



CIH Scotland Response to: Commission on Housing & Wellbeing

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‘Shaping Housing and Community Agendas’



Introduction

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse and growing membership of more than 22,000 people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: www.cih.org

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1. The importance of housing for wellbeing in Scotland

- 1.1 CIH Scotland believes that the role of housing in health, education and general wellbeing is too often overlooked. We therefore welcome the Commission's report which we hope will highlight the wide ranging benefits of housing and housing services. We want to see a housing system that works for everyone. In order to realise this vision, we need organisations to work together to deliver good quality, affordable homes in safe communities that allow people to live independent, healthy lives.
- 1.2 The challenge for the housing sector going forward will be to develop robust evidence to support the argument for greater investment in housing and housing services.
- 1.3 It might be helpful for the Commission to define what is meant by "housing". It is widely accepted within the housing sector that when we talk about "housing" we are talking about more than just bricks and mortar. We are also referring to the contribution of housing services which support people to find a suitable home and to remain there, to prevent homelessness, promote independent living and the development of strong, supportive communities. As housing professionals, we need to continue to highlight this wider definition of housing to ensure that it is recognised by partners in other sectors.
- 1.4 We agree that the benefits of housing have been accurately reflected in the document but would suggest that the Commission also consider the following points:
 - The positive impacts that good quality, secure housing can have on mental health as well as physical health; and
 - That good quality housing and safe communities can reduce inequalities – people who live in poor housing and "bad neighbourhoods" can be easily stigmatised as can homeless households.

2. Does Scotland invest enough in housing?

- 2.1 We believe that the Scottish Government's current target to supply 6,000 new affordable homes each year falls significantly short of what is needed to deliver a housing system that works for everyone. In our view the target for affordable housing should be increased to 8,000 new affordable homes per year - as a starting point - increasing to 10,000 per year to deal with backlog need and future demand from Scotland's growing population.



- 2.2 Achieving these targets will require direct government intervention and commitment from stakeholders across the house building industry to maximise their own contribution and encourage new entrants to the market. We acknowledge that within the current economic climate funding is limited, but the issue of housing supply cannot be ignored without serious detriment to the health and wellbeing of Scotland's population and our economy. The Scottish Housing Minister has stated that current affordable housing supply targets set a *baseline* for delivery which she hopes will be exceeded¹. We welcome the suggestion that more affordable homes may be built but would like a more concrete statement from our leaders. We want to hear a commitment to end the housing crisis within a generation.
- 2.3 While local authorities have a duty to consider housing need in the context of housing and planning strategies, and there has been some standardisation of the Housing Need and Demand Assessment, there are still some variations in the methods used and the process does not produce an accurate indication of housing need across Scotland. There is therefore a growing requirement for a comprehensive national assessment of housing need and demand to inform future housing supply policy.
- 2.4 It should also be noted that the number of homes delivered must not be the only consideration for the Scottish Government and housing organisations. We must ensure that the right mix of homes is being produced across all tenures to support the wide ranging needs of the population.
- 2.5 With regards to the Commission's suggestions for further action, while we agree that more funds should be invested in social housing and that increased provision of social housing will help to provide homes for some of the most vulnerable members of society, we also think that there is scope to expand intermediate tenures such as homes for low cost homeownership and mid market rent.
- 2.6 Intermediate tenures provide homes for those who are unlikely to access social housing but may be struggling to afford private housing. Intermediate tenure homes can also be delivered with less subsidy than social housing. Delivering a mix of tenures also gives customers more choice and provides alternative options for people who might otherwise have thought that social housing was the only realistic option for them.
- 2.7 We also agree that standards for housing should be increased across all sectors. This is especially important in the private rented sector (PRS) where stock condition surveys suggest that homes are in worse repair and less energy efficient than social housing but cost significantly more to rent. However, there needs to be some form of support in place (whether in the

¹ [Meeting of the Scottish Parliament, 30 September 2014, Housing Supply Debate](#)



form of advice, financial assistance or tax relief) to encourage private owners and landlords to carry out the necessary repairs or improvements if standards are to be enforced in the private sector. This is of particular relevance given the reduction in ECO funding and low take up of the Green Deal.

- 2.8 In our submission to the Smith Commission, the CIH suggested that the devolution of various powers over taxation would allow the Scottish Government to incentivise investment from homeowners and landlords by reducing VAT payable on maintenance and improvement work².

