulator will assess risk in landlords to determine what assurance is needed from them and what they may need to improve. The regulator will then:

- Focus on the most significant risks to tenants, people who are homeless and other service users.
- Continually assess each landlord to understand its performance and risks.
- Engage with landlords at different levels depending on their risk and performance profile.
- Engage with landlords in the least intrusive way possible to get the assurance needed.
- Be transparent about why and how they engage with landlords.
- Give landlords the opportunity to improve where there are problems, unless there is a need to act quickly.
- Use powers in a proportionate way.

- Take decisive, effective action to safeguard the interests of tenants and other service users when a landlord does not have the capacity or willingness to improve.

The assessment of risk may not always be the same as a landlord's own detailed assessment of the risks it faces. Risk-based regulation is a way for the Regulator to prioritise resources and plan how to engage with landlords through further scrutiny, engagement and intervention.

The Hebridean Housing Partnership Offices in Stornoway

The main risks considered are:

- Poor outcomes for tenants, people who are homeless and other service users.
- Poor quality of tenants' homes and investment failures.
- Poor financial performance and management (for Registered Social Landlords only).
- Poor governance (for Registered Social Landlords only).

The Regulator has published an Engagement Plan for each landlord. Each Plan sets out the information required from the landlord, what it needs to do, and how and why the Regulator will engage with it.

For local authorities, the Regulator will work through the risk assessment process with partner scrutiny bodies, to consider the full range of scrutiny activity for each local authority. More information on this is set out in the Joint Code of Practice.

Michael Cameron, Chief Executive at the regulator, said that:

"We want to see well-run social landlords that deliver good services and good outcomes for tenants, people who are homeless and gypsy / travellers. And our new regulatory framework has been designed to promote openness, transparency and self-assurance. Landlords will soon be thinking about preparing their first annual assurance statements. These are due by October. We've published guidance and frequently asked questions to support landlords to do this. We will consider the annual assurance statements as part of our risk assessment in the coming year. We will publish a regulatory status for every Registered Social Landlord from April 2020."

In view of the current political and economic uncertainty in the United Kingdom this risk-based approach to regulation appears to me to be appropriate.

To view or download a copy of the Regulatory Framework please click here.

Social Tenants in Scotland

The Scottish Government has published a report 'Social Tenants in Scotland' that provides interesting statistics about social housing and tenants in Scotland in 2017 and makes interesting comparisons between social housing in Scotland, Wales and England.

Key Findings include:

- An Estimated 1.14 million people lived in social rented housing in Scotland in 2017.
- There were 314,816 units of local authority stock and 279,025 units of housing association stock in 2017.
- In 2017, 23% of homes were social rented in Scotland a higher proportion than in England (17%) or Wales (16%).
- There were an estimated 1.14 million people living in social rented housing in Scotland in 2017, a similar figure to the estimated 1.17 million people in the previous year.
- Like the previous three years, social rented housing stock in 2016 was provided by 161 housing associations and 26 out of 32 local authorities. (With 6 authorities no longer managing housing stock due to previous stock transfers to housing associations).
- Social rented housing stock in 2017 totalled 593,841 units (314,816 local authority properties and 279,025, housing association properties), a slight decrease of 791 (0.1%) homes from 594,632 units in 2016.
- Local authorities generally had a larger size of stock in 2017 compared to housing associations, with almost two-thirds (65%) of the 26 local authorities having stock levels between 5,001 and 20,000 homes, whilst more than eight in ten (83%) housing associations had stock levels of 2,500 homes or less. There has been little change to this pattern since 2014.
- 69% of housing associations operated in a single local authority area in 2017, 17% operated in 2 to 5 different local authority areas, whilst the remaining 14% operated across 6 or more local authority areas.
- At a Scotland level 53% of social rented housing stock in 2017 was owned by local authorities, with 47% being owned by housing associations.
- In 2017 Scotland had a higher proportion of social renting stock (23%) compared to both England (17%) and Wales (16%).

