

**POLICY SUCCESSION IN A SCOTTISH QUANGO:
THE SCOTTISH SPECIAL HOUSING ASSOCIATION
1937-1984**

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Throughout the course of its existence the Scottish Special Housing Association (SSHA) has made a vital contribution to the implementation of a succession of housing and regional economic policies for Scotland. Today, the SSHA owns some 92,000 houses throughout Scotland, making the Association the owner of the second largest stock of housing in Scotland. Despite its manifest importance to Scottish housing the SSHA has not yet been the subject of an extensive academic study.⁽¹⁾ The purpose of this chapter, therefore, will be to make a start towards filling this gap. Accordingly, we will first present a definition of the SSHA and a survey of its main work during its first forty years. Secondly, we will cover the recent activities of the Association. In doing so we will thereby provide a brief case study of how recent housing policies for Scotland, which are covered in more detail in other chapters of this edition of the *Scottish Government Yearbook*, have affected this particular public housing organisation.

1. Defining the Scottish Special Housing Association

The Association is a non-departmental and non-ministerial agency of the Scottish Office that since its establishment in 1937 has been utilised, on behalf of the Secretary of State for Scotland, to assist the implementation of housing and regional economic policies for Scotland by designing, building

and then managing houses throughout Scotland. The SSHA is governed internally by a Council of Management consisting of a Chairman, a Deputy Chairman and up to five other members. The members of the Council are appointed by the Secretary of State for Scotland and serve for a term of three years that is renewable at the invitation of the Secretary of State for Scotland; Council members are also paid for their part-time work. The Council of Management meets for eight to ten times a year and is responsible for ensuring that the policies and activities of the Association are in line with government policies and procedures. In practice the Association's day-to-day activities are managed by a full-time General Manager, who is appointed by and accountable to the Council of Management, and the Secretary of the Association who, like the rest of the SSHA's salaried staff, is a full-time civil servant. Despite definitional problems with the term, the SSHA is accurately described as a Scottish "quango" which the Secretary of State for Scotland uses to supplement the work of Scottish local authorities and to undertake special work which falls outside the responsibility of any Scottish housing authority.

In performing this function the SSHA designs, constructs, rehabilitates and modernises houses using the services of its own Building Department or, when secured on a competitive tendering process, those of private contractors. The Association also builds houses on an agency basis for a range of government bodies in Scotland, which in the past has included the construction of homes in isolated parts of Scotland for keepers employed by the Northern Lighthouse Board and for employees of the Forestry Commission working in similarly remote areas. The SSHA also builds houses on an agency basis for Scottish local authorities, if called upon by the Secretary of State for Scotland to do so, when they cannot obtain competitive tenders from commercial builders. This facility was used for the first time in 1956 when the Building Department obtained the tender from Inverness County Council to build houses at Caol and Corpach to provide homes for workers with the newly-constructed paper and pulp mill of Wiggins Teape. In all, over 10,000 houses have been erected on an agency basis by the Association. The houses erected for the Association remain in its ownership and are subject to its management. By 1980 the SSHA owned nearly 100,000 houses.

In financial terms the SSHA is a non-profit making Government Sponsored Company. The Association is established under the Companies Act as a company limited by guarantee but having no share capital. As such its funds are generated from government sources. The Association's revenue (or recurring) expenditure is financed from rent income and from annual subsidies and grants by the Treasury that are earmarked for purposes that have been approved by the Secretary of State for Scotland. Most of the SSHA's revenue budget is spent on loan charges, house maintenance programmes, and financing the management (including staff) costs of the Association. The SSHA's capital budget is financed entirely by

the Treasury, is at the request of the Secretary of State for Scotland and must be approved by Parliament. The limit on capital advances to the SSHA has been progressively increased as a direct result of its expanding activities; the present statutory limit sanctioned by Parliament is £750 million. Capital advances are interest-bearing, and are repayable over definite, fixed periods. The borrowing period for building new houses is sixty years and because of recent high interest rates the SSHA has sought various ways to reduce its capital demands, such as financing major modernisation programmes from its revenue account. Monies generated from the sale of houses to tenants or clients when the SSHA acts as a construction agent also contributes to financing its work.

