

# House Condition in North Lanarkshire Local Housing Strategy 2021-2026 Evidence Paper

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The logo consists of five stacked words in a bold, sans-serif font. "LIVE" is green, "LEARN" is pink, "WORK" is blue, "INVEST" is light blue, and "VISIT" is purple.

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# 1. Introduction

Good quality housing is the foundation of a good life, and key to the health and wellbeing of our people. This is well recognised in North Lanarkshire and in Scotland. Housing standards have been raised in recent years, with progressive improvements made to the Tolerable (all homes), Repairing (private rented) and Scottish Housing Quality (social rented) Standards.

In *Housing to 2040*, its vision for the future of Scotland's housing system, the Scottish Government set out an aspiration for high-quality, sustainable homes across all tenures, underpinned by 15 principles which will drive decision-making. These include that:

- Tenure-neutral space and quality standards for new homes (and existing homes where possible) should be set specifically to improve and protect quality of living and of space
- All tenures should apply the same high quality and safety standards and levels of consumer protection.

In our Local Housing Strategy (LHS) for the five years between 2021 and 2026, the Council is embracing the vision to 2040 and aims to ensure that all North Lanarkshire homes meet and exceed minimum standards and are high quality and sustainable.

National guidance requires that LHSs set out:

- Evidence on levels of Below Tolerable Standard (BTS) housing in the area and the authority's strategy for addressing BTS properties
- Its policy for Housing Renewal Areas
- A summary of its Scheme of Assistance Strategy

Authorities are also required to identify non-compliance with the Scottish Housing Quality Standards (SHQS) and Energy Efficiency Standard for Social Housing (ESSH) and how social landlords in their area plan on meeting the respective standards.

This paper meets and exceeds the requirements set out in the guidance, by considering key evidence and identifying a range of actions for improving the condition and quality of North Lanarkshire's homes.

## 2. Strategic and Legislative Context

This section outlines the strategic and legislative drivers for improving the condition of homes in North Lanarkshire.

### Strategic context

The quality and suitability of our homes has a significant impact on our health, wellbeing and life chances. As the Health Foundation<sup>1</sup> observes:

*"It's clear that housing conditions can influence our physical health. For example, a warm and dry house can improve general health outcomes and specifically reduce respiratory conditions. However, housing also has a huge influence on our mental health and wellbeing – children living in crowded homes are more likely to be*

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<sup>1</sup> <https://www.health.org.uk/infographic/how-does-housing-influence-our-health>

*stressed, anxious and depressed, have poorer physical health, and attain less well at school.”*

The Foundation estimates that £1 invested in our homes delivers £2 of benefit, through savings to health, care and crime costs. Official statistics<sup>2</sup> also find that for every £1 spent in the construction sector, a further £1 in ‘gross value added’ is generated for the wider economy. Repair and maintenance works, particularly in the private sector, are more likely to be carried out by local SMEs and will therefore have a greater impact within local economies.

In *Homes fit for 21<sup>st</sup> Century*<sup>3</sup>, its strategy for housing in the decade from 2011-20, the Scottish Government set out its ambitions to deliver new homes and improve the quality and choice of Scotland’s homes. Key actions identified in the strategy included providing guidance for social landlords on meeting the Scottish Housing Quality Standards (SHQS) and ensuring that property owners were aware of their responsibility to repair and maintain their homes.

In the decade since the publication of this national strategy, legislation and policies have been developed in response to emerging national priorities, including for improved energy efficiency and fire safety. These require improved standards for new and existing homes. The often-poor condition of Scotland’s older tenemental housing stock has also been the subject of some concern from Scottish parliamentarians, with a working group of MSPs publishing its final report and recommendations<sup>4</sup> last year.

*Housing to 2040*<sup>5</sup> is the Scottish Government’s new vision and plan for the future of Scotland’s housing system over the next two decades. It sets out an aspiration for high-quality, sustainable homes across all tenures, underpinned by 15 principles which will drive decision-making. These include that:

- Tenure-neutral space and quality standards for new homes (and existing homes where possible) should be set specifically to improve and protect quality of living and of space
- All tenures should apply the same high quality and safety standards and levels of consumer protection.