The principal characteristics of social tenants are:

- 54% of social rented households had a female highest income householder - higher than private rented households (43%), owned outright households (39%) and households owned with a mortgage (33%).
- The average age of the highest income householder in social rented households in Scotland in 2017 was 53 years old.
- Single working age adult and single pensioner households accounted for 49% of social rented households in 2017 although these percentages have changed since 1999.
- 87% of adults in social rented households in Scotland in 2013 to 2017 were born in Scotland.

Principal housing flows include:

- There were 53,602 social housing lets in 2017/18.
- 35% of local authority & 52% of housing association lets were to housing list applicants. (where applicant was not already an existing tenant).
- Social rented housing lets in 2017/18: 14% supported housing lets, 86% general needs lets.

- Social rented households - Average length of time at current address: 11 years.

Principal findings regarding housing costs and income include:
- 69% of social rented households had a net income of £20k or less, of which 47% had a net income of less than £15k.
- 30% of social rented households reported they managed well financially in 2017, an increase from 21% in 1999.
- Average rent per week in 2017/18: All Social Housing £76.23. Housing Association £82.28. Local Authority £70.73.
- In 2017, around 3 in 5 social rented households received housing benefit or the housing element of Universal Credit.

Interesting comparisons with other parts of the United Kingdom include:
- In 2017, 23% of homes in Scotland were social rented, compared with 17% in England and 16% in Wales.
- 34% of social rented households in Scotland spent more than 30% of their net income on housing costs in the period 2015/16 to 2017/18, lower than the equivalent figures of 49% for England and 48% for Wales.
- In 2017/18, the £70.73 average weekly local authority rent in Scotland was around 18% lower than in England (£86.71), and around 16% lower than in Wales (£84.65).
- The £82.28 average weekly housing association rent in Scotland was around 14% lower than in England (£95.59), and around 6% lower than in Wales (£87.10).
- Between 2007/08 and 2017/18, the supply of affordable housing in Scotland was a third higher than in England, and within this the rate of supply for social rented housing was even higher – more than double that in England.

I think these differences can be explained by a combination of factors. The Scottish Government has given a higher priority to affordable and social housing in its budgets than has the United Kingdom government, the 'right to buy' has been suspended; and the financial arrangements in Scotland have always been simpler and more flexible than those in England. However, I think there is also an important cultural difference that was recently explained to me by a Chief Executive of a Scottish housing association who had previously worked in England. In their view, Scottish housing associations enjoy a constructive and co-operative arrangement with the Scottish government in which their efforts are valued. In their experience this is not the case in England.

Further information and a copy of the report is available on the Scottish Government's website at: https://www.gov.scot/publications/social-tenants-scotland-2017/pages/2/

Housing Revenue Account Statistics 2017/18

The Scottish Government published the housing revenue account statistics for 2017/18 in October 2018. These statistics summarise the finances of council housing in the 26 Scottish local authorities that own and manage council housing stock.

The key findings included:
- Balance of housing revenue account income and expenditure - Total housing revenue account income was £1.1billion in 2017/18, of which around £625million was spent on the day-to-day management and maintenance of housing and around £275million on loan charges.

- Scottish council housing stock and rents - There were 310,150 council houses in Scotland as at March 2018.This is a decrease of around 2,000 houses since March 2017. However, the number is forecast to increase to 311,320 (up 1,200) by March 2019. Average rent per house was £69 per week in 2017/18, up by just under £1.50 on 2016/17. In 2017/18 average rents ranged from £57 per week in Moray to £94 in the City of Edinburgh.
- Management and maintenance of stock - Average expenditure on management and maintenance was £1,990 per house in 2017/18. Within this supervision and management costs were £790 per house, while repairs & maintenance costs were £1,200 per house.
- Empty properties and rent arrears - Councils lost almost £18.5million due to empty properties (void losses) on all properties in 2017/18 or 1.6% of the Standard Rental Income on these properties, about the same in the last two years but below the peak of 3.7% in 2002/03.
- Housing Debt - Total estimated council housing debt stood at £3.6billion in 2017/18 a decrease of around £5million (0.1%) on the previous year.

