



**Commission on
Housing & Wellbeing**

A blueprint for Scotland's future

June 2015

Executive Summary



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Having a decent house is central to the quality of life for everyone in Scotland. Housing provides homes for people. But it's a stark fact that over 60,000 households across Scotland – many with children – live in overcrowded housing. More than 150,500 households are on a waiting list for a home of their own, and in the private sector house prices have far outstripped the rate of inflation. Although many households in Scotland live in satisfactory housing, the Commission on Housing and Wellbeing concludes that there is very clearly a homes crisis.

Chaired by the former Auditor General Robert Black, the Commission has undertaken a wide-ranging assessment of links between housing and wellbeing in order to offer proposals for the future direction of housing policy in Scotland. Its findings and recommendations are set out in the full report, 'Commission on Housing and Wellbeing: A blueprint for Scotland's future' and are summarised in this short paper.

The full report sets out 47 recommendations with the aim of sustaining and improving the wellbeing of the Scottish population through policies and programmes which reinforce the importance of good housing in building strong local communities and helping people to live better lives. The report focuses on 8 types of wellbeing considered relevant to good housing and these provide the framework for the Commission's full report:

- [Housing as 'Home'](#)
- [Neighbourhood and Community](#)
- [Economic Wellbeing \(Employment and Income\)](#)
- [Health and Education](#)
- [Environmental Sustainability](#)

18 of these recommendations have been identified as **PRIORITY ASKS**, and these are highlighted in this Executive Summary and in the Delivery Plan on pages 51 to 59 of the full report. However, all of the Commission's recommendations are key to sustaining and improving the wellbeing of the Scottish population and giving people the environment to live better lives.

You can download a copy of the Commission's full report: *A blueprint for Scotland's future* at www.housingandwellbeing.org/documents

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Wellbeing – our Approach

Although housing is one of many factors that affect people's quality of lives, we think that its value is all too often underplayed; the benefits of good housing are relevant to many types of human wellbeing.

The Commission therefore recommends that:

1. The Scottish Government should strengthen and clarify the links between housing and the various outcomes of the National Performance Framework. The current review of national indicators should ensure that full recognition is given to the importance of the home to people's wellbeing.

Housing as 'Home'

The most direct wellbeing benefit that housing can provide is a good home that ensures shelter, security, space for family life and activities. The Commission considers that there are a number of indicators that suggest there is a need to build more housing in Scotland; this includes the number of households on waiting lists for social housing and rising house prices in the private sector. There is also a need to ensure that the existing stock is of a satisfactory standard. This section finally considers some of the challenges faced in the private and social rented sectors, which need addressing if we are to sustain and improve the wellbeing tenants.

The Commission therefore recommends that:

2. The Scottish Government should adopt an indicative national target for new house building, initially for the period up to 2020. The figure of 23,000 new houses each year, built to last with a high standard of energy efficiency, would be an interim target until national estimates can be made from forthcoming local Housing Need and Demand Assessments.

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3. The Scottish Government should increase the level of new building funded by the Affordable Housing Investment Programme to 9,000 houses each year over the period up to 2020. The social rented new build programme should be increased to 7,000 houses each year (an increase of 3,000 over the current level) and there should be a doubling of the mid-market rental new build programme which, together with the existing level of grants for new owner occupied houses, would provide 2,000 new houses each year.

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4. The mid-market rental new build programme should be opened up to private landlords – including private estate owners in rural Scotland – providing that they agree to suitable contractual terms and conditions with the Scottish Government.

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5. The Scottish Government should establish a dedicated source of advice to assist housing associations in the complex process of finding loan finance that suits their particular circumstances.

6. The Scottish Government should set up pilot schemes to attract institutional investors who are interested in investing in new build in the private rented sector.

7. The Scottish Government should seek to clarify the discrepancy between the success rates reported by social landlords to the Scottish Housing Regulator in meeting the 2015 target for achieving the Scottish Housing Quality Standard as compared with the success rates recorded by the Scottish House Condition Survey.

8. The Scottish Government, in consultation with local authorities, should review the use of the various powers provided by the Housing (Scotland) Act 2006 to improve the standard of private sector housing (renewal areas, works notices, and maintenance orders) – including their use for common repairs in flatted blocks – to ensure that these are fit for purpose and are being used when appropriate.

