



## Your details

Please complete the following details below. It is essential that we have a name and the name of any organisation if you are responding on their behalf. Contact details would be helpful if we need to follow up on any points.

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Would you like us to keep your response confidential:	No

## Consultation questions

Below you will find response boxes for each of our consultation questions. If possible, please base your response on answers to these questions.

Some questions may be somewhat irrelevant to your interests, in which case please feel free to answer as many or as few as you like. And please feel free to offer other comments if you think they are relevant to our remit. There is space at the end for you to do so.

You can skip to the section(s) that you wish to respond to through the links below:

1. [Wellbeing](#)
2. [Housing and investment](#)
3. [Housing and the economy](#)
4. [Housing and welfare policy](#)
5. [Housing and the environment](#)
6. [Housing and health and education](#)
7. [Housing and community regeneration](#)
8. [The Private Rented Sector \(PRS\)](#)

## **Section 1: Our assessment of the importance of housing for wellbeing in Scotland**

**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?

The Existing Homes Alliance welcomes the opportunity to respond to this consultation. The Alliance is a coalition of housing, anti-poverty and environmental organisations campaigning for homes in Scotland that are fit for the 21<sup>st</sup> century.

Overall we find the analysis in this consultation document does a good job of joining up the various aspects of housing and its role in society. It provides some refreshing ideas and lateral thinking on how housing in the round could be improved for the benefit of Scottish society.

We are pleased to see that the issue of energy performance appears in under the headings of health and environmental sustainability, and that the wider aspects of sustainability are highlighted – eg the location of housing near to services, schools and public transport. This joining up of good planning and good design are essential to reducing the environmental impact while at the same time making these homes pleasant to live in.

It should also be noted that an energy efficient home is a more affordable one.

**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?

## **Section 2: Does Scotland invest enough in housing?**

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



The Alliance believes there is underinvestment in existing housing from both the public and private sector. Social housing is leading the way in terms of meeting the SHQS, and now are working to a more ambitious energy standard for 2020 (The Energy Efficiency Standard for Social Housing). We cannot afford to let private sector housing continue to lag behind – it is bad for fuel poverty, carbon emissions, and the property industry.

What we need is for the Scottish Government to set a clear target for the energy performance of housing for 2020 with a trajectory to 2030. This target should be treated with the same seriousness as renewables targets, and given the same level of priority and leadership from Ministers and stakeholders.

The target will be achieved through a package of measures including regulation for a minimum performance standard at the point of sale and rental, financial support and advice to assist with compliance, and incentives to encourage householders to upgrade their homes beyond the minimum standard. It may be that particular areas, such as off-gas rural properties, will need extra assistance. In our view, this package will lever in investment from private owners and landlords, while at the same time making Scotland's worst-performing homes warmer and more affordable.

In our most recent evidence to the ICI Committee during their scrutiny of the Scottish Draft Budget 2015/16, the Alliance called on the Scottish Government to substantially increase its funding for fuel poverty and domestic energy efficiency. We have previously called for an investment of £125m per annum and we now think substantially more is needed, given the changes to the Energy Company Obligation.

We recommend that government conducts an analysis of the investment required to meet climate change targets and eradicate fuel poverty. We suggest that this kind of long-term investment will be helped by making energy efficiency a national infrastructure priority.

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

We believe it is worth highlighting that tackling the energy efficiency of our housing stock is an important economic opportunity. A report for Consumer Focus Scotland (Economic impact of energy efficiency investment in Scotland, March 2014) showed that the macroeconomic effects of tackling fuel poverty through energy efficiency are overwhelmingly positive, leading to:

- a reduction in Scotland's gas imports (cumulative £1.1bn to 2027),
- a jobs boost to the construction industry (3,500 jobs in the short-term),
- almost 9,000 jobs created by 2027
- and an average reduction in fuel bills of £505, in treated households.

When this opportunity is contrasted with the pressing need to address the approx. 30% of homes in fuel poverty and the emissions from our housing stock there is a clear case to establish retrofitting our housing stock as an infrastructure project in the Scottish Government's Infrastructure Investment Plan. Inclusion in the plan would put this pressing priority on a par with other nationally important infrastructure projects, and afford it the long-term certainty that the current approach denies.



# Commission on Housing & Wellbeing

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

In terms of the recommendations for existing housing, we support the recommendation to apply the SHQS to all houses regardless of tenure in principle. However, given the current standard of private housing, it may require additional time to meet the SHQS. In terms of energy performance, we suggest that all private housing is required to meet a minimum energy performance standard (Band E on the EPC scale) at the point of sale and rental, with a trajectory to bring the private sector into line with social sector standards within a reasonable period. There would have to be a sufficient notice period before regulation is brought into force, and there would be scope for some exemptions or abeyances, but the principle should be that all properties are improved.

We agree that there should be closer monitoring of local housing strategies to ensure local authorities are delivering on their statutory duties in relation to housing, fuel poverty and the climate change act. This should happen as part of the CPP and SOA reviews.

