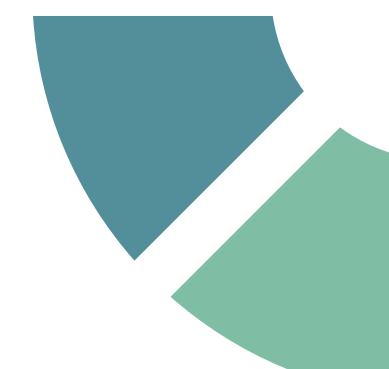


# Chair's Report: One year on







# Contents

| Introduction                               | 1  |
|--|----|
| Our impact to date                         | 2  |
| Housing as 'Home'                          | 3  |
| Neighbourhood and Community                | 5  |
| Economic Wellbeing (Income and Employment) | 7  |
| Health and Education                       | 9  |
| Environmental Sustainability               | 11 |
| Conclusion                                 | 13 |

# Introduction

In June 2015, the Commission on Housing and Wellbeing published its final report, <u>'A blueprint</u> for Scotland's future'. Chaired by the former Auditor General <u>Robert Black</u>, the Commission was launched by <u>Shelter Scotland</u> to consider the relationship between housing and wellbeing and to make recommendations to improve housing in Scotland.

While research over several decades had highlighted the links between people's housing and life chances, a more rounded investigation was needed to show the difference that having a good home can make to people's lives. Following two years of deliberation and extensive consultation, 'A blueprint for Scotland's future' reflected the central importance of everyone in Scotland having a safe, secure and affordable home which allows each and every one of us to live good lives.

Focusing on eight types of wellbeing relevant to housing, the final report set out 47 recommendations with the aim of sustaining and improving the wellbeing of the Scottish population through good housing. This paper examines progress against these recommendations and shines a light on whether those involved in Scottish housing have risen to the Commission's challenge.

## **Our Impact to date**

A year has elapsed since 'A blueprint for Scotland's future' was launched at a special event in Edinburgh, where an audience of policy experts heard first-hand of the Commission's findings and recommendations. The then Cabinet Secretary for Social Justice, Alex Neil MSP, delivered a keynote address on the importance of housing to the wellbeing, fairness and prosperity of Scotland, and the launch provided the momentum needed to recast the debate on housing.

Shelter Scotland has since taken responsibility for maximising the report's impact, and members of the Commission have continued their involvement through a range of opportunities to showcase the findings. The publication of the report has provided a strong platform for discussing and delivering the housing solutions we all want to see, with much of the debate around Scottish housing now drawing on the Commission's work. This has been aided through a number of presentations of the findings at key events, including:

- the Chartered Institute for Housing (Scotland) Annual Conference
- the Faculty of Public Health Conference
- the Scottish Labour Party Conference
- the Cross Party Group on Health Inequalities
- the Joint Housing Policy and
  Delivery Group
- the Glasgow Homelessness Network '360 Degree' Conference
- the Voluntary Health Service 'Closing the Gap' Conference
- the NHS Health and Homelessness Conference
- the Housing Studies
  Association Conference

The report has been well received in the Scottish Parliament. In September 2015, Members of the Scottish Parliament (MSPs) <u>debated the importance</u> <u>of housing to wellbeing</u>, with the Commission's report informing proceedings. The Commission's exploration of the links between housing and wellbeing was considered an invaluable addition to the discussion on housing, and MSPs have continued to draw on the findings throughout other parliamentary debates since its publication – the report is now widely used as a reference document when discussing housing challenges and priorities in Scotland.

The Scottish Government has also considered the Commission's work at length, and in March 2016 it <u>issued a response</u> to all 47 of the recommendations set out in the report. In replying to 'A blueprint for Scotland's future', the Scottish Government welcomed the report's publication and recognised its 'powerful contribution to the debate around wellbeing, and the essential role housing has to play in this.' In addition, the report and its headline finding on the need for a step change in the delivery of affordable homes, was cited by the First Minister's Independent Advisor on Poverty and Inequality, Naomi Eisenstadt, in her initial <u>Report to the</u>. <u>First Minister</u> in January 2016.

