

Citizens Advice Scotland

Scottish Association of Citizens Advice Bureaux
www.cas.org.uk



generations of good advice

Commission on Housing & Wellbeing: Consultation 2014

Response from Citizens Advice Scotland

November 2014

Citizens Advice Scotland (CAS), our 61 member bureaux and the Citizens Advice Consumer Service helpline form Scotland's largest independent advice network. Advice provided by the Scottish CAB Service is free, independent, confidential, impartial and available to everyone. Our website, Adviceguide, also provides the public with up to date information on a range of topics. We are champions for both citizens and consumers and in 2012/13 we helped over 314,000 people deal with over a million issues.

Context of Response

Citizens Advice Scotland (CAS) welcomes the opportunity to contribute to this important discussion on the future of housing in Scotland. In 2013/14, citizens advice bureaux in Scotland advised clients on 40,287 new issues directly related to housing, in addition to 24,741 new Housing Benefit issues and 10,416 new rent or mortgage arrears issues.

Additionally, as a result of the UK Government's consumer landscape changes, the statutory responsibilities and powers of Consumer Futures transferred to the Citizens Advice Service across Great Britain, including on the essential regulated service of energy. These powers include the power to request information from private regulated companies like energy suppliers. We are also a statutory consultee on energy.

Our response is shaped by these new responsibilities and by evidence from citizens advice bureaux in Scotland on the many and varied issues related to housing that CAB clients seek advice on every day.

Summary

- CAS supports the understanding of wellbeing proposed, but would also recommend expanding the headings to include further details such as neighbourhood quality, employment, environmental sustainability and air quality.
- The introduction of Universal Credit presents a number of unknown quantities for the relationship between housing and welfare in Scotland.
- The recommendations of the Smith Commission present some opportunities for policy innovation in the area of housing and welfare. However, as Housing Benefit and some key social security benefits are not recommended for devolution, some of the suggested medium and long term policy options are unlikely to be possible.
- CAS believes the Commission's report would be further enhanced by giving more space to the Scottish Government's forthcoming consultation on regulating minimum standards of energy efficiency in private sector housing. The roll-out of smart meters should be considered by the Commission.
- Any proposal for an 'equity release' scheme for property repairs would need to be accompanied by independent financial advice to protect older and more vulnerable consumers.
- CAS would agree that more attention needs to be paid to the needs of rough sleepers, and would also recommend the Commission considers the needs of other 'hidden' homelessness such as 'sofa-surfing' individuals
- The potential for collective community energy projects should be explored in new and existing housing developments

- CAS is frequently alarmed at the quality and upkeep of private rental properties, often let by 'persistent offenders' in the landlord community; and particularly focussed in urban areas, especially Scotland's inner cities. The Scottish PRS market must strive to achieve the high standards that many of its landlords already achieve to ensure that renters get the best quality of living conditions.
- The Commission must be mindful of the growing number of people 'trapped' in the private rented sector (PRS). Additionally, the PRS cannot be seen to take the place of social housing.
- Tribunal judges in the PRS should be able to take into account mitigating circumstances before providing eviction notices.
- CAS recommends a national taskforce is set up to clamp down on rogue landlords. This should also be co-ordinated with Police Scotland to tackle landlords with links to organised crime.

Section 1: Wellbeing

Q.1. Has our assessment of housing and wellbeing missed any important benefits and, if so, which benefits and what is the evidence for this?

Q.2. Has our assessment exaggerated any of the benefits of housing for wellbeing and, if so, in what respects and what are your reasons for saying this?

CAS supports the broad based and holistic understanding of wellbeing being proposed and would share the Commission's view that the success of public policies cannot be measured on economic measures alone. While the eight types of wellbeing identified (p.10) are welcome and fairly comprehensive, covering the full range of issues related to housing and wellbeing, these would benefit from being expanded in a number of places:

- **Neighbourhood quality** – This could be expanded to also include a reference to a likely increase in social cohesion resulting from improved housing quality, leading to better outcomes for communities;
- **Employment** – The potential issues seem to be wider than increased employment opportunities or from employment-based migration of the population. Also relevant are the increased benefits for the formal economy afforded by high quality, affordable housing, including greater productivity and a committed workforce who feel safe in their homes;
- **Environmental sustainability** – How people actually live in houses is important, as are rebound effects. If the expected benefits from increased energy efficiency are to be realised then ensuring those savings are not spent

(directly) on increased energy consumption or (indirectly) on other carbon intensive activities should be considered and mitigation policies designed to tackle them. Any policy that seeks to increase environmental sustainability by improving the energy efficiency of UK housing stock must emphasise the correct energy efficiency solutions for different property types as opposed to blanket solutions. It is estimated that 85% of UK housing stock will still be in use in 2050¹, therefore measures must be tailored to ensure they preserve building materials and internal air quality. For example, in some older solid wall properties, it is important to use permeable insulation as these properties were designed to 'breathe'².

- **Health** – Energy efficiency measures in properties can impact internal air quality. Increasingly air tight properties which are situated in areas of high external pollution levels (e.g. city centres) are a particular issue. The health impacts of internal air quality are not yet well understood; therefore future housing policy must be mindful of potential impacts³.

Section 2: Housing and Investment

Q.3. Do you agree with our assessment of the current position on investment in housing?

CAS finds the Commission's views on investment in social housing, as a result of the Scottish Housing Quality Standard (SHQS) to be accurate, though we do still see cases in citizens advice bureaux where social housing continues to fall well below that standard.