Locally, improving stock condition across all tenures was one of six key priorities set out in the North Lanarkshire Local Housing Strategy 2016-21. Six key strategic actions were identified and have been delivered.

## **Legislative context**

Local authorities and property owners have a range of statutory duties to ensure homes meet minimum condition and safety standards.

Section 85(1) Housing (Scotland) Act 1987 states that:

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<sup>2</sup> GVA stats – find from ERDP evidence file

<sup>3</sup> <https://www.gov.scot/publications/homes-fit-21st-century-scottish-governments-strategy-action-plan-housing/Slx>

<sup>4</sup> <https://www.rics.org/globalassets/rics-website/media/news/working-group-on-maintenance-of-tenement-scheme-property---final-recommendations-report.pdf>

<sup>5</sup> <https://www.gov.scot/publications/homes-fit-21st-century-scottish-governments-strategy-action-plan-housing/>

“It shall be the duty of every local authority to secure that all houses in their district which do not meet the tolerable standard are closed, demolished or brought up to the tolerable standard within such period as is reasonable in all circumstances.”

The Tolerable Standard was established in the Housing (Scotland) Act 1969, following the Cullingworth Committee’s “Scotland’s Older Homes” report two years earlier. The standard has been progressively updated since when it was extended to require that all homes should have smoke and heat alarms. Local authorities are responsible for ensuring this standard is met.

The 1987 and 2006 Housing (Scotland) Acts give local authorities a range of discretionary powers which they can use to ensure properties meet the Tolerable Standard and are free from serious disrepair. This includes the ability to require works and to declare a Housing Renewal Area (HRA) where a significant number of homes in an area are substandard, or where the appearance or state of repair of those homes are adversely affecting the amenity of the area. Where an HRA is declared, the authority must set out an Action Plan for addressing the identified issues. Where appropriate, the council will use all the available powers to address substandard housing and environmental issues within an area, including the use of HRAs. The council however will only consider designating an HRA where owner engagement has been exhausted and the use of other powers would be unsuitable or ineffective in tackling the issues within an area.

The 2006 Act also introduced a new requirement for local authorities to prepare a Scheme of Assistance, setting out how it will advise and assist owners in their areas to repair and maintain their homes. North Lanarkshire’s Scheme of Assistance was last revised in 2020, because of budgetary pressures the council is no longer able to financially assist all owners. Following further changes to the private sector budget allocation in 2021, discretionary grants and financial assistance was amended. These changes limited financial assistance to the council’s own capital programme projects, any owner who qualifies for such assistance will be contacted directly by the council. Mandatory (disabled adaptations) grants are still available, and the scheme will continue to provide advice and practical assistance, including advising all owners on repairs which are required and how best to organise works. Rented properties should meet additional condition standards. The Repairing Standard applies to all private rented sector (PRS) properties and requires that private rented homes are not just tolerable but liveable (so, for example, while the Tolerable Standard requires that properties have provision for space heating, the Repairing Standard requires space heating to be in a reasonable state of repair and proper working order).

Private landlords are responsible for ensuring their properties meet this standard throughout their tenancies. Compliance is enforced by the Housing and Property Chamber, a specialist legal housing tribunal established to consider rents and repairs disputes in the private rented sector (PRS). Local authorities can also apply to Scottish Ministers to designate an ‘Enhanced Enforcement Area’ where there is a concentration of PRS properties in the area, and where those properties are in a ‘poor environmental standard’, and where there is overcrowding and a prevalence of anti-social behaviour.

Socially rented properties are required to meet significantly higher minimum standards. The Scottish Housing Quality Standard (SHQS) was introduced in 2004 and aimed to drive improvements in the social housing stock. It required councils and housing association properties to be energy efficient, healthy, safe and secure with modern facilities and services and free from serious disrepair by 2015. This standard has largely been met, though many landlords have recorded several properties which are exempt from the SHQS or in abeyance.