A number of other reports have also been published in the past year that have helped strengthen the housing policy landscape. The <u>Scottish Public Health</u> <u>Network's report on 'Restoring the Public Health</u> <u>Response to Homelessness'</u>, and the <u>Housing Delivery</u> <u>Plan published by the Joint Housing Policy and</u> <u>Delivery Group</u> – a body which comprises the Scottish Government and other key housing stakeholders – have had significant influence with shaping housing and other key policy areas.

Though only a little over a year on from the publication of the report, the Commission on Housing and Wellbeing has undoubtedly contributed to a very visible, positive change in the discussion around Scottish housing, and how a good home for everyone can help to tackle Scotland's inequalities.

# Housing as 'Home'

#### In this section the Commission recommended that:

Good housing offers a stable foundation from which to build a home, and does so through providing shelter, security and space for family life and activities, privacy, personal identity and development. The home provides us with a sense of belonging and connection to where we live and acts as a springboard to develop other aspects of our life.

Access to a safe, secure and affordable home for everyone is central to delivering a genuinely fairer Scotland. That was the Commission's message in June 2015, and this step change could only be achieved through building the homes we need.

The Commission called for a substantial increase in affordable house building, setting targets to develop at least 45,000 affordable homes by the end of this parliament, including 35,000 for social rent. The Scottish Government has since committed to <u>deliver 50,000</u> <u>affordable homes by 2021</u>, including at least 35,000 for social housing. In her <u>recent report on poverty in</u> <u>Scotland</u>, Naomi Eisenstadt, said:

"The recent commitment by the First Minister to increase the target for social housing to 35,000 homes over the next parliament, as part of a broader affordable homes target of 50,000, is very welcome. This would appear to match the suggestion by the Commission on Housing and Wellbeing for an additional 7,000 social homes for rent per year."

These proposals give us room to be optimistic about the future transformation of Scottish housing, but they cannot be the limit of our ambition. <u>Robust research on</u> <u>Scotland's housing need</u> was recently published by three of Scotland's most prominent housing organisations, calling for at least 60,000 affordable homes to bebuilt by 2021.<sup>1</sup> A programme of this scale requires a radical approach to increase the funding and investment opportunities available for social and private housing providers. The Scottish Government has already <u>committed to</u> <u>increasing the benchmark subsidy</u> for new social housing, making it easier for social providers to develop affordable housing. It has also set up the new <u>Rural Housing</u> <u>Fund</u> to promote investment in non-urban areas, and is supporting the development of the <u>Housing Association</u> <u>Resource for Investment Scheme</u>, to assist housing associations in raising private finance. The challenge now is to unlock other tools and resources for investment, as recommended by the Commission and the Joint Housing Policy and Delivery Group. This could include allowing private landlords to develop homes for the mid-market rental programme, and securing institutional investment into the private sector.

The Commission also acknowledged the need for greater priority to be given to raising and maintaining the quality of existing housing across all tenures. It was particularly concerned with the discrepancy between two official methods of reporting the success rates in meeting the Scottish Housing Quality Standard. While annual returns of social landlords showed 18% of houses failed to meet the standard, the proportion highlighted by the Scottish House Condition Survey - completed by occupiers - was much higher at 43%." A number of factors for this inconsistency have since been cited. Despite this, however, it is clear that tenants - the ones affected by poor quality housing - are reporting higher levels of inadequate conditions. Every home in Scotland should be warm, dry and energy efficient, and a move towards a cross-tenure Common Housing Quality Standard - a proposal the Scottish Government is currently consulting on - could lead the way to improving the quality of housing across all tenures.

Another area of concern for the Commission was the private rented sector (PRS). Home to 312,000 households – a number which has more than doubled in 10 years - the PRS has become the housing option of choice for thousands of families on low incomes.<sup>III</sup> Research from the Joseph Rowntree Foundation revealed that the number of people in poverty in the PRS rose by 140,000 between 2003 and 2013, 83 per cent of them working age.<sup>IV</sup> The Commission reported that more must be done to protect the rights of tenants and to address the unequal bargaining powers of landlords.