In 2017/18 of the 26 Local Authorities with their own housing stock raised a total of just over £1.1billion in income (net of losses from empty properties) from standard rents on dwellings and a further £25million in rent from other properties such as garages.

The average rent per dwelling (including both let and un-let properties) was £69 per week in 2017/18 an increase of just under £1.50 since 2016/17. In the decade since 2007/08 average rents have increased by £8 or 13% in real terms i.e. over and above general inflation. In 2017/18 there is variation between councils in average rents, from £57 per week in Moray to £94 per week in the City of Edinburgh.

Housing Benefit accounted for a high proportion of council rental income. In 2017/18, rent rebate subsidy for council house tenants was around £562million, representing 50% of total income from standard rents. In 2017/18, rent rebate subsidy as a proportion of standard rents varied from 30% in the Shetland Islands to 67% in Dundee City.

In 2017/18, the 26 Local Authorities with council dwellings spent around £1,990 per house on management and maintenance, which is forecast to rise by 3.5% to around £2,060 in 2018-19.

Spending for 2017/18 ranges from £1,640 per house in East Lothian to £2,556 in Dundee City. Differing accounting practices and differing service provision amongst councils mean that the figures for individual councils may not always be directly comparable and the estimates for management and maintenance expenditure should be treated with caution.

Supervision and management costs in 2017/18 were around £790 per house and a forecast to increase to £850 per house in 2018-19. As Local Authorities differ in the extent to which central administration and related service costs are included, individual figures may not always be directly comparable.

Average annual expenditure on repairs and maintenance was around £1,200 per house in 2017/18 and is forecast to increase to £1,205 or 0.7% in 2018/19. Spending on repairs and maintenance in 2017/18 ranges from £760 per house in Perth and Kinross to £1,499 per house in the Orkney Islands.

In 2017/18 Scottish Local Authorities had a surplus on their housing revenue accounts totalling around £236million, of which around £228million was invested on capital investment in housing.

In the past, there have been concerns about the financial sustainability of housing revenue accounts in Scotland, especially in view of the significant borrowing that was undertaken to achieve the Scottish Housing Quality Standard. However, local authorities have now achieved the Scottish Housing Quality Standard and are moving forward to construct new council homes. Nonetheless, there is considerable economic and financial uncertainty and it continues to be important that Scottish local authority housing finance is understood by all those involved including councillors, housing managers and tenants.

AWICS is holding a seminar 'All You Want to Know about Scottish Local Authority Housing Finance' in Edinburgh in September (see below).

Social Security Scotland

The progress made in building Scotland's new public service – Social Security Scotland - was outlined in April 2019, a year since the Social Security (Scotland) Bill was passed in Parliament (April 2018). Over the past year Social Security Scotland has established a Head Office in Dundee and a second major site in Glasgow, with around 400 people employed across both sites and local delivery leads, building a local service in communities across the country.

Social Security Secretary, Shirley-Anne Somerville MSP, said that the £197million in benefit payments made by the Scottish Government to over 77,000 people in the past year showed that social security was an investment in people – a core principle of the Bill. The payments that have been made since Social Security Scotland launched last September, cover the Carer's Allowance Supplement and Best Start Grant, Pregnancy and Baby Payment. It also includes Carer's Allowance payments that are funded by Social Security Scotland.

Shirley-Anne Somerville also hailed the publication of the Social Security Charter as a clear example of how another principle was being met - that Scotland's social security system would be designed together with the people of Scotland. She said that:

"Over the past year we have put the biggest transfer of powers since devolution into practice. Progress has been swift, and I am delighted within a year we have both the legislation and infrastructure of Scotland's newest public service. We can be pleased with the success we have achieved so far and that Social Security Scotland is now delivering for the people of Scotland every day with much more to come. There are challenges ahead, and also many opportunities. To increase the financial support to those who need it and to ensure our social security system treats people with respect and dignity.

