

FEEDBACK TEMPLATE

This template is designed for those leading discussions on housing beyond 2021 to complete after the discussion to provide to the Housing Beyond 2021 Team in Scottish Government. The completed form should be sent to the Housing Beyond 2021 mailbox at: HousingBeyond2021@gov.scot

This template can also be used by others (e.g. those who were unable to attend a discussion) to provide their views but it must be routed through the relevant policy lead official in the Scottish Government. Unfortunately, we are not able to process unsolicited e-mails to the mailbox.

Please complete each of the three sections.

SECTION 1: PARTICIPANTS

Scottish Government officials present (if any):

Name	Unit / Team	Ext.

Please add more rows as necessary.

If no Scottish Government officials present, who led the meeting:

Name	Organisation	Phone / e-mail

Please add more rows as necessary.

Other participants:

Name	Organisation
Craig Salter	Citizens Advice Scotland
Eilidh Mclvor	Citizens Advice Scotland

Please add more rows as necessary.

SECTION 2: ABOUT YOUR DISCUSSION

Date:	
Location: (e.g. Edinburgh)	
Style*:	Choose an item.
Series**:	

* If the discussion was added on to a business as usual meeting, select “regular meeting”, otherwise choose the most appropriate description.

** If the meeting was part of a regular series of discussions, please provide the name of the series (e.g. XY Working Group)

SECTION 3: FEEDBACK

How to complete this section: please identify the main **theme** of the discussion (from the list in the **discussion document** at **Annex E**). If you discussed more than one theme, please reproduce the table below for each theme you discussed.

We do not need a full note of the discussion. Please try to provide as succinctly as you can a bullet point list of **ideas** for the vision or future options, **concerns** about current policy or practice or future proposals and **questions** for the Beyond 2021 Team either about the direction of policy or the process of engagement. It is useful if you can indicate whether these were widely shared in the group or from one or a minority of participants. They should be anonymous unless you agree otherwise with the participant(s). Please note that this material, or a summary of it, may be made published.

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Citizens Advice Scotland (CAS) welcomes the opportunity to contribute to this important discussion on the future of housing in Scotland. In 2017/2018, Scottish Citizens Advice Bureaux (CAB) advised clients on 46,777 housing issues, making housing the fourth largest area of advice provided by the network. This response is shaped by our evidence on the many and varied housing issues that CAB clients face, as well as by our Consumer Futures statutory responsibilities. Whilst it has not been possible to include CAB case evidence in this document, we would gladly provide this evidence should it be requested and would welcome further discussion on any of these issues.

Theme:	Energy efficiency and climate change
Ideas: (Suggestions for the future vision, themes or interventions – start, stop or modify.)	<p>Fuel Poverty</p> <p>Affordable warmth is a major challenge in Scotland. 26.5% of the population is defined as being in fuel poverty. This is driven by factors including the high price of energy, low incomes, poor energy efficiency, and how energy is used in the home. A number of factors exacerbate these drivers in Scotland, including large parts of the country being off the gas grid and large numbers relying on expensive electric heating and poor domestic energy efficiency in some areas.</p> <p>In order to address each driver of fuel poverty, there needs to be a cross-portfolio approach by Government, and a cross-ministerial working group could be beneficial to ensure that there is coordinated action across portfolios. There should also be requirements in the Fuel Poverty Bill for Ministers to report on all four drivers of fuel poverty, to understand the impact on each, and the success of interventions.</p> <p>The proposed new definition of fuel poverty set out in the Fuel Poverty Bill will need to include an enhanced Minimum Income Standard for remote rural Scotland in order to reflect higher living costs in those areas.</p> <p>The proposed target of reducing fuel poverty to below 5% by 2040 is also insufficiently ambitious, and we propose that this target be brought forward to 2032, in line with the ambition to remove poor energy efficiency as a driver of fuel poverty.</p> <p>In areas where there is no access to the gas grid, or for buildings where mains gas cannot be installed, there will need to be significant efforts to upgrade heating systems to make them more affordable, for example through the installation of high-retention storage heaters.</p> <p>Energy efficiency improvements should be targeted based on need, and additional support should be delivered to areas with a greater need. HEEPS Area-Based Schemes have had some success in delivering this, but it is likely that some areas still require additional support.</p>