The difficulties of repair, maintenance and improvement in private sector housing are recognised by the Commission as being more ad hoc. Where there is less recognition is the potential future impact of government activities, such as the Scottish Government's commitment to consider regulating for minimum standards of energy efficiency in private sector housing⁴. CAS is broadly supportive of regulating minimum standards given its potential to reduce energy bills, rates of fuel poverty and greenhouse gas emissions. However, we would expect Scottish consumers to have access to appropriate information and support and, where necessary, finance to help bring properties up to any minimum standard.

Q.4. Do you agree with our assessment of the current policy on investment in housing?

Since 2006, Scottish local authorities have had the power to require repairs and maintenance in the private sector⁵. Beyond ensuring minimum tolerable standards it is clear that these powers are not being used extensively or evenly across the

¹ <http://www.scotland.gov.uk/Resource/0042/00425697.pdf>

² <http://www.historic-scotland.gov.uk/energyefficiencyandtraditionalbuildings.pdf>

³ <http://www.historic-scotland.gov.uk/traditional-buildings-air-quality-energy-efficiency.pdf>

⁴ <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/sustainable/Energy-efficiency-private-sector-homes/REEPS-Working-Group>

⁵ <http://www.legislation.gov.uk/asp/2006/1/contents>

country. This needs to be better understood to avoid a postcode lottery in the quality of the housing stock. The process by which this can be actioned by consumers needs to be made clearer by local authorities. Once clarified, the Citizens Advice Service in Scotland offers an excellent opportunity to advise citizens of such rights through our existing information channels.

While the Commission is right to suggest that grants for private owners for property improvement and repairs have all but disappeared (p.13), it is not clear to us that the grants for energy efficiency works are being maintained to the same degree they were prior to the economic downturn in 2008. Most current energy efficiency schemes are, for understandable reasons, primarily targeted at households either in or at risk of falling into fuel poverty. Given that most government and supplier led energy efficiency schemes define eligibility in fairly narrow terms, many of those who are ineligible for assistance also struggle to heat their home.

Q.5. Do you agree with our suggestions for further action in the area of investment in housing?

Q.6. Do you have other suggestions that we have not mentioned in relation to investment in housing?

CAS would also welcome further investigation looking at whether there are any specific groups affected by the lack of social housing. Given the lack of available properties in the social sector, there needs to be greater understanding of any impacts incurred as social housing places are prioritised and whether this is having a disproportional impact on specific groups of individuals, to ensure that housing policy can be framed accordingly. The recent Poverty and Social Exclusion in the UK survey identified key groups of individuals that are at risk of high levels of deprivation⁶. Housing issues must be considered in line with poverty indicators to help prevent specific groups from being pushed out with societal support systems.

Section 4: Housing and welfare policy

Q.10. Do you agree with our assessment of the current position regarding housing and welfare benefits? What would you add?

Citizens Advice Scotland agrees that Housing Benefit is vital for ensuring low income households can afford rent payments. Advice on Housing Benefit is one of the most common issues sought by CAB clients, with 24,741 new issues related to Housing Benefit being brought to Scottish citizens advice bureaux in 2013/14. The majority of these enquiries related to whether a client is entitled to claim Housing Benefit and how they should apply for it, demonstrating its continued importance.

Since the introduction of welfare reforms, most notably the underoccupancy charge, rent arrears have risen sharply as an issue for CAB clients in Scotland. In 2013/14,

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<http://www.poverty.ac.uk/sites/default/files/attachments/Dermott%20and%20Pantazis,%20Gender%20and%20poverty.ppt>

new issues related to local authority rent arrears rose by 21.6%, and RSL (Registered Social Landlord) arrears issues increased by 49.9% compared with the previous year. According to research by the Scottish Housing Regulator, at the end of 2013, total arrears accounted for 4.2% of rental income, up from 3.7% the year before. This represents a total of almost £79 million, at least £5.43 million of which was directly attributed to the changes to Housing Benefit.⁷

Despite action by the Scottish Government to mitigate the effects of the underoccupancy charge, and the forbearance of social landlords, rising rent arrears may inevitably lead to evictions and homelessness for tenants struggling to pay rent. Indeed, after several years of falling numbers, homelessness is increasingly affecting CAB clients, with new issues of actual homelessness from April – June 2014 rising by 31% compared with the equivalent period in 2013. On top of this, rent arrears in the private rented sector are also a growing problem for CAB clients, with the number of new issues rising by 21% between 2012/13 and 2013/14.

This is set against a social backdrop that presents a number of challenges to incomes and underscores the need for housing support for out of work and in-work households alike. For instance, citizens advice bureaux have advised a rapidly increasing number of clients in crisis who required a referral for a food parcel because they were unable to afford to eat.⁸ There has been a significant increase in the number of benefits sanctions issues in Scottish bureaux, which in some cases has led to hardship and debt.⁹ Payday loans have been one of the fastest growing areas of advice in citizens advice bureaux and to the citizens advice consumer helpline service over the past three years and our evidence shows that they are used predominately for essentials such as food, energy and rent.¹⁰ The rise in zero hours contracts have led to workers being forced into debt and hardship due to unpredictable working hours, leaving it difficult for them to budget or get support from the benefits system¹¹, and the most recent poverty estimates revealed rising numbers of households in Scotland below the poverty line, including a majority from in-work households.¹²

Whilst a significant number of CAB clients seek advice about mortgage arrears, with 3,263 new issues reported in 2013/14, there are few enquiries about the Support for Mortgage Interest scheme. The Mortgage to Rent scheme¹³ is a more common area of advice for owner-occupiers struggling to afford repayments, but appears to be oversubscribed and not an available option to some clients as a result.

