

Response ID ANON-7R6N-GS24-D

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

Submitted on **2018-07-26 23:41:33**

1. The Domestic Sector

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?

Question 1: What are your views on the proposed target to maximise the proportion of social housing meeting EPC Band B by 2032?:

The proposal would be acceptable if all the points below are considered:

EPC assessment vs Real world:

The EPC system is not currently fit for purpose to be used to allocate or provide access to energy efficiency scheme funding. At the survey level, there are clear issues with anomalies and bias in the production of EPCs, as well as issues with the underlying calculations. An improved EPC system would require additional training to ensure that anomalies are reduced and an auditing system, referenced to standards, to remove bias.

EPCs do not consider the repair of the property or the age and condition of heating and insulation and often assume insulation where it cannot be directly assessed. These can have a greater impact on energy efficiency than the type of system. For example, a property that is very damp from a roof leak will require much more heating, especially in an area with high wind, than a dry property at a similar level. Similarly, badly installed wall insulation with a major cold bridge, a heating system that does not work efficiently or assumed wall insulation that is not present will make a property cold even if the EPC level is high. These are all typical issues facing our clients in fuel poverty; if the standard is aiming to reduce fuel poverty through improved energy efficiency, property repair must be considered.

Also, of note for remote rural areas, EPCs do not take account of the impact of local weather, such as driven rain or wind chill. Once again, these often adversely affect the energy efficiency of island properties. Either the reduced SAP methods used in EPCs should include these factors or a local weighting should be added at allocation level; the first is preferable as the second is more open to non-evidence-based interpretation.

Real world needs for householders:

There is a brief mention in Ch1 of route-map of repairs; this is very important as previously mentioned, it can have a significant impact on energy efficiency as well as health. For example, dampness in a property has been directly correlated with worsening respiratory problems. This is directly related to energy efficient ventilation, where loss of heat is minimised. It would be sensible to include Mechanical Ventilation and Heat Recovery systems or systems with air conditioning features (such as Air-to-Air heat pumps) within the future schemes, particularly for traditional properties with hard to treat damp issues. Such systems can have a greater impact than passive ventilation but would involve additional installation costs.

Installed measures also need to be correct for the property. Traditional buildings and retrofits may require more specialist materials or methods of installation. To avoid cold bridges and condensation the full envelope of the insulating later and dew point/ventilation of external facing surfaces need to be taken into consideration.

It needs to be understood that installation costs in rural and island areas are typically much greater than in urban areas, due to a smaller supply chain, higher material costs and additional transport costs. In addition, remote properties are often more exposed and require a higher level of maintenance than urban properties. This means multiple measures are typically required for rural properties to reach a higher level of efficiency; in current schemes this can require greater contribution from householders whilst expected savings can be overly optimistic. This particularly impacts fuel poor households, who cannot afford to contribute to installation and so only have partial energy-efficiency measures installed. It must be accepted that rural properties will require an increased spend to meet the same standards, particularly when the household is in fuel poverty. The quoted average figure of £3500 is unrealistic for island areas.

There is also a need to ensure transparency and clarity about the installation costs of installation across both the national and local schemes, particularly when there is a potential cost to the householder.

Real world needs for funding allocation:

To most effectively allocate funding for 'difficult-to-treat' properties, additional information will be needed during the survey stage. Additional needs such as roofs repair and replacing double glazed windows should also be included, whilst listed and traditional buildings may require special treatment. As previously mentioned, island and rural properties will require greater allocation to reach the same efficiency levels.

Additional funding to Local Authorities is welcome but funding non-Local Authority organisations should be also considered. In some areas it would be more efficient to fund established community organisations which already have integrated support services for energy efficiency and fuel poverty reduction. In addition, such organisations can provide independent advice for social housing clients.

Local issues around the structure of the grid and restraint of renewable energy generation have been especially important in areas like Orkney that produce over a 100% of the energy needs. It the antithesis of energy efficiency that nationally funded schemes should be installing biomass or oil boilers rather than electric heating, such as ASHPs, in an area with excess renewable electricity generation. Schemes should therefore take both the local and future energy situation into account when suggesting heating measures.

