

**Stewardship and Responsibility, a policy framework for private housing in
Scotland
Comments from the
ENERGY SAVING TRUST**

June 2003

This is the response of the Energy Saving Trust (EST) to the Scottish Executive's request for comments on the Housing Improvement Task Force's (HITF) report 'Stewardship and Responsibility, a policy framework for private housing in Scotland' issued in March 2003.

The Trust was established as part of the Government's action plan in response to the 1992 Earth Summit in Rio de Janeiro, which addressed worldwide concerns on sustainable development issues. We are the UK's leading organisation working through partnerships towards the sustainable and efficient use of energy by households, small businesses and the road transport sector. We have offices in each of the devolved countries.

The Energy Saving Trust welcomes the HITF's report 'Stewardship and Responsibility, a policy framework for private housing in Scotland', and the opportunity to provide comment.

This response will follow the format of the report.

Quality Standards for private housing in the 21st century

The Tolerable Standard

Living in cold, damp conditions damages people's quality of life and health. Illnesses such as influenza, heart disease and strokes are all exacerbated by the cold. In addition cold, damp housing contributes to Scotland's high rate (estimated to be between 4,000 and 7,500 deaths per year¹) of excess winter mortality. EST are therefore pleased that the HITF recognise that some basic thermal insulation is essential to the functioning of a building as a home and **strongly welcome the HITF's proposal to extend the Tolerable Standard to include a qualified statement on thermal insulation to the effect that a house should provide "a basic level of thermal insulation"**. EST would welcome the opportunity to be involved in developing the detailed guidance on the interpretation of this statement.

EST is particularly pleased at the HITF's proposal that guidance on interpretation and operation of this statement should indicate the types of remedial measures that could be used and in developing technical solutions for those building types that are most difficult to improve. In Scotland, a significant number of properties are unable to have 'staple' energy efficiency measures installed. Such properties are termed 'Hard to Treat Homes' and include homes with solid walls, homes that are not on the gas network, homes with no loft space, etc. To give some idea of the extent of the problem - 647,280 properties (29% of the Scottish total) have no cavity walls² and therefore cannot have cavity wall insulation installed, 158,000 have non-pitched roofs and so cannot have loft insulation installed, and 667,000 properties are not connected to the gas network. A recent report commissioned by the Energy Efficiency Partnership for Homes is likely to be of use when developing guidance.

¹ Zealey H (1991) Health in Lothian 1974-1989, Lothian Health Board Edinburgh, cited in Wilkinson, D (1999), Poor Housing and Ill Health A Summary of Research Evidence

² Scottish House Condition Survey (1996), Main Report

The report explores how local authorities are dealing with 'hard to treat homes' and provides technical guidance for Local Authorities linked to best practice along with an overview of the issues. EST also funds a number of energy efficiency projects for tenements and flats. A large proportion of tenements and flats in Scotland are considered 'hard to treat' as they are of solid wall construction. As such these projects should yield some useful findings in terms of developing solutions for 'hard to treat homes'. **EST would welcome the opportunity to be involved developing guidance and would be happy to provide further information on remedial measures and technical solutions for hard to treat homes.**

Scottish Housing Quality Standard (SHQS)

EST welcomes the proposed introduction of a cross-tenure SHQS, and the recommendation that the proposed Scottish Standard for Social Housing should be consistent with the SHQS. We are pleased that energy efficiency is recognised as a necessary component of the housing quality standard, and the acknowledgement that 'a full house central heating system' is necessary for a house to be 'healthy safe and secure'. As such **we support the HITF's inclusion of 'energy efficient', and 'healthy safe and secure' as 2 of the 5 criteria that the standard will be structured around.**

We recognise that the report does not attempt to define the standard in any detail, however it is our view that the final standards should be more stringent than those currently proposed under the above criteria. In particular we recommend that:

- **Consideration should be given to setting a higher minimum NHER score for the standard.** The key source of information on housing stock in Scotland is 7 years old (1996 House Condition Survey) we would therefore like the Scottish Executive to **commit to reviewing the minimum standard when analyses and recommendations can be based on up to date information** (the 2002 Scottish House Condition Survey). We would also like to draw attention to the minimum energy ratings within the Welsh quality standards for social housing. These standards are defined as SAP, as opposed to NHER ratings, however in Wales the minimum SAP rating necessary to meet the standard for the 'average' property (a 3 bed semi) is 66, which equates to an NHER rating of 6.8. Even when the differences between the countries are taken into account, this appears significantly higher than the standard proposed for Scotland.
- **To meet the standard, dwellings should have loft insulation to 250mm.** In order to achieve the U values required under Part J of the Scottish building regulations, using the elemental method it is generally necessary to fit a minimum of 250mm of loft insulation. In addition, loft insulation provided under EEC and the Scottish Executive's grant schemes is generally installed to a depth of 250mm. We believe it would be sensible to have a **consistent standard and therefore recommend that a single standard of 250mm should be adopted.**
- **A 'full house central heating system' must be an efficient one.** The term 'full house central heating system' implies that a central heating system of any form or age will be adequate. **We therefore recommend that the term be expanded to an efficient full house central heating system with thermostatic controls,** and that a minimum efficiency be set. EST would be happy to provide guidance for the minimum specification.