The Energy Efficiency Standard for Social Housing (EESH) was introduced in 2014. It requires that social rented homes meet minimum energy standards, based on stock type and fuel source. The first deadline was set for December 2020. New requirements for the post-2020 period (known as “EESH2”) has since set much more ambitious targets. These require that social rented homes must, where technically feasible and cost effective, achieve an energy performance rating that meet Energy Performance Certificate (EPC) band D by 2025 and EPC B by 2032. In many cases, social landlords will likely have to improve both the fabric (energy efficiency) of their homes and install renewable heating measures to meet this new Standard.

The council has recently approved ‘Homes Fit for the Future’, its asset management plan for council housing during the lifetime of this LHS. This plan sets out the council’s ambitions for meeting and exceeding these minimum property standards, and our aspirations to deliver homes which meet future housing need and demand. The council also engages with North Lanarkshire’s Registered Social Landlords to ensure their ongoing compliance with minimum condition standards.

### 3. Key Evidence

This section considers the key evidence on house condition in North Lanarkshire, including a profile of housing stock and local and national data.

#### Stock Profile

Home Analytics Data<sup>6</sup> provides some useful data in which lower geography and stock condition factors can be analysed. This data estimates that there are 153,264 dwellings in North Lanarkshire. The majority (96,232, or 62.8%) are owner-occupied while a further 11,657 (7.6%) are in the private rented sector (PRS). The remainder are in the social rented sector, with 36,315 (23.7%) owned and managed by North Lanarkshire Council (NLC) and 9,060 homes (5.9%) by registered social landlords (RSLs).

**Table 1: Stock Profile by Age and Tenure**

	<b>NLC</b>	<b>RSL</b>	<b>Owned</b>	<b>PRS</b>	<b>Total</b>
<b>Pre-1919</b>	186	547	6,985	1,183	8,901
<b>1919-1949</b>	12,085	557	16,063	2,172	30,877
<b>1950-1983</b>	23,213	3,283	41,657	4,988	73,141
<b>1984-1991</b>	105	492	6,381	680	7,658
<b>1992-2002</b>	117	2,699	14,192	1,214	18,222
<b>Post-2002</b>	609	1,482	10,954	1,420	14,465
<b>Total</b>	36,315	9,060	96,232	11,657	153,264

Source: Home Analytics Data Energy Savings Trust, March 2020

Just over a quarter (25.9%) of North Lanarkshire’s homes were built before 1950, reflecting a relatively new housing stock compared to many other local authority areas. Pre-1919 homes are predominantly in the private sector, with around four in five (78.5%) owner-occupied and a further 13.3% in the PRS.

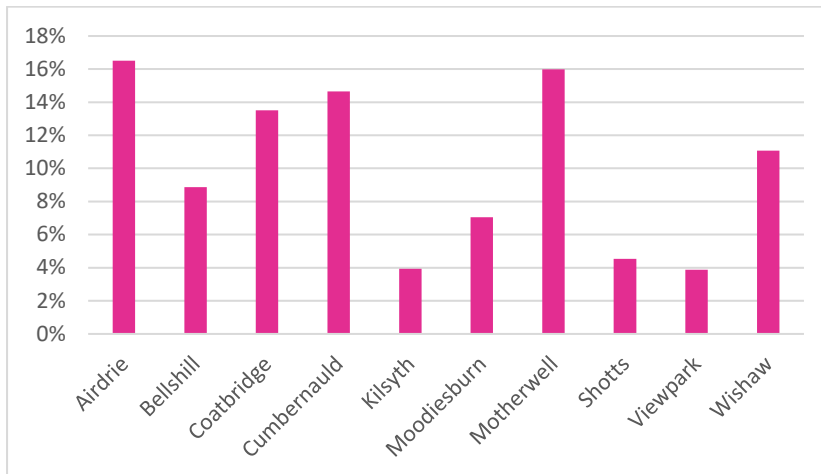
A fifth (20.1%) of homes were built in the thirty years between 1919 and 1949, with slightly more than half (52%) owner-occupied and around two-fifths (39.1%) in council ownership. Almost half of all homes in the area (47.7%) were built between 1950 and 1983 during the

<sup>6</sup> Home Analytics Data, March 2020, Energy Savings Trust

peak years of council housebuilding. More than three in 10 (31.7%) are in Council ownership, with the majority (57%) owner-occupied. A significant majority (86.4%) of homes built after this period is within the private sector; the council owns around 1 in 50 (2.1%) of post-1984 homes in North Lanarkshire with the rest (11.6%) owned by housing associations.