⁷ Impact of Welfare Reform on rent arrears. Research Report 3 – Scottish Housing Regulator, April 2014 <http://www.scottishhousingregulator.gov.uk/publications/impact-welfare-reform-rent-arrears-research-report-3>

⁸ Voices from the Frontline: Food parcels and the benefits system – Citizens Advice Scotland, April 2014 <http://www.cas.org.uk/publications/voices-frontline-food-parcels-and-benefits-system>

⁹ Sanctioned: what benefit? – Citizens Advice Scotland, July 2014 <http://www.cas.org.uk/publications/sanctioned-what-benefit>

¹⁰ Payday lenders: business as usual – Citizens Advice Scotland, April 2014 <http://www.cas.org.uk/publications/payday-lenders-business-usual>

¹¹ Working at the Edge: Zero Hours Contracts – Citizens Advice Scotland, July 2014 <http://www.cas.org.uk/publications/working-edge-zero-hours-contracts>

¹² Poverty and Income Inequality in Scotland: 2012/13 – Scottish Government, July 2014 <http://www.scotland.gov.uk/Publications/2014/07/9247>

¹³ Home Owners' Support Fund – Scottish Government <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/privateowners/Repossession/hosf-1>

Q.11. Do you agree with our assessment of the current situation of government policy at UK levels and the possible outcomes postreferendum? What would you add?

At the time of writing, the Smith Commission had just published Heads of Agreement on further devolution of powers to the Scottish Parliament. In relation to housing and welfare the Commission's recommendations included:

- Retaining Universal Credit, including the housing element as a reserved benefit delivered by the Department for Work and Pensions (DWP)
- Giving the Scottish Government the administrative power to change certain aspects of Universal Credit delivery, including the option to pay landlords directly for housing costs
- Giving the Scottish Parliament the power to vary the housing costs elements of Universal Credit, including varying the under-occupancy charge and local housing allowance rates, eligible rent and deductions for non-dependents.
- Devolving Discretionary Housing Payment (DHP) to the Scottish Parliament
- New powers for the Scottish Parliament to create benefits in areas of devolved responsibility
- Devolving a number of revenue-raising powers, including over Income Tax and certain borrowing powers¹⁴

The UK Government has announced that Universal Credit will be rolled out across Great Britain between February 2015 and 2016¹⁵. At the time of writing it had not been revealed when the new benefit would be expanded to claimants in Scottish Jobcentres, but this may be particularly significant to consider further in shaping the Commission on Housing & Wellbeing's recommendations. For its claimants, Universal Credit will effectively replace Housing Benefit.

This presents a number of unknown quantities for considering how the relationship between housing and welfare can be improved in Scotland. The housing element of Universal Credit is paid directly to claimants, not landlords as is currently the case for Housing Benefit claimants, and in early cases from the Universal Credit pilot Jobcentre in Inverness, rent arrears have quickly accrued for claimants.

- *A North of Scotland CAB reports of a client who was a recovering substance abuser and was transferred to Universal Credit four months ago after previously claiming Jobseeker's Allowance (JSA) and Housing Benefit. Previously, his Housing Benefit was paid directly to his housing association and he had no debt, but now he owes £4,500 including rent and Council Tax arrears. The client was unsure how much Universal Credit he was paid, and was enquiring about bankruptcy. Two days after his visit, the housing*

¹⁴ Report of the Smith Commission for further devolution of powers to the Scottish Parliament – Smith Commission, November 2014 http://www.smith-commission.scot/wp-content/uploads/2014/11/The_Smith_Commission_Report-1.pdf

¹⁵ Written Ministerial Statement, Welfare Reform – Department for Work and Pensions, October 2014 <http://www.parliament.uk/documents/commons-vote-office/2014-October/13th%20October/17.DWP-welfare-reform.pdf>

association contacted the CAB to inform them that the client had been found dead in his flat.

- *A North of Scotland CAB reports of a client who was moved onto Universal Credit a month ago, despite having rent arrears. He currently has no income and no food, and his next Universal Credit payment is not due for 12 days. Even when this arrives, after paying for essentials he would be left with a disposable income of just £7.67 per month. His total debt is now £5,535 including rent arrears.*

If the recommendations of the Smith Commission are implemented, the Scottish Government would have the option to change the 'default option' for payment of the housing element of Universal Credit to be paid directly to landlords, as is currently the case with Housing Benefit.

As Universal Credit is an integrated in-work and out-of-work benefit, disentangling the housing element for claimants may not be straightforward. Additionally, the Claimant Commitment that is currently in force for jobseekers will apply to in-work claimants. Given the sharp increase in benefit sanctions for claimants since 2010 – in the first six months of 2014 alone, 33,463 Jobseeker's Allowance (JSA) and 25,011 Employment and Support Allowance (ESA) sanctions were applied in Scotland¹⁶ - this could have a considerable effect on housing, regardless of any future changes to the housing element of Universal Credit. Citizens advice bureaux have reported many clients whose benefit has been sanctioned being placed in significant hardship including skipping meals, going without electricity and gas, or even requiring food bank referrals.¹⁷

Q.12. What are your views about the medium term policy options presented here? What other ideas and issues strike you over this time frame?

Citizens Advice Scotland recommended that responsibility for Housing Benefit should be devolved to the Scottish Government, along with all social security benefits apart from the state pension. We believe this would allow for full integration of benefit policies with other policies and strategies (including housing) and allow for a multi-agency approach to tackle Scotland's particular needs.¹⁸

As noted in our response to Q.11 this recommendation was not adopted by the Smith Commission in its final report. However, it did recommend devolution of powers over certain aspects of social security that affect housing.