We support the proposed inclusion of an overall energy rating within the 'energy efficient' criteria and the intention to set minimum standards for insulation and

heating. Including an overall energy rating will ensure there is provision for 'hard to treat' homes. However, improving the overall energy rating of such properties will be significantly more challenging than for properties where 'staple' energy efficiency measures can be installed. We therefore **recommend that treatment of hard to treat homes be addressed in guidance, showing how the standards could be met in hard-to-treat homes. This could link into or form part of the guidance proposed for the Tolerable Standard above.**

Improving the Operation of the Housing Market

EST supports the HITF's recommendation to include as standard an energy efficiency report within the proposed single survey. Poor energy efficiency can lead to damp, and condensation and result in high fuel bills and impaired health and quality of life. Provision of an energy efficiency report will ensure that potential buyers are aware of such conditions that, while perhaps not evident when viewing a property could affect their decision to buy. We therefore believe that, it is essential that buyers have access to this information.

The provision of this information is also likely to incentivise the seller to raise energy efficiency standards in order to make their house more saleable.

In addition, it is important that both buyers and sellers have information on options to improve the energy efficiency of the properties they are either buying or selling. **We therefore recommend that, in line with proposals in England, the energy efficiency report contain property specific energy efficiency advice on cost-effective measures.** If it is already the intention that 'improvement options' are property specific then we recommend this is made explicit. The European Directive on the Energy Performance of Buildings requires that such information be provided upon sale of a home as of January 2006, and it would be an opportunity lost not to allow for this as part of the standard report.

The Scottish Executive is currently funding through EST a project to evaluate the use of energy audits as part of the home-buying process. The project will examine the extent to which information on energy efficiency influences decisions by potential buyers' to put offers on properties. It will also examine whether buyers, who have moved into their new homes expect to make use of the information in the future. The results of this project are due in December 2003 (interim data may be available if required).

Piloting the single survey.

We support the HITF's intention to review the status (market led and voluntary or statutory requirement) of the single survey after the proposed pilot has been carried out and evaluated. It is our view that a mandatory system is likely to be more desirable than a market led voluntary initiative, however we will reserve our judgement until the results of the pilot are available. As such **we would welcome the opportunity to view the results of the pilot and contribute to further consultation on this issue.**

Improving Standards in the Private Rented Sector

As the HITF's report points out, property conditions in the private rented sector are worse relative to those in other tenures. In energy terms, such accommodation accounts for some of the worst performing housing within Scotland. The proportion of households in the private rented sector living in extreme fuel poverty is more than

double that of any other tenure³. Due to issues relating to property management and ownership these are the most difficult people to reach with energy efficiency grants, advice and other forms of assistance. **EST therefore believes that it is essential for the energy performance of a property to be taken into account in licensing and accreditation schemes.**

EST supports the task force's recommendation to develop local voluntary accreditation schemes through partnerships between local authorities and landlords and agents, and agree that this will help promote and encourage better standards. We welcome the task force's intention to develop core standards for local accreditation schemes and **believe that standards must include energy efficiency standards. We would be happy to provide input into the development of such standards.**

EST also welcomes the HITF's recommendation to continue HMO licensing, and to develop a new legislative framework that incorporates national minimum standards. As noted above, **we believe that it is essential for the energy performance of a property to be taken into account in any licensing scheme. EST would welcome the opportunity to input into the development of these standards.**

We would also like to draw the HITF's attention to the recommendations of the British Medical Association in their recent report '*Housing and Health: Building for the Future*'. In it the BMA recommend licensing for private landlords, and propose that licences should only be allocated to properties if they met minimum standards for health. **EST recommends that these recommendations are taken into consideration when core standards for local accreditation schemes and national minimum standards for HMO licensing are being developed.**

³ Fuel Poverty in Scotland: Analysis of the Scottish House Condition Survey 1996, Macintyre, C, Cormack, D, and Martin, C