There are 10 'Local Housing Market Areas' (LHMAs) in North Lanarkshire. The largest LHMAs by number of dwellings are Airdrie (16.5% of all stock), Motherwell (16%), Cumbernauld (14.6%) and Coatbridge (13.5%). A fifth of North Lanarkshire's homes are in Wishaw (11.1%) and Bellshill (8.9%) with the Moodiesburn (7.1%), Shotts (4.5%) and Kilsyth and Viewpark (3.9% each) LHMAs the smallest in the area.

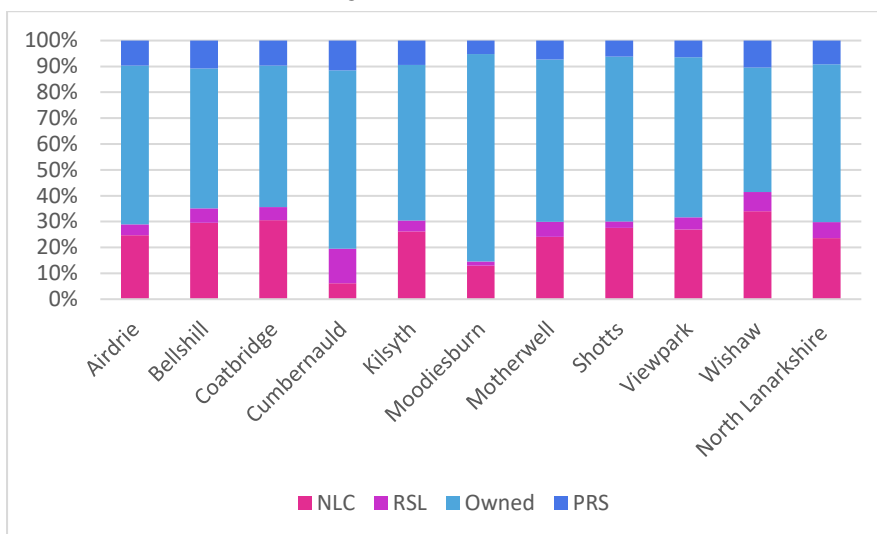
**Chart 1: North Lanarkshire LHMAs by proportion of homes**



Source: North Lanarkshire Council Area Profiles 2018/19

There is some variety in the tenure mix across North Lanarkshire, with LHMAs in the north of the area having larger private sectors than the rest of the area. Four in five (80.2%) homes are in homeownership in Moodiesburn compared to less than half (48.1%) in Wishaw. A larger proportion of homes are in RSL ownership (13.4%) or in the PRS (11.5%) in Cumbernauld than elsewhere, where the Council (6.2%) has its lowest share of housing stock.

**Chart 2: Tenure profile by LHMA**



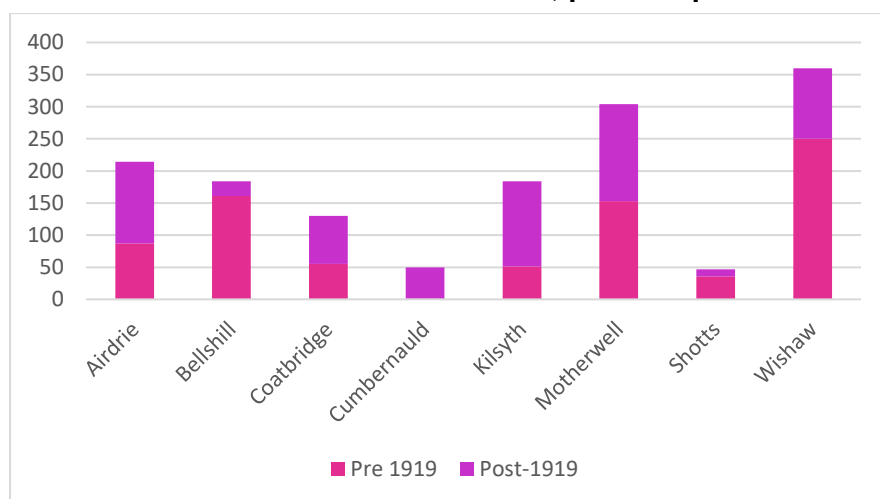
Source: North Lanarkshire Council Area Profiles 2018/19