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<p>Concerns: (... about current or future policy, challenges, trends.)</p>	<p>Improving the energy efficiency of Scotland’s housing stock is a key element of reducing and eradicating fuel poverty. This has been the area where most action has been taken on alleviating fuel poverty in recent years, and it will remain a key element of efforts to do so beyond 2021. However, fuel poverty is not just a housing issue, as the 3 other recognised drivers of fuel poverty (energy prices, income and how energy is used) have a major impact, and all 4 drivers interact with one another. In order to tackle fuel poverty, it will be necessary to address all of these drivers. Some of this can be done through housing policy through energy efficiency improvements. However, after 2021 there is likely to be increasing pressure to take action through financial support, advice and advocacy, and innovative solutions to reduce the unit price of energy. This is, in part, due to the fact that as ‘easy to treat’ housing is improved, the rate of progress may slow down as harder or more expensive to treat properties need to be addressed.</p> <p>The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Bill is a very welcome step. However, fundamental changes are needed to make sure its objectives are achieved. In particular, the proposed new definition does not reflect the situation of those living in remote rural areas, and the target of fewer than 5% in fuel poverty by 2040 is insufficiently ambitious.</p> <p>It is important to recognise that the dual goals of providing affordable warmth and decarbonising heat may not always be achievable at the same time for all households. With the technology that is currently available, it will not always be possible to reduce costs while installing low carbon heating, particularly as mains gas is generally the most affordable widely-used heating fuel. Electric heating is generally the most expensive form of heating, with very high unit prices, and so if there was to be a greater reliance on electric heating instead of mains gas, there would be a major risk that bills could go up and with them fuel poverty rates. It is therefore likely that there will continue to be significant reliance on the gas grid to 2040.</p> <p>The manner in which the distribution of energy efficiency improvements is measured can be misleading as it generally captures the number of measures delivered in a given area. This does not always reflect the relative need for improvements in each area, or the impact of individual measures. It is possible that rural areas may be disadvantaged by this as they tend to have a greater need for energy efficiency improvements.</p>
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Theme:	Affordability and supply
Ideas: (Suggestions for the future vision, themes or interventions – start, stop or modify.)	CAS particularly supports the principle that Scottish Government should ensure that there are high quality, affordable housing options for households at all income levels. Indeed, because affordability of housing across all tenures is a key concern for many clients presenting at Scottish CAB, CAS believes that there is both a necessity for and clear benefits of intervention in this area. This is evidenced in a number of ways, as detailed below.
Concerns: (... about current or future policy, challenges, trends.)	<p>Firstly, advice provided on rent arrears has grown by over 40% since 2012, with almost one quarter of clients living in rented accommodation (both social and private) experiencing rent arrears during this period. For example, in 2016/2017, there were 4,171 new issues related to local authority rent arrears and 2,669 new issues related to registered social landlord rent arrears (increases of 45% and 65% on 2012/2013, respectively). There were also 1,016 new issues related to private let arrears, an increase of 20% during the same period. This stands out in sharp contrast to the steady decline in other debt-related advice during the same period. It is notable that this considerable growth in advice related to arrears has coincided closely with changes to the social security system, particularly the advent of welfare reform in 2010 (the links between housing and social security challenges are discussed on page 9, under ‘affordability issues related to social security’). The urgency and necessity for affordable housing is further highlighted by CAB evidence showing that clients facing arrears often spend less money on food or essentials to pay arrears. Additionally, although not the only driver of homelessness, rent arrears are a significant cause of homelessness.¹</p> <p>The urgency of and necessity for affordable housing should also be considered and understood within a wider context of an increasing number of clients who seek advice in CAB because they are facing income crisis. This both underscores the necessity for affordable homes and supports the principle that housing provision should be informed by whole life economic costs. For instance, ongoing analysis of CAB case evidence over the last four years has shown that more and more clients are experiencing periods of no income, and are unable to afford essentials, including food, gas and electricity to heat their homes, as well as priority payments such as rent. More worryingly still were the numbers who presented at CAB having not eaten in a number of days. Indeed, in 2016/2017, CAB advised on 5,526 new issues related to the Scottish Welfare Fund Crisis Grants and 8,497 related to food banks and food parcels.² These concerns, together with the high occurrence of benefit sanctions, the rise in zero hours contracts and the most recent poverty estimates revealing rising numbers of households in Scotland below the poverty line, including a majority from in-work households, further emphasises the necessity for affordable housing.</p>

¹ Rent Arrears: Causes and Consequences for CAB clients, Citizens Advice Scotland, October 2018, p.20, available at: <https://www.cas.org.uk/publications/rent-arrears>

