



# Consultation Briefing: Energy Efficient Scotland

## Background

Following the publication of the [Energy Efficient Scotland Route Map](#) last year and a series of consultations on energy efficiency targets, Local Heat and Energy Efficiency Strategies (LHEES) and district heating, the Scottish Government has now published a new [Energy Efficient Scotland \(EES\) consultation](#). The deadline for responses is 17 June 2019.

The consultation gives updates on progress to date, areas for further consultation and intentions for a suite of legislation to be brought forward including:

- **Heat Networks Bill** – to cover a District Heat Licensing Regime and District Heating Zones, subject to securing Parliamentary time within the current legislative programme;
- **Local Heat and Energy Efficiency Strategies** – ongoing work to support local authorities with a view to introducing a statutory requirement;
- **Minimum standards in the PRS** – planned consultation in May before Regulations are laid in Parliament after the summer recess. The Regulations would be to meet EPC Band E from April 2020 and EPC Band D from April 2022 both at point of let. Further consideration is being given to a target of EPC Band C for all PRS homes by 2030;
- **Minimum standards for owner occupiers** – further consultation on previous proposals for encouraging improvements up to 2030 with a view to introducing a requirement to meet EPC Band C by 2040 if progress is not being made; and
- **Minimum standards for the social rented sector** – EESSH2 proposals were that no home below Band D should be let by 2025 and to maximise the number achieving Band B by 2032. Consideration of these proposals is ongoing through the EESSH2 Review Group.

The EES consultation also makes provisions for non-

**About this briefing** - This is a new type of briefing exclusively for CIH members. These briefings are designed to inform you about current consultations, highlight potential implications for the sector that you might want to consider in your own response and set out CIH Scotland's position.

domestic buildings but these will not be covered in this briefing.

## What is being consulted on now?

This consultation is seeking views on accelerating the EES programme following feedback from previous consultations and a motion passed by the Scottish Parliament in May 2018 calling on the Scottish Government to bring forward the date for all homes to reach EPC Band C from 2040 to 2030.

The consultation states that the Scottish Government would be willing to accelerate the EES programme and set more ambitious energy efficiency targets for 2030 if this could realistically be achieved but highlights concerns including the cost of delivery, the readiness of the supply chain and whether technology is advanced enough to deliver cost effective solutions.

The Scottish Government is inviting views on:

- Requirement for PRS homes to reach EPC Band C (where technically feasible and cost effective) by 2030;
- Accelerating timescales for minimum standards in the owner occupied sector to bring this in line with the proposed 2030 timescale for the PRS;
- The impact that this would have on funding and whether there may be issues with quality, the supply chain or consumer protection;
- The impact on fuel poverty and climate change targets; and
- How to best support the expansion of heat networks.

## What does this mean for the housing sector?

The consultation document estimates that the cost of delivering EES over the current 20 year plan will be £10 -£12 billion with a mix of public and private investment.



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Social landlords have made significant progress towards improving energy efficiency to meet EESSH already spending £212 million between 2015 - 2017 and predicting a further £140 million investment in 2017/18. Around 80% of this spend been funded through landlords' own resources, so ultimately being paid for by tenant through their rents.

If the programme is to be accelerated and if tenants, social and private, are to be protected from rent increases this will require significant additional investment from the Scottish Government. The [Scottish Budget for 2019-20](#) included £119.6 million for energy efficiency and fuel poverty within the housing portfolio showing no significant change from previous years.

Increasing energy efficiency in the owner occupied sector will depend on a change in culture and people's willingness to invest in improvements to their homes. Achieving this will require a mix of incentives and regulation.

### **CIH Scotland's position**

We support the call for all homes to be EPC Band C by 2030 but acknowledge that there will be challenges in achieving this and strongly urge the Scottish Government to increase funding for energy efficiency. Our position on specific aspects covered by this consultation are set out below.

**Regulation in the PRS** - In response to previous consultations we have supported the introduction of regulations with the provision of adequate information, advice and financial support for landlords. However, it is also essential to ensure that tenants do not end up financially worse off if the cost of improvement works is passed on through rent increases and that the impact of regulations must be closely monitored.

We have also expressed concerns with the proposals for enforcement through local authorities without confirmation that any further resources would be made available and whether proposals for imposing a financial penalty for failure to comply would be effective.

**Regulation for owner occupiers** - If the Scottish Government is to tackle fuel poverty and meet ambitious climate change targets, the owner occupied sector which makes up 58% of the market must be part of the plan to improve energy efficiency. CIH Scotland has advocated for a cross tenure approach, ensuring that everyone can live in a home that is warm and energy efficient.

Consistency in requirements will also help to support improvements in mixed tenure buildings.

We acknowledge that funding may be an issue, especially for owners who may be asset rich but cash poor. Analysis within the consultation document shows that 'business as usual' could just about achieve EPC C for all owner occupied homes by 2040 if progress continues at the current rate. However, that this may be an optimistic trajectory as the easy to treat homes will be brought up to standard first leaving behind the more difficult or expensive homes. Again, we repeat the call for the Scottish Government to significantly increase funding for energy efficiency measures.

**Quality Assurance and the Supply Chain** - We agree with the need to ensure that suppliers have the skills to deliver good quality improvements and that consumers are protected. However, the need for these assurances should not be used to slow the pace of change that we know is required to reduce fuel poverty and improve living standards. The Existing Homes Alliance Scotland (ExHAS) is currently undertaking some work with suppliers to gauge readiness to significantly increase delivery.

**Heat Networks** - The social housing sector has led the way in developing innovative district and communal heating systems. While there have been some challenges there is a lot to learn from the progress that has been made to date. We support the need for strong consumer protection through regulations and would welcome feedback from members on how this might work in practice and whether there are other incentives or ways to support the growth of heat networks that the Scottish Government should be considering.

### **Have your say**

CIH Scotland will be developing a response to this consultation. If you would like to contribute to the response, please send your feedback to [scotland@cih.org](mailto:scotland@cih.org)

### **Contact us**

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