3. Getting a better fit between housing and the economy

- 3.1 There is a need for a cultural shift in the way that we view housing in Scotland and across the UK. Homeownership and generating profit through homeownership has become aspirational and this has led to unhealthy house price inflation, instability in the market and division (both social and financial) between those who can access home ownership and those who cannot.
- 3.2 There is some evidence that people are starting to challenge the popular notion of homeownership as a social norm; for example, the increase in long term private renters and increasing recognition of intermediate tenures as genuine housing options. Supporting improvements in the PRS will help to ensure that renting is seen as a secure and desirable option for more people in the future.
- 3.3 With regards to the Commission's suggestions for policy reform, while we agree that proposals to limit mortgage lending might help to prevent excessive borrowing such as that which preceded the economic downturn, it would also further restrict access to homeownership. Such a policy would have to be underpinned by investment in alternative tenures for those who would previously have expected to buy a home. This aligns with the current Scottish Government policy of encouraging institutional investment in the PRS and CIH's call for increasing the supply of intermediate tenures as well as social housing (see 2.5 and 2.6).

4. Getting a better fit between housing and welfare policy

- 4.1 As stated in the CIH submission to the Smith Commission, we believe that the devolution of powers over welfare must be carefully considered and we would be especially concerned if it was recommended that housing

² [CIH Scotland submission to the Smith Commission](#)



benefit should be devolved in isolation. This could potentially lead Scotland to a similar situation as Northern Ireland where, because of the parity principle, administration of the funding is devolved but the Government has limited say over policy.

- 4.2 We believe that the primary objective of the welfare system in Scotland should be to ensure that the overall level of entitlement that Scottish households receive to pay their housing costs is sufficient, regardless of whether this funding is provided by Westminster or the Scottish Government.
- 4.3 We suggest that Scotland should continue to follow the baseline social security system set out by the UK Government but be given the power to top up housing benefit with revenues raised in Scotland. This would create a simple mechanism whereby housing benefits could be topped up to align household incomes with Scottish public policy objectives. This approach would be dependent on additional fiscal powers being devolved to allow for income generation.
- 4.4 We acknowledge that more radical changes to the welfare system may be considered in the longer term but it is difficult to make further comment until we know the outcome of the Smith Commission.

5. Getting a better fit between housing and the environment

- 5.1 We feel that the document provides a fair assessment of the importance of housing to the environment but an additional point worth highlighting here is the importance of planning sustainable communities with adequate local amenities. For example, the presence and proximity of local shops and health facilities can help to prevent unnecessary journeys. Well planned, integrated infrastructure can make it easier for people to choose public transport options when they do need to travel.
- 5.2 In terms of current Government policy context, it is worth noting the impact of UK Government policy on the funding available for energy efficiency measures in Scotland – e.g. loss of ECO funding which could have made significant contributions to difficult to treat or off grid homes. The limited uptake of the Green Deal has also received relatively little attention considering this was intended to support home owners to finance improvements as grant funding becomes less common.
- 5.3 In relation to the proposed actions, we agree that simplification of current funding streams would be helpful and that there should be more focus on



increasing energy efficiency in private homes. However, improving standards in existing private homes needs to be supported by funding or, as suggested above (see 2.8), the possibility of reduced VAT for homeowners and landlords carrying out improvements to their home.

- 5.4 Some form of financial assistance, whether through grant, tax relief, or repayable loan, would be especially desirable if, as suggested, the sale of a home was conditional on the property meeting certain standards.
- 5.5 It must also be recognised that retrofit energy efficiency measures can only go so far towards reducing fuel consumption and household bills. The price of energy and the way that households use energy are significant contributing factors to fuel poverty. The CIH's submission to the Smith Commission called for more powers over the energy sector to be devolved to Scotland. This would give the Scottish Government more power over energy prices and energy company contributions to energy efficiency work.
- 5.6 There also needs to be a focus on information and education to help tenants and homeowners to use appliances more efficiently.

