

## 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](#)
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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 what evidence for this?

We broadly support the Commission's assessment. However, there are a few areas that would benefit from being developed in more detail:

- The importance of quality housing and neighbourhoods to mental health, as highlighted by Egan M, Tannahill C, Bond L, Kearns A, Mason P. (2013), *A Synthesis of GoWell Research Findings about the links between regeneration and health*
- The crucial importance of investing in energy efficiency and micro renewables in order to address fuel poverty. The chapter on environmental sustainability is short and focusses on climate change – fuel poverty is on the rise and there are significant economic and social benefits to be gained from investing in improving the energy efficiency of existing homes.
- the importance of improving access to quality housing as a means of addressing inequality should be given more consideration .

**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?

No, it is well balanced and highlights the main benefits.

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

**Q.3.** Do you agree with our assessment of the current position on investment  
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Yes, we broadly agree that there is insufficient investment in housing. We also agree that there is an imbalance between those benefitting from the current system (property owners) and those who are on low incomes and/or who rent.

We are clearly not building enough homes as a nation to meet need, and this applies to all sectors – affordable rented housing, intermediate housing and mid rent, and new build housing for sale.

We also agree that too little is invested in existing housing, meaning that stock (especially in the private sector) is in a poorer state of repair than our west European neighbours. Minimum standards need to be set to raise energy standards, while low cost loans must be made available to enable home owners to invest.

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

Yes, we do.

While intermediate housing serves an important purpose, i.e. meeting need in pressured areas and assisting regeneration in areas with multiple deprivation, the current policy on housing investment seems to be based on what can be afforded in budgetary terms (which is in itself a policy choice) rather than on a comprehensive assessment of what is needed.

It is critical that there is a comprehensive up to date assessment of housing need in Scotland. It is our view that the primary focus of government investment in housing should be focused on the provision of genuinely affordable rented housing.



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

Yes, we broadly do agree.

The SFHA is currently working on an initiative (HARIS) that aims to provide housing associations across Scotland access to affordable, long term private finance – something that is a major problem since the banking crisis. We have submitted details of this initiative to the Commission.

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

In the longer term, initiatives need to be taken to rebalance investment in housing. Currently, a significant amount of public money is spent on revenue (Housing Benefit) and not nearly enough on capital investment in affordable rented housing or mid market rented housing. This could not be changed overnight, but could be moved to over time. At its worst, the current system creates situations where tenants on benefit pay high rents for low quality private rented accommodation with high fuel bills and struggle to be able to afford move into work. We would be happy to work with the Commission to develop thinking on this.

There is also clearly an issue with the amount of developments for private housing for sale and rent, with not nearly enough being released. While developers often blame the planning system, councils can often point to sites that have full planning system that remains undeveloped for years but may change ownership. This issue requires further consideration – options to explore could include time limited planning permission, a Land Value Tax, and encouragement of Modern Methods of Construction through increased Building Standards. Other European countries build most houses off site, resulting in better rates of production, lower build costs and higher energy efficiency standards.

### 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 broadly agree with the points made, but would wish to see more emphasis on the economic value of housing – in particular the benefit to the economy of investing in energy efficiency retrofit and in new build.

A study by Cambridge Econometrics (2014) found that investing public funds in the retrofit of energy efficiency to existing housing would be the most cost effective way to boost the economy, as it would create a large number of jobs and apprenticeships, cut fuel poverty and address climate change – details of the study have been passed to the Commission and it is also available here <http://www.consumerfutures.org.uk/files/2014/03/Economic-impact-of-energy-efficiency-investment-in-Scotland.pdf>

There are also significant benefits to investing in new build affordable housing and mid market rent – it provides quality energy efficient homes, has a high multiplier effect on jobs and improves labour market flexibility.

**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?

Yes, as referred to above, we agree that there is too little investment in housing. Housing waiting lists are at record levels, demonstrating there is significant unmet need. We would also agree that Scottish Government new housing supply targets are about building what can be afforded (in terms of the policy choices underlying the Scottish Budget) rather than attempting to address acute housing need.

We agree with the consultation paper's contention that investment in affordable rented housing should take priority over intermediate housing, as this is using limited resources to meet the greatest need. However, there are two exceptions to this – pressured areas where there is a real need for mid rent and where land can be secured through planning policy, and areas being regenerated that need tenure diversification for a mixed sustainable community.

We also agree that housing for sale is overvalued and that measures to secure more realistic valuations are required in order to release funds to invest in the energy efficiency and physical condition of existing homes.



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

We support the 5 proposals:

- Setting national and local house building targets based on housing demand studies;
- Increasing the value of the capital budget for new build affordable housing, restoring it to pre-banking crisis levels, albeit that the longer term aim should be to invest sufficient government capital subsidy to ensure that housing need is being addressed in a substantial way;
- Allocate the majority of the housing budget to developing affordable housing for rent
- Housing associations working together to secure long term affordable private finance – the SFHA is working on an initiative to do this (HARIS) and we have shared our plans with the Commission.
- Minimum energy efficiency targets to be set for the private sector – this would address climate change, cut fuel poverty and create jobs by gradually bringing the private sector into line with the standards set for social housing.