¹⁶ Jobseeker's Allowance and Employment and Support Allowance sanctions: decisions made to June 2014 – Department for Work and Pensions, November 2014

<https://www.gov.uk/government/statistics/jobseekers-allowance-and-employment-and-support-allowance-sanctions-decisions-made-to-june-2014>

¹⁷ Sanctioned: what benefit? – Citizens Advice Scotland, July 2014

<http://www.cas.org.uk/publications/sanctioned-what-benefit>

¹⁸ Fairness, Equality, Responsiveness: Citizens Advice Scotland submission to the Smith Commission – October 2014

<http://www.cas.org.uk/system/files/publications/Citizens%20Advice%20Scotland%20Submission%20o%20The%20Smith%20Commission.pdf>

This may, as the Commission on Housing and Wellbeing suggests, mean that the 'Bedroom Tax' could be reformed or abolished. CAS has consistently argued since before the introduction of the Bedroom Tax that the policy was unfair, particularly impacting on sick and disabled people.¹⁹ We believe that, at the very least, if the policy is retained, exemptions to the Bedroom Tax should be made for people living in significantly adapted housing; couples who are not able to share a bedroom due to medical conditions; people who require space for medical equipment or treatment; and people living in temporary homeless accommodation owned by the local authority.²⁰

Since September 2013, the Scottish Government has supplemented local authorities' Discretionary Housing Payment (DHPs) budgets with the intention that is used to mitigate the Bedroom Tax. For 2014/15, an agreement has been reached between the Scottish Government, the Department of Work and Pensions and the Scotland Office, to enable sufficient DHP funding to be provided to entirely mitigate the Bedroom Tax. This appears to have been successful to date, and has reduced the impact of the Bedroom Tax in Scotland.

However, using DHPs to support these households is unsustainable – they are in need of support beyond the next two financial years, and in many cases permanent relief from the Bedroom Tax as their circumstances prevent them finding a new home. This is set against the backdrop of 60,000 households affected by the Bedroom Tax requiring to downsize to avoid an under-occupation penalty, yet only 20,000 one bedroom social housing properties become available each year.²¹ Research has estimated that the backlog of under-occupiers requiring smaller properties will not be cleared for at least 3 years, and potentially not for 10 years or more.²²

As noted above, the Support for Mortgage Interest scheme is not a common issue for CAB clients with Mortgage to Rent being a more common enquiry. A review of schemes to help people affected by mortgage arrears would be welcome, to ensure they provide the most effective support to individuals and households.

CAS would also agree that the administrative arrangements for an integrated housing budget, incorporating support for housing costs would need careful consideration. However, following the Smith Commission's report this may not be possible.

Q.13. Do you agree that we have a unique opportunity to consider longer term policy options over the next key period in Scotland's history? How do you respond to the options proposed here? Are there other options that should be considered?

¹⁹ Voices from the Frontline...The Bedroom Tax and disabled people – Citizens Advice Scotland, November 2013 <http://www.cas.org.uk/publications/voices-frontline-bedroom-tax-and-disabled-people>

²⁰ CAS briefing for the Scottish Affairs Committee on the Bedroom Tax – December 2013 <http://www.cas.org.uk/system/files/publications/CAS%20briefing%20for%20the%20Scottish%20Affairs%20Committee%20%28Dec%202013%29.pdf>

²¹ <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/supply-demand/chma/Benefitchanges/underoccupancy-penalty>

²² http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Reports/wrr-13-05w.pdf

CAS would agree that if Housing Benefit had been devolved to the Scottish Parliament, it would represent an opportunity to consider how it may be used in a different way. Currently, we have no particular view on what this may look like, but the suggestions raised by the Commission are interesting and be worthy of consideration if the power were devolved. However, as the Smith Commission did not recommend full devolution of Housing Benefit, some of these options may not be feasible.

In Citizens Advice Scotland's submission to the Expert Working Group on Welfare, we argued that a social security system administered by the Scottish Government should be based on a set of key principles. These principles could also be used in considering future changes to Housing Benefit. The key principles CAS set out were:

- Based on clear and fair rights and responsibilities
- Responsive to need
- Transparent and accountable
- Fairly administered
- Sustainable and integrated with other services
- Developed in consultation²³

The options presented in the Commission's consultation document are all those that should be considered further depending on how social security powers related to housing can be used in this way. At present CAS has no preferred option for which, if any may be the best long-term approach for using the powers in this way.

Section 5: Housing and the environment

Q.14. Do you agree with our assessment of the importance of housing to the environment?

CAS agrees with the Commission's assessment that housing has the potential to positively impact wider environmental policy outcomes. It has been estimated that space and water heating accounts for over 80% of domestic energy consumption in Scotland²⁴. Therefore the large amounts of energy used in our homes, which all have a significant impact on carbon emissions, makes the case for action. However the potential social, economic and environmental benefits to be achieved from improving the energy efficiency of the existing housing stock will only be realised if rebound effects²⁵ are also factored in to the design of policies.

²³ Expert Working Group on Welfare: Call for Evidence – Response from Citizens Advice Scotland, March 2013

<http://www.cas.org.uk/system/files/Expert%20group%20on%20welfare%20CAS%20response.pdf>

²⁴ <http://www.scotland.gov.uk/Resource/0039/00398667.pdf>

²⁵ <http://www.ukerc.ac.uk/support/ReboundEffect>

Q.15. Do you agree with our brief assessment of current policy on housing in relation to the environment?

