

Scotland's Sustainable Housing Strategy

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

For information only to England, Northern Ireland and Wales

Key Issues

- The Strategy sets out the work Scottish Government is doing to help people reduce household energy bills while highlighting its plans for the future
- By 2020 all homes are to have loft and cavity wall insulation where this is possible and every home with gas central heating will have an energy efficient boiler with appropriate controls
- Scottish Government invested almost £150 million in fuel poverty and energy efficiency programmes between 2009/10 and 2011/12
- Over the current spending review period it will be investing around a quarter of a billion in these initiatives

1.0 Introduction

The Scottish Government have recently published its plans to tackle fuel poverty and reduce Scotland's carbon footprint in Scotland's Sustainable Housing Strategy. As well as setting out the work which has been completed to date to help improve the energy efficiency of Scotland's homes, it also provides Scottish Government's vision for a greener, cleaner Scotland (see APSE briefing 13-06 Low Carbon Scotland).

The strategy follows on from consultation document 'Homes that don't cost the earth' which was published on 25 June 2012 and developed with the Sustainable Housing Strategy Group. Through the consultation it was confirmed that there was broad support for the vision and objectives for the strategy which are:-

- To deliver a step-change in provision of energy efficient homes to 2030 through retrofit and new build, as promised in the infrastructure Investment Plan
- To ensure that no-one in Scotland has to live in fuel poverty, as far as is reasonably practicable by 2016

- To make a full contribution to the Climate Change Act targets, as set out in the Report on Proposals and Policies
- To enable refurbishment and house-building sectors to contribute to and benefit from Scotland's low carbon economy and to drive Scotland's future economic prosperity

Although a number of actions have already helped many homes across Scotland including:-

- Since 2008, more than 540,000 homes have received over 629,000 free or subsidised professionally installed cavity wall or loft insulation measures through the Carbon Emission Reduction Target (CERT) scheme and assisted by Scottish Government's home insulation programmes delivered by local authorities
- By end of 2011, 86% of lofts had at least 100mm of insulation with 45% having 200mm or more and two thirds of cavity walls having been insulated
- Scottish House Condition Survey highlighted 125,000 homes had upgraded boilers in the last year and the Scottish Government boiler scrappage scheme contributed to this success (see APSE briefing 13-02 Scottish House Condition Survey: Key Findings 2011)

The publication notes that a great deal of work is still required to meet the challenging carbon emission and fuel poverty targets. It also highlights Scottish Government are working closely with stakeholders to ensure Scotland receives sufficient funding and the main focus of this will be the Home Energy Efficiency Programmes for Scotland.

The full consultation document for reference can be found at <http://www.scotland.gov.uk/Publications/2012/06/8390/0> and strategy found at <http://www.scotland.gov.uk/Publications/2013/06/6324/0>

2.0 Content of the Strategy

The strategy focuses on energy efficiency aspects of sustainability, as well as recognising wider aspects of this agenda, including the importance of house conditions. This briefing covers some of the main themes and actions resulting from the consultation responses.

Home Energy Efficiency Programmes for Scotland

Scottish Government wish to see:-

An end to fuel poverty, with lower fuel bills and increased comfort for all households, lower emissions and strong economic growth with Scotland the most attractive place in Great Britain for energy companies to invest in energy efficiency

Actions:-

- Scottish Government has made available £79m of funding for 2013-14 to establish the Home Energy Efficiency Programmes for Scotland (HEEPS). This will deliver on the Fuel Poverty Forum's recommendations for a shift of focus to Area Based Schemes to tackle fuel poverty but with a national Affordable Warmth Scheme and Energy Assistance Scheme to provide for the most vulnerable households wherever they live. Scottish Government's spending, taken together with energy supplier funding which is aimed to lever in under the Energy Company Obligation, should deliver £200 million expenditure in Scotland.
- The Affordable Warmth Scheme aims to ensure that every eligible household in Scotland receives support under the ECO Home Heating Cost Reduction Obligation. Scottish Government has extended stage 4 of the Energy Assistance Package for a further two years (renamed the Energy Assistance Scheme) focussing assistance on

the most vulnerable and poor households which were previously eligible for heating and insulation measures but who would otherwise miss out under the Affordable Warmth Scheme. Taken together, both these national schemes ensure that more than 300,000 poorer households are eligible for free or heavily discounted insulation and heating from 1 April 2013.

