



**Briefing 16/11    March 2016**

## **Scottish House Condition Survey: Key Findings 2014**

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland

For information only to England, Northern Ireland and Wales

### **Key Issues:**

The purpose of this briefing is to advise APSE members on the key statistics from Scottish Government's newly published Scottish House Condition Survey (SHCS): Key Findings 2014. The full survey can be accessed online by [clicking here](#)

This report includes findings on:-

- Energy efficiency
- Fuel poverty
- Condition of Scottish Housing Stock

### **1.0 Introduction**

This briefing sets out the main statistics from the Scottish Government's Scottish House Condition Survey (SCHS): Key Findings 2014, which is part of the wider Scottish Household Survey and is the only national survey of housing and households undertaken in Scotland. The survey consists of an interview with householders and an inspection of their dwelling which is carried out by professional surveyors in order to provide a picture of Scotland's occupied housing stock.

Due to the incorporation of the Scottish House Condition Survey into the Scottish Household Survey in 2012, the changes in the methodology could be responsible for any observed change over time (for instance, a new fieldwork design has been responsible for a 20% drop in sample size when compared to 2011, and estimates of the rate of fuel poverty have been adjusted).

### **2.0 Key Findings from the Survey**

There is a relatively even split between the main types of housing – detached (22%), semi-detached (19%), terraced (21%) and tenement housing (24%). This variance in both housing type and the diversity of housing types contained within a postcode is a

considerable challenge for local authorities wishing to improve energy efficiency, living conditions and affordability as the type of dwelling (as well as access to fuel types) can have a considerable effect on the viability of installing effective (as well as cost-effective) solutions.

Rural properties in particular struggle with the issue of affordability, where 59% are currently not on the gas grid and subsequently do not have access to the current cheapest major commercial fuel; on average across both urban and rural dwellings, 15% of Scotland’s housing stock is not on the gas grid. Gas remains the most common heating fuel (78%), with electricity (13%) and oil (6%) in second and third. 94% of social housing use gas and electricity and 4% use some form of communal heating.

90% of the properties owned by local authorities were built between 1919 and 1982, whereas 44% of private rented dwellings were built before 1919.

### **Gas Grid Coverage Overall and by Urban/Rural Location**

	<b>Gas Grid Coverage</b>		<b>Location</b>			
	<b>000s</b>	<b>%</b>	<b>Urban 000s</b>	<b>%</b>	<b>Rural 000s</b>	<b>%</b>
On Gas Grid	2049	85%	1881	94%	168	41%
Off Gas Grid	371	15%	126	6%	246	59%
Total	2420	100%	2006	100%	414	100%
Sample Size		2682		2108		574

Table Source: SHCS 2014

### **Energy Efficiency**

Energy efficiency in the housing stock continues its long-term trend of improvement with:

- 2/5 Scottish dwellings (41%) are now in EPC Band C or better
- Half of all Scottish dwellings are now rated 67 or higher
- 91% of homes with lofts are now insulated to at least 100mm (as required by the Scottish Housing Quality Standard), 62% have 200mm or more, 27% have 300mm or more and dwellings with no loft insulation have fallen to 1%
- 71% of dwellings with cavity walls and 14% with solid walls are now insulated (although cavity wall insulations are becoming increasingly difficult for surveyors to identify)

Between January 2013 and December 2013, 10,779 loft insulation measures were delivered in Scotland by the Energy Company Obligation (ECO), and a further 20,950 were delivered between January 2014 and December 2014. The importance of insulation in reducing fuel poverty should not be underestimated, as according to the Energy Saving Trust, “an un-insulated dwelling loses a third of all its heat through the walls and a further quarter through the roof”.