9. New tenancy arrangements in the private rented sector should allow for longer-term tenancies. As in the social rented sector, tenants should be able to terminate their tenancy with a suitable period of notice. New arrangements should ensure that landlords are able to revoke the tenancy where there is a clear and demonstrable reason for doing so.

10. The Scottish Government should implement measures to allow for some limited intervention in rents in the private rented sector providing that any measures strike a reasonable balance between the need to protect tenants and ensuring a reasonable return for landlords and do not deter investment.

11. There should be a review of the full range of powers currently available for regulating the private rented sector at some stage in the next Parliament. This review should clarify the actual need for regulation in current circumstances, the effectiveness of the various existing measures and the scope for their rationalisation.

Neighbourhood and Community

The Commission believes that good housing is an essential part of a successful neighbourhood but should have good access to essential local facilities and services; this includes schools, shops, open space and employment opportunities. The oversight of the neighbourhood by local authorities and other public bodies can help community development in a number of ways, including fostering a positive reputation, minimising crime and anti-social behaviour and providing opportunities for residents to influence their local environment.

The Commission therefore recommends that:

12. Further development of the Place Standard for Scotland should take account of what has and has not worked and should describe clearly how the standard might be used to promote wellbeing.
13. Community anchors should be established in all housing renewal programmes and in areas where there is significant dissatisfaction with the quality of the local neighbourhood.
14. All Community Planning Partnerships should be asked to identify clear objectives for priority neighbourhoods and to develop a monitoring framework to measure success.
15. Effective partnership arrangements should be established at the working level within neighbourhoods; initially, these might be ad hoc informal arrangements, although local neighbourhood Community Planning Partnerships could provide a more formal structure in priority areas.

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16. The Scottish Government should either provide, or more likely commission, an appropriate organisation to offer advice, encouragement and support to housing associations and other community anchor organisations in order to deliver service innovation in local communities.

Economic Wellbeing (Employment and Income)

Housing is important to the economic wellbeing of individuals and society as a whole. For individuals the cost of housing is a major element in their budgets and proximity to employment opportunities is important. Large numbers of jobs are also created by the building, management and selling of houses.

For society, rising house prices relative to incomes has brought gains for some but excluded others from the housing market. House price volatility can have adverse economic impacts and we consider that it makes sense to promote policies that encourage long term stability.

The Commission therefore recommends that:

17. The Scottish Government should develop an improved property tax to replace the Council Tax in Scotland. Properties would be re-valued at least every three years using an agreed formula.

PRIORITY ASK

18. The UK Government or Scottish Government (depending on whether it is to be a national or local tax) should introduce a regularly re-valued land valuation tax, with further work being carried out to investigate whether it should be organised as a national tax or as a local alternative to the Council Tax.

PRIORITY ASK

19. Further research should be undertaken to examine ways of helping low-income households caught by any new property tax, including 'asset rich, cash poor' households. This could be through a rebate system, with possible exemption for low-value properties and low-income households or deferred payments recoverable as a charge when the property is sold.

20. The proposals of the RICS Commission and the Land Reform Review Group for a Scottish Land Corporation or Delivery Agency with powers to acquire, service and sell land on to developers should be carried forward.

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21. The proposals of the Land Reform Review Group for legislation to allow for compulsory selling orders, majority land assembly and land readjustment should be carried forward.

22. The proposals of the RICS Commission for improving the performance of planning authorities – including increasing the effective supply of land from five to ten years' supply of land, improving the training for planners and reviewing existing consents – should be implemented.

PRIORITY ASK

23. Local authorities and other public bodies should be encouraged and incentivised to release surplus land for housing developments.

24. If the Smith Commission proposals are implemented, the Scottish Government should – as soon as practicable following enabling legislation – permanently end the 'bedroom tax'.

PRIORITY ASK

25. Given concerns by landlords over the impact of any abrupt change to current arrangements for direct payment of Housing Benefit, tenants in receipt of Housing Benefit should also have the choice over whether or not to continue with direct payments.

26. Serious consideration should be given to practical ways to shift the balance from personal subsidies towards funding subsidies that support the supply of houses. Any changes should be implemented in such a way as to minimise any negative impacts on those in receipt of Housing Benefit.