Quality Assurance of surveys/installations:

Locally the need for PAS-2030 accreditation has not been helpful and has seemed inefficient. Many firms would not commit to the accreditation costs and time as they had plenty of private house building and Warmer Homes Scotland jobs, which did not require PAS-2030. More widely used accreditation options may be preferable.

The local HEEPS-ABS scheme does not appear to have had a clear Quality Assurance procedure for assessing installation quality. Assessment of installation

costs and service levels of local contracted companies is a necessity. Local Authorities should be encouraged to have more contractual power to ensure cost-effectiveness and good service levels are met, through transparent allocation of funds for specific measures, service level feedback from householders and processes in place to act where cost-effectiveness and good service is compromised.

As previously mentioned, standardised training and quality assurance for EPCs and any additional survey work is recommended to ensure quality is maintained and that EPC levels have improved. However, there is a need to know not just that EPC levels have improved, but that measures have had a positive impact for householders, particularly in fuel poor households. Simple client feedback is ideal.

Exceptions to the proposed Programme Long-Term Domestic Standard (private rented and owner occupied homes)

2 Do you think we should allow for situations where a lower standard is acceptable?

Yes

Please explain your answer, giving examples. :

This clearly depends upon the validity of the standard, hence please see the comments in question 1 about issues with using the EPC as a base measure. It also depends upon what is deemed "cost-effective" (question 4), which type of properties are "difficult to treat" and how funding will be allocated based upon these variables.

Many properties in rural areas, including Orkney, are likely to be deemed difficult to treat and will require specialist survey information and more expensive, specialist materials to effectively implement an improvement to energy efficiency.

These difficulties should either be planned into the funding such that additional costs to bring properties up to band C would be covered for rural homes as well as combining EPCs with actual measurements of energy use to assess the efficacy of the installed measures. It would be grossly unfair if rural properties were not brought up to the same living standard, especially because they are generally less efficient as a baseline.

However, it may be that certain listed properties may not be brought up to standard without damaging heritage features, even with the use of specialist materials; in this situation it may be acceptable to lower the standard. A more specialised stream with more flexibility on standards and greater support from other agencies (such as Historic Environment Scotland) could be an option for listed buildings, although this should not unduly disadvantage those living in listed properties.

3 Do you think we should allow for situations where a longer period for improvement is allowed?

Yes

Please explain your answer, giving examples.:

This very much depends upon how the period for improvement is enforced (questions 8-11). Many properties in rural areas are hard to treat and difficult to reach, especially on small islands, so logistics can make survey and installation a slow process. In addition, the number of available contractors is also limited, causing supply chain issues. In these situations, longer periods may be required to complete works.

Technically feasible and cost-effective

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?

4. We are proposing that the definition of a cost effective measure is that it should pay back over its lifetime. What are your views on this definition? :

"Over its lifetime" is too vague; a shorter period aligned with other standards would be better (e.g. 10 years). However, a shorter period should not exempt difficult to treat properties from having expensive work completed, especially in cases of fuel poverty.

To assess cost-effectiveness in these situations, it would be important to measure direct impacts on the householder; in other words how measures have reduced their bills, improved warmth in the house and impacted their wellbeing. Although this will involve more administration than updating an EPC, it is important for quality assurance of the work and effectiveness of the funding. In other words, increasing EPC energy efficiency levels are merely a means to an end; it is improving quality of life for the householder that should be the primary requirement of the schemes. For this it is critical to have feedback and/or data directly from the householder, which would not seem unduly invasive in exchange for fully funded installations.

As has already been discussed in question 2, additional funding should be built in to bring "hard-to-treat" properties up to standard. These are very likely to be fuel poor properties with repair needs and few financial resources; in these situations, there is always a "technically feasible" solution but it is likely to require greater investigation and grant funding to treat. Energy efficiency schemes should therefore be more closely linked to council Schemes of Assistance, such that, where a household is below tolerable standard, full repairs are enacted as a preferred option through financial assistance from energy efficiency schemes. Where it would be more cost-effective to rehouse a homeowner, especially when vulnerable, it should be stressed that this action is proportional, their human rights are protected and they are empowered to exert these rights.