As already mentioned, we believe that the Commission's report would be further enhanced by giving more space to the Scottish Government's forthcoming consultation on regulating minimum standards of energy efficiency in private sector housing. While the details are yet to be set out, should regulations eventually be introduced this has the potential to vastly improve the energy efficiency of the Scottish housing stock, which should be recognised as a positive development for the private housing sector in Scotland. Any impact on the housing market will need to be carefully considered to ensure that lower income and vulnerable consumers are not left at a disadvantage.

Q.16. Do you agree with our suggestions for further action in the area of housing and the environment?

Q.17. Do you have any other suggestions that we have not mentioned in relation to housing and the environment?

There are a number of specific areas in the Commission's report where we would welcome a greater focus, related to: people living in remote rural and island locations; fuel poverty and the 'energy trilemma'; the roll out of smart meters; and renewable energy technologies. The nature of the Scottish housing stock means that more remote rural/island houses and hard to treat properties are found here than proportionately elsewhere in the UK. Recent evidence has suggested remote rural and island properties have not benefited to the same extent from government and supplier led energy efficiency schemes²⁶, so if ambitious legally binding targets on fuel poverty and carbon emissions are to be realised, extra support and resources will be required. We believe the Commission's report would benefit from devoting more space to highlighting these issues and from providing recommendations on additional work that government and other stakeholders should undertake to ensure that no household in Scotland is left behind.

The ongoing and persistent problem of fuel poverty in Scotland should have much greater emphasis, as should the so-called 'energy trilemma' that draws attention to the difficulties of disentangling energy security, costs and climate change. The Commission's report makes no mention of the potential for the roll-out of smart meters to help consumers take control of their energy use by creating responsive and smarter grids (security of supply), reducing bills (fuel poverty), and reducing greenhouse gas emissions (climate change). We would also welcome additional consideration being given to how houses are powered. In particular, further thought is needed on how renewable energy and other low-carbon generation can be factored into both retrofitting the existing housing stock as well as the design of new build properties.

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<http://www.theclaymoreproject.com/uploads/associate/365/file/Special%20Events/paul%20blacklock.pdf>

Section 6: Housing and health and education

Q.18. Do you agree with our assessment of the importance of housing to health and education?

CAS agrees with the Commission's assessment that despite improvements in public health and housing, challenges remain. The key issues here for CAS are related to health problems associated with damp, mouldy, cold, and difficult to heat housing exacerbating the risk of fuel poverty.

CAS would agree that both homelessness and overcrowding can have a negative impact on health and educational outcomes for adults, children and young people. In 2013/14, citizens advice bureaux in Scotland advised clients on 6,676 new issues related to homelessness. These cases often illustrate the damaging effect homelessness has on client's health.

- *A West of Scotland CAB reports of a client with serious health problems who has been unable to work for six months. He will soon be on Statutory Sick Pay and has been forced to sell the house he currently shares with his wife and pregnant daughter as they are unable to pay the mortgage. They will be homeless in a month's time, and the Council have advised they will provide him with temporary accommodation in the short term until they are able to offer him a tenancy. The client has serious concerns about going into temporary accommodation as he feels this may put his health at risk due to his compromised immune system. He is also worried that having to endure two house moves will adversely affect his health and wants to know if there is any way to avoid a stay in temporary accommodation.*
- *A North of Scotland CAB reports of a couple who have been living in temporary accommodation for 14 months following eviction from their own home as a result of bankruptcy. As well as the rent, the Council levy a service charge of £44.10 per week to cover use of white goods and furnishings. The clients are experiencing severe financial hardship with their only income being the husband's Employment and Support Allowance (ESA). The husband has physical health problems, and the wife is experiencing mental health problems which required hospital treatment. The service charge is a significant cost for the clients to bear and is amplifying the couple's financial hardship and mental health difficulties. They were unable to afford food and needed to be referred for a food parcel.*

Living in overcrowded accommodation has a negative impact on the wellbeing of families. In some cases, this can be exacerbated by a lack of suitable alternative local accommodation to move to.

- *A West of Scotland CAB reports of a 17 year old client who is currently living with her six month old child in the three-bedroom family home, along with her mother, stepfather, two brothers and two sisters. She has made a homelessness application, but needs a property close to the family home for support. However, the only accommodation the council has offered has been in a town seven miles away, and the council have advised that they only*

restrict the areas offered for a limited time, and will now make an offer anywhere in the local authority area. The client is concerned that she will have to live a long way from her family.

Insecure and unaffordable housing in the private rented sector can also cause stress, and disruption to educational outcomes.

- *An East of Scotland CAB reports of a client who lives with her three year-old daughter in a privately rented property and pays £60 per month on top of her Housing Benefit. The client has lived there for three years and paid a deposit of £1,000 when she moved in. The landlord has failed to maintain the property and as a result the client gets electric shocks from the light sockets as the circuits are wired wrongly. Everything runs through the cooker (which is broken), so if the cooker is turned off at the fuse box, everything goes off. The shower is broken, the gutters are overflowing and there is no central heating - client uses plug in electric heaters and pays £10 per day in electricity. There are no extractors and there is mould in kitchen cupboards, windows in bedroom, kitchen and bathroom. There are no smoke alarms. The walls and floors are not level and the windows do not seal properly. The client has asked the landlord repeatedly to make repairs and he has done nothing. The client wants to move out but is worried she won't be able to get another tenancy. She is considering withholding £60 top-up so that she is evicted and can declare herself homeless and be given new tenancy.*

Q.19. Do you agree with our brief assessment of current policy on housing and health and education?

The Commission's assessment of fuel poverty in this section as affecting a quarter of Scottish households in 2012 understates the scale of the problem²⁷. It also fails to account for the uneven spread and distribution of fuel poverty in different parts of the country that can be impacting over 70% of households in some remote and rural locations²⁸.