The Scottish Parliament has since passed the <u>Private</u> <u>Housing (Tenancies) Act 2016</u>. The Act will give local authorities the power to designate rent pressure zones in their jurisdiction, allowing for increases in existing rental prices to be capped. It will also allow for longterm tenancies, effectively providing indefinite security of tenure (subject to certain grounds for eviction), and a new tribunal will hear all PRS cases from December 2017. This will provide the framework for empowering tenants to challenge unfit landlords. These changes reflect the Commission's calls to modernise and simplify the sector – enforcing this and existing legislation is now the priority.

The Commission reported that powers currently available for regulating the PRS should be reviewed during this parliament. The Joint Housing Policy and Delivery Group also acknowledged the need to review the regulation of private sector tenancies. The Scottish Government has since replied it would be inappropriate to implement a review of regulation of the sector until new measures - such as landlord registration - have been in place for several years. Although work is underway to develop revised guidance for local authorities on landlord registration, several questions need answering. Is the current system of landlord registration delivering for tenants? Is it increasing the standard of privately rented accommodation? What enforcement actions are actually being delivered by local authorities?

| Next steps            |  |  |
|-----------------------|--|--|
| Priority Action One   | The Scottish Government should work with the relevant housing<br>bodies to secure the funding and investment required to meet<br>Scotland's affordable housing need. The target to deliver 50,000<br>affordable homes by 2021, including 35,000 for social rent, should<br>not be the limit of our ambition.   |  |
| Priority Action Two   | Improving and maintaining the quality of Scotland's existing housing<br>stock should be prioritised. The Scottish Government should<br>implement a cross-tenure Common Housing Quality Standard and<br>ensure a monitoring framework is in place to measure success and<br>ensure accountability.  |  |
| Priority Action Three | The Scottish Government should monitor carefully the<br>implementation of the Private Housing (Tenancies) Act 2015<br>and, if required, make amendments to enhance its effectiveness.<br>The powers currently available for regulating the private rented<br>sector – including landlord registration – should be reviewed by<br>the Scottish Parliament Local Government and Communities<br>Committee to identify whether the regulations are delivering<br>against their objectives. |  |

### Neighbourhood and Community

### In this section the Commission recommended that:

Good housing is an essential part of a successful neighbourhood and local community. Good design can help to create a positive appearance and, depending on location, make provision for - or help to ensure - accessible links to shops, schools, other local facilities, open space and the countryside and employment opportunities. The oversight of the neighbourhood by local authorities and other public bodies can help foster a positive reputation and provide opportunities for residents to influence their local environment, to develop social contacts with neighbours and to minimise crime and anti-social behaviour.

The Scottish Government's vision for building successful neighbourhoods and communities is based on the premise that people are involved in developing the places they live. This approach is underpinned by the <u>Community Empowerment</u>. (Scotland) Act 2015, which will lead to significant improvements in the framework for community engagement in the development of places.

This includes legislating for community bodies to apply to manage rundown public facilities and land. Beyond the framework, however, is the question of how communities will be supported to make the most of these powers, especially those living in deprived areas. Training, support and guidance should be developed, as recommended by the Joint Housing Policy and Delivery Group, and authorities must clearly evidence the impact of communities in shaping their places.

Housing has a significant contribution to make in community empowerment. A number of initiatives are already underway with local people involved in shaping their community, many led by Community Controlled Housing Associations (CCHAs). The Commission viewed CCHAs as role models for other organisations seeking community input into local development, and the Community Empowerment Act should allow CCHAs, and other housing associations, to build their roles as community anchors. However, the growth of wider role activities taken on by housing associations must be supported with the funding required to ensure it is not tenants' rents that are left plugging the gaps of cash-strapped local authorities.

There is limited finance available for supporting community organisations' development through the Empowering Communities Fund. The Scottish Government has recently committed to maintaining the fund for 2016/17, and continuing this and other funding will be vital to ensuring a meaningful shift in focus to community involvement. The Scottish Government must work with organisations like the <u>Scottish Federation of Housing Associations</u> and the <u>Glasgow and West of Scotland Forum of Housing</u> <u>Associations</u> to identify further innovative funding arrangements to support involvement projects.