#### **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?

We agree that at present, there is a situation where too little of the housing/welfare budget is spent on capital investment and too much on revenue. This can mean that tenants can be stuck in a housing benefit poverty trap, paying high rents for poor quality, expensive to heat homes.

We agree that it is desirable to make a shift towards greater capital investment in quality, genuinely affordable rented housing. Any shift would have to be gradual however, to avoid creating housing problems for people on low incomes.



**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?

Yes, we broadly agree. The 'bedroom tax' is a policy designed primarily to solve a problem in rented housing in London that has had disastrous consequences for people living in social housing in Scotland.

We would also contend that while it is, in principle, sensible to expect people to manage their own budgets, this only works where people have a reasonable income (which could be provided through a Citizens Income or through widespread adoption of the Living Wage). When people are in poverty and often face a choice between heating their homes and eating, then such a policy is unworkable and dangerous.

We therefore hope that the Scottish Government will have the opportunity to use the new powers proposed in the Smith Commission Heads of Agreement to enable social housing tenants in Scotland to choose to mandate payment of the housing costs element of Universal Credit to their landlord.

**Q.12.** What are your views about the medium term policy options presented here? What other ideas and issues strike you over this time  
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The medium term option of creating a single devolved housing budget that would allow councils to invest more in capital subsidy and less in revenue is an interesting one. SFHA supports greater capital investment in affordable rented housing.

Professor Paul Spicker, Grampian Chair Grampian Chair of Public Policy at the University of Robert Gordon is a retained associate of SFHA and it is our view that he could make an important contribution to the Commission's thinking on welfare.



**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 the SFHA's view that Smith Commission's Report is a step in the right direction, as it represents some progress on housing, on energy and our urgent concerns about the impact of Universal Credit on tenants and social landlords. However, the recommendations do not go as far as we, and many other civic organisations, had called for in our submissions. There is also some distance still to travel with the recommendations, as they need to be made real and then they need to be used quickly. SFHA is continuing to call for the Westminster Government to suspend the planned accelerated roll-out of Universal Credit in Scotland. This would prevent more benefit recipients, including tenants of social landlords, from being caught up in a messy bureaucracy of rolling back which ever aspects of Universal Credit are devolved.

SFHA's full submission to the Smith Commission is available here:

[http://www.sfha.co.uk/index.php?option=com\\_docman&task=cat\\_view&qid=636&temid=340](http://www.sfha.co.uk/index.php?option=com_docman&task=cat_view&qid=636&temid=340)

**Q. 14** How do you respond to the options proposed here? Are there other options that should be considered?

A further point that could be more fully considered is the importance of benefits and support to allow people with particular needs to live at home and to provide access to housing for people who have been homeless or who are fleeing domestic violence.

Any planned move from revenue to capital subsidy needs to still ensure that the support needs of these groups are met, and that people with housing support need receive the necessary financial support to enable people with support needs (for example care leavers or people with mental health issues) through discretionary housing payments.

Finally, more consideration must be given to the connections around poverty, inequality and access to housing. While the consultation paper quite rightly identifies that Scotland is split between housing's haves and have nots, it is important to recognise the impact that disadvantage experienced by people with mental and physical disabilities or people fleeing domestic violence and how this affects their access to quality housing.





## **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?

We agree that housing has an important role in respect of the environment. We would wish to see greater emphasis placed on the importance of home energy efficiency. Investment in home energy efficiency and the setting of minimum standards have a vital role to play in

- Cutting carbon emissions and meeting climate change targets (Scotland is struggling to meet its milestones and housing has a key role to play as it is responsible for more than a quarter of carbon emissions).
- Addressing fuel poverty, which is rising in Scotland and likely to continue to do so as fuel prices are expected to continue to rise above inflation.

**Q**

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

We broadly agree that Scotland has ambitious targets and that the Scottish Government needs to set minimum energy efficiency standards for the private sector, and to invest much more in energy efficiency programmes, if we are to meet those targets.

It is our view that the Commission should increase its emphasis on the need to combat fuel poverty and emphasise the importance of a warm, affordable home to people's wellbeing (physical and mental), plus the educational benefits that accrue from growing up in a warm, healthy home.



# Commission on Housing & Wellbeing

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

We support proposals for a simplified, combined programme using Scottish Government and energy company funds. It is our view that the Smith Commission, in setting out plans for ECO to be devolved to Scotland, provides the opportunity for a well designed and coherent scheme that better addresses Scotland's needs.

We also agree that the budget for energy efficiency works must be increased if we are to address fuel poverty, meet Scotland's Climate Change targets and create jobs and training (we earlier referred to the report by Cambridge Econometrics that makes a compelling case for this)

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

SFHA, with other members of the Existing Homes Alliance, has been lobbying the Scottish Government to treat energy efficiency as a major infrastructure priority.

