

# The review of EESSH2: bringing the standard in line with net zero

APSE Scotland Building and Housing Services Seminar

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# Background

- One of the biggest challenges Scotland faces in tackling climate change is decarbonising our homes and other buildings.
- To meet the buildings sector emissions envelope in the Climate Change Plan:
  - all 170,000 homes off the gas network that use oil or LPG must be converted to non-fossil fuel heating systems by 2030;
  - at least 1 million homes on the gas network must be switched to non-fossil fuel heating systems by 2030;
  - major progress must be made in the challenge to upgrade the energy efficiency rating of 1.3m homes to the equivalent of EPC Band C by 2033
  - post-2030, the remaining 1.2 million homes will require conversion in order to meet net-zero targets



# Energy Efficiency Standard for Social Housing (EESH)

- The Energy Efficiency Standard for Social Housing (EESH) was established to help remove poor energy efficiency as a driver for fuel poverty and contribute to achieving the Scottish Government's ambitious climate change emissions reductions targets.
- Recognising that EESH2 was not aligned with net zero the Scottish Government confirmed in June 2022 that a review of EESH2 will commence this year for completion in 2023.
- The Scottish Government has, with the social housing sector, established a [new group to review EESH2](#)
- The review group includes social landlords, technical experts and tenants representatives
- Aim to agree a new milestone to replace the 2032 target, which is aligned with the 2045 net zero target
- Also ensure a fair transition that is fair to everyone and leaves no one behind



## Achievements and Reporting to Date

- The social housing sector has already made considerable progress towards more energy efficient homes through the work done to meet EESSH1, but there is more to do to get to net zero, and there is a particular challenge for the sector's current reliance on natural gas as a fuel.
- The latest report on the Scottish Housing Charter states that 88% of homes are compliant with EESSH<sup>2</sup>
- There are approx. 600,000 homes in social rent in Scotland. The social housing sector has shown strong leadership on improving fabric energy, with 56% of social housing rated EPC C or better in 2019<sup>1</sup>, putting the sector in a position to champion zero emissions heat measures in the most efficient parts of its stock.

*1 2019 Scottish House Condition Survey (SHCS). This is the most recent SHCS data, because the physical survey was suspended in 2020 due to the pandemic. The 2021 survey will be published in February 2023*

*2 Compliance has dropped from 89% to 88% in the previous year. It is more likely that the reduction reflects improvements in landlords understanding of and the quality of their stock*



## What happens while we have the review?

- The EESSH2 2025 and 2032 milestones have been put on hold temporarily (next slide), pending the review, to ensure that any investment is targeted toward long-term solutions that deliver net zero and support the eradication of fuel poverty.
- We have issued and published [Interim Guidance for Social Landlords during the review of EESSH2](#)
- Whilst the review is underway social landlords should continue to invest in energy efficiency measures to help reduce running costs, and in zero emissions heating systems where appropriate.
- Housing Associations and local authorities should continue to draw on support available for example through the Social Housing Net Zero Heat Fund



## What does “temporarily put on hold” mean?

- EESSH1 target still applies (through SHQS)
- Landlords are not required to show progress towards EESSH2 milestones
- SHR has paused collection of EESSH2 data until 24/25 year
- Landlords should continue to collect data on EPCs and investment for their own use
- Where investment is possible, guidance on prioritisation
- Guidance/case studies on investment will be developed



# EESH2 Review – so what's happening now?

## Review Group:

- Meeting quarterly
- Strategic direction
- Decisions on the new standard

## Subgroups:

- Just Transition, Metric and Heating System
- Measures and Finance
- Fabric and Hard to Treat
- Gypsy / Traveller Sites

## Research:

- Review of archetypes in social housing in Scotland
- Case studies

## Support:

- SHNZHF
- Green Heat Finance Taskforce
- Potential Social Housing Support Unit



**Thank you.**

**Questions?**

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