Both the Commission and the Joint Housing Policy and Delivery Group highlighted the need for people to engage in and shape their places. The <u>Place Standard</u> tool, launched in December 2015, provides the platform for local communities – including housing associations – to begin those discussions required to identify an area's needs. It consists of fourteen strands of consideration for identifying the social and physical aspects of a place and includes housing and community as one of these strands.

The Scottish Government's recent <u>Draft Planning</u> <u>Delivery Advice: Housing and Infrastructure</u> has also recognised the importance of local communities having a voice in planning and delivering new developments, and promotes the use of the Place Standard tool in identifying the right type of infrastructure investment. It is encouraging to see guidance linking housing to the vision for successful places, as well as recognising the need for active community participation in the debate about the future of housing developments. It is vital that the Place Standard tool is given the support needed to succeed and become embedded in our approach to developing places.

There has been much discussion in Scotland around the success of <u>Community Planning</u> <u>Partnerships (CPPs)</u>, and the Commission cited the need for CPPs to improve when it comes to public sector reform, particularly developing disadvantaged areas. It called for CPPs to identify clear objectives for priority neighbourhoods. The Community Empowerment Act has since legislated for CPPs to publish a locality plan for each disadvantaged area, with outcomes prioritised for improvement. However, plans for changes in how public services are designed and delivered will need to be accompanied by a monitoring framework to measure success and ensure accountability, as recommended by the Commission.

#### Audit Scotland's 'Community Planning' update,

published in March 2016, outlined a series of recommendations in relation to the performance of CPPs. It included a call for the Scottish Government to clarify its specific performance expectations for CPPs and to improve national performance management frameworks, whilst reiterating the need for CPPs to ensure local communities have a strong voice in planning. These recommendations must be taken seriously if CPPs are to become the focal point of collaborative community decision-making.

| Next steps           |  |
|----------------------|--|
| Priority Action Four | The Scottish Government must ensure that adequate resources and<br>training are available so that all communities are equipped with the<br>awareness, skills and knowledge required to make the most of new<br>powers under the Community Empowerment Act.                               |
| Priority Action Five | Community Based Housing Associations – and other housing<br>associations – must continue to be recognised as community anchor<br>bodies, and be a part of discussions to secure innovative funding<br>arrangements for involvement projects requiring significant capital<br>investment. |
| Priority Action Six  | The Scottish Government, the Convention of Scottish Local<br>Authorities (COSLA) and Community Planning Partnerships<br>(CPPs) must take seriously the recent recommendations set out<br>in Audit Scotland's 'Community Planning' update in relation to the<br>performance of CPPs.      |

## Economic Wellbeing (Employment and Income)

### In this section the Commission recommended that:

Housing is essential to allow employees to move to areas where jobs exist. Investment in housing also generates substantial employment, both in the construction sector and in associated transactions-related and service jobs. Housing is also critical to household income; housing which is 'affordable' – that which does not present an excessive burden on household income – reduces the risk of poverty and financial hardship.

Recent research by Shelter Scotland has set out the positive economic impact of investment in affordable housing, supporting the Commission's view that building housing generates significant employment opportunities. The research indicates that a housebuilding programme which delivers 12,000 affordable homes per year could sustain up to 19,000 jobs and generate £2.6 billion of economic output.<sup>v</sup> It is clear that building the homes we need has a much broader societal benefit beyond providing people with a safe, secure and affordable home.

The recent report from Naomi Eisenstadt, the Independent Advisor on Poverty and Inequality to the First Minister, lists housing affordability as one of three main areas that should be addressed to reduce poverty levels in Scotland. When housing costs are factored in, the number of people living in poverty in Scotland rises from 730,000 to over 940,000. Further analysis of the <u>latest official figures</u> evidenced that housing costs pushed an additional 60,000 children into poverty in Scotland in 2014/15.<sup>vi</sup> The importance of housing to the economic wellbeing of individuals is undeniable, and it is unlikely that poverty and inequality will be tackled without a solution to the housing crisis. As such, the Commission made a number of recommendations to reduce the financial burden of housing on those struggling financially.

