



Evidence submitted by Chartered Institute of Housing Scotland: 17 June 2019

About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world including over 2,000 in Scotland.

Further information is available at: www.cih.org

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1. General comments

- 1.1 CIH Scotland welcomes the opportunity to respond to the Scottish Government's consultation on the Energy Efficient Scotland programme. Energy efficient homes help to reduce fuel poverty, improve wellbeing and reduce carbon emissions. An energy efficiency programme at the scale required to meet ambitious targets will also create jobs and support local economies across Scotland. We welcome the focus that the Scottish Government has given to energy efficiency and fuel poverty but we think that greater ambition is required to ensure that everyone in Scotland is living in a warm home before 2040. This can be achieved through a mix of regulation and incentives but the Scottish Government must also back this ambition with investment at a level appropriate to that of a National Infrastructure Priority and to tackle our Climate Change Emergency.

2. Consultation Questions

Timeframe for delivery

Question 1: With regards to achieving an accelerated delivery of the standards proposed, do you think mandatory action for owner occupiers would be required?

- ☒ Yes
☐ No
☐ Don't know

Please explain your answer:

The owner-occupied sector still makes up the largest proportion of the market at 58% of households. If fuel poverty and climate change targets are to be achieved, progress in the owner-occupied sector must be accelerated. In response to previous consultations, we have cited concern with the proposed approach to continue with business as usual in the owner-occupied sector with the Scottish Government only considering some form of regulation after 2030 if sufficient progress is not being made. The consultation document itself suggests that continuing on the current trajectory is unlikely to meet the suggested standard of minimum EPC C by 2040 as owners may not be willing to carry out complex or expensive work if they do not have to.

We think that the best way to achieve real change is through a mix of regulations, incentives and support for homeowners. There needs to be a clear route for owners, giving them as much time as possible to meet minimum standards in a way that suits them. This means that the Scottish Government should take action now to introduce regulations for a minimum energy efficiency standard for homeowners. We think this should be EPC C by 2030 (subject



to

exemptions for cost and feasibility), bringing the owner-occupied sector in line with plans for the PRS and even more ambitious targets for the social rented sector.

Any new requirements must be clearly and proactively communicated with home owners, ensuring they are made aware of the benefits of improved energy efficiency, that they are aware of the range of options for improvements, support that is available to them and are informed about their rights as consumers.

The Existing Homes Alliance Scotland produced a scoping study to explore consumer attitudes towards investing in energy efficiency and how messaging might be 're-framed' to encourage home owners to carry out improvements to their home.

The report suggests that current communication tends to focus on 'do-able behaviour change' which may result in people thinking they have done their bit for the environment and therefore don't need to carry out larger scale energy efficiency measures. It suggests that a greater focus on moral arguments alongside messages about saving money and increasing comfort could be effective. It also recommends changing the way that EPC reports are presented to highlight where homes are substandard. The full report is available here: <http://existinghomesalliancescotland.co.uk/policy/the-the-right-frame-of-mind-engagement-for-domestic-energy-efficiency-in-scotland/>

Question 2: What trigger points, e.g. sale, renovation, etc. could be used to require owner occupiers to undertake energy efficiency improvements?

A minimum energy efficiency requirement at point of sale would be the easiest way to monitor and enforce compliance for owner occupiers. However, the slow turnover of some homes would present an issue with ensuring all homes meet the minimum standard by a specified date. A requirement for compliance with energy efficiency standards where major work is being carried out would help to ensure more homes comply with the standards by the target date set.

Question 3: If you think mandatory action would be required to achieve an accelerated delivery of standards, when should mandatory energy efficiency targets be introduced in the owner-occupied sector?

We do think that mandatory requirements, alongside incentives and support, should be introduced in the owner-occupied sector. These should be aligned as far as possible with requirements in the private rented sector (PRS) and social rented sector. Aligning standards across sectors will help to ensure that everyone can live in a good quality home regardless of tenure and will also help to facilitate improvements in mixed tenure buildings.



As set

out above, we think that regulations should be introduced to require a minimum of EPC C for owner occupied homes by 2030 with exemptions for cost and feasibility.

Question 4: From a supply chain perspective, do you think bringing forward the timescales for the Programme would have a positive or negative effect on quality, skills & capacity and consumer protection? Please provide a rationale, and evidence where possible.

Introducing minimum standards and bringing timescales forward will have a positive impact, creating and supporting skilled jobs across Scotland. We understand the need to ensure that work is carried out to a high standard and that consumers are protected. As well as investing in energy efficiency measures, we think that the Scottish Government must invest in advice services and a proactive communication campaign to ensure people can access impartial advice and information about the best way to improve the energy efficiency of their home and make best use of heating and appliances in their homes.

Feedback from suppliers

A survey of the supply chain and delivery bodies was carried out by the Existing Homes Alliance Scotland to provide evidence on the practicalities of accelerating the delivery of energy efficiency measures. The survey was sent to 78 organisations and 20 responses were received (26% response rate). The full analysis of survey responses is available here: <http://existinghomesalliancescotland.co.uk/policy/supply-chain-ready-to-deliver-on-epc-band-c-for-homes-by-2030/>

Respondents were positive about the ability to deliver good quality products and services and the opportunity that would be presented for expanding their businesses and growing the workforce. However, the need for clarity on targets, timescales and funding is required to enable businesses to plan ahead and to invest in training and skills development.