² Ibid

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Questions: (... about the process of developing the vision or route map or policy questions for SG to consider.)	Covering both ‘affordability and supply’ and ‘place, quality and standards’ Whilst affordability of homes is an issue affecting the whole of Scotland, what does Scottish Government propose to do about the particular housing affordability issues affecting those currently living in or wishing to live in rural areas? Previous CAS research highlights particular affordability issues in rural areas. Social renting costs are relatively flat throughout Scotland, with only the City of Edinburgh having substantially higher rents. However, evidence shows that there are often fewer social lets available in rural areas, making it difficult for low-income households or young people to access starter housing. Private lets are also less abundant in rural areas, and, on average, homes are 17% more expensive to buy in rural areas than in urban areas. Lack of affordable housing was also identified as a major issue that pushes more people to urban areas of Scotland (behind jobs and career progression). ³
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If your discussion covered more than one theme, please copy the table above and complete it for each theme.

Theme:	Place, quality and standards
Ideas: (Suggestions for the future vision, themes or interventions – start, stop or modify.)	NOTE: These ideas span both the ‘place, quality and standards’ and ‘affordability and supply’ categories. <u>Private Rented Sector (PRS): challenges and opportunities</u> Whilst CAS believes that the PRS should not take the place of social housing, the PRS certainly has an important role in meeting housing need in Scotland. There are a number of opportunities to help the sector to do so. Firstly, to ensure that PRS stock is and remains affordable, Scottish Government could work with Local Authorities to make full use of the power to apply for Rent Pressure Zones. At the time of writing, no rent pressure zones had yet been introduced in Scotland, although they appear to be under active consideration by a number of local authorities. Implementing this measure has the potential to impact on the number of lets that are affordable to people on the lowest incomes, as well as helping to address the issue of rents increasing whilst benefit support in the form of the Local Housing Allowance remains frozen. ⁴ Secondly, whilst the majority of properties let on the PRS market are fit for rental, CAS is alarmed at some of the quality and upkeep of private stock that is being let. Such properties are often let by ‘persistent offenders’ and tend to be focused in urban areas, especially Scotland’s inner cities. CAS has a volume of

³ Remotely Excluded: Barriers Facing Scotland’s Rural Consumers, p.14, available at: <https://www.cas.org.uk/publications/remotely-excluded>

⁴ Rent Arrears: Causes and Consequences for CAB clients, p.23.

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	<p>evidence of poor quality repair standards in the PRS, as well as non-compliance with, for example, the deposit scheme regulations. Many of these issues occur not because the legislation is insufficient but because enforcement is lacking with no-coordinated way to tackle poor practice. As such, we would welcome enforcement of the regulations, such as through a national taskforce that focuses on clamping down on rogue landlords and malpractice. This would ensure better standards and remove persistent and sometimes criminal elements from the market. They would also help the PRS as a whole to achieve the high standards that many of its landlords already achieve; ensuring that renters across the board get the best quality of living conditions and help meet Scotland’s housing needs.</p> <p>Finally, whilst not a new phenomenon, the reluctance, or in many cases outright refusal of private landlords to let to tenants in receipt of Housing Benefit or Universal Credit (‘No DSS’ advertisements) can make it extremely difficult for people in receipt of these benefits to find somewhere to live. Indeed, with a total of 143,100 applicants on waiting lists for local authority housing in Scotland,⁵ it is not possible to accommodate all people in receipt of housing benefit or the housing element of Universal Credit in this type of tenure. The PRS therefore needs to be an affordable option for people on the lowest incomes, too. Scottish Government could therefore consider options, including legislation, to prevent landlords from excluding recipients of benefits when advertising lets.</p>
<p>Concerns: (... about current or future policy, challenges, trends.)</p>	<p>(In addition to those detailed above with their possible solutions)</p> <p>There is clear evidence of a chronic shortage of PRS lets that people on the lowest or even moderate incomes can afford. This is most notable in Edinburgh and Glasgow.⁶ There is also evidence of a growing number of people who are ‘trapped’ in the PRS, either because they wish to move to social housing but cannot due to long waiting lists, or wish to buy but cannot access the property market due to high property values. These challenges can be met in part by ensuring an adequate supply of new, affordable PRS housing. Finally, to reiterate, CAS sees additional opportunities for Scottish Government to ensure that existing PRS homes are both affordable and of high quality, as detailed above.</p>