One recommendation was to reform the current system of property taxation - the Council Tax. This would seek to put an end to a system that disproportionately affects the poorest households. In its place, the Commission recommended a new, fairer property tax. The Commission on Local Tax Reform – a cross-party group set up by the Scottish Government - has also reported that the current council tax system in Scotland 'must end,' whilst Naomi Eisenstadt recommended that the Scottish Government 'be bold on local tax reform.' Regrettably, there has been no sign that the Scottish Government will reevaluate property values, nor adjust how the tax is calculated, despite many properties sitting in the wrong band. Although proposals have been made to set a 3% cap on future tax rises from 2017, and to slightly increase the payments of those households in bands E to H, these changes mean very little to those paying an unfair level of tax.

Many people in Scotland rely on Housing Benefit to pay their rent. The programme of reforms and cuts to the benefits system by the UK Government has contributed to increased financial strain for many households. The Commission recommended that one of these reforms, the so called 'bedroom tax,' should be scrapped, a call that has long been supported by the Scottish Government itself. The Scotland Act 2016 has since legislated for new powers to be devolved to the Scottish Parliament over the housing element of Universal Credit, including the power to vary the under-occupancy charge. Ministers have since committed to continue to mitigate the 'bedroom tax' in Scotland through the use of Discretionary Housing Payments (DHP).

The new powers will also allow the Scottish Government to ensure that housing costs can continue to be paid automatically to landlords, as recommended by the Commission. After lengthy consultation, the Commission was concerned that sudden changes to the automatic payment of housing benefit could negatively impact landlords. The Scottish Government has since confirmed it is working with the UK Government to ensure flexible options are available to claimants. A new system for automatic payments is needed to reassure landlords that arrears will not increase as a result of Universal Credit. The Commission made a series of recommendations linked to increasing the supply of available land for housing, as increasing land prices have helped fuel the rise of unaffordable house prices in recent years. Many of these recommendations were proposed by the <u>Royal Institute of Chartered Surveyors'</u> (<u>RICS</u>) Scottish Housing Commission and the Scottish Land Reform Review Group.

The Land Reform (Scotland) Act 2016 has since been passed, which goes some way to providing the basis for a growing discussion over Scotland's land. The Act legislates for a new Scottish Land Commission, responsible for reviewing and recommending changes to the law as well as conducting research and issuing guidance. The Act will also provide the framework for community bodies to apply to force a sale of land to the community to further sustainable development. How this will work in practice is unclear, but such land could be used for new housing. Despite these positive changes, however, the Act fails to legislate for many of the Commission's recommendations, and there have already been calls for further reform.

| Next Steps            |  |
|-----------------------|--|
| Priority Action Seven | The Scottish Government must review its position and take seriously<br>the Commission on Local Tax Reform's recommendation that the<br>current council tax system in Scotland 'must end'.  |
| Priority Action Eight | The Scottish Government should act as soon as practically possible<br>to abolish the 'bedroom tax', and to ensure that suitable information<br>and support is available for both landlords and tenants during the roll<br>out of Universal Credit.   |
| Priority Action Nine  | The Scottish Government and the new Scottish Land Commission<br>should seriously consider all proposals set out by the Scottish Land<br>Reform Review Group and the RICS Scottish Housing Commission<br>to ensure that enough land is allocated for delivering the affordable<br>homes Scotland needs. |

Next steps

### **Health and Education**

#### In this section the Commission recommended that:

Housing which is secure, adequately heated and free of serious condensation and dampness and which provides adequate space and supports independent living is important for good physical and psychological health and positive educational outcomes.

The Commission's report identified housing's potential to increase or reduce health inequalities in Scotland, seeing the 'home' as a key 'place' in which wellbeing is created or lost from the early years through to the very elderly. It highlighted the potential of housing as a preventative health service, giving people the foundations to live well-rounded, healthy lives.

Commissioners were especially concerned with Scotland's rapidly ageing population, which will come hand in hand with a growing requirement for care and nursing. With the health service already under pressure, the Commission acknowledged that increasing numbers of people will need to receive care in the comfort of their homes. As such, the Commission identified a need for housing to be a full and equal partner in the framework for integrating health and social care services, under the <u>Public Bodies (Scotland) Act 2014</u>.