Air Quality and the Long-Term Domestic Standard

5 What are your views on the issue of airquality in relation to the Long-TermDomestic Standard?

5. What are your views on the issue of air quality in relation to the Long-Term Domestic Standard?:

Ventilation in properties is extremely important and should be included within any funding that upgrades heating, insulation and draughtproofing. However, it depends upon how this will be implemented, since passive ventilation or extractor fans (the cheapest option) are not always sufficient whilst mechanical ventilation and heat recovery systems are less common, more expensive and require specialist training to install. Putting in place standards for domestic ventilation and funding ventilation installation within the schemes could avoid future issues of reduced air quality linked to the installation of other measures, as

discussed in question 1.

It must be noted that, although external air pollution is not usually an issue in rural areas, positioning of ventilation within urban areas will require assurance that drawn air is not unduly polluted.

Note also that current grant schemes do not fund the installation of Air-to-Air heat pumps. These are not only much cheaper to install than air-water heat pumps, but also reduce moisture levels within a property and have been, in our experience, cheaper to run in a well draughtproofed property. Although these would not remove the need for passive ventilation, they can improve the air quality for some properties, including those with issues of external pollution.

Using EPCs for 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?

5. 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 Residential standard? :

Fuel price is clearly important for rural properties that not only have higher unit costs for solid fuel and electricity, but also include additional expenses connected to supply and access for islands. For example, fuel price increases for oil and solid fuel in winter; this greatly affects fuel poor properties, which will typically use greater amounts of fuel (or restricting usage) during winter. Fuel prices should therefore be regional, with additional cost included for remote areas.

As has been discussed in detail in question 1, the current EPC methodology is not fit for purpose. Any improvements to the methodology must be associated with updates to standardisation, training and quality assurance of surveys. Improvements to methods should include inclusion of state of repair of a property, the impact of local weather conditions (especially where extreme) as well as a means to include real life costs (and therefore savings after installation) to keep the property at an adequate level of warmth. It remains to be seen how these would be included in a Long-Term Domestic Standard, but they are imperative to make a real difference to fuel poverty.

Support for 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?

6. What are your views on the proposal that all PRS properties meet EPC energy efficiency band C by 2030? :

It seems like an ambitious target and a relevant one given that ~80% of property rentals in Orkney fall into this category. There appears to be an initial framework at present for private landlords who do not adhere to EPC property standards but adherence will very much depend on cost/benefit to the landlord and enforcement of penalties as a result of noncompliance.

Owner occupied

Owner Occupiers: Encouraging Action

8 What are your views on our proposal for an initial period of encouraging action?

8. What are your views on our proposal for an initial period of encouraging action?:

A firmer approach is needed, with mandatory action required earlier. A staged approach to penalties and an initial period of additional financial support could encourage an accelerated uptake of improvements. However, there should be greatest support where there are financial or other barriers to uptake, for example in fuel poor households.

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?

9. What information would be useful for householders to be able to access on how to achieve EPC energy efficiency band C before 2030?:

Where properties are required to retrofit energy efficiency measures, recommended installations need to be better tailored to the individual property and its regional context. For example, a property may gain better efficiency from draughtproofing, repair or removal of a cold bridge than from installation of additional loft insulation, particularly in an area that has high wind speeds and driven rain.

Greater clarity on who decides and allocates grant funding would also be helpful to ensure a householder understands who to contact. For example, local schemes may be managed by a specific company even if funding is controlled by the council, whilst many homeowners do not realise that Home Energy Scotland are the primary contact for national schemes. Similarly, the contact process needs to be clarified for tenants and landlords accessing both national and local schemes.

Owner Occupiers: Mandatory Action

10 What are your views on our proposal to follow this initial period with mandating action?

10. What are your views on our proposal to follow this initial period with mandating action?:

See our answer to question 8.

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?