⁵Figures as at 31 March 2017, Housing Statistics for Scotland: Housing lists – Scottish Government, September 2017, available at:

<http://www.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/HousingLists>

⁶ Scotland’s Housing Crisis, Shelter Scotland, 2018, available at:

http://www.scotlandhousingcrisis.org.uk/scotlands_housing_crisis/

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Theme:	Affordability and supply
Ideas: (Suggestions for the future vision, themes or interventions – start, stop or modify.)	<p>These ideas span both the ‘affordability and supply’ categories and the ‘place, quality and standards’ categories.</p> <p><u>Social Rented Sector: challenges and opportunities</u></p> <p>Given the lack of available properties in the social sector, it is clear that more social housing is required. However, as in the PRS, there are a number of opportunities for Scottish Government to ensure that existing stock remains affordable and is of high quality, as well as to ensure that those most in need receive the housing and support they need. Firstly, Scottish Government could work with social landlords to keep rent levels under review, so that this type of tenure remains affordable to tenants on the lowest incomes. According to the latest published figures, the average cost of renting from a local authority is £69.20 per week (£3,598 per year), and £80.28 per week for RSLs (£4,175 per year). Average annual increases over the past four years have ranged from a high of 3.6% in 2013/14 to a low of 1.9% in 2015/16. The average increase for the most recent year (2016/17) was 2.3% across the social rented sector.⁷ These costs need to be closely monitored to ensure that existing stock remains affordable to those on the lowest income.</p> <p>Housing standards should, of course, be maintained across all housing sectors, including social housing. This will ensure that people can be confident that any building they would call home is safe, of high quality and meets their needs. Additional provisions to ensure that the social housing needs of vulnerable people (e.g. younger, older, people with severe physical or mental disabilities, care leavers, etc.) should also be in place.</p>
Concerns: (... about current or future policy, challenges, trends.)	<p>CAS would also welcome further investigation as to whether there are any specific groups affected by the lack of social housing. Given the lack of available properties in the social sector, there needs to be greater understanding of any impacts incurred as social housing places are prioritised and whether this is having a disproportional impact on specific groups of individuals, to ensure that housing policy can be framed accordingly. The Poverty and Social Exclusion in the UK survey identified key groups of individuals that are at risk of high levels of deprivation. Housing issues must be considered in line with poverty indicators to help prevent specific groups from being pushed out with societal support systems.⁸</p>

⁷ Rent Arrears: Causes and Consequences for CAB clients, p.23

⁸ Commission on Housing and Wellbeing: Consultation Response (Citizens Advice Scotland), 2014. Available at: <https://www.cas.org.uk/publications/response-housing-wellbeing-consultation>

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Theme:	Affordability and supply
Ideas: (Suggestions for the future vision, themes or interventions – start, stop or modify.)	<p><u>Affordability issues relating to social security</u></p> <p>CAS appreciates that UK Government welfare reforms (particularly Housing Benefit and Universal Credit) are an obvious challenge for the Housing Beyond 2021 approach, particularly with regards to affordability for tenants. However, Housing Benefit and Universal Credit are and will continue to be vital in ensuring that low income households can afford rent and, despite these challenges, we believe that there are opportunities for improving the relationship between housing and social security in Scotland. In turn, this would help to ensure that people have access to and can maintain affordable housing, no matter their income level. Indeed, CAS believes that Scottish Government has a number of opportunities to ensure that housing remains affordable for those in receipt of these benefits. For example, Scottish Government and local authorities could raise awareness of support to pay rent, such as Discretionary Housing Payments and Universal Credit Scottish Choices (the choice to have payments made twice-monthly rather than monthly and the choice to have the housing element paid directly to their landlord instead of the claimant). These choices put the decision in the hands of the individual and allow them to opt in if it would help them to manage their finances. In addition, Shelter Scotland and Scottish Federation of Housing Associations have jointly produced a good practice guide for social landlords, focusing on ways to manage issues with the first month’s rent when a tenant claims Universal Credit. This places strong emphasis on flexibility and on finding ways to empower housing associations to continue to be flexible with regard to their first month’s rent. This is an opportunity for Scottish Government to promote the good practice guide among social landlords. Finally, Discretionary Housing Payments that cover the full loss should continue to be available for Housing Benefit and Universal Credit claimants who are affected by the under occupancy charge, until such time as Housing Benefit is fully replaced by Universal Credit and the Scottish Universal Credit flexibility allowing the under-occupancy penalty to be removed at the source is fully operational. Scottish Government also has the opportunity to work with local authorities to review processes, ensuring that delays are minimised and that claims unrelated to under-occupancy are treated fairly at all times.</p>
Concerns: (... about current or future policy, challenges, trends.)	<p>With regards to affordability, Universal Credit is an important consideration given that it will eventually replace Housing Benefit completely. Notably, over the last 18 months, CAB clients’ rent arrears issues have predominantly been caused by them moving onto Universal Credit, and, in many cases, experiencing problems with the delivery of support to pay rent through this new benefit. Housing Associations across the UK also report that 73% of tenants on UC are in arrears, compared to 29% of others.⁹ Given that the majority of these issues were caused by policy design and practice, Universal Credit certainly presents a significant challenge. However, it is hoped that the ideas above would help to mitigate these problems, keeping housing as affordable as possible for those in receipt of Universal Credit.</p>

