



Glasgow and West of Scotland Forum of Housing Associations

Response to Scottish Government Consultation, “Homes that don’t cost the Earth: Scotland’s Sustainable Housing Strategy”

Introduction and Summary

1. Glasgow and West of Scotland Forum of Housing Associations (GWSF) is a membership organisation for 66 community-controlled housing associations and co-operatives (CCHAs) based in 10 Scottish local authority areas. CCHAs provide decent, affordable housing for nearly 75,000 households in west central Scotland, while also improving the environmental, social and economic well being of their communities.
2. GWSF welcomes the vision and objectives set out in the Sustainable Housing Strategy, which represents a major step forward in thinking about how improvements should be sought in a more strategic and holistic way.
3. There have been significant improvements in the energy efficiency of social rented housing during the last decade, and we recognise there is more to do. However, it is also clear that the success of the overall Strategy depends critically on action across **all** parts of the housing sector. Achieving real change will require changes in culture, standards and regulation – and of course, adequate funding from the energy companies, government, landlords and owners. Adequate funding is particularly important in the case of building types that we know are hard to treat - including tenements and listed buildings.
4. We welcome the Government’s recognition that all of these issues need to be acted upon for private rented and owner-occupied housing, as well as for social housing. However, the proposals for private housing are much less developed in the Strategy than those for social housing. Close alignment of standards, enforcement, access to funding etc will be essential across all tenures, particularly for buildings in multiple ownership which are a major part of the built environment in urban Scotland.
5. The proposed National Retrofit Programme (NRP) provides a basis for addressing these issues, although it will be heavily dependent on the level of funding that is available under the Green Deal and ECO and how these resources are targeted and co-ordinated. We believe that a greater strategic and

co-ordinating role for local authorities would be extremely valuable, particularly in simplifying the myriad sources of funding that exist and in reaching a strategic view about how available resources should be targeted. The strategic and co-ordinating role of local authorities should, where appropriate, be linked to partnership working with organisations such as housing associations that have expertise in the delivery of various energy efficiency measures and a physical presence in local communities.

6. In our response, we have emphasised the particular challenges associated with tenements and other buildings that are hard to treat and those in multiple ownership. The sort of solutions and delivery frameworks that are needed have parallels with previous action to tackle slum housing conditions. Mandatory minimum standards should apply in all tenures so that the worst-performing properties and areas with the highest levels of fuel poverty can be targeted in a strategic way. At this stage, the consultation proposals are very specific for the social rented sector – but standards and measures for private housing are not sufficiently specific or objective.
7. We support the introduction of minimum energy efficiency standards for private sector housing, balanced with support and incentives. It would seem logical that if minimum EPC ratings are set for social housing (as proposed in the concurrent ESSH consultation), this should be the starting point for the design of regulation for the private rented sector.
8. In certain areas with concentrations of very poor housing an ‘area’ based approach may be appropriate as the framework for enforcing standards in private housing, but within the owner occupied and private rental market the trigger points of point of sale or rental would generally seem the most feasible.
9. We agree that local authorities should be able to require that owners improve their properties, in the same way they can require that they repair them. Compulsion must of course be linked to grant assistance where needed, and/or measures that enable recovery of funds on a long-term basis. A key question is whether enforcement action to improve standards in the private sector should be universal or more targeted.
10. In relation to new housing supply, we think that building regulations will continue to be the main driver of improvement, with consumer demand or producer innovation playing a secondary role. The housing association sector has a proven track record and willingness to innovate in relation to energy efficient design, and this should continue to be supported by the Scottish Government.

4. Please indicate which category best describes your organisation**(Tick one only)**

Executive Agencies and NDPBs	<input type="checkbox"/>
Local authority	<input type="checkbox"/>
Other statutory organisation	<input type="checkbox"/>
Registered Social Landlord	<input type="checkbox"/>
Representative body for private sector organisations	<input type="checkbox"/>
Representative body for third sector/equality organisations	<input type="checkbox"/>
Representative body for community organisations	<input checked="" type="checkbox"/>
Representative body for professionals	<input type="checkbox"/>
Private sector organisation	<input type="checkbox"/>
Third sector/equality organisation	<input type="checkbox"/>
Community group	<input type="checkbox"/>
Academic	<input type="checkbox"/>
Individual	<input type="checkbox"/>
Other – please state...	<input type="checkbox"/>

CONSULTATION QUESTIONS

1. Are the vision and objectives as set out in sections 19 and 20 appropriate for Scotland's Sustainable Housing Strategy? Please answer Yes or No and provide fuller explanation if you wish.