Reshaping and repopulating the area’s eight town centres is at the heart of the Council’s approach to regenerating North Lanarkshire. Currently, fewer than 1% (1,473) of homes are within town centres and the age and tenure profile within these centres is distinct from the rest of the towns.

More than half (54%) of town centre properties were built before 1919. This compares with just 8% of homes outside of town centre locations, suggesting that repair and maintenance issues are likely to be greater within town centres.

The number and age of homes varies by town centre, with the largest number of town centre homes in Wishaw (360) and Motherwell (304) and the fewest in Shotts (47) and Cumbernauld (50). Wishaw has the highest number (250) of pre-1919 homes in its town centre, while 87.5% of dwellings in Bellshill town centre were built during this period. In contrast, just one (2%) of the 50 properties in Cumbernauld town centre was built before 1919.

**Chart 3: Number of town centre homes, pre- and post-1919**

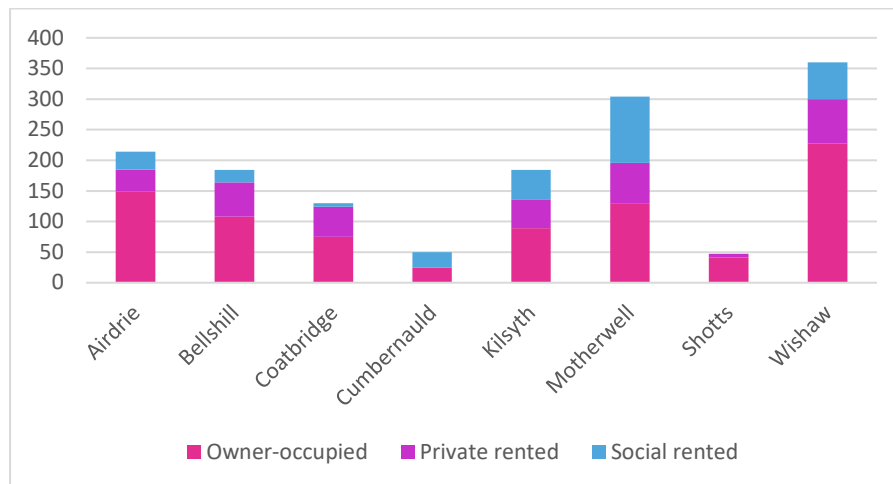


Source: North Lanarkshire Council Data as at 31st March 2019

Like North Lanarkshire as a whole, most homes (57.3%) in the area’s town centres are owner-occupied. A larger number of homes are however in the PRS (22.6%) and fewer in the social rented sector (20.1%), which may make common repairs and maintenance more difficult to arrange and carry out. There are no social rented homes in Shotts town centre, and social landlords own and manage a small minority of the town centre homes in Coatbridge (4.6%), where the PRS is particularly large (37.7%), and in Bellshill (10.9%) and Airdrie (13.6%).