11. What are your views on our proposal that 2030 is the right point to start mandating action to achieve EPC energy efficiency band C? :

No, earlier – See question 8. There are now regulations in place that cover England and Wales that require owners to reach EPC band E by 2020. Including the necessary guidance to be able to achieve this. A staged approach is probably the most realistic option raising the band when a suitable number of properties have achieved the first benchmark target. Since Scotland's targets are more ambitious action must be initiated sooner.

12 What are your views on our proposal for owner occupied properties to be subject to penalties for non-compliance?

12. What are your views on our proposal for owner occupied properties to be subject to penalties for non-compliance?:

Penalties for non-compliance will be required, but more information is required about how they will be implemented. Enforcement will require additional funding and feedback from an improved monitoring and evaluation programme. However, there must be considerable flexibility to avoid additional hardship for those in vulnerable households or who are unable to pay for measures.

Homes outside of the existing mandatory EPC process

13 What are your views on requiring all types of accommodation to meet the Long-Term Domestic Standard over time?

Please explain your answer, giving examples of accommodation you think should/should not be required to meet the Long-Term Domestic Standard if relevant.:

Yes most should but the emphasis should be on domestic properties. Holiday let accommodation should not be eligible for improvements as this could reduce improvement funding for longer term occupants. However, it would also be prudent to include static caravans that are not designated as "park homes", since clients in fuel poverty who live in a static cannot currently access any funding for heating or insulation. There may also be cause for a special case involving properties on farming estates where the accommodation on the estate is below standard but fuel poverty is not immediately apparent. See also comments in questions 2 and 3.

Higher targets for Fuel Poor Homes

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?

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? :

As described in question 4, improvements should always be technically feasible and cost effective for fuel poor properties.

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?

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?:

As mentioned in question 11 this will most probably require a staged approach. It is correct that plans should include additional targets such as Band B by 2040. It will also require to be laid out what is 'technically feasible, cost-effective and possible' based on local feedback rather than a centralised average.

The role of Assessment to support the Domestic Energy Efficiency Standards

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?

Please explain your answer.:

Specific issues with the EPC methodology have been outlined in question 1. To summarise, training should be combined with improved standards and quality control processes to ensure bias and anomalies are minimised. Property repair, local weather conditions and local fuel prices should be included to ensure an accurate understanding of property efficiency. Real-world costs and savings should also be included in the process to ground the EPC model on real life experience. Since scheme funding allocation will be based on the EPC, it is essential that the model reflects actual savings, especially for those in fuel poverty.

Compliance and enforcement of the Long-Term Domestic Standard

17 What are your views on whether the Long-Term Domestic Standard should be enforced at a local or national level?

Please explain your answer.:

The standard would be most effectively enforced at a local level, but this will require provision of procedures and standards as well as auditing of local implementation at the national level. It would also be prudent to provide processes for non-Local Authority organisations to input into the process, including any local issues with enforcement.

2. The Non-Domestic Sector

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?

Don't know

If so, please set out what these are and why they should be considered.:

Non-domestic properties were considered but it was decided that these were outside the remit of our organisation.

19 What are your views on the way calculated energy use from building assessments are presented and/or benchmarked?

We are particularly interested in what arrangements you favour and how you think they would be useful.:

20 What are your views on the proposed planned work to review improvement targets?

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?

21. What are your views on our proposals for phasing the regulations from 2020?:

The Programme for industrial users of energy

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?

Not Answered

If so, please suggest how improving efficiency in building and 'process' energy could work together, and what opportunities and challenges might this present?:

Public Sector Buildings

23 What more could the Scottish Government do to encourage the public sector to accelerate energy efficiency across their building stock?

23. What more could the Scottish Government do to encourage the public sector to accelerate energy efficiency across their building stock?:

Funding initiatives, improving access to properties to make changes, introduce the 2040 standards sooner for Local Authority housing stock, sharing of knowledge between local authority areas including flagship examples.

24 What more could the Scottish Government do to encourage the public sector to accelerate heat decarbonisation across their building stock?

23. What more could the Scottish Government do to encourage the public sector to accelerate heat decarbonisation across their building stock?:

Carbon tax/tariffs and applicable 'green' certificates, confidence in investing in newer solutions as traditional carbon heavy technologies are still the most cost effective. Make electricity tariffs fairer throughout Scotland. The high cost of electricity and other fuels in rural areas directly impacts fuel poverty levels.

