



## **Energy Efficient Scotland Consultation: Making our homes and buildings warmer, greener and more efficient**

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

For information only to England, Wales and Northern Ireland

### **Key Points**

The Energy Efficient Scotland Consultation: Making our homes and buildings warmer, greener and more efficient is inviting views to a range of proposals designed to ensure Scotland improves the energy efficiency of properties and in the process helps to tackle fuel poverty, lessen the impact of climate change and nurture our economy.

**The consultation closes on 27 July 2018. Download the consultation paper [here](#). Complete the consultation by [clicking here](#).**

### **1.0 Introduction**

In 2016, 649,000 households in Scotland were in fuel poverty (26.5%), which as well as having a major financial impact can also affect that household's health, wellbeing and quality of life. Outside of negative personal effects, there is also a significant global effect on climate change from poorly insulated buildings (19.7% of greenhouse gas emissions); this could be mitigated by improving the energy efficiency of our buildings.

There are also arguments that outside of the obvious benefit of pulling households out of fuel poverty that reducing energy demand will make our businesses more competitive, and that investment in energy efficiency improvements will support jobs across Scotland (around 1,200 full-time jobs for every £100 million spent).

As a result of this, Scottish Government are consulting on a range of proposals for a long-term standard, as well as standards in privately-rented and owner occupied homes. This consultation will lead to a further consultation in 2019. Their overall vision is that **"by 2040, our homes and buildings are warmer, greener and more efficient."**

### **2.0 Background on Scotland's housing stock**

The following tables provide some useful background information on the makeup of Scottish households, the distribution of EPC ratings, the most common fuels used to heat homes and the percentage of homes on the gas grid:

**Percentage makeup of Scottish households (approximately 2.5 million)**

Owner occupied	Socially rented	Privately rented
61%	23%	15%

**Distribution of Scottish households by EPC band by sectors - all and social sector (2016)**

Sector type	A	B	C	D	E	F	G
All	0%	2%	37%	44%	13%	4%	1%
Social	0%	2%	50%	40%	6%	1%	0%

**Percentage of homes on the gas grid (2016)**

On the gas grid	Not on the gas grid
83%	17%

**Fuel used to heat homes in Scotland (2016)**

Gas	Electricity	Oil	Other fuels
79%	11%	6%	4%

**3.0 Proposals, targets and other relevant information**

There are a range of different proposals and targets contained within the consultation. Some of the most relevant ones for local authorities are:

Fuel poor households - EPC requirements	<ul style="list-style-type: none"> <li>All homes with fuel poor households are to reach EPC Energy Efficiency Rating Band C by 2030 and Band B by 2040 (where technically feasible, cost-effective and affordable to the public purse)</li> </ul>
Greenhouse gas emissions	<ul style="list-style-type: none"> <li>Our ambition is to reduce total greenhouse gas emissions by at least 80% on 1990 levels by 2050</li> <li>Reduce emissions from Scotland's buildings by 23% and 59% for domestic and non-domestic buildings by 2032 respectively on 2015 levels</li> </ul>
Legislation - new and potential	<ul style="list-style-type: none"> <li>A Fuel Poverty Bill, due to be introduced to Parliament in June 2018, will set out the new statutory target: to eradicate fuel poverty by</li> </ul>

	<p>2040 and will require that Scottish Government reports to Parliament every four years. This will include three indicators to measure progress against:</p> <ol style="list-style-type: none"> <li>1) the removal of poor energy efficiency as a driver for fuel poverty</li> <li>2) the reduction of the overall fuel poverty rate to less than 10% by 2040</li> <li>3) ensuring that the median household fuel poverty gap is no more than £250</li> </ol> <ul style="list-style-type: none"> <li>• We have committed to develop, if appropriate, a wider Energy Efficient Scotland Bill for later in this Parliament</li> </ul>
Local authorities - potential new roles and powers	<ul style="list-style-type: none"> <li>• The requirement for local authorities to develop Local Heat &amp; Energy Efficiency Strategies to determine objectives and design delivery programmes, for the improvement of energy efficient and decarbonisation of heat supply in buildings, to help building owners meet these standards</li> <li>• What are your views on whether the Long-Term Domestic Standard should be enforced at a local or national level? (Q17) - it has been proposed that local authorities may be the appropriate body for enforcing the minimum standards in the private sector</li> <li>• Giving local authorities powers to regulate the development of district heating in their areas, including powers to consent development, and powers to require public bodies to provide information regarding their heat supply with a view to connecting to district heating networks</li> </ul>
Non-domestic buildings	<ul style="list-style-type: none"> <li>• We intend to build on the current regulations with a phased expansion over twenty years so that all buildings are covered by the regulations by 2040. We hope that all public sector buildings will meet their benchmark ahead of 2040, and are working to establish an accurate non-domestic baseline on energy efficiency (Scotland has around 20,000 buildings in public ownership)</li> </ul>
Owned occupied properties	<ul style="list-style-type: none"> <li>• We will consider whether mandatory action is needed from 2030 to require owner occupiers to improve their homes to EPC C by 2040 (where technically feasible and cost-effective)</li> </ul>
Private rented sector properties	<ul style="list-style-type: none"> <li>• We propose that private rented sector properties reach the Long-Term Domestic Standard of EPC C by 2030</li> </ul>

#### 4.0 Consultation questions

1. What are your views on our proposal for owner occupied and private rented properties to achieve the Long-Term Domestic Standard EPC Energy Efficiency Rating Band C by 2040 at the latest?
2. Do you think we should allow for situations where a lower standard is acceptable?
3. Do you think we should allow for situations where a longer period for improvement is allowed?