⁹ Housing Federations across the UK say ‘flawed’ Universal Credit is causing debt and financial hardship for families in social housing’, July 2018. Available at: <https://www.sfha.co.uk/mediaLibrary/other/english/25942.pdf>

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A further challenge to affordability of housing is situations in which Housing Benefit or the Universal Credit housing element that a person receives is not enough to cover their full rent, and they do not have the means to pay the remainder. In particular, this tends to happen when people are homeless and living in temporary accommodation (where rental costs are usually higher, due to charges for support and management costs), are living in the private rented sector (where rents tend to be higher as a matter of course), or are subject to deductions, in particular the Benefit Cap. The Benefit Cap restricts the amount of benefit that a family can claim to £384.62 per week. Previous CAS research found that the groups most likely to be affected by the Benefit Cap were larger families and lone parents. Three quarters of those affected by the Benefit Cap had three or more children, with two thirds constituting a lone parent with three or more children. Given that in those situations it is difficult for larger families to move into smaller accommodation, or for lone parents to easily take on extra paid work, it is easy for people to fall into arrears. Many clients also required a food bank voucher because they couldn't afford rent and food. Whilst the Benefit Cap remains a devolved matter, there could be opportunities for the Scottish Government to put steps in place to ensure that the Benefit Cap does not act as a deterrent to people finding suitable, settled, affordable and appropriate homes. This may involve reviewing the effects of the Benefit Cap on people in temporary homeless accommodation; people who have been subject to domestic abuse; the willingness of landlords to accommodate people affected by the Benefit Cap. Finally, despite these concerns, we see an opportunity for Scottish Government to work with local authorities to make long-term Discretionary Housing Payment awards to people affected by the Benefit Cap, covering the full value of the loss.

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Theme:	Choose an item.
Ideas: (Suggestions for the future vision, themes or interventions – start, stop or modify.)	<p>General</p> <p>Scottish Government could also explore options for increasing awareness of tenants’ rights across all tenures. The need is demonstrated by the results of a survey commissioned by CAS, which suggest that the majority of people in Scotland know very little or nothing about their rights as a tenants. ¹⁰ Moreover, informed tenants can help (to an extent) to address bad practice by challenging it individually when they encounter it. The (real or perceived) risks of challenging bad practice as an individual (such as eviction, non-compliance with duty to make essential repairs, legal action against the tenant, etc.) are a significant deterrent to doing so in the current housing environment, much more so than in almost any other (essential) good or service. Scottish Government could therefore consider options to raise awareness and education amongst renters, which could include working with specialist organisations and considering how it might be taught in schools under Curriculum for Excellence. This would help renters to assert their basic human rights.</p> <p>Part of this rights-based approach could involve ensuring that tenants receive the best advice and support when faced with housing-related issues, in particular when faced with arrears and proceedings to evict them from their homes. In this situation, good quality, independent advice can make all the difference between someone being made homeless and negotiating a plan to pay off their arrears. In these sorts of situations, particularly when tenants are at risk of eviction, people often require holistic advice on a range of issues, incorporating help with housing issues, money and debt advice, income maximisation and welfare rights advice. If proceedings are taken against the tenant, then they may need in-court advice and lay representation. The CAB network in Scotland is in the unique position of being able to provide all of these as part of a holistic package. Funding for quality, independent holistic advice should be a priority for local authorities and the Scottish Government. This should ensure suitable provision of in-court advice.</p>

¹⁰ Rent Arrears: Causes and Consequences for CAB clients, p. 24