PRIORITY ASK

27. The Scottish and UK Governments should jointly undertake a detailed exploration of options for long-term reform of ways of helping low-income households with their housing costs.

Health and Education

The Commission believes that housing which is secure, adequately heated, free from serious dampness, provides adequate space and supports independent living is important for both good physical and psychological health, as well as positive educational outcomes.

Homelessness is a continuing and unacceptable social problem with potentially serious health and educational consequences, as too can serious overcrowding, damp housing and fuel poverty. And the growing number of older households, particularly older people living on their own, is a major challenge for Scottish society.

The Commission therefore recommends that:

28. Housing should be a full and equal partner in health and social care partnerships. The new bodies should be accountable for a joint budget, which would include funding for all relevant housing services and be given challenging targets that reflect the housing contribution to relevant National Outcomes.

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29. The Scottish Government should undertake a review of the current service delivery arrangements and facilities for rough sleepers, to ensure that those in place can cater for the potentially complex and multiple needs of each individual.

30. There should be a strengthening of the emphasis on the prevention of homelessness and repeat homelessness through early intervention and joint agency working involving various statutory bodies/departments and voluntary sector partners. This should be linked to an extension of the housing options approach, including identifying health and social needs as part of the same process.

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31. There should be a significant reduction in the length of time any one household spends in temporary accommodation. Minimum standards for temporary housing – as recommended by Shelter Scotland and the Chartered Institute of Housing Scotland – should also be implemented.
32. The Scottish Housing Regulator should undertake a thematic study of overcrowding in homes supplied by all social housing providers and offer guidance on how best to minimise this.
33. As part of its work of monitoring progress with the achievement of the Scottish Housing Quality Standard, the Scottish Housing Regulator should be asked to produce a report on the extent of serious problems of dampness, condensation and associated mould and fungal growth in the social rented sector.

34. The Scottish Government should provide more resources for housing services, such as help with handyman tasks and small repairs for older households, which can help to reduce demands on the NHS.

PRIORITY ASK

35. The Scottish Government should continue to expand the use of technology to help older people live independently in the community.

36. The Scottish Government should press ahead with the rationalisation of funding for the provision of adaptations.

PRIORITY ASK

37. The Scottish Government should help to establish a service that would provide advice and support for older persons who wish to consider moving or consider shared housing options.
38. The Scottish Government should seek to establish a suitable equity release scheme for older people to fund repairs, improvements and adaptations. Ideally this would be provided by commercial lenders with Scottish Government support.

Environmental Sustainability

Housing has the potential to make an important contribution to reducing the use of scarce resources such as energy, land and building materials. With care, new housing can be built to very high environmental standards, but the long life of most housing and the low level of replacement in any one year suggest that a major effort has to be directed at existing housing.

Reducing greenhouse gas emissions in line with statutory targets is a key environmental objective. As some 13% of greenhouse gas emissions come from energy used in the home, we have particularly focussed on energy efficiency measures, which are also the main tool available to the Scottish Government for tackling fuel poverty.

The Commission therefore recommends that:

39. The Scottish Government should seek to ensure stability in its grant offer to private owners and seek to rationalise grants provided from the different sources.

40. The Scottish Government should review the funding required to meet its 2030 milestone of delivering a step change in the provision of energy efficient homes. This will require much more progress with solid wall insulation as well as further improvements in cavity wall and loft insulation. The estimated budget for grants and loans should take account of a realistic assessment of the likely contribution from owners.

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41. The Scottish Government should encourage councils to select a wider range of neighbourhoods for area-based grant funding – including older private sector flats.

42. Regulations requiring owners to insulate their homes should have a part to play in securing the necessary improvement in insulation standards. Regulation should be directed at achieving stretching but practical levels of insulation, although there may need to be a system of exemptions for properties that cannot be improved up to that level without disproportionate cost. Assistance should be available for low-income owners. Owners on low incomes but with significant assets might be offered loans to be repaid when the house is sold.

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43. The Scottish Government should redesign the energy report, especially if regulations are introduced to require energy efficiency improvements to be made at the point of sale.

44. The Scottish Government should clarify the future development of micro and community heat technology in the longer term beyond 2020 – in particular, whether it is expected to remain a niche opportunity for a small number of homes or an option which they hope will be taken up on a much wider scale and, if the latter, how they hope to achieve this.

