

ISSUES IN IMPROVING QUALITY IN PRIVATE HOUSING
RESPONSE BY THE ENERGY SAVING TRUST SCOTLAND

June 2002

This is the response of the Energy Saving Trust to the first report of the Housing Improvement Task Force, "Issues in Improving Quality in Private Housing," issued in May 2002. This response should not be taken as representing the views of individual Trust members.

The Energy Saving Trust (EST) was set up after the 1992 Earth Summit in Rio de Janeiro, to help reduce CO₂ emissions in the UK. It is a non-profit organisation funded by governments and the private sector.

Today, the EST is the UK's leading organisation working with a range of partners to deliver the sustainable and efficient use of energy. Current priorities are:

- to stimulate energy efficiency in UK households and achieve social, environmental and economic benefits
- to create a market for clean fuel vehicles to deliver social and global environmental benefits.

Executive Summary

The Energy Saving Trust welcomes the report by the Housing Improvement Task Force on improving the quality of private housing. Energy efficiency is key to quality housing, in terms both of comfort and of maintenance costs, and we are pleased that there is repeated reference to it within the report.

- Accordingly, we would like to see more explicit reference to the Scottish Executive's Fuel Poverty Statement, and the targets within it, showing how housing policy will help meet these.
- The Trust has already called for a UK-wide target of a 12.5% reduction in household energy use by 2010 (on a 2000 baseline), and a further 12.5% by 2020. It would be helpful to quantify the contribution that improvements in Scotland's housing could make to such a target.
- The Trust believes that local authority grants to the private sector should take account of potential energy efficiency improvements, to make full use of the opportunity to improve the energy efficiency of a home when other works are also taking place.
- We support suggestions that energy efficiency information should be pro-actively provided to tenants under the stock transfer process, and energy efficiency criteria should be taken into account when transfers are agreed. Similarly, under right-to-buy, the potential – and the need – for future energy efficiency improvements should be made clear.
- In terms of house buying and selling, the Trust is keen to see the mandatory provision of energy audits and energy ratings at point of sale. The fact the people do not ask for these

now is a sign that they are unaware of the benefits of energy efficiency, not that they are happy to pay high running and maintenance costs.

Introduction

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. The Trust is the UK's leading organisation working through partnerships towards the sustainable and efficient use of energy by households and small businesses. The Trust has offices in each of the devolved administrations.

The Trust's comments will focus on matters relating to energy efficiency, but will follow the structure of the Task Force's report.:

Background to the work of the Task Force

There is an important link between energy efficiency, the quality of housing, and housing investment, that is perhaps not fully made explicit in the Task Forces' report. This link stems from the fact that an inefficient home will cost a lot to run and maintain. Therefore, money that might otherwise be saved for various other housing improvements is "thrown out" on fuel bills, and on removing mould, treating damp, prescription charges for health problems, and other problems caused by poor efficiency. The conclusion is that **investment in energy efficiency is necessary if money is to be freed up for other housing improvements**. This could be made more explicit in future Task Force documents.

Given this strong link between energy efficiency and wider housing improvements, we would like to see **more explicit reference to the Scottish Executive's Fuel Poverty Statement, and the targets within it, showing how housing policy will help meet these**. More generally, the Trust has already called for a UK-wide target of a 12.5% reduction in household energy use by 2010 (on a 2000 baseline), and a further 12.5% by 2020. It would be helpful to quantify the contribution that improvements in Scotland's housing could make to such a target.

Many of the issues discussed in the Housing Improvement Task Force are also considered by the Fuel Poverty Advisory Group, which is advising the Scottish Executive on the content of the Fuel Poverty Statement. **There would be benefit in having a formal link between the two groups**. It is striking that there are no members currently who sit on both groups. We believe reciprocal representation would help with the integration of policies. The Energy Saving Trust would welcome the opportunity to sit on the Housing Improvement Task Force.

Extent of Disrepair in the Private Sector

It is a failing that the key source of information on housing stock is 6 years old (1996 Scottish House Condition Survey). **The Trust would support a more regular stock survey**. This would be particularly appropriate given the requirement on the Scottish Executive, under the Housing (Scotland) Act 2001, to produce annual reports on progress made on fuel poverty.

We are pleased that figures on energy efficiency are included in the account of stock condition. However, "poor energy efficiency" is defined in the report as an NHER of 0-2. We appreciate that NHER 2 may be a useful indicator of the most inefficient homes, but **we are concerned at the possible interpretation that NHER >2 is "adequate"**. For a tenement flat, fuel bills at an NHER of 2 would amount to over £1,000xx per year, which is far too high for a low-income family.

Investment Patterns in Private Sector Housing

Of available grant assistance, local authority private sector housing grants make up a significant proportion of potential assistance for energy efficiency. – Total grant assistance to the private sector amounts to around £111M per year, as compared with the budget for Warm Deal and the Central Heating Initiative of approximately £70M per year. **It is therefore very important to ensure that energy efficiency criteria are given due account in such local authority grants.** We believe that the third criterion for award of a private sector housing grant – namely: “all such steps as are practical shall be taken to secure the maintenance of the house in a good state of repair” – should require:

- full consideration of opportunities for energy efficiency improvements, for these to be included in the grant where appropriate and possible
- all available third party grants for energy efficiency to be taken up
- the local authority to provide the householder with comprehensive information on the opportunities and benefits of energy efficiency

Not doing this has a significant opportunity cost, because often the easiest and cheapest time to install energy efficiency measures is at the point when other works are also taking place.

A very large number of homes are transferred from local authorities to housing associations and this is again a significant opportunity for improvements, including energy efficiency improvements. **The Trust supports suggestions that energy efficiency information should be pro-actively provided to tenants under the stock transfer process, and energy efficiency criteria should be taken into account when transfers are agreed.**

Arrangements for the Management of Communal Repairs and Maintenance Work

Under right-to-buy, the potential – and the need – for future improvements should be made clear. This would encourage new owners to invest in energy efficiency measures, and would also reduce opposition when improvement works are proposed.

Given the lack of legal framework for communal repairs and maintenance where no management service already exists, it is important that the local authorities provide significant support in this area with factoring services (such as the Edinburgh Stair Partnership) and information on the rights and responsibilities of owners.

Whilst schemes such as Warm Deal and the Central Heating Initiative are welcome and assist individual homeowners, there is as yet not mechanism for assisting traditional tenemental properties. **Local authority grants for lesser works, in particular energy efficiency, should be restored,** as they are the only way that works such as insulating commonly owned roofs and walls are likely to take place.

Local Authority Powers for Tackling Condition Problems in Private Sector Housing

The Trust welcomes the Housing (Scotland) Act 2001 statutory duty on local authorities to prepare local housing strategies. We also welcome initiatives such as the licensing of HMOs and landlord accreditation schemes, and encourage stringent energy efficiency criteria in these where possible.

House Buying and Selling

In terms of house buying and selling, **the Trust is keen to see the mandatory provision of energy audits, energy ratings, and property specific energy advice, at point of sale.** The fact the people do not ask for these now is a sign that they are unaware of the benefits of energy efficiency, not that they are happy to pay high running and maintenance costs.

We believe that energy audits should be an integral part of the information available to buyers. Such an audit would cost £20-£40 if done at the same time as a property survey, and the cost would in general be more than offset by savings accruing from energy advice and referrals to grants.

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