We agree there should be an assessment of the use and effectiveness of local authority powers in relation to housing. Give current resource constraints, our understanding is that local authorities are not able to make the most of their existing powers, and in particular private housing is neglected.

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

## **Section 3: Getting a better fit between housing and the economy**

**Q.7.** Do you agree with our assessment of the current position regarding housing and the economy? What more would you add?



We support the long term policy objective to create a housing market where house prices move generally in line with other prices and a medium term policy that there is a need for some further, controlled readjustment of housing prices downwards. The high cost of housing reduces the funding homeowners have available to invest in energy efficiency improvements to their home.

**Q.8.** Do you agree with our assessment of the current situation of UK Government policy with regards to the housing market and the economy?

We have argued that the LBTT (stamp duty) could be used effectively to promote energy efficient homes in the marketplace. We believe the tax should include a specific commitment for a revenue neutral relief related to the energy performance of domestic properties in order to incentivise investments in improvements.

**Q.9.** What are your views about the five areas of policy reforms suggested here?



**Section 4: Getting a better fit between housing and welfare policy**

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

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

**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?



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**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?

It is worth noting that investment in energy efficiency should be seen as a form of preventative spend (making housing more affordable, health benefits) and can mitigate the negative impacts of UK welfare reform, again by making housing more affordable and improving health outcomes.

## Section 5: Getting a better fit between housing and the environment

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

Yes, this is a very good, and holistic assessment of housing and its contribution to the environment.

In relation to housing emissions and progress towards targets, we refer you to our evidence to the ICI committee which suggests that there is a worrying gap between current emissions from housing and where we need to be by 2023 (the most recent government climate action plan, the Report on Proposals and Policies). The UK Committee on Climate Change has also called for additional policy action in order to achieve the necessary upgrades to existing homes.

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



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

We agree with the Commission's suggestions for further action, and refer to our responses earlier in this document .  
We recommend a specific strategy is introduced to address rural properties which continue to be neglected by Energy Company Obligation schemes.  
We recommend the establishment of firm targets on the energy performance standards of existing homes, with a trajectory to 2030.  
We note that the Scottish Government HEEPS programmes already combine public and ECO funding through area-based schemes. It will be important for the government to plug the gaps and increase its funding to compensate for ECO changes. The proposals from the Smith Commission could offer important opportunities here.  
We support the recommendation on regulation for a mandatory energy performance standard at point of sale and rental.

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

## **Section 6: Housing and Health and Education**

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





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

We believe the section on fuel poverty should make clear there is statutory duty on the Scottish Government to eradicate fuel poverty in Scotland, as far as is reasonably practicable, by November 2016. As noted in the consultation, fuel poverty numbers have risen steeply in the last ten years, though energy efficiency measures have had a mitigating effect. It is our view that much more needs to be done to ‘future-proof’ Scotland’s existing homes so that people are not condemned to living in fuel poverty because of the energy performance of their home. This will require a combination of regulation, and focused investment in the worst-performing homes. Investment made now will reap benefits for decades to come for families the length and breadth of Scotland.

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

We believe it would be appropriate to include actions regarding fuel poverty in this section. The consultation acknowledges the impact fuel poverty can have on a range of social outcomes, including health and educational attainment.



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

We strongly support the inclusion of energy efficiency measures in any care and repair scheme for older households. Some of this work has already been done through Climate Challenge Fund projects that have a 'handyman' service and could be replicated.

It is in the interests of the Scottish Government to make it possible for older people to stay in their homes as long as possible if they wish to. This means the homes have to be warm, healthy and affordable to heat. In other words, we want our older people to live in comfort.

We also support the principle that any public funding used to bring empty homes (or through housing grants, Historic Scotland grants) into use should ensure those homes meet a minimum energy performance standard (at least – and where possible should meet SHQS) that is set for the private sector.

## Section 7: Housing and Community Regeneration

**Q.22.** Do you agree with our on our assessment of the importance of community regeneration?

**Q.23.** Do you agree with our brief assessment of current policy on community regeneration?



**Q.24.** Do you agree with our suggestions for further action in the area of community regeneration?

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

**Section 8: Do we need a more robust private rented sector?**

**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?



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

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

We agree that the current landlord registration system is not working and is need of reform. Any reform should bear in mind the enforcement requirements for the regulation on energy performance standards. The same principle of using a risk-based approach could apply.

We believe that longer tenancy arrangements would encourage investment in energy efficiency for the PRS as the tenant would take a greater interest and would have greater security in maintaining the lease.

It should be noted that the PRS is the worst-performing sector in terms of energy efficiency with 8% of PRS rated poor, while only 1% of the social sector is rated poor. We also know that fuel poverty is concentrated in poorly rated homes.

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



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**Do you have any further comments in relation to the Commission on Housing and Wellbeing's consultation paper?**