"I have laid out my plans for the benefits that will be introduced this year and for the future delivery of devolved benefits. Responsibility for all devolved benefits, including their funding, will be with the Scottish Government from 1 April next year, with the roll out of disability assistance starting shortly after. It is through disability assistance we can make the biggest difference to the largest number of people, particularly through reform of an assessments system that causes stress and anxiety. And at all times involving people in how we do that, designing a system with people and for people."

The devolution of powers over some aspects of social security to the Scottish Government is enabling some issues to be tackled although the resources available are limited. Further devolution of social security powers would be welcomed by many, but would probably carry significant financial risks for the Scottish Government.

Universal Credit and Child Poverty

The Scottish Government has a target of reducing relative child poverty to under 18% by 2023/24. However, up to a quarter of Scottish children currently live in poverty and it is forecast that this proportion could increase to a third by 2030.

In 2018, the Scottish Government published a four-year child poverty delivery plan, setting out actions including the development of an income supplement to provide extra support for low income families. There will be a new £50million fund to tackle child poverty. It is intended that additional resources will be focused on families in greatest need while minimising bureaucracy. The details have yet to be announced but some commentators expect that the Scottish Government will ask the Department for Work & Pensions to top-up Universal Credit for low income families. The Scottish Government is already investing £125million a year to mitigate the impact of welfare reforms on low income families.

In April 2019, the Resolution Foundation blamed the forecast increase in child poverty in Scotland on the policies of the United Kingdom government, especially the four-year freeze on certain benefits. In a briefing, it argued for more radical solutions and concluded that the supplement proposed by the Scottish Government could play an important role with the potential to reduce, or at least limit increases in, child poverty.

According to Adam Corlett, Senior Economic Analyst at the Resolution Foundation:

“While it is Westminster rather than Holyrood that explains the current direction of travel, the Scottish Government is not powerless… The decisions it takes in the coming years have the potential to make a difference to outcomes for children.”

More recently, analysis commissioned by the Scottish Parliament and prepared by the Institute for Economic & Social Research at the University of Essex has concluded that reform to Universal Credit is required if child poverty in Scotland is to be tackled.

Specific recommendations include removing the two-child limits, an increase in the child element to £417 a month and the reintroduction of a family element of £545 a year. It is estimated that this would reduce relative poverty by 5% points by 2023/24. It is estimated that the cost of these recommendations would be £0.8billion, but it is estimated that this would have a more significant impact than spending the same amount on increased child benefit or a reduction in income tax.

The report says that:

“Reducing the starter rate of income tax results in an increase in relative child poverty and has no impact on absolute child poverty, while increasing child benefit… has a positive impact on child poverty, but less effective than the changes to universal credit modelled.”

Emma Congreve, Senior Economist at the Scottish Joseph Rowntree Foundation said that:

“The Scottish Government should be ambitious in its plans to invest in Scotland’s children using the social security powers it has.”

Aileen Campbell MSP, Communities Secretary at the Scottish Government, said that:

"Tackling – and ultimately eradicating – child poverty in Scotland is one of our main priorities… We are currently exploring options to reach the greatest number of children in poverty, ensuring we top up incomes sufficiently to lift those households out of poverty."

The projected increases in child poverty are a matter for concern. However, the efforts of the Scottish Government to tackle this appear to be being frustrated by the impact of Universal Credit.

Funding Local Government in Scotland

Local Government in Scotland is funded mainly through the Scottish Government. The Scottish Government provides a block grant to local authorities that makes up around 85% of their net revenue expenditure, with the remainder coming mostly from council tax. This arrangement was agreed as part of the joint service delivery relationship established under the Concordat agreement of 2007 and updated as part of the agreement reached on the 2010 spending review and 2011 spending reviews. The Concordat gave councils greater control over their budget and the management of their services.