**Chart 4: Tenure profile within North Lanarkshire town centres**



Source: North Lanarkshire Council Data as at 31st March 2019

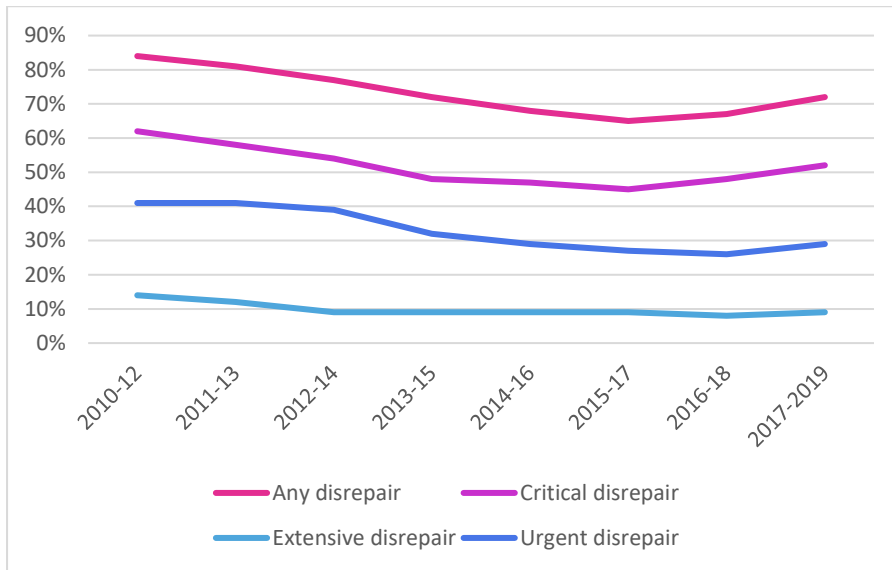
### Disrepair

The Scottish House Condition Survey (SHCS) is the primary source of evidence for the condition of Scotland's homes. Since 2010, the survey has been carried out on an ongoing basis, with local analyses (based on a rolling three-year period) published each year. The survey considers a range of criteria, from adaptations and bedroom size to the depth of wall insulation. Six of these criteria relate specifically to the condition of properties:

- Any disrepair
- Critical disrepair
- Extensive disrepair
- Urgent disrepair
- Below Tolerable Standard
- Scottish Housing Quality Standard

It should however be noted that due to the relatively small sample sizes, the data contained within the Survey is not wholly reliable and the authors provide a range of estimates. For example, the 2017-2019 survey estimates with 95% confidence that between 8,500 and 17,600 properties in North Lanarkshire are in 'extensive disrepair', giving a 'principal' estimate that 13,000 actually are. This section draws on these mid-range estimates; due to these limitations it does not provide any tenure-based analysis.

**Chart 5: Any, Critical, Extensive and Urgent Disrepair in North Lanarkshire, 2010/12 – 2017/19**

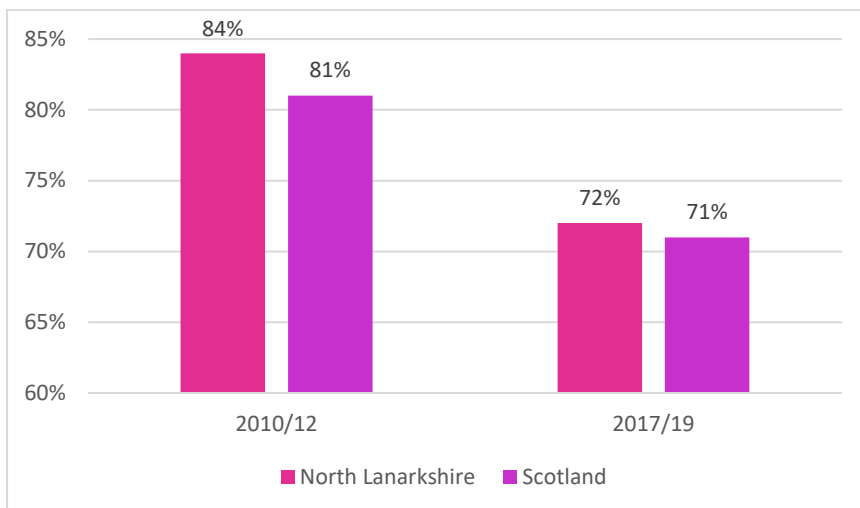


Source: Scottish House Condition Survey

Survey data suggests that house condition in North Lanarkshire has improved significantly over the past decade, with sustained declines in all types of disrepair measured. In 2017-19, 'any disrepair' was recorded in 72% of properties surveyed compared to five out of every six (84%) in 2010-12. The proportion of properties in the poorest condition ('extensive disrepair') fell by more than a third during this period, from 14% in 2010-12 to 9% in 2017-19.