Yes No

2. What do you think are the main barriers that prevent home owners and landlords from installing energy efficiency measures?

With reference to home owners the main barriers are likely to be:

- Lack of resources, particularly at the lower income end of the sector
- Lack of interest or impetus arising from limitations of current perceptions of value ie energy efficiency measures not sufficiently important in buyers idea of value for money
- Willingness to prioritise investment in the fabric of the home, relative to more cosmetic features.

With regard to private landlords the main barriers are likely to be:

- Clear lack of incentive given that rental value isn't linked to energy efficiency standards
- Short term nature of sector – landlords appear more interested in short term profit rather than long term investment
- Reluctance to invest by landlords – for example, landlords who are renting properties only because they have been unable to sell
- Absence of effective physical quality standards for the private rented sector, other than the repairing standard and requirements on disrepair which many local authorities lack the resources to address as they would wish.

The exclusion of the private rented sector from the Scottish Housing Quality Standard in 2004 has resulted in a widening gulf between the physical quality of housing let by social landlords and private landlords, particularly at the lower end of the private rented market where exposure to fuel poverty is greatest for those on low incomes.

3. Please explain any practical solutions and/or incentives to overcome any barriers you have identified.

With regard to owners:

- Grant assistance for installation of energy efficiency measures. This has historically proven to be the most effective way of ensuring take up, particularly when linked to;
- Compulsion ie statutory action requiring properties which do not meet

certain specified standards to be brought up to that standard by their owners. In such cases a selling owner would find themselves passing on the statutory responsibility, leading either to them doing it before sale or accepting a lower price to compensate for the subsequent owner's outlay.

With regard to private landlords:

- Statutory enforcement of standards, accompanied by;
- Withdrawal of authority to rent where properties do not meet acceptable physical quality standards.

We recognise that the balance between “carrots and sticks” needs to be struck carefully. For example, placing additional financial burdens on owner-occupiers on low incomes in the current economic climate is unlikely to be acceptable unless accompanied by realistic and sustainable levels of financial support from the energy companies and other sources.

Matters are clearer-cut in setting tougher obligations on private landlords, since they are providing a commodity for profit and should be regulated accordingly.

4. Given Scotland's diverse range of housing, what support is needed to enable people to get energy efficiency measures installed?

See answers to 2 and 3 above

5. (a) What specific issues need to be addressed in respect of improving energy efficiency in rural areas, particularly more remote or island areas?

N/A

5. (b) How should these be addressed?

N/A

6. Taking into account the models and funding sources outlined in section 1.20-1.37, what role might local authorities and other agencies play in bringing about a step change in retrofitting Scotland's housing?

The National Retrofit programme is heavily dependent on the effective co-ordination of Green Deal and ECO (Energy Company Obligation) resources and para 1.36 in particular explores a range of delivery mechanisms, particularly as regards the role of local councils.

The key question is the extent to which local councils should act as facilitators/co-ordinators or as actual providers, either directly or through some specific vehicle eg a 'Community Interest Company'.

From the Forum's perspective, representing a large number of existing housing providers with considerable expertise in the delivery of various works programmes, the actual delivery of energy efficiency measures is not an issue. In that regard, a local council would not, by definition, bring any more or less expertise to bear on the issue than an individual RSL itself.

However the fact that a significant, indeed crucial, proportion of the funding for the programme will come from the utility companies raises the question of whether the negotiation and co-ordination of such funding might be better managed at a more strategic level than is currently the case. RSL experience of CERT/CESP funding is at best a mixed one and there must be questions about whether it has been delivered in the most effective manner. It is in this area that local councils may be able to bring their strategic co-ordinating skills to best use, and create more effective strategic and delivery frameworks than is presently the case.

In short, the Forum believes that local councils should play a co-ordinating and strategic role rather than a delivery one, save perhaps in their own stock.

In the west of Scotland particularly, there is a long and successful history of partnership working between local authorities and housing associations in addressing serious disrepair in housing in multiple ownership – where housing associations have acted as on the ground project managers and delivery agents for local authorities. That model of delivery has an obvious relevance to co-ordinating work to improve the energy efficiency of tenement or mixed tenure housing in the years ahead, given the right kind of statutory and financial frameworks.

7. What role should the Scottish Government play in a National Retrofit Programme?

The Scottish Government's role should effectively be at one step removed from that of local authorities, ensuring that all 32 are co-ordinating/delivering across the board – as set out above – and to maximise the level of resources that is available to support the delivery of the NRP. In this regard, we note that the Existing Homes Alliance has cautioned that the introduction of higher standards is likely to be dependent on greater resources than are currently available from the UK and Scottish Governments.