- With regard to the Area Based Schemes, in March 2013 Scottish Government invited councils, to submit proposals for funding and have informed councils of the decision on their proposals.
- Scottish Government will continue to meet regularly with the obligated utility companies (both bilaterally and as a group) to discuss their experience of ECO and working with Scottish local authorities to deliver area-based energy efficiency schemes and seek to facilitate discussions between the companies and local authorities to ensure Scotland receives its fair share of ECO funding in 2013-14 and going forward.
- Scottish Government will build on the success of the ECO workshops held to ensure that Local Authorities and Registered Social Landlords are fully aware of the opportunities available to them.
- The 2020 Built Environment subgroup has launched *Retrofit Scotland*, a collaboration of organisations that have come together to disseminate best practice information on retrofit in Scotland. Through the 2020 Group, Retrofit Scotland has collated more than 130 case studies on retrofit projects.
- Scottish Government will build on the 3 year research programme undertaken and published by Historic Scotland on *Fabric Upgrades for Energy Efficiency in Traditional Buildings* through supporting Historic Scotland's training programmes, delivered in partnership with Forth Valley College.
- Scottish Government will support Historic Scotland through their work with BRE Scotland and Napier University to research *Fabric Upgrades for Energy Efficiency in 1920 - 1945 Housing Stock*. This will be published in 2015.
- Scottish Government will support the extension of information and advice on housing options to help home owners find reliable trades people to undertake repairs and maintenance, including through the development of trusted traders schemes.
- Scottish Government will make it easier and safer for older people to access any equity in their homes to meet their own housing needs and maintain independent living.
- Scottish Government will continue to fund a number of schemes on Renewable Energy, which will contribute to achieving milestones, including:
 - *Warm Homes Fund* - £50m fund. 8 projects approved to date, with grant funding of £175,000 and loan funding of £2m
 - *District Heating Loans Scheme* - £5 million scheme. 13 projects supported in past 2 years at £2.6m total cost.
 - *Renewable Energy Investment Fund* - £103m fund. Supports big investment projects under District Heating, Communities and Marine.
 - *Home Renewables Loans* - helping individual households to install new green heating systems in their homes
 - *Renewable Heat Incentive* - working with DECC to ensure that the Scottish Government's aim of Registered Social Landlords being included in the Incentive is achieved.

Role of Standards

Scottish Government wish to see:-

People value and take responsibility for the condition and energy efficiency of their homes, with an appropriate role for standards

Actions:-

House Condition

- Scottish Government will work with the Scottish Housing Regulator to monitor progress of social landlords to ensure that all their properties meet the SHSQ by 2015.
- Scottish Ministers will consider whether it is appropriate to amend local authorities' existing powers, which enable them to require owners to repair their houses, as part of the Housing Bill proposed for introduction around the middle of the current Parliamentary session.
- Scottish Government to develop proposals by end 2013 for a working group/ forum to consider whether a single condition standard should be applied across all tenures.
- Scottish Government will encourage homeowners in mix tenure and shared ownership properties to work together to improve and maintain their properties to the set condition standards.
- Scottish Government will continue to support demand led training through our national training programmes, further and higher education programmes and our Low Carbon Skills Fund to ensure that employers have the skilled and competent workforce needed to meet current and future standards.

Energy Efficiency

- Scottish Government will publish a new Energy Efficiency Standard for existing Social Housing by Autumn 2013, with an expectation that landlords will meet the standard by 2020.
- Scottish Government have set up a working group to develop proposals for minimum energy efficiency standards in existing private sector housing, taking account of issues raised in the consultation these included practicalities of enforcement and potential effect on owner-occupied sector).
- Scottish Government will consult on draft regulations for existing private housing by 2015, with a lead in time to the introduction of any regulation. Scottish Government will seek the working group's views on potential timescales.