As a public agency the SSHA is accountable to a department of the Scottish Office, with the department exercising day-to-day control over the Association on behalf of the Secretary of State for Scotland. Over the years the specific department and the nature of its controls over the Association has changed. When first established the SSHA, which initially bore the name of the Scottish Special Areas Housing Association Limited, was intended to assist the Commissioner for the Special Areas in Scotland in promoting schemes to alleviate unemployment in places designated as distressed (hence 'special') areas.⁽²⁾ In fact the Commissioner was an official of the Department of Health for Scotland, which exercised responsibility for controlling the SSHA's finances and for approving the allocation of construction programmes in the special areas. The SSHA's activities were extended by the Housing (Scotland) Act of 1944 to permit the Association to build houses, as directed by the Secretary of State for Scotland, in any part of Scotland. The 1944 Act and the Housing (Scotland) Act of 1946 entitled the SSHA to receive Treasury subsidies and grants subject to the approval of the Secretary of State for Scotland and the controls of the Department of Health. Pursuant to this legislation the Council of Management was required to submit to the Department quarterly financial statements. In 1958 the Department's controls were extended to include oversight of the annual process of setting rents for SSHA's tenants.

When the Scottish Development Department (SDD) was established on 1st July 1962 the new department was given responsibility for exercising control over housing policy in Scotland. The relationship between the SSHA and its new departmental overlord was eventually detailed in a formal agreement signed between the two bodies on 10th April 1967. Under this agreement the SDD exercises detailed control over most of the SSHA's activities, including the approval of house construction contracts, building plans, the remuneration of employees, rent reviews and the procedures for selecting tenants for accommodations owned by the SSHA. In the following year the Department began to stipulate the number of houses that could be built for different purposes each year and set a system of indicative costings for pricing the various construction activities of the

Association. The extent of the SDD's financial and other controls over the Association has increased in line with the housing and public expenditure policies of recent governments, and will be considered later in this chapter.

In practice the Association has proven itself to be a flexible instrument of Scottish central government. Over the years the SSHA has been given different remits in line with changes in government housing and economic policies, and we will now turn to outlining the Association's main contributions to these policies between 1937 and 1977.

2. The First Forty Years: 1937-1977

In order to reduce unemployment in the special areas it was necessary for the SSHA to adopt a method of construction that could be used successfully by unskilled operatives. This demand led to the adoption, from Holland, of the 'no-fines concrete' construction technique, which consisted of concrete made only with the larger particles of aggregate cemented together without sand or 'fine' aggregate. The resultant concrete was poured into prepared forms, which enabled a gang of men to construct a three-room house in four days, employing only two or three skilled tradesmen in a gang of fifty workers. To implement this technique the SSHA set up its own Building Department and, in early 1939, began a programme of building 2,000 houses in the special areas. This programme was abandoned with the outbreak of war, when the SSHA was directed to provide housing for special wartime needs. In this role the SSHA built wartime accommodations for workmen moved to Balloch, Johnstone and Hamilton to undertake essential work, constructed Post Offices at, for example, Dunfermline and Kirkwall to handle mail for Royal Naval personnel, and constructed hostels for evacuated families at Bridge of Weir, Milngavie and Neilston. By the end of the war the SSHA had built, mainly in the West of Scotland, 2,829 houses, of which close on 1,700 houses were owned by the Association.

In 1944 the Association was instructed to resume work on the housing projects which had been abandoned in 1939 as preparation for a vigorous role in the post-war housebuilding programme. The main remit of the SSHA was to build houses as quickly as possible for the 'general needs' programme. Thus the Association was empowered and provided with the necessary finances by the 1944 and 1946 Housing (Scotland) Acts to build houses in any district of Scotland which the Secretary of State for Scotland determined was in need of assistance with its house construction programme. The 'general needs' programme required a sharp increase in the personnel and the finances of the SSHA's Building Department, which also utilised innovative construction techniques to reduce the costs and time involved in building new houses. By the early 1950s the Building Department was building two houses for every hour of the normal working week. A total of 46,000 houses had been erected when the 'general needs'

programme was terminated in 1972. In addition the SSHA undertook, between 1949 and 1960, a special housebuilding programme for the National Coal Board to facilitate the movement of miners and their families from exhausted pits to new coalfields. A total of 10,000 houses had been built by the Association for the National Coal Board when this programme was completed in 1960.