We also want to see greater support for micro-renewables through low cost loans, and support for district heating schemes. There are a number of examples of social landlords developing district heating schemes that reduce fuel bills and cut carbon emissions (examples include Aberdeen Heat and Power and schemes developed by West Highland Housing Association). District heating has high capital costs, however, and so a mix of grants and low cost loans is required if these schemes are to be replicated across Scotland.

## Section 6: Housing and Health and Education

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

We agree that good quality, well designed and affordable housing has a vital role to play in promoting health and wellbeing and increasing educational attainment. This is not just about the home on its own - quality of place and access to green space is important for physical and mental wellbeing.

We agree that warm, healthy homes are important to health and wellbeing and we outlined in our response to the question in Section 5 above the importance of investing in home energy efficiency.

Investment in aids and adaptations is also critical, enabling people to live at home and maintain social networks – research has found that isolation and having weak social networks has the equivalent detrimental impact on health as smoking 15 cigarettes. We would refer the Commission to Age UK (2012); *Loneliness in the UK – The State We Are In*, available at <http://www.ageuk.org.uk/brandpartnerglobal/oxfordshirevpp/documents/loneliness%20the%20state%20we%20are%20in%20-%20report%202013.pdf>

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

Yes, we agree that homelessness, insecurity of tenure and expensive to heat homes all limit a child's ability to fulfil their potential.

It is also our view that mixed tenure communities are beneficial to all children and to society as a whole, and should be encouraged by Scottish Government and local authority planning policies.



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

There is a need to build on the social networking approach to homelessness and ensure this is embedded in housing options. While a shift to prevention is necessary, we need to maintain a focus on 'pathways' out of homelessness – what factors make the difference to a person becoming homeless again?

For older people, access to health and social care services can make all the difference as to whether a person's existing home is sustainable / manageable or not e.g. GPs being able to conduct home visits, social care services being available to assist people with personal care issues, pharmacies being willing to deliver medications. Social landlords can make the delivery of these health and social care services easier in the design and provision of housing services by installing key safes, community alarms and communal facilities which can be used to carry out health screening or providing flu jabs.

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

It is our view that the concept of 'down sizing' should be reviewed. It should be more about moving onto something better, more comfortable, more connected and exercising freedom from the need to manage a family home, rather than just about giving up space.

Improving adaptations is about more than funding and procedures. People need to be at the heart of this area of policy development and there are issues about choice, design (important in how people feel about themselves and their situation), timely response, fairness (cross sector) and transparency. Access to occupational therapy services is very important and their input appreciated by housing services.

## **Section 7: Housing and Community Regeneration**

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

We agree that housing is part of community regeneration. To a large extent, the housing association movement in Scotland was borne out of failures of private landlords and local authorities. Housing associations and co-operatives were often at the heart of community regeneration, playing a community anchor role in revitalising their communities.

The long term involvement of residents in the committees of their housing associations has given local people a key role in the regeneration and development of their communities. All around the country, associations and co-operatives have initiated social enterprise or wider role activities (such as furniture recycling initiatives, community gardens and employment and training initiatives).

**Q**

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

Broadly yes. There is a danger in seeking to mainstream regeneration activities, that the focus on actual activities is diluted or lost. As the Commission states, there are concerns over the effectiveness of Community Planning Partnerships and in many areas housing and housing associations do not have a place on CPPs. Yet they are community anchor organisations who are ideally placed to improve their communities.

Housing associations and co-operatives have been at the heart of community regeneration for decades. They play a key role in communities across Scotland and this should continue to be the case.



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

We agree that there should be more focus on community regeneration than the Scottish Government currently provides, and housing associations and cooperatives should be at the heart of this.

The Glasgow Housing Association example is a good illustration of how housing associations can meaningfully engage in CPPs.

We strongly disagree, however, with the proposal to extend the Community Empowerment Bill to tenants of social landlords. In the SFHA's submission to the Local Government and Regeneration Committee on the Community Empowerment Bill, we expressed concern that it was too focussed on the community right to buy when this would not apply to many communities and others would not have the skills or resources to achieve community right to buy.

As explained above, many housing associations and co-operatives have been established in order to regenerate their communities and they have local people at their heart. We would question the wisdom of using limited resources to enable a buy out from a community anchor organisation.

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

As we stated in our submission to the Local Government and Regeneration Committee, what many local communities want is to be empowered to work as an equal partner with public authorities. Communities need practical support. There must be a concerted effort to provide support and build capacity, otherwise there will be provisions to have community renewables, or community buy outs yet few communities will have the capacity or resources to take up these opportunities.

It would be much more equitable to support communities across Scotland to develop their capacity to engage with the authorities who serve them to ensure that services and plans reflect their needs and aspirations.



**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?

We have no comments on Section 8.

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

As above

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

As above



# Commission on Housing & Wellbeing

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

As above

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

We have no further comments