The Government must ensure equitable distribution of resources under its direct control and monitor the deals/arrangements over Green Deal and ECO at a LA level. In this regard such monitoring would allow the Government to be satisfied that utility company resources are being fairly delivered across the country.

8. What role could the devolution of additional powers play in achieving more retrofit?

9. What further action is needed to achieve the scale of change required to existing homes?

Tenements in mixed ownership present a particular challenge, both because of the ownership pattern and the fact that their built form is expensive and hard to treat. This may require particular statutory and financial solutions.

10. How can we make sure a National Retrofit Programme maximises benefits to all consumers (for example, older people, those from ethnic minorities, those with long term illness or disability)?

Comments

11. (a) Should the Scottish Government consider whether a single mandatory condition standard (beyond the tolerable standard) should apply to all properties, irrespective of tenure?

Yes No

11. (b) If so, how would that be enforced?

The Tolerable Standard was delivered and enforced by local authorities on behalf of Government and there is no reason why similar statutory authority could not work in the same way. Mandatory minimum standards should apply in all tenures so that the worst-performing properties and areas with the highest levels of fuel poverty can be targeted in a strategic way.

12. (a) In box 6 we identify a checklist for maintaining a quality home. Do you agree with our proposed hierarchy of needs?

Yes No

12. (b) If you think anything is missing or in the wrong place please explain your views.

The hierarchy is logical and coherent but the absence of objective standards or measures renders it inadequate at this stage of its development. At this stage it is effectively a 'reasonable guide' for a 'reasonable lay person' but no more. It may also make it more difficult to give the priority needed to ensure the right measures can be applied in the

worst properties.

In particular, statement 3 'Consider retrofitting appropriate insulation' begs the question of what is appropriate? Is there some specified standard eg thickness of insulation, or specified outcome eg meeting a specific point on an energy efficiency scale, that is 'appropriate' for a particular type of house?

What is meant by 'appropriate ventilation'? Is a house 'healthy' if it is damp free? Is there some higher health standard?

Finally, what is an 'efficient' boiler?

Many of these questions may be answered by the Energy Efficiency Standard for social housing but they are of limited value if they are restricted to that sector alone.

13. Should local authorities be able to require that owners improve their properties, in the same way they can require that they repair them? For example, could poor energy efficiency be a trigger for a work notice? Please answer Yes or No and provide further explanation if you wish, for example on how this might work.

Yes No

Ultimately this is the most effective way of achieving targets or goals. The experience of BTS and Housing Action Area work from the early 1970's onwards illustrates this point. Without compulsion and grant assistance the scale of change and improvement, particularly in the west of Scotland, would not have been achieved. Going forward, the key issue (particularly if a balance has to be struck between what is desirable and what is affordable/ deliverable) is whether enforcement action would be universal, or more targeted, eg on a worst-first basis or in response to high levels of fuel poverty in particular areas.

14. Should local authorities have a power to enforce decisions taken by owners under the title deeds, tenement management scheme or by unanimity? For example, should they have explicit powers to pay missing shares of owners who are not paying for communal repair work, in the same way they can for agreed maintenance work? Please answer Yes or No and provide further explanation, if you wish.

Yes No

The short answer to this is Yes, but it should be developed carefully.

Delivering repairs to multi ownership communal property is problematic and some form of 'enforcement' would be beneficial.

Under present arrangements an authority to proceed, backed by a Notice of Potential Liability, would allow the local authority/factor to proceed and to recoup costs at the point of subsequent sale. Such an authority would require to be on a statutory basis otherwise it could not be enforced.

The collection of money would have to be on a long term basis as some owners might sell relatively quickly while others may sit for a very long time. Over time however the resources would or could balance out. Such an arrangement might be assisted by the creation of a relatively modest 'common repair fund' which would serve to 'pump prime' the process.

However such an overall arrangement would have to address the potential for mis-use, as owners may not agree to work in the knowledge that the 'common repair fund' will fund it for them with any repayment well down the road.

Means testing, its use limited for absentee or untraceable landlords and other safeguards may well be necessary.

15. Should local authorities be able to automatically issue maintenance orders on any property which has had a work notice? Please provide further explanation if you wish.

Yes No

Subject to comments above in Question 14

16. Should the process for using maintenance orders be streamlined , and if so, how? Please answer Yes or No and provide further explanation, if you wish.

Yes No

See above.

17. Should local authorities be able to: a. issue work notices on housing affecting the amenity, and b. require work such as to improve safety and security on properties which are outwith a Housing Renewal area? Please answer Yes or No and provide further explanation if you wish.