In 1953 the Clyde Valley Advisory Committee decided that the rehousing and housing density problems of Glasgow would have to be tackled by both dispersing large numbers of Glasgow citizens to overspill housing developments outside the city and by redeveloping housing in the centre of Glasgow. Over the ensuing years the SSHA made a major contribution to both programmes. The Housing and Town Development (Scotland) Act of 1957 empowered the Association to supplement the work of Scottish local authorities by building overspill communities for Glasgow Corporation. The largest single community development for this venture was erected at Erskine; smaller communities were constructed at Hamilton and Little Earnock. To redevelop the centre of Glasgow the SSHA assisted the Central Glasgow Redevelopment Area programme by building multi-storey housing blocks of up to twenty-six storeys in height. As part of both programmes the SSHA also developed green field recreation facilities for tenants. Both programmes comprised the main bulk of the Association's work between 1959 and 1969, with the SSHA having constructed over 12,000 homes in places as far afield as Dunbar, Arbroath and Fort William when the programmes were completed in 1980.

In the early 1960s the SSHA's primary role shifted once more, this time to supporting the economic expansion programme proposed by the government in its White Paper – 'A Programme for Development and Growth in Central Scotland' – of 1963. The programme was designed to generate industrial growth in selected communities in Central Scotland, with the New Town Development Corporation and the SSHA sharing the main responsibility for constructing economic expansion houses. To supervise the house construction programme the Secretary of State for Scotland appointed the 'Houses for Industry Committee', consisting of representatives from the Scottish Development Department, the Department of Trade and Industry, the Department of Employment and the SSHA; the Housing (Scotland) Act of 1964 empowered the Association to build homes for the venture to relieve the pressure on local authorities, who were already overloaded with their own housing programmes, in Central Scotland. A particular feature of the SSHA's contribution to the programme was the construction of quality housing for in-coming managers, senior executives and professional workers to offset a lack of quality housing in the private sector. Between 1966 and 1972 the Association constructed 10,000 houses for this venture, including the construction of housing estates in Linwood (to support the Rootes car plant), Erskine and Tweedbank.

The 'Houses for Industry Committee' in 1973 proposed a construction programme of 14,000 houses (to be built between 1973 and 1977), with the focus of construction switched from Central to North and North East Scotland to support the development of the oil and gas industries. A large proportion of these houses were built in the Moray Firth area, Aberdeen, Peterhead and other communities in the region for incoming workers employed in the new industries. By 1977 this programme was slowing down due to a combination of the oil and gas boom levelling off and the difficulties experienced, particularly in the Aberdeen area, in obtaining suitable sites for house construction. Homes were also built in the Shetlands for workers engaged in knitwear and fish processing and in the Borders for the wool industry. A total of just over 10,000 houses had been constructed for this phase of the economic expansion programme by 1981.

3. Recent Developments: 1977-1984

For most of its first forty years the SSHA had contributed to the implementation of housing and regional economic policies for Scotland by quickly building houses in green field sites throughout Scotland. During the second half of the 1970s the construction work of the Association underwent a basic shift from building community housing schemes to undertaking major redevelopment work in inner city areas for Scottish local authorities and the planned modernisation of its own housing stock. In part, this new role was a by-product of the post-war emphasis on quantity rather than quality in mass housing construction projects, an emphasis that gave rise to the legacy of a deteriorating stock of housing in the ownership of Scottish local authorities and the SSHA; concentrating on new build schemes in green field sites also meant that the problems of inner city blight, particularly regarding housing constructed during the inter-war years, was neglected. On the other hand, the British economy moved into a recession during the mid-1970s that reduced demand for economic expansion housing projects (particularly in the Borders region) and led, in time, to deep cuts in the provision of public expenditure for house construction purposes.

