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**JOINT SUBMISSION FROM SFHA, ALACHO, CIH SCOTLAND AND GWSF TO  
INFRASTRUCTURE COMMISSION FOR SCOTLAND**

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[www.cih.org](http://www.cih.org)

[www.alacho.org](http://www.alacho.org)

[www.gwsf.org.uk](http://www.gwsf.org.uk)

## **What should the priorities be when planning investment in Scotland's infrastructure**

### **1. Overview**

- 1.1.** ALACHO, CIH Scotland, Glasgow and West of Scotland Forum and the Scottish Federation of Housing Associations are organisations representing the interests of the housing sector and professionals working within housing. We are pleased to see place-making, enhanced societal living conditions and alignment with the new National Planning Framework all mentioned as strategic drivers and overarching objectives for the Commission. The housing sector also has a significant role to play in supporting low carbon objectives both in terms of innovative and sustainable new build developments and in improving the energy efficiency of our existing homes. Indeed, given the human rights aspect of providing everyone in Scotland with a safe, secure, affordable home as enshrined in international law we believe the work of Commission can help leverage the Scottish Government commitment to increased spending on infrastructure towards projects and priorities that unlocks economic growth, supports our communities and delivers on our human rights obligations: by building more homes.
- 1.2.** Housing is a key piece of infrastructure. High quality affordable homes of all tenures provide a stable base for people's lives, reduce costs to the NHS, increase educational attainment and enable workforce mobility.
- 1.3.** Investment in housing has a high multiplier effect since it is a labour-intensive industry. Investing in social and affordable has the additional benefits of securing wider community benefits such as training places and local long-term skilled jobs.
- 1.4.** Investing in the retrofit of homes and buildings and in low carbon infrastructure should be a priority. Scotland has challenging fuel poverty and climate change targets to meet while studies show that investing in energy efficiency is the most effective way for government to stimulate the economy.
- 1.5.** Continued and increased funding to promote active travel would also help meet climate change targets while improving mental and physical health and affordable access to employment and services.
- 1.6.** In a time when digital by default is becoming the norm investment in digital infrastructure would help enfranchise the digitally excluded. Digital technology, together with increased investment in adaptations, can help enable people to live at home and enjoy a better quality of life as our population demographic changes.
- 1.7.** Investing in housing and the surrounding social infrastructure is essential to the Scottish Government's vision of creating a fairer Scotland, reducing inequalities and supporting our economy and meet international obligations on human rights

### **2. Housing**

- 2.1.** Housing is essential infrastructure. Good quality affordable and energy efficient housing results in public health benefits, better educational attainment, allows more flexibility and ability to move in the workforce and is an essential component of any meaningful anti-poverty programme.
- 2.2.** Research from CIH, Shelter and SFHA in 2015 shows there was an outstanding need for 60,000 affordable housing in this Parliamentary term, while there are 140,000 households on social housing waiting lists. A growing disparity between average incomes and house prices and an increasing formation of single person households means that demand is likely to grow in the future.

- 2.3. Investing in housing as infrastructure would not only provide people with affordable, quality homes but would help to reduce revenue costs for fuel bills and housing benefit payments. As the Black Commission on Housing & Wellbeing highlighted, there is a need to switch housing spending from revenue to capital to increase equality and provide better health and social outcomes.
- 2.4. A recent report from Fraser of Allander<sup>i</sup> Institute reveals the economic contribution of social housing in general and Glasgow Housing Association in particular through its investment programme. For example, in 2016/17 alone the GHA's activities support around £150 million of GDP to the Scottish economy, equivalent to around 2,575 jobs. We would also draw the commission's attention to international research<sup>ii</sup> from New South Wales and domestic research<sup>iii</sup> noting the need to recognise housing as an infrastructure investment, not just an economic or social good. The research makes clear that affordable housing can support economic growth and higher productivity at a lower cost than other levels of infrastructure by cutting commuting times and increasing earnings
- 2.5. Investing in infrastructure to support housing need not only involved providing funding to build more affordable homes. Accessing land that is ready for development is a challenge for housing providers, so investing in infrastructure up-front, decontaminating land and funding social infrastructure such as schools can also support the development of housing.
- 2.6. Investing in affordable housing is good for the economy – this is because it is a labour intensive industry and so provides a high number of jobs and training places per pound of spend. Research for Citizens Advice Scotland by Cambridge Econometrics found that investing in the energy efficiency of fuel poor households was the most effective way for government spend to boost the economy.
- 2.7. We would also note that Scotland's commonly owned tenemental housing stock is a key part of the infrastructure of our towns and cities. Supporting landlords and owner occupiers to invest in essential repairs and improvements to the fabric of these buildings keeps those homes safe and warm for both current and future residents, boosts investment in the local construction industry, and protects the heritage of our high streets and local communities.
- 2.8. In addition to investing in housing as infrastructure, we are calling on the Scottish Government to make active travel investment a priority. For example, the local authorities and housing association work closely with organisation like Sustrans and Cycling Scotland to promote active travel by funding infrastructure and cycle storage to enable people in low income areas to pursue active travel. We are calling on long term investment in active travel as a key way to improve physical and mental health and to move towards the preventative spend approach that the Christie Commission called for in 2011. Improved active travel connectivity will also increase affordable access to employment and services.
- 2.9. Finally, as the world move to a situation where services are "digital by default" we would want to see support to increase digital infrastructure. A number of social landlords have provided free wi-fi in order to enable tenants to access services and apply for jobs on-line – we would like to see more investment in digital infrastructure in social housing. The social housing sector has been developing a programme of work around Technology Enabled Care with the aim of addressing the challenge of an ageing population demographic and allowing people to live a better quality of life at home – we would believe further investment is needed in similar programmes to allow people to live better lives in old age.