6. Housing and health and education

- 6.1 This chapter provides a good summary of the wider role that housing plays in health and education. However, when assessing the contribution of housing to positive health outcomes, it would also be worth noting that good quality housing and well managed neighbourhoods can improve mental health by supporting the development of healthy social networks which can reduce isolation and establish informal support networks.
- 6.2 The document does mention issues with a lack of adaptations in existing homes but the Commission should also consider the importance of building lifetime homes. Accessible homes – that can be easily adapted as people grow older and their needs change – can help people to remain safely at home for longer, preventing the need for expensive interventions or residential care. The design of housing can also help to support people with dementia which is becoming more prevalent as people live longer.
- 6.3 While the document touches on the positive outcomes of homelessness policy in terms of abolition of priority need and the fall in homeless applications resulting from increased focus on prevention, we feel that some analysis of the use of temporary accommodation would be useful here.
- 6.4 While the number of households assessed as homeless has been falling, the number of households living in temporary accommodation remains high (the number exceeded 10,000 in 2009 and has not fallen below this



benchmark since) as affordable options for people to move out of temporary accommodation remain limited. Increasing the length of stay in temporary accommodation is far from ideal and will arguably have a negative impact on health and education, especially in cases involving children.

- 6.5 With regards to housing and education, we feel that there needs to be closer links between housing and education in terms of Getting it Right for Every Child (GIRFEC). Giving children the best start in life and ensuring that they go on to achieve their full potential starts with the provision of a warm, safe, secure home.
- 6.6 There is also a role for education to play in helping young people to understand the housing system and what their options will be when leaving home for the first time. Ensuring that young people know their rights in terms of financial support, what they can expect from a private tenancy and where to access advice and information will help to prevent people falling into debt or becoming homeless.
- 6.5 We agree with the majority of recommendations in this section but it is unclear why the Commission is proposing a “significant” increase in the number of large homes being built in the social rented sector. A variety of housing tenures and sizes must be delivered to meet the wide ranging needs of Scotland’s changing population. Local authorities must work together to deliver the right mix of homes to reflect the local needs of regional housing markets.
- 6.6 In addition, we would suggest that some actions should be focussed on reducing the length of time that households are spending in temporary accommodation. This would be linked with actions to increase the supply of affordable housing and work to make the PRS a more attractive option for households looking for secure accommodation.

7. Housing and community regeneration

- 7.1 We feel that positive engagement with local residents throughout the process is key to successful regeneration work and the importance of this cannot be overstated. The Scottish Government is clearly sending strong messages about how public bodies in Scotland, including social housing providers, should be working with other key agencies as well as local people to develop sustainable services and communities. The Community Empowerment Bill is one example, although it has yet to be seen how much of an impact this will have on local decision making.
- 7.2 *Regenerating Our Communities, a Snapshot in Time* was published by CIH Scotland in 2013 to showcase some of the best examples of community regeneration work across Scotland. All of the projects reflect the importance



of involving local people in the development process and demonstrate the wider benefits of regeneration.

8. Do we need a more robust private rented sector?

- 8.1 There is general consensus across the housing sector that the PRS will play an increasingly important role in meeting housing need in the coming years as social housing remains scarce and homeownership remains out of reach for many. While the sector grows and more people choose to make a private rented property their home, there is a need to ensure that private renters are treated fairly and that they have greater security of tenure. At the same time, landlords and investors need reassurance that their businesses will remain viable.
- 8.2 It should be noted that the Scottish Government has shown a clear intention to increase standards in the PRS and attract investment to the sector. This can be evidenced in the development of a dedicated PRS strategy, *A Place to Stay, a Place to Call Home*, published in 2013 and we are encouraged by this commitment to improve the sector for tenants and landlords.
- 8.3 Several action points from the PRS Strategy are now being taken forward including the introduction of tenancy deposit schemes, the appointment of a PRS champion and a full review of the existing PRS tenancy regime. Measures have also been introduced through the Housing (Scotland) Act 2014 to regulate letting agents and tackle poor quality housing in the PRS. Consultation is due to take place next year into the possible introduction of minimum energy efficiency standards.
- 8.4 We agree with the proposals put forward by the Commission and note that some of these are currently being considered by the Scottish Government including a review of current private sector tenancy arrangements, building capacity by encouraging institutional investment through the appointment of a PRS champion and consideration of rent regulation. CIH Scotland welcomes the acknowledgement from the Scottish Government that work needs to be done to improve the private rented sector and we believe that these actions represent the first steps in that process.