The block grant is made up of three parts:
- General Revenue Grant
- Non-Domestic Rates Income
- Specific Revenue Grants

Additional support is available through the Bellwin Scheme.

Glasgow City Chambers

The Scottish Government pays local authorities a General Revenue Grant, previously known as a Revenue Support Grant, to support their general net revenue expenditure. The size of the grant is calculated to make up the difference between a local authorities' standard spending assessment (how much it will need to spend to provide a standard level of service), and the sum of resources obtained from national non-domestic rates and council tax.

It is decided how much each local authority will receive as a General Revenue Grant by using Grant Aided Expenditure calculations and projections. The Grant Aided Expenditure figures determine what share of the total revenue funding each local authority should receive based on relative need. The Scottish Government agrees the Grant Aided Expenditure calculations and projections in consultation with the Convention of Scottish Local Authorities, using indicators such as population, pupil numbers, and deprivation.

Non-Domestic Rates Income is set centrally and pooled centrally but generated locally and is distributed back to local authorities through a distribution formula agreed with the Convention of Scottish Local Authorities as part of the local government finance settlement. Each council's share of the estimated Non-Domestic Rates Income for the year ahead is distributed proportionately based on councils' latest mid-year income returns net of prior-year adjustments.

The Scottish Government sets the allocation and distribution of Specific Grants in connection with specific policy initiatives and expectations. The grants can only be used for specific services, so are known as ring-fenced funding. The 2018/19 Specific Grants are for Gaelic, the Pupil Equity Fund, the early learning and childcare expansion, and criminal justice social work. The amounts each local authority receives for these Specific Grants are detailed in the local government finance circulars.

The Bellwin Scheme is discretionary and exists to give emergency financial assistance to local authorities that would otherwise suffer an undue financial burden as a result of providing relief and carrying out immediate work due to large-scale emergencies. There is no automatic entitlement to assistance, and local authorities are expected to reserve a small amount of their annual budget for dealing with unforeseen emergencies.

The Scottish Government also provides local authorities in Scotland with funding to support their capital expenditure. This funding is provided in the form of two types of grant: General Capital Grant and Specific Capital Grant.

Details of the grants awarded to each local authority are issued in the finance circulars relating to the Local Government Finance Settlement. Other public bodies which form part of the wider Scottish Government may also provide capital grants to local authorities for specific projects. These grants are not shown in the finance circulars.

In addition to these grants, local authorities finance their capital expenditure from revenue, either their annual revenue budget or revenue reserves; capital receipts (money received from selling land, buildings or other capital assets); and borrowing.

The funding local authority capital expenditure: framework identifies how different types of expenditure are treated in the national accounts and local authority accounts.

The General Capital Grant is provided to councils as part of the annual Local Government Settlement. Councils can spend this grant on capital projects that meet local and national priorities to deliver their Single Outcome Agreement or the national Strategic Objective and Purpose. A General Capital Grant offer is made to individual councils each year through the issue of a grant offer letter.

Specific Capital Grants are also known as specific purpose grants or ring-fenced grants and may only be used by local authorities to fund specific capital expenditure. The Scottish Government provides local authorities with some Specific Capital Grants through the Local Government Finance Settlement. Additional Specific Capital Grants are paid to local authorities out with the Local Government Finance Settlement.

Local authorities have legal powers to borrow for specific purposes. It is for local authorities to decide how much they can afford to borrow. In deciding what they can afford, they must apply the Chartered Institute of Public Finance & Accountancy's Prudential Code principles of affordability, prudence and sustainability.

Freedom of Information Act

The Freedom of Information Act has applied to housing associations in Scotland from November 2018. A Scottish Government spokesperson said that:

"We are committed to extending coverage of the Freedom of Information (Scotland) Act 2002 and following extensive consultation and discussion with key stakeholders., a draft order has been laid in parliament that will extend the coverage of the Act to registered social landlords and their subsidiaries."