Q.20. Do you agree with our suggestions for further action in the area of housing and health and education?

Citizens Advice Scotland agrees that national guidance on the operation of the Housing Options approach should be published, and has called for this to be produced.²⁹ CAS, along with a number of other organisations is currently involved in the production of this guidance which we hope will improve the delivery of the approach and be effective in preventing homelessness, whilst safeguarding the individual's statutory right to make a homeless application.

'Hidden homelessness' – individuals who are homeless but have not made a homeless application and therefore do not appear in Scottish Government statistics

²⁷ <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/TrendFuelPoverty>

²⁸ http://www.theenergyadvisoryservice.co.uk/downloads/FuelPovertyReport2014_Email-Layout.pdf

²⁹ Youth Homelessness Inquiry: Evidence to Scottish Parliament Equal Opportunities Committee – Citizens Advice Scotland, May 2014. <http://www.cas.org.uk/publications/youth-homelessness-inquiry>

are a concern. Citizens advice bureaux have supported a number of destitute clients who have been sleeping rough, sometimes for an extended period of time.

- *An East of Scotland CAB reports of a client who had been homeless for the past month and sleeping rough in a graveyard. The client had presented herself as homeless to the Council but was told that they had no emergency accommodation available at that time and sent her to the Housing Options department who helped her to fill out the form for a deposit for a private flat that they found for her, together with a Discretionary Housing Payment (DHP) form. However, she would be unable to move into the flat until the end of the week, and had only been awarded some of the DHP she applied for.*

CAS would agree that more attention needs to be paid to the needs of rough sleepers, and that there should be an increased focus on the scale and the causes of rough sleeping. One way of doing this could be through regular and co-ordinated headcounts, although there are other approaches that have been taken to estimating the number of rough sleepers which may be more effective, such as the Glasgow Homelessness Network's Online Data Management system.³⁰ The Commission may wish to consider these alternative approaches if it recommends specific actions on addressing rough sleeping.

Another form of 'hidden homelessness', so-called 'sofa surfing', is also a concern. Citizens advice bureaux in Scotland often advise clients who are temporarily staying on friends or families sofas or spare rooms.

- *A West of Scotland CAB reports of a young client who has just been allocated an unfurnished housing association flat. His application for a Community Care Grant has been rejected because he had not been registered for Housing Benefit at his previous addresses. This is because the client has been 'sofa-surfing' with friends for over six months since being released from prison. Although the client knew he met the criteria for homelessness, he did not make a homeless application because he knew he'd have to go to a hostel, and because he had drinking problems, felt this could potentially lead him to reoffending and returning to jail.*
- *An East of Scotland CAB reports of a client who was homeless after splitting up with his partner and was currently 'sofa-surfing' at friends' houses. He had spoken to the Council's homelessness services, but was told that as a single person on Jobseeker's Allowance (JSA) they could not give him a Council property as his benefit would not cover the rent and was told to come back once he has a job.*

This can cause practical difficulties, such as letters from the Jobcentre being sent to the wrong address, but is also clearly not a sustainable form of housing. Individuals in this situation are homeless, and therefore entitled to make a homelessness application, receive temporary accommodation and support to find a permanent home from the local authority. However, they are often not aware of their rights, or even that they are homeless.

³⁰ <http://www.ghn.org.uk/HomelessnessMonitoring>

CAS would recommend that action on hidden homelessness also considers the needs of 'sofa-surfing' individuals and that research is conducted to investigate the scale of the problem.

In the past, care-leavers have been routinely discharged through the homeless route once reaching the age of 16 when they are no longer entitled to support. In some cases, such as the one mentioned below, care-leavers have reported being unprepared for independent living which can lead to a number of problems.

- *A North of Scotland CAB reports of a client aged under 25 who had grown up in care homes following the death of both her parents. When she turned 16 she ended up in homeless accommodation, and felt ill-prepared for the responsibilities of living on her own and had never heard of Council Tax. As a result she has accrued debts of £13,000, which are mostly a combination of Council Tax and rent arrears. The client now lives with her partner and seven-week old baby daughter and has decided to face her debts. She wanted to know if going bankrupt was her best option.*

The Children and Young People (Scotland) Act 2014 gives many young people in care a right to remain in care up to the age of 21, and be eligible for aftercare support up to the age of 26.³¹ This has the potential to help young people leaving care to avoid having to submit a homelessness application because they can no longer stay in care at 16, and are unprepared for independent living. Ongoing monitoring of the impact of this welcome change in the law would be recommended to ensure that the instances of homelessness amongst care-leavers are reduced.

Citizens advice bureaux in Scotland have advised clients who have been left homeless and destitute following their discharge from a psychiatric hospital. CAS agrees that there should be an increased emphasis on preventing homelessness amongst this group.

- *An East of Scotland CAB reports of a client who was homeless and has had no support whatsoever since being discharged from psychiatric hospital after being sectioned. The client is currently living in a hostel but is in danger of being evicted because she has not paid her rent. The client has not had any money for three months and has been surviving on parcels from a food bank, but has now reached her limit and cannot receive anymore. The client has mental health issues and self harms and reported that this was the first time in a long time that she had made it out of her room. She does not have a bank account and cannot remember the last time she received any benefits.*

Citizens Advice Scotland would welcome a target for reducing overcrowding and long-term action to reduce this. However, the 'Bedroom Tax' is not the solution to this problem.