The policy underpinnings of the Association's new role were first laid down in a memorandum from the Scottish Development Department in 1975, with the justification for a parallel change in Scottish housing policy coming in the form of a Green Paper – 'Scottish Housing' (A Consultative Document) – that was published in June 1977. The Scottish Development Department's memorandum directed the Association to undertake redevelopment and modernisation rather than new build work. The Green Paper supported this change on a national level by arguing that the post-war housing shortage had largely been eliminated in Scotland, and pointed Scottish housing policy in the direction of a programme of planned improvements in inner city housing. In addition, the Green Paper

announced the commencement of a small 'Special Needs' programme for building homes to meet the housing needs of, for example, the disabled, the elderly and single (particularly young) people.

In accord with the SDD's memorandum the SSHA embarked on a Redevelopment Housing Assistance Programme (RAP) to assist Scottish local authorities, particularly in Glasgow, in regenerating their inner city housing by both building new houses and rehabilitating old ones. At first the SSHA was directed to build and upgrade a total of 2,650 houses for RAP, with the Housing (Amendment) (Scotland) Act of 1976 providing the Association with the necessary funds to assist Scottish local authorities in expediting their attack on low housing standards. By early 1979 the programme had been increased, with the Association now allocated a total of 10,290 improvements, to be completed in 1983, in the housing stock of over twenty District Councils throughout Scotland.

A key feature of the Association's contribution to RAP came in the form of participation – along with the SDD, the Scottish Development Agency, Strathclyde Regional Council, Glasgow District Council, the Greater Glasgow Health Board, the Manpower Services Commission and the Housing Corporation – in the Glasgow Eastern Area Renewal Project (GEAR). This programme, which sought to regenerate comprehensively the community of East Glasgow, involved the SSHA in building 1,500 new homes, carrying out the rehabilitation of 800 properties and undertaking various environmental improvement schemes for the project. To facilitate its work on GEAR, which involved liaison and negotiations with many government bodies, the Association opened a new Regional Office (West) in Glasgow in early January 1977.

Coincidentally with RAP the Association commenced a programme to modernise comprehensively housing in its own stock that had been erected twenty-five or more years ago. Most of these houses had been rapidly and economically constructed to tackle the post-war housing shortage, but had come to suffer from marked condensation and insulation problems, with their tenants (particularly those in steel-frame houses built in the immediate post-war years) complaining that their homes were very expensive to heat because of excessive heat-loss problems. In July 1975 the SDD approved a proposal from the Association to undertake a major modernisation of its steel-frame houses; the modernisation programme was expanded in 1977 to cover 11,636 houses of many different types in its own stock. These major modernisation projects were directed at entire blocks of houses that were considered to be in need of extensive modernisation work, such as re-wiring old electrical installations, replacing kitchen and bath facilities, improving their heating system, replacing gutters and lead water mains, and upgrading the roof and wall insulation; the actual work undertaken varied between different types of housing. In addition, a programme of minor modernisations, such as installing new external doors

and replacing individual items of sanitary wear, was approved for houses that were individually considered, as a result of yearly inspections made in the course of a planned maintenance routine that was introduced in 1970, to be in need of work.

In the event the actual extent of the Association's redevelopment and major modernisation work fell significantly short of the targets planned and approved by the government between 1975 and 1979. For example, only 4,200 houses had been built and 1,660 units modernised for RAP by the end of the 1982-83 fiscal year, as compared with the planned target of 10,290 improvements. The reasons for the shortfall are found in the combined effects of economic recession, attendant changes in the government's public expenditure policies, and the difficulties experienced by the SSHA in implementing the redevelopment and major modernisation programmes.