Sean Clerkin, co-ordinator at Scottish Tenants Organisations, told *Inside Housing*:

"This is a major victory for us in campaigning for the extension of (the) Freedom of Information (Act) to all tenants across Scotland and should be a clear signal to tenants elsewhere in the United Kingdom to champion their right to freedom of information from their housing associations."

In February 2019, the British information commissioner said that housing associations in England should also be made subject to the Freedom of Information Act. She said that in the case of housing associations, the transparency gap is 'emphatic and clear' especially in the wake of the fire safety concerns that have arisen after the Grenfell Tower fire.

Those with experience of managing Freedom of Information Act requests will confirm that while the Act has increased transparency it is also often very onerous to comply with. It will be interesting to see whether and when the Freedom of Information Act will be extended to English housing associations.

United Kingdom Budget 2018 – The Implications for Scotland

Phillip Hammond presented his 2018 budget on Monday 29th October. In it he announced the government's spending, tax and borrowing plans from 2019/20 to 2022/13. It had implications for all parts of the United Kingdom. In his introduction to the budget, Philip Hammond said that the budget reductions that have been made since 2010 were necessary and not ideologically driven and that:

"The era of austerity is finally coming to an end."

Philip Hammond described Universal Credit as a:

"Long overdue and necessary social reform (that will) help to drive growth and employment in the years ahead… but I recognise the genuine concerns."

Philip Hammond announced a package of measures costing £1billion over five years to fund additional protections as exiting claimants move onto Universal Credit.

Work allowances will be increased by £1,000 a year at a cost of £1.7billion, benefitting 2.4million working families with children and people with disabilities. The government calculates that working parents and people with disabilities claiming Universal Credit will be £630 better off each year. People will also receive extra help as they move from their existing benefits to Universal Credit at a cost of £1billion and there will be targeted support for people repaying debts.

Philip Hammond said that:

"Universal Credit is here to stay, and we are putting in the funding it needs to make it a success, because on this side of the house we believe that work should always pay."

Dark skies over Westminster where Philip Hammond delivered his budget

There will be an additional £950million for the Scottish Government but despite this, the budget was not welcomed. The Scottish Government did not welcome the budget. Derek Mackay MSP, the Scottish Finance Secretary, said that:

"According to this budget, the Scottish Government's resource block grant from the UK Government – the money we are able to invest in day to day public services - remains almost £2 billion lower next year compared with 2010-11. This budget falls a long way short of delivering for Scotland.

"The changes announced to universal credit do not go far enough. They are just a drop in the ocean compared to the impact the roll-out of Universal Credit will have. I continue to call for the roll-out of Universal Credit to be halted – and halted straight away.

"Brexit is a serious threat to our economy and to household incomes. We continue to argue that the only deal that will deliver for Scotland is to remain in the Single Market and Customs Union.

"With the UK Government's preferred approach to Brexit set to hit people's incomes In Scotland by £1,600 a head – the changes in this year's budget do nothing to alleviate the impact Brexit will have.

"There was little in this budget to boost our public services. The Scottish Government has already set out our plans to support the NHS in the years to come and the funding we have received as a result of health spending in England will go to our NHS in Scotland – but so far, the UK Government has fallen at least £50m short of what was promised only 4 months ago.

"The reality of today's budget is that Scotland continues to be hit by UK austerity and the decision to leave the EU. I have consistently argued for a better settlement for Scotland, and this budget does not reflect that."

This budget provides for increased public expenditure and reduced taxation funded by continued government borrowing. The government's macro-economic policy appears to be based or running a permanent government deficit as a way of compensating for low levels of demand in the economy caused by low exports and investment; coupled by encouraging households to borrow and spend rather than to save.

The planned reductions in welfare budgets of £17billion are apparently still to be implemented. Whether this represents an end to austerity is probably a matter of opinion rather than a matter of undisputed fact! What is an undisputed fact is that balancing the budget over the term of the economic cycle (which was the 'Golden Rule' of public finance from 1997 to 2008) is no longer an objective of the United Kingdom government. However, there are fears that continuing to accumulate public debt that is already at record levels is unsustainable.