A number of housing related elements are part of the list of functions that local authorities must delegate to the new <u>Health and Social Care</u>. <u>Partnerships</u>. The partnerships have already absorbed the lead responsibility for functions such as funding of disability adaptations in the private sector, and the 'housing support' aspects of social care. However, not all housing functions are required to become part of the integration arrangements. Many housing support services, including homelessness services, remain as functions that 'may' be delegated within the Act.

The Commission and Joint Housing Policy and Delivery Group both indicated the importance of developing a national understanding and narrative around housing's contribution to health and social care partnerships. The Scottish Government has provided <u>statutory guidance</u> focusing on the integration of housing, and each authority has been required to produce a <u>Housing Contribution</u> <u>Statement</u>. It is crucial that these statements are developed in collaboration with the relevant housing bodies, and that processes are in place for reviewing statements to ensure a level of consistency across Scotland; the health needs of people should not be assessed differently across the country.

A number of recently published reports have sought to show that homelessness is associated with serious adverse health effects. They add to a wealth of evidence that homelessness is not just about accessing shelter; it is a matter of health and wellbeing. In June 2015, the <u>Scottish Public Health</u> <u>Network (ScotPHN)</u> reported on the opportunity to reform the delivery of services for those affected by homelessness, and the need to consider the integration of homelessness services into Health and Social Care Partnerships. Despite these calls, only the Glasgow partnership has opted to integrate homelessness support services.

There has been renewed national focus on health and homelessness since the publication of reports from the Commission, ScotPHN and the Joint Housing Delivery and Policy Group. The multidisciplinary <u>Health and Homelessness Steering</u> <u>Group</u> has reconvened to evaluate potential health interventions for tackling homelessness, and a training toolkit is being developed to ensure a shared understanding of roles and objectives across the sectors. <u>NHS Health Scotland</u> has committed to focusing on the health needs of homeless people by considering the role of health in <u>Local Housing</u>. <u>Strategies</u>, activity that is being supported by a new strategic partnership with Shelter Scotland.

Homelessness remains a major problem in Scotland with 28,226 homelessness assessments made by households in 2015/16 alone.<sup>vii</sup>

The Commission called for a strengthening of the emphasis on the prevention of homelessness and repeat homelessness through early intervention and joint agency working. Despite meeting the 2012 commitment', there is no room for complacency and more research is required to establish the level of service provision available for homeless people in each local authority. The Scottish Government has since reported that it will release new guidance developed with local authorities to encourage a consistent approach across Scotland in relation to preventing homelessness. The question, however, is whether guidance goes far enough? As outlined in Shelter Scotland's Manifesto for Homes, a comprehensive new strategy on homelessness could be the answer to achieving the collaborative approach we desperately need.

With over 10,000 homeless households in temporary accommodation in 2013/14 at any one time, and one in four of those households spending over six months there, it is also vital that regulations are in place to protect the health of these households.<sup>viii</sup> In response to the Commission's recommendation for introducing minimum standards, the Scottish Government has reported that 'local authorities have the role of ensuring temporary accommodation is of reasonable standard'.<sup>ix</sup> However, recent research by Shelter Scotland has highlighted the seriousness of the problems facing homelessness services, including the lack of funding available to deliver good quality temporary accommodation. It has recommended that a new funding model is needed to support the delivery of world-class homelessness services as well as suitable temporary accommodation.

The Commission's report recognised the detrimental effect that the quality of existing housing was having on Scottish households. In particular, it noted the unacceptable levels of overcrowding and dampness (including condensation) in both the private and social sectors. The Commission's report specifically focused on the health implications of fuel poverty and inefficient housing. A new approach to fuel poverty – discussed in the next section – should reflect these concerns and the key links between fuel poverty and people's health.