Yes No

Comments

18. Should local authorities be able to issue repayment charges for work done on commercial properties, in the same way they can for residential premises? Please answer Yes or No and provide further explanation below, if you wish.

Yes No

Commercial owners should not be treated in any different way to home owners. See answer to Q14 for comment on the recouping of charges. Placing a debt on a property is likely to be an administratively easier way of recouping costs than some form of repayment arrangement.

19. What action, if any, do you think the Government should take to make it easier to dismiss and replace property factors?

We think you are asking the wrong question. There are already well-established mechanisms for appointing and dismissing property factors, and consumers' rights have been strengthened by the new property factors legislation.

Instead, the important point here is to acknowledge that property factors have a potentially significant role in relation to any new energy efficiency standards the Government may introduced for private/mixed tenure housing.

Without a property factor or equivalent, how will works be agreed with residents, how will contractors be appointed, how will works be funded and how will payments be recovered?

The Government should instead acknowledge that it may be far harder to achieve the improvements it wants to see, unless factors or other responsible and professional property managers are in place.

20. What action can be taken to raise the importance placed by owners and tenants on the energy efficiency of their properties?

See answers/comments to Questions 6 and 7

21. Should the Scottish Government introduce minimum energy efficiency standards for private sector housing?

Ultimately Yes, there should be one set of standards for all housing.

We do not underestimate the challenges this will present in terms of public opinion and the potential for replacing one set of problems (high emissions and fuel poverty) with another (increased financial hardship for property owners on low incomes). In that regard, the Strategy's focus on ensuring that requirements should be balanced with support and incentives is welcome.

In practical terms, we think standards need to be accompanied by a delivery framework that allows the most urgent priorities to be addressed first (eg the private rented sector, the worst properties, and areas/cases of serious fuel poverty). Local authorities would have a critical role in ensuring that locally appropriate strategies for meeting such objectives could be achieved.

Owners also need time to prepare for the introduction of standards.

22. How could we amend EPCs to make them a more useful tool for influencing behaviour change to improve energy efficiency?

The problem may lie less with EPCs themselves, and more with the practical and independent advice that is available to householders in all sectors to understand their meaning and how to act upon them.

23. Are there other key principles that we ought to consider when looking at the possible introduction of regulations?

Comments

24. How could regulation be used to support the uptake of incentives?

See answers to Questions 6 and 7

25. In section 2.68 we identify design options for the standard. Do you have any views on the options set out in that report? Are there other options that we should be considering?

It would seem logical that if minimum EPC ratings are set for social housing (as proposed in the concurrent EESSH consultation), this should be reflected in the design of regulation for the private rented sector.

We think different issues may arise in relation to the owner-occupied sector. As social landlords, our main concerns are that fuel poverty among vulnerable owner occupiers can be addressed, and that ownership patterns in mixed tenure properties do not continue to impede social landlords' ability to carry out essential common works to their housing stock.

26. Do you agree that any regulations for private sector housing ought to reflect the energy efficiency capacity of the property and/or location, as is proposed for the social sector?

Yes No

The same standards should apply.

27. If you agree with Q26, should houses of the same type in the social and private sectors be expected to meet the same standard?

Yes No

Comments

28. Are there other specific issues we need to consider in introducing regulation on the energy efficiency of the home for particular groups of people, for example older people, those with disabilities, people from minority ethnic communities?

Given that general needs housing is never restricted in perpetuity to one age, gender or ethnic group it would be unreasonable to apply different

standards to the same house over different time periods or for different groups.

While some housing is so categorised eg sheltered housing, the reality is that both government and society as a whole is moving away from such strict categorisation eg it is thought better that older people remain in their existing homes rather than move to specialist accommodation.

Clearly, however, it is essential that financial support is designed and targeted that takes account of factors such as vulnerability and ability to pay.

29. Should we consider additional trigger points to point of sale or rental? If so, what?

Yes No

In certain areas or concentrations of very poor housing an 'area' based approach may be useful, but within the owner occupied and private rental market the two trigger points referred to are likely to be the dominant ones.

30. Should rollout of any regulation across the owner occupied and PRS sectors be phased or all at once? If you think that rollout should be phased how do you think this should be done?

Yes No

A time based roll out would allow for voluntary action in advance of statutory action.

31. What other issues around enforcement do we need to think about when considering how different approaches to regulation might work?

No comment

32. In sections 2.76-2.79 we suggest that one way of regulating would be to issue sanctions.

(a) Do you think that sanctions on owners should be used to enforce regulations?

Yes No

(b) Should owners be able to pass the sanction or obligation on to buyers?