While house condition generally improved across Scotland during the 2010s, North Lanarkshire outperformed the national average, recording an 12% reduction in homes in 'any disrepair' between 2010-12 and 2017-19 compared to a Scottish average of 10%.

**Chart 6: Any Disrepair, North Lanarkshire and Scotland, 2010/12 – 2017/19**

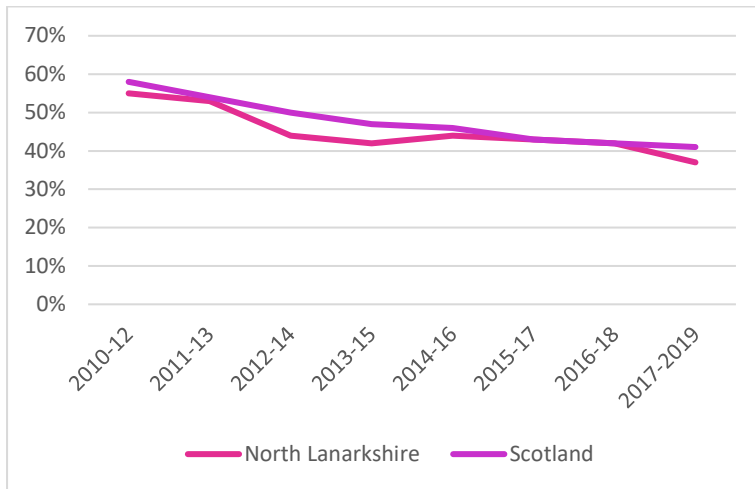


Source: Scottish House Condition Survey

Similarly, positive improvements were made in the proportion of homes deemed to fail the SHQS (with all properties in the sample, irrespective of tenure, assessed against the Standard). Slightly less than four in ten (37%) of North Lanarkshire properties failed SHQS in

the 2017- 19 survey compared to almost six in ten (58%) in the 2010-12 exercise. A steady improvement was recorded in both North Lanarkshire and across Scotland over the period.

**Chart 7: All Tenure SHQS Fails, 2010/12-2017/19**



Source: Scottish House Condition Survey

### **Below Tolerable Standard**

The 2015-17 Survey estimates that 1% of homes in both North Lanarkshire and Scotland were below tolerable standard. Due to the small sample size, the 2016-18 and 2017-19 Surveys did not report a BTS figure for North Lanarkshire.

We know, however, from council housing data, that there are no identified BTS council stock within North Lanarkshire. Nevertheless, given the age profile of our stock, on-going investment will be required to continue to maintain this achievement. BTS is therefore an issue which is much more significant in the private sector. The council's Private Sector Housing Team and Environmental Health Officers work together to reduce and prevent BTS housing through a combination of information and advice. Engagement with owners and landlords is the main focus of activity to improve standards but enforcement action may also be taken as a last resort.

### **Mixed Tenure**

Analysis of national survey data finds that the greatest improvements in stock condition have been achieved where there are greater concentrations of mixed tenure housing stock, suggesting that housing quality has improved across all tenures where social landlords have invested in their homes to meet SHQS and EESSH. North Lanarkshire Council has one of the biggest mixed tenure estates in Scotland, sharing ownership of tenemental property with more than 8,000 other owners (around one quarter of whom are private landlords). Significant improvements will be required to many of these homes over the next five years and beyond, however, securing owner participation in capital works may be more difficult in future given the changes to financial assistance through the Scheme of Assistance.

### **Support and Assistance for Homeowners**

Between 2016 and 2021, over £3m in grants were distributed to owners, with funding targeted at homes in the poorest condition and to help owners participate in

social landlords' improvement programmes. During this period, the council engaged with thousands of owners, conducting pro-active visits (largely in connection with the now-defunct care and repair service) and inspected 1,515 properties. The number of hits on the council's private sector housing webpage more than tripled between 2016-17 (3,025) and 2019-20 (10,924).