In November 2015, the Scottish Housing Regulator (SHR) responded to two recommendations directly linked to its operations: to undertake a thematic study of overcrowding and offer guidance to social landlords on how to best minimise this, and to produce a report on the extent of serious problems of dampness, condensation and associated mould growth in the social rented sector. The SHR concluded that their 'risk analysis does not identify landlords' management of overcrowding or dampness as problematic and tenants are not reporting such problems to us or raising them as priorities.' However, with over 25,000 households in the social rented sector estimated to be overcrowded, it is clear that too many families are living below the acceptable room standard.\*

| Next Steps             |   |
|------------------------|---|
| Priority Action Ten    | The Scottish Government should continue to promote the<br>importance of housing among the new joint Health and Social<br>Care Partnerships, highlighting the role that housing can play as<br>a preventative service, keeping people in the comfort of their own<br>homes for longer.   |
| Priority Action Eleven | Continued emphasis is needed on the importance of the health<br>sector in efforts to reform the delivery of homelessness services<br>in Scotland. Consistency across Scotland is needed to ensure<br>the health needs of all homeless people are adequately assessed<br>and met – this could be secured through developing a National<br>Homelessness Strategy. |
| Priority Action Twelve | The Scottish Government must address the issue of<br>sub-standard temporary accommodation, and intervene by<br>introducing universal minimum standards. It must also consider<br>calls to develop a new funding model that tackles the costs of<br>delivering quality temporary accommodation and homelessness<br>services across all local authorities.        |

Next steps

## **Environmental Sustainability**

#### In this section the Commission recommended that:

Housing with a high standard of insulation and efficient heating systems will reduce energy use and result in lower greenhouse gas emissions. New building on brownfield sites and on sites close to centres of employment will reduce land take and will help to minimise car-based commuting. New building and some major renovation projects may provide opportunities for using natural processes for drainage, the use of sustainable building materials, improved waste management, improved biodiversity and maximising the use of passive energy.

The housing sector has an important contribution to make in reducing Scotland's carbon footprint, as well as improving the lives of thousands of households living in fuel poverty. With over 2.4 million households in Scotland, the efficiency of housing is a vital contributing factor to the wellbeing of current and future generations.<sup>xi</sup>

The Commission reported the Scottish Government was on course to miss its target for eradicating fuel poverty by November 2016, a statutory duty under the Housing (Scotland) Act 2001. Progress has been made, with the growth of the area-based schemes and interest free loans for households to apply to make efficiency changes. In September 2015, the Scottish Government also set up a new national fuel poverty scheme - Warmer Homes Scotland. Targeted at homeowners and private sector tenants who have difficulties heating their homes, this new programme provides funding for a range of improvement measures. In 2015/16, the Scottish Government made available a record budget of £119m for fuel poverty and energy efficiency initiatives.

Despite this, however, the Scottish Government has recently <u>confirmed it will miss its fuel poverty</u> <u>target</u>; the most recent figures - from 2014 revealed over a third of all Scottish households were living in fuel poverty.<sup>xii</sup> It is clear that the Scottish Government's assessment of how to eliminate fuel poverty requires a rethink, a call shared by the Commission and Joint Housing Policy and Delivery Group. Fuel poverty targets will need to be renewed and greater scrutiny in meeting those targets is required to ensure these are not missed again. The level of government expenditure on tackling fuel poverty will also need to be reviewed, despite record numbers being spent. Serious consideration should be given to forthcoming recommendations of the <u>Scottish Rural Fuel Poverty Task</u> Force and the <u>Scottish Fuel Poverty Strategic Working Group</u>. Both are due to report on their findings by the end of 2016. Consideration must also be given to the recommendations of the First Minister's Poverty Advisor, including calls for more to be done to tackle the poverty premium in home energy costs.

The Scottish Government has recently committed to taking forward a Warm Homes Bill in this parliament. This is a positive step forward and recognition that more must be done. It is vital that the government works closely with key stakeholders to ensure the right policy framework is legislated for to bring warm homes to thousands of households currently in the cold. The Scottish Government should use this as an opportunity to review the causes of fuel poverty, and consider what different approach is needed to ensure meaningful change.