### Cavity Wall Insulation, 2010 to 2014

	2014		2013		2012		2011		2010	
	000s	%								
Not insulated	518	29%	554	31%	606	34%	600	34%	671	38%
Insulated	1287	71%	1218	69%	1157	66%	1154	66%	1076	62%
Total	1805	100%	1772	100%	1763	100%	1754	100%	1747	100%
<b>Sample</b>	<b>2017</b>		<b>2051</b>		<b>2076</b>		<b>2414</b>		<b>2337</b>	
Cumulative reduction in uninsulated cavity wall dwellings since 2007, SHCS										
000s	298		262		219		216		145	
Cumulative recorded CWI installations under government schemes since 2007										
CERT					218		178		130	
ECO	55		20							

Table Source: SHCS 2014

### Fuel Poverty

According to the Scottish Fuel Poverty Statement, a household is considered to be in **fuel poverty** if it would be required to spend more than 10% of its income on all household fuel use (in order to maintain a satisfactory heating regime); **extreme fuel poverty** is when a household is spending more than 20%. The Scottish Government has committed to eradicating fuel poverty as far as practically possible by November 2016.

In 2014:

- around 845,000 households (34.9%) were considered fuel poor, and
- around 230,000 (9.5%) households were living in extreme fuel poverty
- average fuel prices increased by 3.5% between 2013 and 2014, although this was mitigated by a 2.7% nominal increase in average household income, policy-based fuel bill rebates and energy efficiency improvements in household stock
- 55% of fuel poor households have incomes above the poverty threshold
- 30% of fuel poor households say their heating keeps them warm in winter with 21% only sometimes, 9% never and 13% report they cannot afford to heat their home
- 54% monitor their energy use "very" or "fairly closely", and 7% own an energy monitoring device

### Estimates of Fuel Poverty and Extreme Fuel Poverty since 2010 (revised)

Year	Fuel Poverty		Extreme Fuel Poverty	
	000s	%	000s	%
2014	845	34.9%	229	9.5%
2013	860	35.8%	236	9.8%
2012	824	34.5%	222	9.3%
Oct 2011	911	38.5%	257	10.9%

2011	779	32.9%	209	8.8%
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Table Source: SHCS 2014

A lot of work has been undertaken since the release of the Scottish Fuel Poverty Statement 2002 to alleviate fuel poverty, and a Scottish Government December 2014 progress report drew attention to the contribution of local authorities and referred to them as “the trusted intermediaries between householders in their areas and sources of help and advice”; the report also highlighted the fact that local authorities in Scotland are continually looking at new, innovative approaches to tackle fuel poverty and their interest in sharing their learning and experiences.

However as we approach November 2016 (the date set in the Scottish Fuel Poverty Statement which by fuel poverty is to be eradicated as far as practically possible), figures from the Scottish House Condition Survey show:

In 2003/04:	In 2014:
<ul style="list-style-type: none"> <li>• 16.0% were considered fuel poor</li> <li>• 5.1% were living in extreme fuel poverty</li> </ul>	<ul style="list-style-type: none"> <li>• 34.9% were considered fuel poor</li> <li>• 9.5% were living in extreme fuel poverty</li> </ul>

While some of these differences can be accounted for methodological changes in energy modelling in 2010, from 2003/04 to 2009, fuel poverty rose by 18.4% and extreme fuel poverty rose by 5.3%, and from the fuel cost method changes in 2011 to 2014, fuel poverty has risen by 2% and extreme fuel poverty has risen by 0.7%, so it would be fair to say that fuel poverty is still an issue that remains unsolved, and fuel pricing has a major part to play in this. Between 2003 and 2014, fuel prices have risen at a much faster rate than median household income and are now nearly three times their level than in 2003 (185%).

The passing of the Private Housing (Tenancies) (Scotland) Bill will allow Ministers, at the request of local authorities, to designate rent pressure zones and cap rent increases in all or part of the authority’s area where these are rising too much, causing undue hardship to tenants or where the local authority is coming under increasing pressure to provide housing or subsidise the cost of housing as a consequence of rent rises within the zone. This will allow local authorities to become a positive influence on fuel poverty, regardless of whether dwellings are part of the social or private sector.

### **Housing Quality**

Compliance with the Scottish Housing Quality Standard remains at similar levels to 2013, with 45% failing to achieve the standard (compared to 43% in 2013). As the surveyors may not always be able to identify the presence of cavity wall insulation, this rate from 45% all the way down to a 34% failure rate in the social sector if all technically feasible walls were insulated. In the energy efficient criterion, 30% fell below the required standard (compared to 28% in 2013). In the majority of cases, SHQS failure was due to a single criterion.

74,000 households (3%) were considered to be overcrowded under the 2014 Bedroom Standard.