### 3. Energy Efficiency

- 4.1 The Scottish Government has already acknowledged the importance of energy efficiency to our economy and in meeting targets for reducing fuel poverty and carbon emissions, announcing that energy efficiency would be made a National Infrastructure Priority (NIP) in June 2015. In addition, the First Minister's speech at the SNP conference on 28 April further clarified the Scottish Government's commitment to tackle the current "climate emergency".
- 4.2 While emissions from residential buildings reduced by 24% from 1990 to 2015<sup>iv</sup>, they increased by 3.3% between 2015 and 2016. It is clear that more needs to be done to tackle poor energy efficiency in our homes across all tenures<sup>v</sup>. The benefits of investing in energy efficiency of housing will be wide ranging and include:
- Tackling fuel poverty
  - Improving health and wellbeing
  - Contributing to ambitious climate change targets
  - Benefits to employment and the economy
- 4.3 We agree that a project of this scale should be part of a NIP and that funding should be provided at a level that reflects other areas of infrastructure priority. Unfortunately to date we have seen little evidence of increasing resource for energy efficiency and regulations relating to PRS and owner occupation have been slow. Given the forthcoming spending review for the Scottish Budget, there is an urgent need to see interim recommendations from the commission to feed into the government deliberation over the next cycle of spending. Indeed given the level of expenditure from tenants to meet a myriad of government priorities on energy efficiency, new build as well as keep rents low we would suggest the capacity of the sector to fund any new expenditure from tenants rents has been reached
- 4.4 Energy efficiency measures are demonstrably a good investment of public money<sup>vi vii</sup>. Not only does investing in the retrofit of energy efficiency measures boost the economy but it is essential if Scotland is to meet its challenging and ambitious energy efficiency and fuel poverty targets that are set in legislation. Infrastructure investment could be targeted to support area based retrofit schemes, to support investment in low carbon technology such as heat networks and battery storage and to help social landlords and others fund the significant investment needed in retrofit if Scotland is to meet its Climate Change targets.
- 4.5 Finally, the importance of developing low carbon infrastructure such as heat and power networks and sustainable travel needs to be planned in alongside housing. Energy efficiency is the top priority in the short to medium term, but now is the time to think about the challenge of low carbon heat and power networks if they are to be affordable. Sustainable transport also needs to be planned in with new developments. As with transport infrastructure, investment in housing needs to be given priority and to be a long term commitment over the next two decades rather than being seen as a short term priority.

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<sup>i</sup> [https://www.wheatley-group.com/\\_data/assets/pdf\\_file/0022/66433/Fraser-of-Allander-Institute-Economic-contribution-of-GHA-report.pdf](https://www.wheatley-group.com/_data/assets/pdf_file/0022/66433/Fraser-of-Allander-Institute-Economic-contribution-of-GHA-report.pdf)

<sup>ii</sup> <https://policyscotland.gla.ac.uk/publication-making-better-economic-cases-for-housing-policies/>  
<https://policyscotland.gla.ac.uk/strengthening-economic-cases-for-housing-the-productivity-gains->

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[from-better-housing-outcomes/](#)

<https://policyscotland.gla.ac.uk/changing-the-housing-story-report-published/>

<sup>iii</sup> <https://cityfutures.be.unsw.edu.au/research/projects/strengthening-economic-cases-housing-productivity-gains-better-housing-outcomes/>

<sup>iv</sup> <https://www.gov.scot/publications/scottish-governments-climate-change-plan-third-report-proposals-policies-2018-9781788516488/pages/16/>

<sup>v</sup> <https://www.gov.scot/publications/scottish-greenhouse-gas-emissions-2016/pages/3/>

<sup>vi</sup> Economic impact of improving the energy efficiency of fuel poor households in Scotland. 2014. Consumer Futures Scotland

<sup>vii</sup> Affordable Warmth, Clean Growth: Action Plan for a comprehensive Buildings Energy Infrastructure Programme, September 2017, Energy Efficiency Infrastructure Group