A future Warm Homes Bill must also consider the framework required to decarbonize Scotland's heat sector. The Scottish Government's vision for a mostly decarbonised heat sector by 2050 is welcomed, but how will this be achieved? Building sustainable housing will go some way, but with the Scottish Government estimating that 85% of the houses in use by 2050 are already built, addressing the efficiency of existing housing infrastructure is key.xiii

The Commission identified the need for low carbon energy to play a greater role in supplying affordable heat to homes, and noted the importance of micro and community power generation in achieving this. The Scottish Government has since published a Heat Policy Statement, setting out an approach to investing in a low carbon heat sector. The statement includes a number of aims for improving heat generation, storage and demand through district or communal heating. Their Community Energy Policy Statement, published in September 2015, also sets the vision for community energy in boosting local energy economies. The Scottish Government's statements for an affordable, decarbonised heat sector are a step in the right direction, and Scotland's third sector must play its part in holding the Government to account over its promises. The efficiency of existing housing might also be improved through strengthening the existing energy report, part of the Home Report that is required for all houses listed for sale or to rent. The Commission came to this conclusion in light of recent research, which found that 'buyers and sellers saw the energy report as the least useful part of the home report' and that it was 'unlikely to affect the purchaser's decision.'xiv The Scottish Government has since

reported that it will reconvene the Home Report Implementation Group, where the design of the energy report should be revisited.

A redesign of the energy report could be linked to any new regulations that would require energy efficiency improvements to be made at the point of sale; this would guarantee a gradual step-change in the efficiency of existing housing. The Scottish Government has recently reported that it has been working to develop proposals for consultation that would set minimum standards of energy efficiency in the private sector. Although the publication of this consultation has been delayed, it is positive to see the Scottish Government pursuing the case for improved regulation.

The Scottish Government has designated energy efficiency a National Infrastructure Priority, with the flagship programme of this being Scotland's Energy Efficiency Programme. The <u>Existing Homes Alliance</u> recommendation for the Scottish Government to ensure all homes have an energy efficiency rating of EPC band C by 2025 sets a good marker for where Scotland should be by the end of the next decade. This would reduce energy inefficiency as a cause of fuel poverty and reduce the risk of fuel poverty for future generations to come.

| Next steps               |  |
|--------------------------|--|
| Priority Action Thirteen | The Scottish Government must rethink its approach to tackling fuel<br>poverty, which should include a renewal of fuel poverty targets and<br>a fresh look at what needs to change to the systems and schemes<br>already in place.  |
| Priority Action Fourteen | A Warm Homes Bill should be taken forward in the early stages<br>of this parliament. The Scottish Government must work with key<br>stakeholders to ensure the right legislative framework is in place<br>not only to eradicate fuel poverty but also to decarbonise Scotland's<br>heat sector. |
| Priority Action Fifteen  | By 2025, all housing in Scotland should reach the Energy<br>Performance Certificate (EPC) band C. Regulations – possibly at<br>the point of sale – should be brought in to improve the efficiency of<br>existing housing.  |

### Conclusion

The Commission on Housing and Wellbeing's report delivered a much needed review of the importance of housing to people's wellbeing, and a worrying verdict on the state of housing in Scotland. A year on from the publication of 'A blueprint for Scotland's future,' it is clear that steps are being taken to promote and use housing as a tool for tackling inequalities and to increase the wellbeing of Scotland's people.

The positive developments in this report are signs that improving the quality of Scottish housing is now considered to be a priority by our politicians - but our work does not stop here. Since the Commission's report was published, a number of research and policy papers have continued to reveal the vital role that housing has to play in so many areas of our lives. It is clearer now than ever before that building the homes we need means more than having shelter.

Housing and poverty are inextricably linked, with poverty making it harder to access and sustain a home and unaffordable housing making it harder for low income households to make ends meet. The relationships between housing and the rest of the economy are vast, providing people with jobs and stabilising market volatility. Housing does not only provide security and space; its role extends into the physical and social environment of our neighbourhoods, where we are educated, work and benefit from our communities. The right type of housing can provide a preventative health service, enabling people to live in their homes for longer whilst reducing demands on our NHS. It can also play a key role in ensuring Scotland meets its climate change targets.

Failing to fully grasp and seek improvement on the most fundamental aspect of people's lives in Scotland - the right to a safe home that provides a foundation for their future wellbeing - is not an option. The challenge now is for both the Scottish Government and Scottish Parliament to make good on the commitments already made whilst acknowledging that this should not be the limit of their ambitions. Whether it is building the affordable homes we need, taking forward new legislation for warmer homes or boosting the rights of those who live in the private rented sector, our work is not complete until every person in Scotland has access to a safe, secure and affordable home.

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