**Table 2: Advice and Information Provision by Type, 2016-20**

Type of assistance	2016-17	2017-18	2018-19	2019-20
Leaflets issued	452	296	444	285
Pro-active visits	3,313	3,234	3,220	2,956
Telephone advice	42	47	42	121
Website hits	3,025	5,704	6,795	10,924

Source: Scottish Government (2020) Housing Statistics: Scheme of Assistance, North Lanarkshire Council Data as at 31st March 2020

### Improving Condition in Areas of Concern

The council's interventions are also helping enable the ongoing regeneration of the Millcroft area of Cumbernauld. Concerns were first raised about the amenity and condition of three separate blocks of flats, comprising 169 homes and 57 lock-ups around 15 years ago, with the council engaging with owners in the area since 2007. The council is now progressing Compulsory Purchase Orders to allow for the blocks to be demolished and rebuilt and is working with Sanctuary to support owner occupiers within the area to move to new build shared equity housing at the nearby Burns Road development. There are several other fully or mostly private sector blocks where the council has identified poor condition issues. Through engagement with landlords, owners and tenants some of the difficulties identified, relate to title deeds, which in some instances renders it difficult for effective interventions. In all the identified areas, issues associated with factoring arrangements was highlighted, with a number of owners failing to secure appropriate factoring arrangements for a variety of reasons. Issues in relation to low awareness amongst some owners and landlords of their responsibilities in relation to house condition was highlighted through the LHS consultation. Other factors, such as improved intelligence and data on private sector housing, and further exploration of utilising 'missing shares' legislation were put forward as part of the solution in identifying the key house condition issues affecting the private sector to aid a longer-term strategic approach for addressing disrepair in the private sector. On balance, it is recognised, that the issues associated with house condition in the private sector are complex and multi-faceted and require a range of solutions and interventions as well as public, private and community buy in to improve standards.

### Social Rented Stock

Most of the investment in North Lanarkshire's existing housing stock in recent years has however been focused on the area's social rented stock as the council and other landlords brought their properties up to meet the SHQS and EESSH standards.

All council homes in the area either comply (89%) with SHQS, are exempt (10%) from the Standard, where technical reasons mean they cannot meet elements of the Standard, or are in abeyance (1%), typically where no access has been granted to carry out works. The council has a broadly similar record on EESSH compliance, with 90% of homes complying with the Standard and the remainder being exempt. Excellent progress has been made

towards the 2025 standard, with all but 579 council homes already achieving an energy performance certificate rating of D or above. However, only around 3.4% of current homes meet the much higher EPC B rating required, where cost effective and technically feasible, by 2032. Initial estimates suggest that it will cost £225m for council properties to meet this standard. Other social landlords in North Lanarkshire report broadly similar levels of compliance with SHQS and EESSH.

Where properties do not meet either of these standards the council carries out annual reviews. For exemptions, it considers whether circumstances (e.g., ownership profile or technology options) have changed and where properties are in abeyance, tenants are contacted each year to ask for their consent to carry out works. Where properties which are in abeyance become void, all works will be carried out before the property is relet.

## 4. Key Issues and Considerations

- Ongoing improvements have been made to house condition over the past decade but too many of our homes remain in disrepair or below quality standards
- Social rented housing largely complies with regulatory standards however around a tenth of homes are exempt or in abeyance and work will continue to be required to bring homes up to SQHS and EESSH standards
- EESSH2 sets a much higher standard and significant investment will be required for properties to meet EPC B by 2032
- These efforts will be complicated by the prevalence of fragmented ownership in many of our mixed tenure blocks and estates
- The future role of private sector team and BTS Strategy requires further consideration to drive improvement in house condition in the private sector

## 5. Suggested Key Actions

- Implement North Lanarkshire Council's Housing Asset Management Plan
- Support RSLs to effectively invest in and manage their stock through development of an RSL asset management forum or conference
- Develop a route map to ensure compliance for council housing stock
- Improve involvement and engagement with owners to help progress common works in mixed tenure blocks and improve house condition in mixed tenure estates and the private sector
- Continue to progress the CPOs for Millcroft
- Explore ways in which factoring support/advice and assistance can be provided to owners, particularly those who encounter difficulty in securing a factor
- Develop and implement a new Scheme of Assistance
- Improve our understanding of house conditions issues in the private sector through better collation of data