45. There should be a review of other building standards to make sure that they encourage sustainable design and building and take sufficient account of design concepts such as 'lifetime' and 'barrier free' housing intended to make homes better adapted to the needs of an aging population.

46. Social landlords and councils should look carefully at proposals for demolitions to ensure that they can be justified.

Delivery, Implementation and Resources

We are fully aware that public finances will be under severe pressure for many years and we discuss the implementation and resource issues in relation to our various recommendations in our full report on pages 51–59.

The Commission therefore recommends that:

47. The Scottish Government should establish an independent advisory body, chaired by the Minister, consisting of people not only from the housing profession and organisations, but also from a range of backgrounds and expertise which are relevant in considering housing, homes and wellbeing in the round. This body should report annually to the Scottish Parliament on the state of Scottish housing and the implications for wellbeing.

PRIORITY ASK

Our detailed Delivery Plan on pages 51–59 of the full report identifies the timescales, suggestions for implementation and comments on the resource implications for each of our recommendations. The table below summarises the implications for additional public expenditure for our priority recommendations.

Additional Public Sector Expenditure Resulting from Priority Recommendations				
Priority Recommendation Cluster	Estimated Additional Public Sector Cost	Primarily Expenditure on Bricks and Mortar	Offsetting 'Preventative Savings'	Other Comments
<p>Affordable Housing Programme</p> <p>Increased new social housing;</p> <p>Increased mid-market rental housing;</p> <p>Funding available for private landlords.</p>	<p>Approx. £160m per annum (for grants for new building by social and private landlords).</p>	<p>Yes</p>	<p>Some – reduced Housing Benefit expenditure for tenants moving into social rented sector from PRS.</p> <p>Other possible unquantifiable savings.</p>	<p>This is a net figure resulting from additional expenditure and some compensatory savings.</p> <p>Additional private sector borrowing also required.</p>
<p>Community Anchors and Improved Inter-Agency Working</p>	<p>'Low'</p>	<p>No</p>	<p>Possible but unquantifiable.</p>	
<p>New Property Tax</p> <p>Council Tax replaced by property tax or new land valuation tax.</p>	<p>'High' during implementation phase.</p>	<p>No</p>	<p>No</p>	<p>Once implemented should be source of revenue to be used for offsetting other taxes or for extra expenditure.</p>
<p>Improved Supply of Land for Housing</p> <p>Scottish Land Delivery Agency;</p> <p>Improvements in the performance of planning authorities.</p>	<p>'High' during implementation phase.</p>	<p>No</p>	<p>Possible savings for both social landlords and private developers on land acquisition costs.</p>	<p>Once 'bedded in', cost of reforms should be significantly offset by receipts from land sales by Scottish Land Agency.</p>
<p>Housing Benefit Reform</p> <p>Abolition of 'bedroom tax'; shifting balance from personal subsidies to bricks and mortar.</p>	<p>£50m per annum to meet cost of abolition of 'bedroom tax'.</p> <p>Low cost for exploratory/ design work for long-term reforms.</p>	<p>No</p>	<p>Long-term reforms may lead to savings in personal housing subsidies.</p>	
<p>More Effective Joint Working to Help Prevent Homelessness and Promote Independent Living</p> <p>Extension of housing options approach to include: health and social care needs; more effective delivery of adaptations; more resources for Care and Repair teams.</p>	<p>'Modest' cost for additional resources required for additional preventative work by relevant agencies and for doubling of Care and Repair annual spend over Spending Review period.</p>	<p>Some – primarily work by Care and Repair.</p>	<p>Should be very largely offset by compensatory savings.</p>	
<p>More Effective Implementation of Energy Efficiency Policies</p> <p>Review of funding required to meet existing targets; implementation of regulations requiring owners to undertake insulation measures.</p>	<p>'High' although depends on split between grant funding, contributions of energy suppliers, landlords and private owners.</p>	<p>Yes</p>	<p>Offsetting savings for private households through reduced energy costs.</p>	<p>New regulations could be targeted by requiring owners to undertake low cost insulation measures releasing grant funding for 'difficult to insulate' buildings.</p>
<p>New Independent Advisory Body</p>	<p>'Low'</p>	<p>No</p>	<p>Should lead to better informed housing policy decisions.</p>	