Yes No

Yes, but only with the consent of the buyer! This would require major changes to the culture and legal practice in buying and selling properties, and may be more feasible where there are other obligations (eg in relation to remedying other types of disrepair).

33. The Scottish Government does not intend to regulate before 2015. The working group will consider what options for timing of any regulation might be appropriate, but, given all the points set out in sections 2.80 - 2.81, from when do you think it might be appropriate to apply regulations?

No comment

As the following section refers primarily to the owner occupied market we have chosen not to comment on the various issues raised by Questions 34 to 37.

34. (a) In Section 3.4 we describe the range of legislative and policy levers that we believe are available to help us transform the financial market such that it values warm, high quality, low carbon homes. Do you agree that this is the full range of levers?

Yes No

34. (b) Can you suggest any other ways to help transform the market for more energy efficient, sustainable homes?

Comments

35. What changes would be required to current survey and lending practice to enable mortgage lenders to take account of the income from new technology or savings on energy bills?

Comments

36. Section 3.15 lists a range of challenges that may prevent the benefits of a more sustainable, energy efficient home being fully recognised in its value. What further challenges, if any, need to be addressed?

Comments

37. (a) Sections 3.16-3.22 set out the action that Scottish Government is currently developing to encourage greater recognition of the value of sustainable homes. Do you agree that this action is appropriate?

Yes No

37. (b) What further action is needed to influence consumers and the market?

Comments

38. What steps can we take to ensure that we design and develop sustainable neighbourhoods?

Comments

39. Section 4.10 sets out the main challenges to address in taking forward our aim of new build transformation. What further challenges, if any, need to be addressed?

While the current environment of restricted programmes is limiting in terms of finance and innovation, there is little evidence that the boom years up to 2008 were anything other than the industry producing a fairly well recognised but technically limited product. Change and innovation came primarily through the introduction of new standards eg the 2010 Building Regulations, rather than through responses to consumer demand or producer innovation.

Restrictions and constraints can often be far more conducive to technical innovation as producers ie builders, seek new ways to deliver the same or better products for less money, or at least with less wastage.

In the case of the current industry a progressive move away from on site to off site fabrication allows for the achievement of higher technical standards with less wastage and weather induced delays. It also assists with the inclusion of more complex technologies linked to lower or more careful monitoring of power use.

Research and innovation to achieve these ends are likely to be common across the developed world and are no more, nor no less, likely to be developed in Scotland. However the nature of our climate should put a premium on reducing 'on site' construction periods as this is likely to be our most 'distinctive' barrier to greater efficiency in the overall process.

Off site fabrication is neither new nor necessarily innovative today compared to 20/30 years ago but where it is being applied it is making differences to quality and time. It is in the development of such facilities that the greatest changes are likely to be achieved.

40. What action is needed to increase the capacity for developing and bringing to market innovative methods of construction?

Scale and predictability are probably the two key components for driving further change.

Scale would allow builders/developers to produce at the right level but further investment in this area would also depend on predictability, given that investment in new technologies is not a short term issue but one that is dependent on confidence in the future of the market. That confidence will depend on knowing that the market over the foreseeable future will be stable and not subject to significant fluctuations that could remove demand for a product which has been heavily invested in.

41. What further changes to the operation of the Government's affordable housing supply programme would help to enable it to champion greener construction methods and technologies in the medium term?

Given the willingness of the housing association sector to innovate the use of challenge funding, pilot programmes and financial incentives linked to specific designs or technologies is likely to break new ground. Such an approach may not achieve high volumes but will provide pointers to both the rest of the sector and to the more cautious volume builders in the private market to introduce similar changes.

42. What further action is needed to influence the construction industry to make greater use of innovative methods to deliver more greener new homes?

See above Question 40.

43. (a) Has Chapter 5 of this consultation identified the key challenges to ensuring Scottish companies have the skills to take advantage of the opportunities expected to be on offer?

Yes No

43. (b) If not, What other challenges are there?

Comments

44. What further action is needed to ensure there is appropriate investment in skills and training to meet these opportunities?

Comments

45. How can the construction industry be made more aware of the potential funding and support for skills and training development opportunities and engage effectively with those providing training to ensure that it meets their current and future needs?

Comments

46. How do we ensure that skills and training opportunities are provided on an equitable basis to all groups in society?

Comments

47. Apart from training and skills opportunities are there any other issues that should be addressed to make employment in construction and other industries becomes more representative?

Comments

48. Please describe any specific difficulties relating to skills and training that apply to those in remote and island areas and your view on how these may be addressed.

Comments