New Build Market Transformation

Scottish Government wish to see:-

Scottish companies maximise the potential of innovative design and construction techniques to deliver more, greener homes as part of sustainable neighbourhoods, creating export and other economic opportunities

Actions:

- Scottish Government are consulting on new build standards for the 2014 building regulations.
- Scottish Government reconvened the Sullivan Report panel advise on future enhancements to energy performance and carbon abatement through the Building Standards system.
- More than 300 new affordable homes will be built through the Greener Homes Innovation Scheme (GHIS) promoting greener methods of construction in the house build industry and enabling families to save up to £1,000 per year on running costs.
- Scottish Government will monitor and review GHIS which announced successful projects in March 2013 and update the Greener Homes Prospectus (showcases

examples and case studies of the kind of work which can be done to improve energy efficiency in homes) so that it remains a current status.

- Scottish Government will continue to provide an extra £4,000 funding through the Affordable Housing Supply Programme (AHSP) for every home meeting the 'silver' sustainability standard for emissions and energy use within section 7 (Sustainability) of building regulations. To encourage greater take-up, from 2013/14 this funding will be available as an additional as an addition to the mainstream resources available at Council level.
- Scottish Government will promote the ability of design and modern methods of construction to help meet future targets on energy use and carbon emissions. This was previously set out in Scottish Government's Architecture and Place Policy.
- Scottish Government will consider the recommendations of the Review of Procurement in Construction following the publication of its findings in autumn 2013.
- We will ensure modern methods of construction are supported through skills development. This includes:
 - Delivering at least 25,000 modern apprenticeships starts in 2013.14. This is a demand led programme but in previous years there have been significant numbers of starts in the construction sector.
 - Maintaining our successful Low Carbon Skills Fund, delivering at least 500 training episodes to Scottish SMEs in 2013/14.
 - Continuing to work with industry and relevant sector skills Councils to develop demand led skills provision which meets current and future needs of employers.
- Scottish Government will include Sustainability as a core theme in their National Planning Framework 3 and Scottish Planning Policy, with consultations on both documents taking place. The documents will ensure sustainability influences funding decisions over the next 30 years.

The report also addresses the Financial Market Transformation and as part of this the Scottish Government will be involved in work on the role of behaviour change to encourage home owners to value the sustainability, both in terms of condition and energy efficiency, of their houses. It will also continue to fund and expand the Energy Saving Trust's Home Energy Advice Centre to deliver impartial independent advice on Green Deal and the Energy Company Obligation helping households make decisions on the benefits and cost effectiveness of energy efficiency improvements in their homes as well as encouraging the uptake of Green Deal in Scotland through the Green Deal cashback scheme which will offer grants totalling £14.5 million for the installation measures.

The final section of the report highlights how this will all be monitored, with the Sustainable Housing Strategy Group taking on this role with regards early implementation during 2013/14, while key policies are rolled out. It is then the intention to build a relationship with the Housing Policy Advisory Group to enable this group to take on the role latterly. It is also the intention of the Fuel Poverty Forum to continue to lead on monitoring the progress of fuel poverty. Other monitoring tools will include the Scottish House Condition Survey and the second Report on Proposals and Policies (RPP) with regards climate change.

3.0 Comment and Conclusion

The strategy highlights the work Scottish Government is currently doing to help people reduce household energy bills as well as setting out its plans for the future. Scottish Local Authorities have already started to play their part in this strategy through the investment programmes over recent years into new boilers and various types of insulation. It is important to note that there is a long way to go in terms of behaviour change and Councils will play a

large role in helping householders use their heating systems effectively. As well as this it is also important that the controls and systems which are installed are easy for householders to use especially the elderly.

Scotland has a number of excellent examples of Local Authority champions already making positive steps towards helping meet these ambitious targets being set by Scottish Government. Scottish Councils are offering a number of heating schemes including free loft and cavity wall insulation, helping to reduce heat loss within households (see APSE briefing 13-02 Scottish Housing Condition Survey). Other Council initiatives include Aberdeen City Council who have a number district heating systems in place and Dumfries and Galloway Council who have introduced solar schemes to some schools and other buildings. These examples highlight Councils are putting the message into practice and gaining positive results.

Finally it will be important for Councils to continue to play an important part in meeting the actions within the strategy along with Scottish Government and other stakeholders. This is a very important area which Scottish Government are keen to build on to help householders, especially during this time of financial constraints.

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