- The proportion of properties with any disrepair to critical elements fell from 57% to 53%; those with urgent disrepair to critical elements fell from 32% to 28%
- The rate of any kind of disrepair which is urgent remained similar to 2013 at 32%; any kind of extensive disrepair also remained similar at 7% of housing stock

### Basic and Extensive Disrepair by Tenure Group

		Any Critical disrepair			Critical & Urgent			Critical, Urgent & Extensive		
		2014	2013	diff	2014	2013	diff	2014	2013	diff
		52%	57%	-5	28%	33%	-5	3%	4%	-1
<b>Sector</b>	Private	52%	57%	-5	28%	33%	-5	3%	4%	-1
	Social	56%	59%	-3	28%	30%	-2	5%	5%	0
<b>Tenure</b>	Owner-occupied	51%	55%	-4	26%	31%	-4	3%	3%	0
	LA/Other public	66%	65%	2	35%	37%	-2	7%	7%	0
	HA/Co-op	42%	50%	-8	18%	21%	-2	3%	3%	1
	Private-rented	58%	68%	-9	33%	43%	-10	4%	7%	-2
<b>Scotland</b>		53%	57%	-4	28%	32%	-4	4%	4%	0

Table source: SCHS 2014

### Rural Properties

Tenants living in rural dwellings continue to suffer disproportionately from fuel poverty with:

- 59% of rural properties off the gas grid (the cheapest of the major commercial fuels)
- 50% fuel poverty rates (compared to 32% for urban dwellings)
- a mean EE rating of 57.0 (compared to 65.5 for urban dwellings)
- 54% failing the Scottish Housing Quality Standard (compared to 46% urban)
- much higher costs associated with energy efficiency improvements (more than double the average compared to Dundee (£8,000) compared to Western Isles (£17,500) for external wall insulation due to larger wall areas, added logistical costs and less opportunities for economy of scale savings associated with more urban areas).

The unique issues associated with rural housing provision has prompted the launch of a new £25m Scottish Government Rural Housing Fund which will be available from April 2016 for three years to enable the direct provision of affordable housing through capital grants and loans, and also to provide a contribution to feasibility studies.

### 3.0 APSE Comment

APSE awaits the release of the annual Scottish House Condition Survey every year with interest and commends local authorities once again on improving the overall energy efficiency and condition of our homes. Condition surveys are an important source of information for local authorities to inform their investment cycles and to reflect on the levels of improvement achieved over the year.

However despite the best efforts of local authorities, an unnecessarily large proportion of tenants remain in fuel poverty with figures relatively unchanged since the last major methodological changes in 2011's survey. It has become increasingly apparent that continuously rising energy prices, which have risen 185% since 2003, are continuing to pull tenants into fuel poverty.

There have been recent attempts by organisations such as Robin Hood Energy, the UK's first local authority owned energy supply company launched by Nottingham City Council, to challenge energy pricing and to get a better deal for residents in danger of fuel poverty. Their launch resulted in the East Midlands region moving from 7<sup>th</sup> to 2<sup>nd</sup> position for price competitiveness, with tariffs from all energy supply companies approximately £78 cheaper in the region than when they first launched, thus making the whole region at a lower risk of fuel poverty. APSE welcomes similar action by local authorities to find new ways to help residents out of fuel poverty, as research by organisations like the Age UK demonstrates that links between cold homes and poor health could cost the NHS in England £1.36 billion annually without even considering associated social care service costs.

APSE notes that the Scottish Government have recently announced a new infrastructure fund under the More Homes Scotland banner to provide "targeted assistance to help unlock strategically important housing sites and increase the scale of housing delivery" with up to £50 million available in 2016-17. Scottish Government will also launch a new Rural Homes Fund in April 2016 to support their promise to deliver 50,000 new affordable homes. APSE recognises that energy management technology is best placed in new housing, and that this investment will contribute to the objective of improving the quality of Scotland's homes.

APSE Energy will be launching a solar PV toolkit for local authorities in Scotland shortly to provide a practical step-by-step breakdown of the process with options on the different paths available. For more information, please contact Louise Melville at [lmelville@apse.org.uk](mailto:lmelville@apse.org.uk)

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## 4.0 Sources

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