Key findings include:

- 90% of those who responded said that it is achievable to reach EPC band C for the vast majority of homes by 2030 and that their businesses could expand to meet the growth in demand.
- Respondents are projecting growth in their business of 15% - 30%, with one saying, "in stable funding regime managed growth of 100% is feasible".
- 70% of respondents thought there was a need for further training in their business to deliver the standards and expand into new areas.
- 90% of those who responded said that the technologies to meet EPC band C are available now - "we are happy with our current capabilities to meet EPC band C."

Question 5: In your view, how would accelerating Energy Efficient Scotland help, and/or how would it hinder, plans to address fuel poverty?

Energy efficiency is only one of the four drivers of fuel poverty:

- Energy efficiency;
- Cost of fuel;
- Income; and
- The way fuel is used in the home.

All four of these drivers must be addressed if we are to successfully tackle fuel poverty but the energy efficiency of our homes plays a vital part in this and is also one of the drivers that can be directly influenced by the Scottish Government. We support the Scottish Government's commitment to remove poor energy efficiency as a driver for fuel poverty as set out in the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and accelerating the Energy Efficient Scotland programme would certainly help to achieve this.

However, it is also vitally important to ensure that the costs to individuals of bringing homes up to standard are not so significant that they outweigh the benefits of reductions in fuel bills. There is a risk that increased investment in the social sector and PRS may result in increased rent for tenants. Owner-occupiers with low income may also struggle to cover the cost of improvements. The Scottish Government must increase investment in energy efficiency and offer a range of financial support and incentives.

Question 6: With regards to reducing the emissions associated with the supply of heat, what are your views on consideration of energy efficient improvements alongside changes to heating systems?

It is important to ensure that homes are adequately insulated when new heating systems are being installed to ensure the maximum benefit can be realised. Tenants, landlords and home owners also need access to the right advice and support to make sure that they are able to reduce the use of fuel where possible and make the most of any new technology or heating system that is installed.

Private Rented Sector

Question 7: What are your views on using change of tenancy as a trigger to require the increased standard?

This would be easiest in terms of monitoring and enforcement and the relatively high turnover within the PRS means that the majority of tenants would be living in homes that meet the minimum standard

by the deadline. However, we think that there should also be a backstop date by which time all homes should meet the minimum requirements so that longer term tenants are not disadvantaged.



We also

have some concerns with the proposal for enforcement to be carried out by local authorities without any additional resources being made available to do so. In response to previous consultations we have suggested that including a minimum standard for energy efficiency in the Repairing Standard would allow tenants to directly challenge landlords when standards are not being met. The First Tier Tribunal would have the power to require work to be carried out where standards were not being met and could also order rent payments to be suspended.

It is also unclear whether the threat of a financial penalty would be enough to encourage compliance, especially if the level of fine was less than the cost of carrying out improvements to the property.

Question 8: What are your views on using April 1 2025 as the date to start applying the minimum standard of C when there is a change in tenancy?

We agree with this proposal. Scottish Government should work with the sector to ensure landlords are aware of any changes in regulation and are given support to meet the new standards including advice, information and financial support such as low cost loans. Landlords need to be given as much notice as possible to be able to meet new requirements.

Question 9: With regards to providing a useful tool to landlords planning and executing improvement works, what are your views on basing any cap of required works on a definition of cost-effectiveness and technical feasibility?

We agree that there needs to be a clearly defined cap based on cost-effectiveness and technical feasibility to ensure that unreasonable costs are not passed on to tenants through rent increases.

Supply Chain

Question 10: The Short Life Working Group has made recommendations which they believe represent the actions required to ensure that Energy Efficient Scotland will achieve consistently high levels of quality, health and safety and consumer protection. Do you agree?

- ☒ Yes
- ☐ No
- ☐ Don't know

If not, what more or less should be done?

We agree with the measures set out in the consultation paper and the proposal to introduce a Quality Mark accreditation requirement for suppliers. This should help to ensure all

consumers receive a consistent and high quality product and service. However, it will be important to ensure that any standard introduced is not overly burdensome and that smaller organisations will not be disadvantaged.

In the supplier survey carried out by the Existing Homes Alliance Scotland referenced above, 70% of the respondents supported the introduction of Quality Mark accreditation. However, comments also made clear that accreditation must not be burdensome or duplicate existing systems.

Question 11: Do you have any views on how this can be achieved whilst at the same time, ensuring maximum participation from suppliers across Scotland, regardless of their size and geographical location?

As stated above, the EES programme presents an opportunity for jobs and skills to be supported across Scotland. It will be important to ensure that small and medium sized businesses are not excluded from contracts or jobs.

Question 12: What do you think the role of the Scottish Government should be in ensuring the quality criteria are consistently met?

If introduced, the Scottish Government will have a role in ensuring the requirements of the Quality Mark accreditation are met. As mentioned above, the Scottish Government must also ensure that the right advice and information is available to help consumers make informed choices and inform them about their rights.

Heat networks

Question 13: Taking the above into account, what further incentives could drive further heat demands onto networks?

No comment

Question 14: Taking the above into account, what further assistance could support the growth of appropriately-sited, low carbon heat networks?

No comment