I have prepared a briefing paper that summarises the implications of the budget for public services including in Scotland, the reactions to it from the sector and provides some commentary. To view or download your free copy, please click here: https://awics.co.uk/files/module_document_pdfs/budget_2018_-_the_implications_for_public_services_-_briefing_paper.pdf

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Editorial Note

The AWICS Scotland News is published by AWICS Limited. This edition was edited by Adrian Waite. Articles are written by Adrian Waite unless otherwise stated. However, the views expressed are not necessarily those of Adrian Waite or AWICS unless expressly stated.

AWICS Surveys

At AWICS we value feedback from our clients and from users of our website. This is for two reasons:

- We actively seek feedback from clients so that we can evaluate what we are doing now and use the information to improve our services in future.
- We like to have a dialogue with clients and users of our website so that we can understand their developing needs and provide services to meet them as part of a long-term commercial relationship.

We have therefore developed a series of surveys and questionnaires that can be found at: http://awics.co.uk/questionnaires-and-feedback

These include a survey about our seminars. Whether or not you have attended one of our seminars recently, I would be grateful if you could assist us by completing our short survey. It can be found at: https://form.jotformeu.com/71926426584364

All You Want to Know about Scottish Local Authority Housing Finance 2019

Seminar

September 2019

Social housing is becoming increasingly important in Scotland at a time of rising demand for affordable housing. The Scottish Parliament has passed the Housing (Scotland) Act 2014, reformed the Scottish Housing Regulator, ended the 'Right to Buy' and is promoting and funding an ambitious development programme. The Scottish Housing Regulator's new approach emphasises 'Value for Money'. The United Kingdom government is 'reforming' welfare with significant implications for Scottish tenants and landlords, but some welfare powers have now been devolved to Scotland.

Scottish local authorities therefore face significant challenges, not least the need to meet the Scottish Government's aspirations for development.

This seminar is a useful introduction and overview of this important subject.

Whether you are in a Local Authority or another organisation with an interest in Scottish housing; whether you are a Housing Manager, Tenant Representative, Councillor or even a member of the Housing Finance Team, you will need some knowledge of local authority housing finance.

The session will answer the following questions:
- What financial environment are Scottish local authority housing services working in?
- How do the housing finances of Scottish local authorities work?
- How is the development of new council housing funded?
- What are the financial opportunities available to local authority housing services?

Many people have already attended and benefited from this seminar. The last session was well received with delegates saying that the information provided was very relevant, the quality of the presentation was excellent, and the training met their needs fully. They described the session as interesting, useful and thorough.

The session is accompanied by a very useful book that is designed for reference after the session entitled: 'All You Want to Know about Scottish Local Authority Housing Finance 2019'.

The cost of this seminar is £210 plus VAT making a total of £252. However, there is a £20 discount for people who book a month or more in advance making the cost £190 plus VAT making a total of £228.The fee includes lunch and the accompanying book.

Venue and Date: Edinburgh: Novotel Central Hotel – Tuesday 17th September 2019

For further information or to make a booking, please click here: https://awics.co.uk/all-you-want-to-know-about-scottish-local-authority-housing-finance-2019

About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly. Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about our services and us please visit our website at www.awics.co.uk or contact Adrian Waite at Adrian.waite@awics.co.uk. Services that we offer include:

- Management Consultancy – http://www.awics.co.uk/ManagementConsultancy.asp
- Interim Management – http://www.awics.co.uk/interimmanagement.asp
- Regional Seminars - https://awics.co.uk/seminars-2019
- In-House Training - http://www.awics.co.uk/inHouseCourses.asp
- Webinars - http://www.awics.co.uk/webinars.asp
- Independent Residents' Advice – http://www.awics.co.uk/IndependentTenantAdvice.asp
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