The OPEC oil embargo in 1973 provoked a sharp increase in the rate of inflation that, amongst other consequences, greatly increased the costs of materials and labour for house construction. For example, the cost of building a standard house for the SSHA rose from £5,470 at the end of 1971 to £16,699 by June 1977. Such rapid cost inflation created considerable stress on the economy and the government's public expenditure programme. As a central plank of its programme for tackling Britain's economic recession the newly-elected Conservative Government in June 1979 imposed a system of cash limits on public expenditure that led to deep cuts in the SSHA's capital expenditure allocation from the 1980-81 fiscal year onwards. Under the new constraints on capital spending the Association's planned programme of capital expenditure projects was cut by around 40 per cent, over the 1981-84 fiscal period, from the levels projected when determining the SSHA's capital budget for fiscal 1979-80. To ensure that the SSHA's work was in line with the government's spending policies the SDD laid down, on 1st April 1980, a detailed plan for the Association's future activities. The plan established the level of new starts for the SSHA's new build, redevelopment and modernisation programmes. Thus, new build starts were set at 469 units for fiscal 1982-83, as compared to 1,614 starts made in fiscal 1979-80. As a result of the cuts made in the SSHA's planned capital programme a total of £57.9 million was removed from its capital expenditure budget between the 1981-82 to 1983-84 fiscal years.

Problems inherent in the redevelopment and major modernisation programmes also contributed to reducing the SSHA's capital budget work in the 1980s. The redevelopment programme encountered significant delays in gaining compliance from participating government bodies, private organisations and individuals for the infrastructure planning, site acquisition and clearance phases. Comparable delays were further experienced in obtaining the support of Tenants Associations and

individual tenants, who normally had to be rehoused to permit work on their homes, for the building phases of both the redevelopment and major modernisation programmes. Working simultaneously on both schemes meant that the SSHA experienced significant logistical problems in moving labour and materials between different sites throughout Scotland. As a consequence of these factors the Association did not spend all the monies allocated in its annual budgets for work on the redevelopment and major modernisation programmes, and these 'savings' were part of the cuts made in the SSHA's planned capital expenditure budget for the 1980s.

The Association's actual capital spending since the 1979-80 fiscal year demonstrates the impact of the new constraints upon public spending. With the exception of fiscal 1982-83, which will be discussed later, the SSHA's capital spending has been reduced below the level for fiscal 1979-90 (see Table 1). By contrast the Association's revenue spending has increased by over 30 per cent between the fiscal years of 1979-80 and 1982-83, with the increase reflecting the growth of the SSHA's modernisation work. As Table 2 indicates, reduced capital spending is reflected in a declining construction and redevelopment role for the Association. As such the new goals laid down between 1975 and 1977 for Scottish housing policy and the public expenditure policies of the present Conservative Government have reinforced each other to shift the primary role and work of the Association from house construction to the management, modernisation and maintenance of its own stock of housing. The Association, in line with an instruction – dated 13th January 1983 – from the SDD, now performs a residual housing construction role for the 'Special needs' programme.

For fiscal 1982-83 the SSHA was actually allocated a capital expenditure budget of £43.6 million. The out-turn capital spending budget of £59.9 million for fiscal 1982-83 is due to an unexpected injection of £18.2 million above anticipated levels from sales of the SSHA's houses to sitting tenants; an underspend of £1.9 million reduced the Association's capital spending from £61.8 million to £59.9 million. The sale of its houses to sitting tenants has been a prominent feature of the Association's recent work. The house sales programme began, under 'voluntary procedures' laid down by the SDD in July 1979, some time before the Tenants Rights, Etc., (Scotland) Act of 1980 gave sitting tenants the statutory right to purchase their homes from the Association.⁽³⁾ During the 1979-80 fiscal year the SSHA sold 80 of its houses to sitting tenants, and a further 8,842 houses were sold during the 1980-81 to 1983-84 fiscal period; 3,200 house sales are planned for fiscal 1984-85. In accord with its position as an implementing agency of government policy the SSHA has been directed to pursue a vigorous role in the area of house sales to demonstrate the utility of this policy to other government bodies, particularly Scottish local authorities. Indeed, this 'mission' can be expected to continue as long as the Tenants Rights, Etc. (Scotland) Act of 1980 remains on the statute book.