³¹ Children & Young People (Scotland) Bill – Biggest Shake-up for 20 years - Government moves to deliver greater support for care leavers – Barnardos Scotland, February 2014
http://www.barnardos.org.uk/barnardos/news/media_centre/press_releases.htm?ref=95876

Any proposal for a national “equity release” scheme (p.32) for property repairs or other property improvements would need to be approached carefully to ensure that older and more vulnerable consumers have adequate information and protections. We would expect independent financial advice to be provided as a minimum. There are lessons to be learned from related areas, such as the increasing number of Scottish consumers falling victim to financial rip-offs, the majority (60%) of which relate to unsolicited communications, including phone calls, postal contact, email and door step contact³².

Q.21. Do you have other suggestions which we have not mentioned in relation to housing and health and education?

Health should be considered alongside energy efficiency and as previously highlighted any installed measures should be mindful of internal air quality. It is also important that heating measures are suitable for tenants. Unlike standard gas and oil boilers, technologies such as heat pumps, provide heat at lower temperatures over much longer periods. During the winter they may need to be on constantly to heat a home efficiently, radiators won't feel as hot to the touch as they might do when using a gas or oil boiler³³. So this type of heating may not be suitable for older and other vulnerable tenants, particularly in the coldest parts of the country.

Section 7: Housing and community regeneration

Q.25. Do you have any suggestions which we have not mentioned in relation to community regeneration?

Community renewable energy projects have numerous potential benefits, including increased well-being through warmer properties and more affordable bills, in addition to greater community cohesion and diminishing dependence on energy companies and fossil fuels. The Scottish Government recently consulted on their draft Community Energy Policy Statement³⁴. In our response³⁵ we suggested that the potential for collective community energy projects should be explored in new and existing housing developments. The investment required for these projects may make them inaccessible to some groups; however possibilities for investment through the Community Empowerment Bill (Scotland) could also be explored to improve the amenities available in a local area, or to allow communities to invest in smaller energy projects at more affordable amounts.

³² <http://www.cas.org.uk/publications/scammed-and-dangerous>

³³ <http://www.energysavingtrust.org.uk/domestic/content/air-source-heat-pumps>

³⁴ <http://www.scotland.gov.uk/Publications/2014/08/1223/0>

³⁵

<http://www.cas.org.uk/system/files/publications/CAS%20Response%20to%20Scottish%20Government%20Community%20Energy%20Policy%20Statement.pdf>

Section 8: The Private Rented Sector (PRS)

Q.26. Do you agree with our views on the need for a more effective private rented sector which can make a greater contribution to meeting housing needs?

CAS agrees with the Commission that the private rented sector must both be encouraged to flourish in Scotland while also ensuring that it provides top quality homes suitable for those in need. We are supportive of the Scottish Government's strategic aims³⁶ on the PRS:

- *to improve the quality of property management, condition and service;*
- *to deliver for tenants and landlords, meeting the needs of the people living in the sector; consumers seeking accommodation; and landlords committed to continuous improvement; and*
- *to enable growth, investment and help increase overall housing supply.*

CAS have advised an increasing number of issues from clients with issues in the PRS as the volume of people who live there continues to grow. In 2013/2014 we helped with 13,502 issues on private rented housing, a 12% increase on the previous year.

Our advisers are becoming more aware of the diversifying nature of those who live in the Private Rented Sector. Once seen as the place of students, migrants, young people and temporary accommodation this has changed rapidly over the past few years. We now see substantially more families living in the PRS and many people who are looking to treat the house they rent as their home. CAS feel that the sector and the laws regarding it fail to recognise this step change. The rights of tenants are now insignificant given it is the tenant and families home which needs stability.

- A West of Scotland CAB reports a single-parent client who has been living in a private rented property with her daughter for over a year. The client was told by her landlord that they need the property back next week and she had to leave. The client is very upset and worried as she doesn't know where she and her daughter can go.

Recent developments by the Scottish Government have started to recognise the need for rental to be homes. We welcome the moves for a new tenancy system which aims to be fairer to tenants and allow better rights which will respect their space as their home. The sector is unique as the 'traditional' private renters, such as students and migrant workers, are still heavily represented in the renting population. Therefore any changes must provide tenancy rights that are able to provide both for the settled family home and flexibility for shorter term rentals.

While the majority of properties let on the market are fit for rental CAS is frequently alarmed at some of the quality and upkeep of housing stock that is being let in the

³⁶ Scottish Government; A Place to Stay, A Place to Call Home: A Strategy for the Private Rented Sector in Scotland; 2013

PRS. There are some persistent offenders in the landlord community who have little regard to the quality of the stock they are renting. Case studies of poor quality or refusing to carry out repairs are perpetual in the PRS. The quality of upkeep and minimum standards are lacking in comparison to the standards that are set for social landlords, a situation we would support being changed. It is not a satisfactory situation to rent properties that are in poor state of repair just because it is a private let. The Scottish PRS market must strive to achieve the high standards that many of its landlords are already achieve to ensure that renters get the best quality of living conditions.

- A West of Scotland CAB reported a client who had been in a private rented tenancy for three years. During that time the property has been consistently in poor state of repair. They went a whole year without hot water as the landlord constantly delayed repairing the boiler. There is damp in the bathroom and leaks in the kitchen that have not been sorted despite multiple reports to the landlord. Currently part of the ceiling has been removed for a plumber to do work but has been left like this for months now.

We also remind the Commission of a growing number of people who are 'trapped' in the PRS. While the Commission supports the growth of the sector we should also be mindful of this 'generation rent'. These people often wish to either move to social housing but cannot due to long waiting lists or wish to buy but find themselves locked out of the property market due to high property values.

Q.27. Do you agree with our brief assessment of current policy on the private rented sector?