4. We are proposing that the definition of a cost-effective measure is that it should payback over its lifetime. What are your views on this definition?
5. What are your views on the issue of air quality in relation to the Long-Term Domestic Standard?
6. The EPC Rating of a property can be affected by changes to the underlying methodology and to fuel price data. How do you suggest that the Programme takes account of this in setting the Long-Term Domestic Standard?
7. What are your views on the proposal that all PRS properties meet EPC Energy Efficiency Rating Band C by 2030?
8. What are your views on our proposal for an initial period of encouraging action?
9. What information would be useful for householders to be able to access on how to achieve EPC Energy Efficiency Rating Band C before 2030?
10. What are your views on our proposal to follow this initial period with mandating action?
11. What are your views on our proposal that 2030 is the right point to start mandating action to achieve EPC Energy Efficiency Rating Band C?
12. What are your views on our proposal for owner occupied properties to be subject to penalties for non-compliance?
13. What are your views on requiring all types of accommodation to meet the Long-Term Domestic Standard over time?
14. Please provide your views on our proposal that all homes with fuel poor households are to reach EPC Energy Efficiency Rating Band C by 2030, where technically feasible and cost-effective?
15. Please provide your views on our proposal that all homes with fuel poor households are to reach EPC Energy Efficiency Rating Band B by 2040, where technically feasible, cost-effective and possible within limits affordable to the public purse?
16. In addition to what we have set out in paras 46 - 50, what should the Energy Efficient Scotland Assessment Short Life Working Group also consider?

17. What are your views on whether the Long-Term Domestic Standard should be enforced at a local or national level?
18. Are there specific building characteristics you consider should be included in research to ensure that future improvement targets reflect the diverse nature of our non-domestic building stock?
19. What are your views on the way calculated energy use from building assessments are presented and/or benchmarked?
20. What are your views on the proposed planned work to review improvement targets?
21. What are your views on our proposals for phasing the regulations from 2020?
22. Should advice and support to invest in the energy efficiency of industrial or manufacturing buildings align with wider advice and support on how to reduce energy consumed for productive processes?
23. What more could the Scottish Government do to encourage the public sector to accelerate energy efficiency across their building stock?
24. What more could the Scottish Government do to encourage the public sector to accelerate heat decarbonisation across their building stock?
25. What additional data would help building owners in the delivery of the Energy Efficient Scotland Programme? How would this be used?
26. What additional data would be helpful to others in the delivery of the Energy Efficient Scotland Programme? How would this be used?
27. We will investigate the benefit in providing new online resources or tools to support building owners to access and use data to help them improve their properties. What particular types of resources or tools would you find useful and why?
28. In addition to the above, we welcome any specific comments or observations you may have on the future use of the data that is gathered from energy assessments.
29. What are your views on the implementation and enforcement of existing legislation relating to energy efficiency and heating of buildings in Scotland?
30. What changes may be needed (if any) to this existing legislation to ensure that the Scottish Government, local authorities, and any other relevant bodies or persons, have the powers and duties necessary to support the Energy Efficient Scotland Programme?

31. What other elements of the programme may require new or amended legislation to enable the Energy Efficient Scotland Programme to operate?

32. Which organisation(s) should be responsible for delivering any new legal requirements?

## 5.0 APSE Comment

APSE would encourage our members to respond to the above consultation on the long-term future of energy efficiency in Scotland. While it is clear that commendable progress has been made towards eradicating fuel poverty, APSE supports this latest action taken by Scottish Government. APSE also supports the enhanced role for local authorities that some of these proposed changes could mean, many of which are exemplary in their provision of low-cost energy to residents and cutting edge renewables projects with significant community benefits.

There will always be areas of uncertainty over long term plans such as this one. For example, the paper notes that “a Fuel Poverty Bill, due to be introduced to Parliament in June 2018, which will set out the new statutory target: to eradicate fuel poverty by 2040.” and in the next paragraph “The draft Fuel Poverty Strategy will set three indicators to measure progress against this target” one of which is “the reduction of the overall fuel poverty rate to less than 10% by 2040”. These 2 targets are a clearly incompatible and possibly reflects the difficulties expected in ensuring the entire housing stock can meet the highest standards. Technology to ensure properties are warmer, greener and more efficient is developing at pace and local authorities must keep abreast of changes to make sure that assets that will be in place for many decades are not left to deteriorate when solutions are available.

APSE regularly holds a [Scottish Renewables and Energy Efficiency advisory group](#) where best practice is shared and debated amongst our membership. To sign up for future meetings, please call 01698 459051 or complete [this online form](#) on our website - [www.apse.org.uk](http://www.apse.org.uk).

APSE also runs APSE Energy, a bespoke Local Authority Energy Collaboration which is a partnership developed by member authorities which looks to leverage and maximise the opportunities afforded to local authorities by working together on a national scale in the green agenda. For more information on APSE Energy and to read some of our latest publications, [please click here](#).

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