Cutbacks in the capital budget of the Association and the re-orientation of its work provoked a slimming down of SSHA staff, with the effects first being felt by the Building Department. This department had been established in 1938 to build that portion of the SSHA's new build work that had not been secured, through a competitive tendering process, by private construction companies; funds for the department are provided in accordance with the provisions of various Housing (Scotland) Acts. In accordance with Treasury requirements, the Building Department's accounts are kept separate from those of the SSHA to afford a basis for comparing the Department's work and costs with firms in the private sector. Indeed, the Building Department is treated as a separate organisation and its tenders, to the Association and other government bodies, are closely examined by the SSHA (particularly the Technical Division) and its supervising government department to ensure that the costs are competitive with the prices in the private sector. In practice, the SSHA's supervising government department has required the Building Department to obtain, on average, 20 per cent of its work from competitive tenders, with the remainder obtained via negotiations with the SSHA and other government agencies at rates approved beforehand by the SSHA's supervising government department.

During the post-war boom period for the housing construction industry the Building Department quickly expanded in size and generated profits on its construction work. But the OPEC oil embargo led to severe inflation in the costs of the housing industry that, when combined with the widespread practice in the construction business of tendering fixed-price contracts, led to deficits in the ledgers of the Building Department of over half a million pounds for each of the 1973-74 and 1974-75 fiscal years. The deficits led to the abandonment of fixed-price contracts and the adoption of actual cost tenders, but the Department's volume of new build work was severely reduced by the cuts in its capital programme. In addition the Local Government Planning and Land Act of 1980 imposed further constraints on both the capital and maintenance work of the department. This piece of legislation requires the Building Department, and its counterparts in local authorities, to tender on the open market for any new build programme costing at more than £50,000, for maintenance work costing at more than £10,000, and to generate a profit of not less than 5 per cent on its annual capital turnover. Although the Act empowers the Building Department, and other direct labour organisations in the public sector, to spend profits (in the same fiscal year in which they were generated) that exceed the 5 per cent provision, the legislation injected a great degree of uncertainty into the future operations of the Building Department, which, when combined with the cuts in its capital programme, contributed to reducing the staff of the

TABLE 1
Annual Capital and Revenue Spending (in £ millions) of the SSHA over the 1970-1983 Fiscal Period

	70/1	71/2	72/3	73/4	74/5	75/6	76/7	77/8	78/9	79/80	80/1	81/2	82/3	81/2	82/3	83/4
Revenue	11.1	13.0	14.9	16.8	19.0	25.7	34.0	43.5	53.4	57.9	64.9	71.5	80.9			
Capital Spending	14.9	13.1	10.0	12.6	25.8	35.8	36.4	41.1	30.1	47.2	46.8	44.8	59.9			

Source: SSHA

TABLE 2

Annual Completion Rates (in individual dwelling units) for the main Construction Programmes of the SSHA over the 1976-84 Fiscal Period.

	76/7	77/8	78/9	79/80	80/1	81/2	82/3	83/4
Modernisation	148	803	1044	1484	1562	953	1603	1853
RAP	—	290	280	620	1024	1466	452	327
Economic Expansion	2099	1347	593	222	195	—	14	98
Total new building	3188	2304	2245	1530	1383	1591	550	511

Source: SSHA

department.

The contraction process began in the Autumn of 1979 when the SDD directed the Association to undertake a comprehensive review of manpower levels in the Building Department, basically to reduce the department's staff to levels compatible with the planned construction programme of the department. Over the next three years the department's salaried staff was reduced from 233 to 93 employees, while the number of operatives (comprising workers hired, and paid at hourly rates, for individual construction projects) was reduced from 1,749 to 977 workers between 1979 and 1982. In the process many units of the Building Department were amalgamated, with several branches of the department, as was the case with four supply depots, being closed. The cutbacks firmly re-oriented the department towards work on modernisation and maintenance programmes, with the Association now having most of its new build work undertaken by private construction firms. For example, in fiscal 1982-83 a total of 544 houses were built (mainly to complete work on the SSHA's construction programmes that were authorised in the early 1970s) by private construction firms for the Association, whereas only 12 houses – as compared to 1,296 in fiscal 1975-76 – were erected by the Building Department. The adjustments in the staff and work of the department succeeded in converting the Building Department into a profit-making organisation. In each financial year of the 1980-83 fiscal period the department generated profits on its capital programme, with the profits for fiscal 1982-83 on its capital work standing at £788,000 on an annual capital turnover of £9,831,000; in fiscal 1982-83 a profit of £271,000 was gained from a turnover of £7,641,000 on the department's maintenance budget.

Adapting to the tight discipline imposed by fiscal cutbacks and the new goals of successive governments for Scottish housing policy required a comprehensive re-organisation of the SSHA's organisational structure. As the construction work of the SSHA increased during the post-war years the SSHA evolved an organisational structure that was suited to a vigorous house-building role. This structure consisted of a Technical Division, the Building Department and a Housing Management Department, with each unit responsible, respectively, for handling the different demands of the design, construction and the management phases of the house construction process. In addition, an Administrative Division and a Finance Department provided the other units with a range of central staff services and conducted necessary negotiations with various government bodies in Scotland. In practice, the Association's structure was a functional one in that it was organised to meet the different requirements of the construction process by devolving responsibility for each phase to separate, specialist

units. But precisely because the Association was vertically divided into separate units the organisational structure was not compatible with the new management role of the SSHA. This new task requires close co-ordination between the various units of the SSHA in order to manage a stock of housing that is physically located in different communities throughout Scotland and consists of varying types of houses with widely contrasting (especially regarding modernisation work) local needs. This defect was quickly recognised by the senior officers and the General Manager of the Association, who obtained the approval of the Council of Management (in mid- 1979) to conduct a fundamental review of the SSHA's structure to make it compatible with its projected tasks. This review was approved by the SDD, but was subject to the requirements that any re-organisation did not increase the number of senior posts nor exceed the planned establishment budget for the Association.

Following preliminary discussions between senior officers on the type of structure needed the Association decided, in February 1981, to commission the management consultants firm (in Edinburgh) of Urwick, Orr and Partners Limited to examine the organisational structure of the SSHA and to recommend changes in the light of the Association's projected role and workload. The Urwick group, who had conducted a similar review of the Northern Ireland Housing Executive, worked in close conjunction with the SSHA's senior staff (who organised a working party to liaise with the deliberations of the Urwick group) and submitted their final report in June 1981.

The report's recommendations paralleled the views of the Association's senior managers in proposing the establishment of a number of Regional Management teams who were to be charged with the responsibility for comprehensively managing and delivering a range of services to the local tenants of the SSHA's stock of housing. These regional units, which were to be organised on the principle of managing housing stocks of similar size, were to be headed by a Regional Manager and staffed with personnel drawn from the Technical, Finance, Housing Management and Administrative units of the SSHA. In line the SSHA's Technical, Finance, Housing Management and Administrative units were to be re-organised into Directorates with field officers attached to the regional units and a central staff (located in the SSHA's headquarters in Edinburgh) office that would provide supporting services to the regions and ensure that Association policies are implemented at the regional level. In effect, the report recommended the adoption of an organisational blueprint under which the regional units would become the operational arms of the Association with the responsibility for meeting the different needs of the

SSHA's tenants.

To provide the regional teams with clear direction concerning the policy positions of the Association the report recommended the establishment of a central Policy Board. This Board would consist of the General Manager and the heads of the new Directorates, and would be responsible for preparing internally formulated policy proposals for consideration by the Council of Management, with the Council's decisions subject to the approval of the SDD. In addition, the report proposed the establishment of an Executive Board, consisting of the members of the Policy Board plus the individual Regional Managers and the Manager of the Building Department, to convert official Association policy into operational programmes. Finally, the report proposed significant reductions in the staff of the Technical Department (to reflect a decline in the Association's construction work) and lesser reductions in other units.

The work of the Urwick group was completed with the submission of their final report. The senior managers and the Council of Management of the Association then developed the proposals into a series of changes that were finally approved for implementation by the SDD in May 1981. In short time, Association staff were redeployed to work in either the three Regional Housing teams – a North and a South Region (both with their headquarters in Edinburgh) and a West Region managed from Glasgow – or the four central directorates. The regional units, which are sub-divided into twenty-one Area Housing teams, are multi-disciplinary teams, consisting of staff drawn from all but the Finance Directorate, and are responsible for a full range of services – including rent collection, house sales and lettings – to their tenants and for managing maintenance, modernisation work and liaising with the local authorities within their jurisdictions. In line with their comprehensive management task the Regional Managers are responsible for revenue and capital expenditure programmes within their regions. Today the regional teams manage 78,200 houses and conduct negotiations with the individual Scottish local authorities who manage a total of 13,800 houses on behalf of the Association. The Executive Board met for the first time in July 1982 with the Policy Board commencing its work in early 1984 after the re-organisation programme had been fully implemented. Finally, the salaried staff of the Association (excluding the Building Department) was reduced from around 1,400 staff in mid-1979 to close on 1,100 staff by the end of 1982.

In practice, the re-organisation devolved a substantial degree of authority to the regional teams in order to manage the day-to-day local

operations of the SSHA, while the central directorates, the Building Manager, the Secretary (who is now the head of the Administration Directorate), the General Manager and the Council of Management provide the local units with support services and are also responsible for making and overseeing the implementation of Association policies, subject to the approval, on behalf of the Secretary of State for Scotland, of the SDD. Although it is too early to comment on at this stage, the functioning and the consequences of the re-organisation will provide fertile materials for future studies of the Association.

Conclusion

Over its life the SSHA has demonstrated itself to be a flexible instrument of Scottish Central Government by building and rehabilitating houses to supplement the work of Scottish local authorities, and by undertaking special work that falls outside the authority of other government bodies in Scotland. However, dependence on government policies makes the Association vulnerable, as its recent history underlines, to changes in governments and government policies. One of the main consequences of recent government policies for housing in Scotland has been to draw the Association much closer to the supervision of the SDD. Indeed, the SSHA is now subject to such tight controls, particularly through the annual budgeting process, over its finances and planned programmes of work by the SDD that some doubts may be cast over its status as a non-departmental agency of the Scottish Office. Although the SSHA is, by its nature, a responsive agency, the Association has recently sought to increase its input into determining its future programme of work. Since November 1983 the Area Housing teams have been developing 'Area Housing Plans'. These plans will serve as the basis for determining, at the regional level (by October 1984) a comprehensive housing strategy for the SSHA that will be discussed with the SDD when deciding the Association's capital expenditure allocation for fiscal 1986-7. While it is again too early to assess this strategy, it must be remembered that, in the long run, governments and their policies to change. Should a future government decide to increase its efforts and spending in the area of housing policy for Scotland, then the SSHA, as an implementing agency of government policy, can be expected, as it has in the past, to benefit by playing a vigorous role.

References

1. Academic studies of Scottish Government and housing policies for

Scotland have only devoted a few paragraphs to the SSHA. To date, the main study of the SSHA is *A Chronicle of Forty Years, 1937-1977*, which was published (to commemorate the fortieth anniversary of the SSHA in 1977) by Macdonald Printers (Edinburgh) Limited for the Association. The study was prepared from materials researched by David H Halley, formerly Secretary and Solicitor to the Association, and SSHA staff. The contents of this chapter are based on published government documents, published and unpublished SSHA materials, and interviews with many of the senior staff of the Association.

2. In 1939 the name was changed to the Scottish Special Housing Association Limited, and in 1969 the word 'Limited' was dropped because some Tenants' Associations and Local Authorities took the word to indicate that the Association was a profitmaking commercial enterprise.
3. Under the Heath government, the SSHA sold 410 of its houses to sitting tenants during the 1973-4 fiscal year.