CAS agrees broadly with the statement that most of the legislation that apply to rents is now outdated and made for a time, as we previously intonated, that was different to today's PRS population needs. However many recent changes to the sector including Houses in Multiple Occupation, tenancy deposit schemes and the barring of charging fees in addition to rent are well founded. Many of the issues occur not because the legislation is insufficient but because enforcement is lacking with no co-ordinated way to tackle poor practice and those who deliberately flaunt the rules. We see cases where multiple agencies fail to tackle illegal activity as they feel it is not their job to do so.

- A West of Scotland CAB reported a client who had been illegally evicted after missing one month's rent. His landlord bagged up the client's belongings and put them in the street and changed the locks. The client reported as homeless to the local council who were unhelpful and sent him away. He then went to the local police station who told him it was not a police matter. The client received help at the CAB and advice to go back again to the police with information from the advice system that illegal eviction it is a police matter and ask they investigate. They also helped the client to re-contact the local council for homeless accommodation until he can find somewhere else to stay.

CAS are concerned about particular focus points in Scotland where there is extremely poor quality and poorly run lets by landlords. We find in practice that these

are particularly focussed on urban areas especially Scotland's inner cities. The poor compliance of regulations in these areas can drag down the quality of the sector in the area as there can be a race to the bottom of landlords competing on cheap rents in poor quality or overcrowded accommodation.

While we support the growth of the PRS to meet the housing needs of Scotland it cannot be seen as taking the place of social housing. It should not be the case that growing the PRS comes at the price of not providing more social homes to rent. Mid-market rentals provided by Housing Associations can help to provide good quality housing at an affordable rate and provide a check on what is provided in the open and free market of the PRS.

Q.28. Do you agree with our suggestions for further action in the private rented sector?

Replace the current arrangements for landlord registration and house in multiple occupation (HMO) licensing with regulation which is targeted at areas and types of landlords where there are known problems.

As it is currently organised, the landlord registration system has a fairly narrow use. CAS would encourage the Commission to consider how well the landlord registration system is currently working and make recommendations on how it might be reformed to benefit Scotland's housing policy more widely.

However, as we have highlighted before we find that enforcement in the PRS of existing rules to often be poor thus meaning that the legislation that underpins the sector is flawed, not in its drafting but in practice. While we would welcome regulation to ensure better standards and remove persistent and sometimes criminal elements from the market this must be underpinned by better enforcement. It would be a futile exercise to have a wholesale change of legislation if it is not enforced and the same issues continue.

Replace the current tenancy arrangements with longer or unlimited security subject to clear criteria for repossession and simplified and easy to use procedures.

CAS would support this proposal. The Scottish Government are currently consulting on changes to the tenancy arrangements for the PRS sector and have consulted on a similar move. However we have serious concerns regarding making all repossession clauses mandatory which we believe is a step in the wrong direction. We strongly believe that tribunal judges in the PRS should be able to take into account mitigating circumstances before providing eviction notices. The result of not doing so may result in evictions where the tenant is at no fault of their own and becomes a victim of circumstance.

To take action to encourage "institutional investment" in the sector including asking the Scottish Futures Trust with identifying new funding models.

It is important to ensure that investment in providing housing does not have unintended consequences of driving up property values to such an extent that owning property becomes out of reach of most of the population. It is also important

to ensure that any investment that is brought forward is focussed on providing affordable homes rather than luxury top market properties. CAS would suggest that the commission recommend looking at how affordable rental properties can be provided by the PRS for families.

Encouraging existing housing associations to establish subsidiaries to develop good quality market rent housing let on full tenancies.

While the engagement of the social rented sector into how to improve the private rental stock is to be welcomed CAS would not want to see a situation where Housing Associations or Local Authorities were diverted from their core purpose in providing social housing. There are also financial risks involved in taking such an approach that may not be in the best interests of their current and future tenants. It may be a better approach for Housing Associations to consider partnership approaches rather than fully committing to their own subsidiaries. It would however be best for this decision to be made by individual Housing Associations who would be best placed to take such a decision that could have a big impact on the way their organisation operates and its key goals.

Consider the options for some limited controls over rent increases which would be fair, both to tenants and landlords.

CAS would welcome an in-depth look at options and needs within the PRS on controlling rental increases. This should be looked at in detail before putting into place any types of rent controls to fully consider how best to protect tenants from unfair rental increases. Given that we would consider this to take some time we would envisage that work would need to start soon to avoid unnecessary delay. CAS is disappointed that the commission label this as a long term aim meaning that work may not even be considered on this matter for a number of years in the meantime allowing large increases in rental rates in some particular areas of Scotland.

Q.29. Do you have other suggestions which we have not mentioned in relation to the private rented sector?

CAS would like to see better co-ordinated enforcement action against those landlords who fail in their basic duties. While we are extremely confident that the majority of landlords are successful and fair to their tenants there is a sizeable number that need removed from the marketplace.

CAS recommend a national taskforce be set up focussed on clamping down on these rogue landlords, targeting the worst and often well-known offenders. This taskforce must have strong backing, both in funding and powers, from Government, Local Authorities, Police and a willingness from prosecution services that they will follow through on illegal activity and take criminal proceedings. We have seen examples, occasionally focused in particular neighbourhoods and communities, where there is little to lose for individuals for not following the law as set out. Examples have been cited by those working on the front line tackling this issue that some landlords openly flaunt the rules because paying fines are cheaper than the cost of registering and doing necessary works.

In addition, the links of some landlords to organised crime leaves some tenants in a completely unsatisfactory and possibly dangerous situation. We believe that this task force would help Police Scotland's work in tackling Scotland's Serious and Organised Crime Groups by cutting off funding streams and removing them from one way in which they seek control of communities across Scotland.