3. The Programme and use of EPC data (Domestic and Non-Domestic)

25 What additional data would help building owners in the delivery of the Energy Efficient Scotland Programme? How would this be used?

25. What additional data would help building owners in the delivery of The Programme? How would this be used?:

As mentioned in question 1, installation costs can be much greater in rural areas. Household owners would gain from:

- Accurate local costs for the installation of measures
- A list of which installers are contracted by the local/national grant schemes
- A list of which installers are eligible for other grant/loan funds (e.g. ECO funding/HES loan)
- Customer service feedback from previous clients
- Results from QA audits of surveyors/installers
- Clearer information on grant eligibility and amounts available

Open access to this information would provide much more confidence in the schemes.

26 What additional data would be helpful to others 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 Programme? How would this be used?:

There are many data resources available as online maps such as the energy heat map and gazetteer for Scotland, as well as open access EPC pdfs. However, it would be more useful to access the numerical data on household energy use, property position and EPC data. This could be used to prioritise inefficient/high energy use properties, streamline service provision and simplify comparison on energy efficiency data to ensure that measures have made an impact. However, the national databases hold a great deal of information about a household and a balance between data privacy for householders and the ability to implement effective interventions must be found.

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?

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? :

As described in question 26, but specifically extending access of national databases to local third sector organisations, upon agreeing to data protection procedures. To ensure the protection of vulnerable clients, we would not recommend extending this to the private sector.

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.

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:

4. Potential legislative provision to support the Programme

29 What are your views on the implementation and enforcement of existing legislation relating to energy efficiency and heating of buildings in Scotland?

29. What are your views on the implementation and enforcement of existing legislation relating to energy efficiency and heating of buildings in Scotland?:

Our primary interaction has been with the national and local schemes for upgrading the energy efficiency of properties. As previously mentioned, all schemes have not included funding for repairs, ventilation or air-to-air heat pump system, which we would suggest could make dramatic, real-world improvements to the energy efficiency of properties.

The Warmer Homes Scotland scheme has generally been well implemented in our experience with relatively good quality assurance of installation measures, with some minor issues around distant management of the local supply chain. There have also been restrictions on full installations for several fuel poor properties since the grant funding has not been able to fully cover heating, wall insulation and draughtproofing.

Although assisting many clients, the HEEPS-ABS has been less well implemented locally. A single managing agent has meant less competition for funding, translating into issues with cost and customer service. In addition, the connection of multiple funding sources (ECO, Warm Homes Fund) has led to opaque processes over eligibility and cost for the homeowner, whilst a lack of quality assurance has led to issues over installation quality. As previously mentioned in question 1, local authorities would gain from greater control to provide more transparency for the householder as well as ensuring a higher quality of work.

We have not had direct interaction with the HES loan, although there do seem to be issues with finding accredited local installers to complete insulation work.

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?

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 Programme? :

As mentioned in question 29, local authorities already have powers and duties to ensure quality in local scheme installations. If further powers are needed this should be granted.

In addition, changes to electricity supply legislation may be needed. Populations in rural areas pay disproportionate amounts for electricity and often don't have access to a local gas grid for cheaper fuel. As a result heating oil is the default method for heat which is carbon heavy and also at a cost premium. Legislation surrounding the electricity market makes it very difficult/impossible to come up with alternative solutions. Innovative solutions come with additional cost and risk so there is understandably hesitance to fit these as a replacement for fossil fuels or electricity.

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

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?

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

Scottish Government, OFGEM and Local Authorities .

About you

What is your name?

Name:

Michael Butler

What is your email address?

Email:

michael.butler@thaworkney.co.uk

Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:

THAW Orkney

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

Evaluation

Please help us improve our consultations by answering the questions below. (Responses to the evaluation will not be published.)

Matrix 1 - How satisfied were you with this consultation?:

Very satisfied

Please enter comments here.:

Matrix 1 - How would you rate your satisfaction with using this platform (Citizen Space) to respond to this consultation?:

Very satisfied

Please enter comments here.: