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Developing an Energy Efficiency Standard for Social Housing: Analysis of Consultation Responses



**DEVELOPING AN ENERGY EFFICIENCY STANDARD
FOR SOCIAL HOUSING:
ANALYSIS OF CONSULTATION RESPONSES**

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1 EXECUTIVE SUMMARY

Key findings

- There were 86 responses to the consultation: 49% from the housing association sector, 26% from the local authority sector, 12% from the private sector; 10% from other organisations; and 3% from individuals. The housing association, local authority and individual respondents typically answered all/most of the questions in the consultation.
- Sixty-four per cent of all respondents (76% of those answering the question) thought that improving energy efficiency was a priority for tenants. In particular, respondents thought that tenants were concerned about rising fuel prices and affordable warmth at home.
- Seventy-four per cent of all respondents (90% of those answering the question) considered the modelled case studies helpful, and 65% of respondents (85% of local authorities and 71% of housing associations) felt that additional case studies covering other house types, including hard to treat, multi storeys, and non-traditional properties, would also be useful.
- Fifty per cent of all respondents (72% of those answering the question) felt that the further measures indicated for EESSH for 2020 and advanced measures indicated for EESSH for 2050 were realistic and achievable, although some difficulties might be encountered (typically in off-gas areas and conservation areas/listed buildings).
- Only 37% of respondents agreed with the proposal to adopt an Environmental Impact (EI) measure of energy efficiency (that is, 46% of those answering the question). Many preferred the Energy Efficiency (EE) rating, which has been used for Scottish Housing Quality Standard (SHQS); it was familiar to landlords, and was considered relevant to tenants' concerns about energy use and fuel costs.
- Fifty-nine per cent of respondents considered the ratings targets set for the main property types suitably challenging, with many noting that the 2020 measures were reasonable, achievable and affordable. However, only 22% of all respondents (33% of those answering the question) agreed with the suggested target proposed for unusual properties, with many respondents concerned that the target would be unaffordable.
- Fifty-six per cent of all respondents (81% of those answering the question) were of the view that, given the sources of funding available, the standard could not be achieved at a reasonable cost. Key concerns were about unusual stock types, multi-storey flats, properties in off-gas areas, and properties in listed buildings/conservation areas. Concerns were also expressed about levels of funding and changes in the structure of funding (from grants to loans, and from payments to landlords to payments to householders), that served to increase uncertainty.
- Fifty per cent of all respondents (75% of those answering the question) would welcome the Scottish Housing Regulator (SHR) monitoring the standard. This was seen as a continuation of the role currently undertaken with respect to the SHQS. Forty-eight per cent of all respondents (82% of those answering the question) identified additional costs associated with monitoring: typically staff costs, IT systems and development and maintenance of databases. There was a

view among many respondents that, unlike the SHQS, the standard would require a 100% stock database though some respondents had undertaken/planned to undertake a 100% stock survey and had a viable asset management database. Several respondents suggested reviewing this requirement and/or considering the option of permitting cloned data, at least in the interim.

- Fifty-nine per cent of all respondents (93% of those answering the question) agreed with proposals to set regular milestones to measure progress towards 2050. Typically respondents agreed that these milestones should be set every ten years; with the possibility of additional milestones in the run up to 2050 if progress towards the target was poor. Fifty-six per cent of all respondents (80% of those answering the question) agreed that the setting of the longer-term milestones should be deferred until progress towards 2020 can be reviewed. However, a number of respondents considered that the interim milestones should be set as soon as possible to facilitate long-term business planning.

Context

- 1 The consultation, which ran until 28th September 2012, sought views on the Energy Efficiency Standard for Social Housing (the standard). This is part of the Government's wider Sustainable Housing Strategy (SHS) which aims to provide for warm, high quality, low carbon homes, and contribute to the establishment of a successful low carbon economy. The standard is designed to improve the energy efficiency of social housing and so help reduce energy consumption, fuel poverty and the emission of greenhouse gases.
- 2 The proposed standard is to establish a minimum Energy Performance Certificate (EPC) rating. The government proposes this will be the Environmental Impact (EI) score, and will be different for different dwelling types and fuel types.

Profile of responses

- 3 A total of 86 responses was received to the consultation, in line with expectations. Most of the responses were from local authorities and housing associations. The other responses were from the private sector, the third sector, representative bodies, other organisations and individuals. Typically, the views expressed in the consultation reflect this general profile of respondents. For the sake of brevity in the reporting, we have only highlighted significant variations from this pattern.

Results of the Consultation

Why is a new standard necessary?

- 4 This chapter looks at the rationale for introducing a new energy efficiency standard, issues related to occupiers and private rented housing, and the benefits to tenants from encouraging energy efficient behaviour. It starts by

addressing the experience that social landlords already have of undertaking energy efficiency measures and acting as 'pioneers' in the field.

- 5 As might be expected, social landlords have wide-ranging experience of implementing energy efficiency measures in their stock: from adopting high eco standards and including renewables in their new build developments; using high grade and innovative products during improvement programmes; and piloting the use of renewable energy sources.
- 6 The target date for achieving the SHQS is 2015. However, it may be the case that not all the stock will be improved by then. Some stock, such as traditional stone tenements, some non-traditional stock and properties in listed buildings/conservation areas are proving disproportionately expensive to improve. Landlords have also experienced difficulties completing improvements in mixed tenure blocks, where owners have withheld consent to works on common parts, especially where the works are disruptive and/or expensive relative to the resale/rental value. Landlords are working hard to resolve these issues, engaging actively with owners, providing information and advice, developing funding packages, and so on.
- 7 The new standard was generally considered relevant to tenants. Most respondents considered that tenants were concerned about rising fuel costs and affording to be comfortably warm at home. However, there were mixed views as to whether tenants would prioritise improving energy efficiency measures: whether they would appreciate the relationship between the measures and reduced energy bills; whether they would use the heating systems well enough to generate savings; and whether any rent increases which might be required to fund the improvements would cancel out any benefits. There were also mixed views as to whether any particular equality group would be disadvantaged by the new standard. Generally respondents thought not, although there were some concerns that some older people and people with disabilities may find the increasingly complex heating systems difficult to use and would need much greater support. There were also some concerns that those on low incomes might be adversely affected by rent increases, should they be necessitated by the improvements.
- 8 A range of measures were suggested to both improve energy efficiency awareness and to help tenants better manage their energy consumption, often based on the respondents' experience of delivering services in-house or in partnership with specialist agencies. These measures covered provision of information, advice and advocacy, awareness raising and use of smart meters and smart controls. It was suggested by some that government and other agencies should provide the bulk of the information and advice as a service to the general public.

Developing the standard

- 9 This chapter looks at how the standard has been developed; the research, modelling work and methodology used; and dealing with hard/expensive to treat properties.

- 10 A set of 23 case studies covering the main social rented sector property types, each modelling four scenarios (a 1990 baseline, measures likely to be installed to meet the SHQS in 2015, further measures at 2020 and advanced measures at 2050) has been produced, with work underway to produce others covering some other property types. The vast majority of respondents considered these case studies helpful; they will provide useful information on the benefits of energy efficiency improvements and inform investment decisions. Generally respondents felt that the right range of property types had been covered by the case studies, but would like further case studies to provide similar information on non-traditional properties (especially no fine concrete constructions), hard-to-treat properties, multi-storeys and timber-frame properties. In addition, case study modelling of properties using different fuel types and subject to planning restrictions (listed/conservation areas) was sought.
- 11 Views were mixed on whether the 1990 baseline was accurate or not: most respondents commented that they did not have sufficient information to assess it. Some were content to accept it in the absence of anything better; others were less so (often because local experience would suggest the baseline was set too high). Respondents were generally in agreement with the proposed improvements set out in the case studies for 2020 and 2050. The majority of respondents consider these to be reasonable and feasible, although some note they would have to be assessed further locally in terms of their affordability. However, their feasibility in some particular circumstances (for example, listed buildings/conservation areas and off-gas areas) was considered doubtful.
- 12 On the whole respondents agreed with the proposal to use the SAP/RdSAP methodology for regulating energy performance. Many landlords have invested in the approach for the SHQS and have already built up an EPC databank, so the continuity was particularly welcomed. A number of improvements to the approach were requested to address shortcomings that had been experienced: the assumptions should reflect local (Scottish) conditions; it should update more quickly to accommodate new technologies and tariffs; and measures must be taken to ensure smooth conversion between versions.

The proposed Energy Efficiency Standard for Social Housing

- 13 This chapter looks at the draft standard; the alternatives that have been considered, and the possible role of exceptions to the standard.
- 14 Only around a third (37% of all respondents, 46% of those answering the question) of the respondents agreed with the proposals to measure energy efficiency in terms of an Environmental Impact (EI) score, which assessed the change in terms of carbon dioxide emissions. Instead, respondents generally preferred Energy Efficiency (EE) ratings. These relate to energy use and cost and were therefore considered more relevant to tenants' priorities and were familiar to landlords from their work on the SHQS. Some measures to improve the EI may result in a deterioration of the EE. There was widespread

agreement that a dwelling's current EE rating should be safeguarded so that improvement measures do not result in a decline in energy efficiency.

- 15 On the whole respondents did not foresee difficulties in obtaining the information required to measure progress against the standard. They are already familiar with the EPCs, which will contain the necessary information; and have built up databases to inform the SHQS. However, these databases typically only cover a sample of the stock; and considerable resources will be required to complete a 100% database, were this required. Many respondents suggested that, at least in the interim, if not in the longer term, a sample and clone approach could be adopted.
- 16 Generally respondents considered the rating targets set for the main property types¹ challenging but reasonable, achievable and affordable. A small number considered they were not particularly challenging and suggested slightly higher SAP ratings in order to ensure the 2050 target was achieved. And a small number felt they were extremely challenging, typically noting that a high proportion of their stock was hard to treat/off-gas/etc. There was a mixed reaction to the proposed energy efficiency rating for electrically heated detached homes and bungalows, which is lower than that for the SHQS. Around a third of respondents (30%, or 43% of those answering the question) felt this rating undermined the SHQS, and commented that standards should be increasing, while around 40% supported the proposal (57% of those answering the question), commenting that it was pragmatic and did not preclude future improvements.
- 17 Generally respondents agreed that all social rented dwellings should be heated by mains gas, electricity or renewables by 2030. This was considered achievable in urban areas, but potentially problematic in rural areas where the costs of conversion and some tenants' preferences for solid fuel were likely to remain a barrier. Some respondents queried whether gas should be considered a sustainable fuel going forward.
- 18 Two alternatives to the standard had previously been considered and rejected. The consultation asked whether either of these should be reconsidered. Only 19% of respondents thought this would be worthwhile. Most of these thought there was merit in having a simple list of measures to be installed in properties. A few favoured a set minimum percentage reduction in the property's energy efficiency rating.
- 19 Respondents largely agreed that the standard should apply to individual homes, rather than be aggregated across the landlord's stock. It was considered that this approach would ensure that all tenants would benefit from improved energy efficiency measures and prevent landlords focusing their efforts on the easy to improve stock. Some respondents suggested an aggregate approach may be necessary for an interim period.
- 20 Respondents generally agreed with the proposed methodology for the stock not covered by case studies (typically harder or more expensive to treat

¹ See extract C3 in Annex C

properties). It was felt that the proposed approach was practical and reasonable, although it could be resource intensive/impractical for landlords with a substantial number of hard-to-treat dwellings. There was not, however, a great deal of support for the proposal that the target percentage reduction be 42% (just 22% of all respondents, 33% of those answering the question). Respondents generally did not feel competent to suggest alternative percentage targets, but a number did suggest that the maximum economically viable reduction for the property would be reasonable.

- 21 Most respondents considered that exceptions to the standard would be required, although on the whole respondents indicated that these should be kept to a minimum and that landlords should be actively reducing/managing the exceptions they have. It was considered that most exceptions would apply to hard to treat properties and a combination of developing approaches designed to treat such properties, together with adequate funding, would be effective in minimising the number and extent of exceptions required. It was also noted that tenant and owner refusals could present some problems delivering the standard.

Financial implications - costs and funding sources

- 22 This chapter looks at the indicative cost of meeting the Energy Efficiency Standard; the potential funding streams available and the financial benefits.
- 23 The consultation document provides a list of the main sources of funding available from the Scottish Government, the UK government and the EU to support energy efficiency work. Respondents generally agreed that this list was comprehensive, with the only other significant source of funding likely to be the landlords' own resources. Most respondents were of the view that, given the range of funds available, the standard could not be achieved at a reasonable cost. They stressed a number of critical uncertainties: in particular, the cost of achieving the standard (indeed, the ratings for potentially the most expensive properties, the hard to treats, have not yet been finalised), landlords have not yet produced cost projections for their own stock; while grant funding levels are not yet known and will be subject to on-going uncertainty at the local level as a result of the changes to the funding regimes.
- 24 Respondents generally welcomed Scottish Government's view that the retrofitting work required for the standard provides an opportunity to advance gender equality in the construction sector, although some tempered this by stressing it should not be at the expense of existing jobs in the sector. A range of measures was suggested, including initiatives designed to improve awareness of the opportunities, particularly among young people; initiatives to encourage more women to take up Modern Apprenticeships and other training; and a series of workplace measures.

Measuring and monitoring progress of the energy efficiency standard

- 25 This chapter looks at the Scottish Social Housing Charter and the potential role of the Scottish Housing Regulator (SHR) and the available data sources for measuring progress towards the standard.

- 26 Most respondents agreed that the Home Energy Efficiency Database (HEED), together with the Scottish House Condition Survey (SHCS), and landlords' returns to the SHR are the main data sources available to monitor the standard.
- 27 The proposal that the SHR monitor the standard was generally welcomed by respondents. This would continue the approach operating for the SHQS and would avoid bringing in a new body to undertake the monitoring. Some concerns were raised about whether the SHR had sufficient technical expertise, although it was suggested this could be addressed; and some respondents were concerned that in the longer-term there was an inconsistency between the active monitoring perceived to be required by the standard and the risk-based performance management approach that the SHR has been adopting.
- 28 Respondents generally considered there were additional costs associated with monitoring. Typically these were: staff time for monitoring and training in new systems; IT costs in systems development and software; and data collection (as outlined above in paragraph 15).

Timescales for the energy efficiency standard

- 29 This chapter looks at further milestones for the standard.
- 30 The vast majority of respondents agree with proposals to set regular milestones to measure progress to 2050. Respondents typically favoured milestones set every ten years (as proposed in the consultation document) or, in some cases, every five years (as per the SHQS). It was suggested that the frequency of milestones may need to be increased towards 2050, particularly if progress to meeting the 2050 target is poor. Respondents also tended to agree that the setting of each milestone should be deferred until progress on the previous milestone could be reviewed. It was felt that this would result in realistic, challenging and achievable milestones; and would ensure that milestones took full account of new technologies and fuel price relativities. However, a number of respondents in their comments noted that the milestones were needed as soon as possible to inform long-term business planning, investment decisions and loan restructuring.
- 31 Finally, the consultation asked if there were any other opportunities within the Energy Efficiency Standard for Social Housing to promote equalities issues. Most respondents indicated that there were none they could think of, although there was potential for equal opportunities issues to arise so these should be actively monitored and addressed. A number of respondents highlighted the relationship between the standard and fuel poverty: it was suggested that further work on the potential impact of the standard on groups at risk of fuel poverty was required, together with a commitment to measures to address resultant disadvantage.

2 INTRODUCTION

- 2.1 This report analyses the responses to the Scottish Government's three month consultation on the Energy Efficiency Standard for Social Housing (the standard), which ran until 28th September 2012.

Background to the consultation

- 2.2 The consultation document was developed with the Sustainable Housing Strategy Group, whose members include leading housing, fuel poverty, environmental and consumer interests. The development process included meetings and a workshop as well as discussion of an early draft of the consultation document.
- 2.3 The consultation was undertaken as part of the development of the Government's wider Sustainable Housing Strategy (SHS) which aims to provide for warm, high quality, low carbon homes, and contribute to the establishment of a successful low carbon economy. The standard is designed to improve the energy efficiency of social housing and so help reduce energy consumption, fuel poverty and the emission of greenhouse gases. The standard will build on the work landlords have achieved in delivering the Scottish Housing Quality Standard (SHQS), and so further improve the energy efficiency of the social rented housing stock.
- 2.4 The proposed Energy Efficiency Standard for Social Housing has been based on modelling work and through consultation with working groups. The proposed standard is to establish a minimum Energy Performance Certificate (EPC) rating, which the government proposes should be the Environmental Impact (EI) score which every social rented dwelling will be required to meet by 2020. The standard will be different for different dwelling types and fuel types.
- 2.5 A baseline energy rating, based on the building type and space heating fuel, has been derived for a set of standard or common building types covering a large majority of the social housing stock, assessed using the Reduced data Standard Assessment Procedure (RdSAP). This will enable the Scottish Government to measure reductions in emissions against the baseline.
- 2.6 It is appreciated that not all dwellings fit with these standard types, and alternative approaches for calculating the standard for non-standard dwellings are proposed.
- 2.7 The purpose of the consultation document was to seek views on the following:
- Work done to date to improve energy efficiency in the social housing sector;
 - Why the Scottish Government thinks a new energy efficiency standard is necessary;

- Options considered for an Energy Efficiency Standard for Social Housing;
- The financial implications of introducing a new standard;
- How progress towards any new standard would be measured and monitored; and
- The timetable for implementation.

2.8 In addition, a series of consultation events were run by a number of stakeholder groups across the country (and supported by Scottish Government). The accompanying equalities impact assessment was published on the Scottish Government website.

The response

2.1 In total, 86 responses were received to the consultation. Respondents have been grouped into five broad categories, drawing on the information provided by respondents to question 4 of the respondent information form (RIF)². The simplified classification into these respondent types was agreed with Scottish Government. The breakdown of those responding is shown on Table 1 and described further below. The organisations within each category are listed in Annex A.

Table 1: Simplified respondent groups

Simplified Category	Number of respondents	Percentage of respondents
Local authorities	22	26%
Housing associations	42	49%
Private sector	10	12%
Other organisations	9	10%
Individual	3	3%
All respondents	86	100%

- **Local authority sector** – Local authorities and representative organisations (Convention of Scottish Local Authorities (CoSLA) and Association of Local Authority Chief Housing Officers (ALACHO))
- **Housing associations sector** – Housing associations and representative organisations (Scottish Federation of Housing Associations (SFHA) and the Glasgow and West of Scotland Forum of Housing Associations (GWSF))
- **Private sector** – Businesses and their representative organisations, such as the Federation of Master Builders and the National Federation of Roofing Contractors

² “Please indicate which category best describes your organisation, if appropriate”. Table B1 in Annex B provides the full results.

- **Other organisations** – Such as third sector organisations, representative organisations for professionals, a statutory body, and other organisations.

- **Individuals**

2.2 Table 1 clearly shows that the bulk of the responses to the consultation were received, as might have been anticipated, from local authorities and housing associations, together with their representative bodies. The next largest group of respondents was the private sector, a number of which were organisations with an interest in environmental products.

2.3 Not all respondents responded to each question. However, with a small number of exceptions – notably questions 30, 24, 25 and 22 – the general level of response was high, typically well over 70%. The overall level of response to each question is shown on table 2. Typically respondents from the housing association sector and the local authority sector answered all or most questions. The response rates from the other respondents varied, with some covering most of the questions, others focusing on key questions of particular interest to their organisation. Typically, the views expressed in the report reflect this profile. For the sake of brevity in the reporting, we have only highlighted significant variations from this pattern.

Table 2 – Response by question

Question	Number of responses	Response rate	Question	Number of responses	Response rate
Q1	76	88%	Q16	68	79%
Q2	65	76%	Q17	73	85%
Q3	70	81%	Q18	71	83%
Q4	80	93%	Q19	76	88%
Q5	61	71%	Q20	72	84%
Q6	62	72%	Q21	70	81%
Q7	71	83%	Q22	57	66%
Q8	76	88%	Q23	73	85%
Q9	76	88%	Q24	40	47%
Q10	70	81%	Q25	48	56%
Q11	74	85%	Q26	70	81%
Q12	74	86%	Q27	62	72%
Q13	61	71%	Q28	66	77%
Q14	64	74%	Q29	67	78%
Q15	71	83%	Q30	28	33%

Methodology

Administration of the consultation

2.4 The Scottish Government circulated the consultation document widely, via its standard circulation list and posted it on their website. In addition, a series of consultation events was supported by Scottish Government policy officials. Respondents were invited to respond to the questions using the

standard questionnaire available on-line. Most respondents used the questionnaire provided. A small number of responses were received in non-standard form – for example as email text, reports and letters; these were analysed where they were accompanied by a RIF. In some cases, consultees' responses did not conform to the questionnaire structure/numbering, or responses on similar topics were given under a number of different questions. The data processing stage sought to collect all the comments and views relating to each question together; so that they could be reported accurately and succinctly.

- 2.5 All responses were received by Scottish Government, given a unique number and passed to Liz Shiel Associates (LSA) for checking and processing. On publication of the report LSA's copies of the responses will be deleted.

Analysis

- 2.6 The analysis was undertaken in two stages.
- 2.7 First the analysis of the responses to the closed parts of each question – the yes/no or helpful/unhelpful components – was undertaken. Those respondents using the questionnaire for their response had a tick box facility for the closed questions. In some cases, respondents did not tick the box (or their preferred variation, such as deleting the unwanted box), but wrote their preference in the comments box below. If the respondent clearly wrote the text of their preference in the comments box, this was included with quantitative analysis. However, if the respondent did not tick the box/clearly state their preferred option, we did not input a value for the closed question based on an interpretation of their comments for that question.
- 2.8 The data were entered into an Excel spreadsheet and around 15% of the inputted data were rechecked for errors. The tables produced from the quantitative data are presented in Annex B, with summary tables incorporated as appropriate throughout the report.
- 2.9 The main focus of the analysis was qualitative, concerned with understanding the range and nature of respondents' views, reflecting the nature of the consultation exercise. An analytical framework was developed, based on an initial review of a cross-section of responses to each of the questions. The analytical framework identified the key themes and issues for each question. This enabled us to set up a matrix for each question within which we were able to systematically read and analyse each response; identifying and exploring the themes, key issues, cross-cutting issues in more detail. The analytical framework was flexible, and could be modified as new themes or key issues emerged as the analysis progresses. In the final stage of the analysis, where appropriate, the information from the quantitative analysis was integrated with the qualitative analysis.

Consultation events

2.10 The consultation was supported by a number of events attended by Scottish Government policy officials. These will be reported separately.

Structure of the report

2.11 The rest of the report is structured as follows

- Chapter 3 contains the summary quantitative data and the emerging themes from the analysis of the consultation responses.
- Chapter 4 contains emerging cross-cutting themes
- Appendices contain a list of respondents and the tables from the quantitative analysis.

3 ANALYSIS OF RESPONSES

- 3.1 This section records the responses received in relation to each question and sets out the emerging themes for each question.

Question 1

Do you have experience, or know of, social landlords acting as ‘pioneers’ in addressing energy efficiency?

Question 1(a)

If ‘yes’, please provide details, including any web links/contact details you may have.

- 3.2 Sixty per cent of respondents said they had experience of, or knew of, social landlords acting as “pioneers”. Most of those providing examples were local authorities or housing associations, although a small number of respondents from the other categories also provided examples. The local authorities and housing associations typically provided examples from within their own organisations, but occasionally they (also) mentioned other landlords’ initiatives. The response from the Energy Savings Trust (EST) noted that it has worked with and/or funded many of the landlords engaged in energy efficiency projects and innovative practice, through programmes such as the Energy Efficiency Design Awards, support to landlords with Carbon Emissions Reductions Target (CERT) and Community Energy Savings Programme (CESP) bids, management of the District Heating Fund, management of the Scottish Renewables Heating Pilot and their research on the Feed-in Tariff. They are therefore well-placed to provide a reasonably comprehensive profile of the work that social landlords in Scotland have been engaged in over recent years.
- 3.3 Some respondents made comments which were more general. A small number of respondents stressed that a key issue here, given that energy efficiency technologies are costly and some have failed in the past, will be to determine the extent to which innovations are capable of being mainstreamed and are replicable. A small number noted experiencing problems with new technologies: one had encountered considerable technical, legal and financial challenges which had prevented it progressing past feasibility stage with new energy efficiency measures; while another had encountered a series of problems post-installation, commenting that the systems were too complicated for some tenants to use effectively and the energy savings were lower than expected.
- 3.4 Most of the responses, however, contained examples of energy efficiency works that landlords have undertaken.
- 3.5 New build: Several respondents highlighted the measures they are taking with their new build stock. One respondent is building to ‘good’ eco standard, another to ‘very good’³, a number are installing solar photovoltaic

³ The EcoHomes standards (good and very good), introduced in 2000, are nationally accredited environmental standards for new build dwellings in the social rented sector.

- (PV) panels, and one mentioned communal biomass for one development. A small number of respondents have Passivhaus developments (full/partial), and Glasgow Housing Association (GHA) has developed the Glasgow House, which is designed to have a low energy requirement (an estimated heating bill of c£100 in 2010 prices).
- 3.6 Multi storeys: A small number of initiatives designed to improve the energy efficiency of multi-storey flats were mentioned – district heating initiatives, a combined heat and power initiative (that covered the residential dwellings and a number of public buildings) and external wall insulation.
 - 3.7 Renewables: A number of respondents mentioned they were piloting the use of renewables or were using renewables in parts of their stock. These included solar PV and thermal, air source heat pumps, ground source heat pumps and biomass (including for use in communal heating systems). A number of respondents also had installed wind turbines; in some cases they noted they were selling on the excess energy.
 - 3.8 Off-gas areas: Landlords in off-gas areas face particular challenges developing cost-effective alternative energy efficient solutions. A number of respondents noted that they are seeking to develop renewables as an alternative to solid fuel/electricity: most mention options such as solar PV, air source heat pumps (ASHP), increased use of biomass and district heating initiatives. One respondent cited a locally-sourced wood-chip, boiler-run system generating electricity and hot water. One respondent noted the high cost of adopting renewable measures, and the importance of maximising the grant/loan funding available.
 - 3.9 Other measures: A number of other measures were mentioned by respondents, including boiler replacements to high efficiency boilers (A grade or higher); use of new boiler controls to make it easier for tenants to use the boiler efficiently; using improved insulation materials; insulation of no fines stock; and working with the EST on projects in mixed tenure developments to ensure good funding packages for owners to maximise the likelihood of the work going ahead.
 - 3.10 Advice and information: Finally, respondents stressed the importance of advice and information for tenants. Several have established dedicated energy advice services, designed to provide advice and support to tenants on their fuel use, finance, reducing their energy costs (including tariff and service provider switching); and making the best use of new systems. In some cases this last point is crucial, as tenants may not fully understand the complex controls on the new heating systems, and are therefore not able to use the system effectively. Most noted that such services are highly beneficial but costly, and that resources for the services are now limited.

Question 2

For landlords, what is the greatest cause of SHQS exemptions in your stock? Is there anything that the Scottish Government could do to assist in reducing exemptions?

- 3.11 Respondents identified three main reasons for failing to achieve SHQS improvements: exemptions due to technical/cost issues relating to specific properties/types; abeyances due to difficulties completing improvements in mixed tenure blocks; and abeyances due to tenant refusals. Those responding to the question were typically local authorities and housing associations, although a small number of responses was received from other organisations as well.
- 3.12 A number of landlords mentioned exemptions, or expected exemptions, relating to specific types of property: typically traditional stone build tenements and multi-storey flats. These properties present particular problems in achieving the SHQS energy efficiency standard, and a number of respondents noted concerns that they would not be able to achieve the proposed standard.
- 3.13 The problem mentioned most often, and sometimes mentioned as the main or one of the main causes of failure to undertake improvements, was completing work in multi-tenure buildings. The types of works affected included controlled door entry systems, district heating systems and external wall insulation. Typically issues related to securing owners' co-operation/consent to undertake works to common parts of the property. In some cases, respondents also mentioned problems related to recovering costs of works undertaken, especially when the cost of works was high relative to the resale or rental value of the property. Particular problems were noted securing co-operation from private landlords, whose rental income was unlikely to increase as a result of undertaking SHQS improvement works. Issues relating to undertaking works in mixed tenure properties are explored further in question 3 below.
- 3.14 Refusals from tenants were mentioned by a number of landlords as contributing failure to achieve the SHQS: although many mentioned that numbers were small, and that these would be resolved as the properties became void. Refusals were associated with loft insulation programmes, kitchen renewals and boiler replacements, bathroom replacements, and heating system replacements. Reasons for refusals varied, and included preferences - or fears – e.g. not wanting gas in the home; concerns about the disruption that the work would cause (having to clear the loft or kitchen, being decanted while work was undertaken); and preferences for the current system/a fear that the new system will be too costly. Some landlords noted they were working hard to reduce such refusals; for example, by providing information, advice and practical support to overcome the specific difficulty underlying the refusal (for example, help to clear lofts.)

- 3.15 A number of other issues were identified by respondents. These included being able to meet standards in properties that are either listed or in conservation areas, achieving energy efficiency standards in areas that are not on the gas-grid, and failures to make improvements to small kitchens in tenements where increasing space/storage standards would unacceptably reduce the living area.
- 3.16 As might be expected, the measures most commonly suggested to deal with these issues were financial. Respondents argued that improved grant funding (including increasing the number of datazones eligible for grant funding), access to loans and the capacity for landlords to directly fund some improvements would assist them to secure cooperation from owners (and in some cases fund improvements in hard to treat properties). Respondents also suggested that measures to compel owners to participate in improvement works would be beneficial: it was suggested that re-designating some measures “repairs” rather than “improvements” would limit the use owners could make of vetoes with respect to Tenement Management Schemes; while introducing/bringing forward a private sector standard that was consistent with the social rented standard would require owners to participate in initiatives. Solutions for non-traditional properties were less forthcoming; although some respondents did suggest more research was required to explore technical solutions to address solid wall insulation.
- 3.17 There were mixed views on whether government could intervene to address the number of tenant refusals: generally respondents were silent on this issue; as noted above, a number set out measures they themselves could take to increase tenant co-operation; and a small number indicated they did not expect that the Government could assist in reducing the number of exemptions from this source. The Chartered Institute of Housing (CIH) Scotland, however, stressed the disproportionate amount of landlords’ resources that are spent in general on trying to gain access to a minority of homes to carry out inspections and repair and improvement works, and indicated that they would welcome a commitment from Scottish Government to examine ways of resolving this difficult situation that landlords face in terms of compliance with different laws.

Question 3

What has been your experience in improving properties in mixed tenure estates?

Question 3(a)

If you have developed solutions to work with owners and/or private sector tenants, please provide details.

- 3.18 A number of respondents indicated that they had successfully upgraded tenements in mixed ownership, with owners obtaining grant funding, in particular funding from the Universal Home Insulation (UHI) Scheme and local authority grants funded from Private Sector Housing Grant (PSHG) . However, concerns were expressed by landlords in this group that the changes introduced to the grant funding regime with the Scheme of

Assistance in particular, are having an adverse effect on improvements to properties in mixed tenure estates. For example, one local authority reported a 50% reduction in participation since 100% means-tested grants were withdrawn, while another reported a 29% reduction.

- 3.19 The bulk of the responses to this question were from landlords commenting that they faced challenges gaining co-operation from owners or that they often failed to secure co-operation from owners. Notably, many of these landlords indicated that the limited uptake was despite the availability of financial support. It was suggested that the total cost of improvements and the disruption involved in the works were the main barriers. It was also suggested that owners may be particularly reluctant to take part where the cost of the improvements are high relative to the value of the property: one respondent noted that while landlords are able to take a long-term view of the cost efficiency of the measures, which often use high cost products, owners/private landlords are likely to use a much shorter time horizon to assess the costs and benefits.
- 3.20 Specifically, the types of problems experienced were as follows.
- There were difficulties getting owners to agree to any projects that they have to pay for, with owners vetoing works when they have been balloted under the Tenements (Scotland) Act 2004 (TSA). Particular difficulties are noted when the projects are high cost.
 - Where works had gone ahead there were difficulties recovering all their costs.
 - Difficulties were experienced in securing participation from commercial owners (typically ground floor premises) and private landlords.
- 3.21 Landlords noted some additional issues, including difficulties attracting grants depending on the types of work/location; and the need to maintain the improvements after completion of the work.
- 3.22 Respondents identified a range of approaches to try and address these difficulties. These fell into three broad categories: owner engagement; funding advice and support; and use of legislative provisions.
- 3.23 **Engaging with owners.** Respondents mentioned the importance of clear procedures for engaging with owners: early notification, early consultation, continuous communication. In some cases, respondents indicated that their organisation employs a dedicated officer. A range of general information methods were identified: these included provision of leaflets, demonstration materials, photographs of the improvements, public meetings, block meetings, and regular communication with established local organisations such as residents/tenants groups. Key information to disseminate included technical information, project specifications, timescales, indicative costs and funding options. One respondent mentioned improving a property in their own ownership first to showcase the improvements. Another noted that it has an Owners' Charter and an Ex Council House Owners

Association to discuss repairs and improvements to mutually owned properties. However, a number of respondents stressed that these measures were resource intensive and at times costly.

- 3.24 **Funding.** The Housing (Scotland) Act 2006 promotes funding advice and support as opposed to direct grant funding for private sector improvements. Accordingly, a significant proportion of the respondents (both local authority and housing association) reported providing owners with information about grants, advising on grants and supporting owners to apply for grants. That said, a small number of landlords did note they made grant provision for owners who were in hardship, and a small number that they had directly funded private sector improvements in order to secure opt-in from participants/to ensure the work was completed. A number of landlords also noted they were willing to set up payment plans if need be.
- 3.25 **Use of legislative measures.** Some relatively recent legislative change offers landlords opportunities to encourage/compel owners to participate in works. A number of respondents mentioned using the Tenement Management Scheme under the TSA. This legislation is helpful where a majority of owners vote for the work to proceed and where the work in question is a repair, but does not apply to improvements. One local authority made the point that engaging with owners, running ballots and so on under the TSA was costly; and given that in many cases the ballot was lost, the costs were born disproportionately by the Housing Revenue Account. Notably one private sector organisation opposed local authorities having the power to enforce decisions taken by a majority of owners under the terms of their title deeds or the TSA. A number of landlords acting as property factors find the discipline of factoring extremely helpful in moving improvement works forward. The Property Factors (Scotland) Act 2011, which will require all social landlords managing mixed tenure blocks to register as factors, may open up additional opportunities for dialogue, but will still require a majority of owners to vote in favour of the work. Finally, statutory notices have played an important role in compelling reluctant owners to undertake repairs to their homes. This was particularly the case in Edinburgh, where the City of Edinburgh District Council Confirmation Act 1991 was used extensively to improve the quality of the city's housing stock. The use of this legislation is currently under review, and a number of Edinburgh-based housing associations noted that its absence was a particular blow to their repair and improvement programmes.

Question 4

The Energy Efficiency Standard for Social Housing will directly affect a diverse group of social sector tenants who have individual needs and experiences. In your view, is improving the energy efficiency of social rented housing a priority for tenants?

- 3.26 Sixty-four per cent of all respondents (76% of those answering the question) considered that improving energy efficiency was a priority for tenants. Two respondents ticked both boxes and stated that they were undecided/unsure (no such option was offered on the questionnaire).

Table 3: Response to Q4

	Yes	No	Undecided	No response	Total
Local authorities	17	2	1	2	22
Housing associations	28	10	0	4	42
Private sector	5	1	1	3	10
Other organisations	4	0	0	5	9
Individuals	1	2	0	0	3
Total No.	55	15	2	14	86
Total %	64%	17%	2%	16%	100%

3.27 Generally respondents agreed that tenants regard energy efficiency as a priority. These were largely local authorities and housing associations, reflecting the general profile of respondents to this question. Among them housing associations were somewhat less likely to express agreement. There was a strong view that tenants are concerned about rising fuel costs and so would support measures that would either enable them to reduce fuel costs and/or improve the level of comfort within their home for a given cost outlay, without impacting on rent levels. This was considered particularly important given expected price increases in other necessities, such as food, over the coming months, as well as the impact of welfare reform on income levels. A number of respondents noted that tenants were often more amenable to improvements where the benefits were directly appreciated and, possibly, more under the tenants' control – e.g. new heating systems rather than insulation.

3.28 A number of respondents noted supporting evidence that tenants regard energy efficiency as a priority: for example, they indicated that tenants have generally been supportive of (allowed access for) energy efficiency improvements, especially those which reduced fuel costs; or cited results from surveys or consultation exercises.

3.29 However, a number of respondents qualified their agreement with the statement.

- Tenants have competing interests: they are concerned about rent levels (and may indicate that that they will support energy efficiency measures so long as they do not result in rent increases), kitchen and bathroom replacements may be given greater priority; and are reluctant to contend with the disruption that the improvements may cause
- A number of respondents noted that the views amongst their tenants were mixed; and that not all will prioritise energy efficiency
- Tenants may prioritise energy efficiency insofar as it relates to more efficient energy use and reduced fuel bills; but they felt it unlikely tenants would be willing to pay for/experience disruption for measures designed to reduce carbon emissions

3.30 A number of the respondents that had ticked the yes box in question 4 commented that tenants should prioritise energy efficiency; these respondents were from the housing association, other organisations and

private sector groups. It was suggested by one organisation that the social rented sector may be a victim of its own success:

“The social housing sector has to a degree taken the lead on energy efficiency thus far, through delivery of area based programmes...Despite this, however, as energy efficiency measures often are not visible, and the improvements in terms of reduced costs and/or increased comfort are realised over time, rather than immediately, energy efficiency is arguably viewed as less of a priority by tenants than it should be.”
(Private sector)

- 3.31 As a consequence, tenants may be unaware of the extent of energy efficiency measures in place, the value they gain from them, and the benefits to be achieved from participation in further improvement works. As above, it was argued that rising fuel prices, together with rising general prices and welfare reform, made improved energy efficiency an issue that tenants should prioritise.
- 3.32 A number of concerns were raised by those agreeing that tenants prioritise energy efficiency: that the benefits of energy efficiency measures to tenants could be lost if rents were to rise in order to pay for improvements (although one housing association did suggest that it would be helpful if the benefit to accrue from the measures could be split between the tenants and the association, thus increasing the feasibility of the improvement programme); that increases in fuel prices could eliminate any savings achieved by the improvement; and if the improvement focused on carbon reduction rather than cost reduction, there may not be a cost saving for the tenant. A number of respondents commented that consequently there was more scope for tenants to make savings if they learned to make more efficient use of their energy consumption.
- 3.33 As shown in Table 3 above, a minority of respondents considered that tenants do not prioritise energy efficiency. Comments were received from all categories although, in line with figures in the table, most were from the housing association group. The reasons given by these respondents fell into two broad categories. First, it was commented that tenants have other priorities, in particular – welfare reform, income concerns, as well as other priorities for their home (kitchen, bathroom improvements), housing management issues such as repairs, and concerns about rent levels. Second, it was noted that some tenants are not interested in energy efficiency; they are not pro-active in seeking energy efficiency advice and/or they are refusing to have energy efficiency measures introduced into their homes. In addition, respondents commented that tenants are principally concerned with high fuel costs, and may not associate energy efficiency measures with reducing fuel bills. It was suggested that tenants in homes that are already at a high energy efficiency standard may be especially unlikely to prioritise further energy efficiency measures.

Question 4(a)

If ‘yes’, are the suggested ‘potential benefits’ broadly the right ones? Are there any others you would suggest?

Question 4(b)

If no, why is this? How would you suggest we increase tenant awareness of the importance of energy efficiency?

3.34 The consultation suggested that landlords highlight the potential benefits of the standard to tenants, and asked whether the benefits suggested in the document (which included a minimum level of thermal efficiency, increased thermal comfort and more cost-effective energy usage) were the right ones. Twenty-nine respondents agreed these were broadly the right ones⁴: 55% of these were housing associations, 28% were local authorities and the others split between other organisations and the private sector. Some respondents considered the suggested list could form the core set of benefits, while one suggested they would form useful headline benefits. One respondent noted:

“It seems to us that unless tenants perceive clear benefits in terms of warmer, more comfortable homes and / or reduced fuel bills the task of “selling” energy efficiency improvements and generating tenant behavioural change will be made more difficult.” (Local authority)

3.35 There were some comments on the energy efficiency approach set out in the consultation document. A small number of respondents noted agreement with a fabric first approach, while others commented that greater emphasis should be placed on supporting efficient energy use by tenants.

3.36 A number of additional potential benefits were suggested:

- health-related benefits: in particular physical health benefits related to reduced dampness and condensation, improved mental health, and improved quality of life for people with disabilities;
- relieving fuel poverty, reducing self-disconnection; mitigating impacts of price rises despite some concerns that fuel costs may not reduce, and
- improving social inclusion by enabling households to be more involved in their family/community life as a result of having higher disposable income.

⁴ The question asks that only those who answered “yes” to question 4 comment here. However two of the responses are from respondents who did not answer question 4 and four are from respondents who answered “no” to question 4 who wished to comment on this issue. It is not possible, therefore, to present the number of respondents as a valid percentage (if the question had been presented as a “free” question, other respondents may have also answered it).

3.37 For those who were concerned that tenants did not regard improved energy efficiency as a priority⁵ a number of measures were suggested to improve awareness:

- Improve the organisation's information base, including making better use of information from the EPCs to support advice and awareness raising campaigns; develop an understanding of tenant priorities to inform installation programmes.
- Provide meaningful information, including leaflets and booklets containing general information, handbooks/ information packs containing updated information on the new technology within the property; and use of websites. The importance of meeting the needs of vulnerable groups, people with sensory disabilities and people who do not read/speak English as a first language was stressed.
- Raise awareness by using a range of methods to reinforce messages, including the provision of information directly to tenants, media campaigns, working with tenants groups, local groups, etc.
- Provide advice services – covering reducing energy costs; use of heating systems; and changing behaviours to improve energy efficiency. A number of respondents noted that these can be run in-house or in collaboration with specialist agencies;
- Use smart meters which can play a key role in strengthening the link between energy use and cost was commented on by several respondents. In particular, appreciating the level of energy use associated with activities other than heating and cooking was considered important.

3.38 There were however mixed views as to where the responsibility for providing advice and support to tenants lay. A number of respondents noted that they already provided information and advice for their tenants – either in-house (through a dedicated project/officer) or in association with one/more specialist agencies. Nonetheless, there were generalised concerns around the proposals to introduce a **duty** on landlords to provide a range of information and advice for their tenants. Issues raised include:

- Resources: provision of a high quality advice service was resource intensive, especially given the level of personal service implied by the consultation document (follow-up visits). One respondent suggested one way of reducing costs would be to make follow-up visits optional. A number suggested that they would need additional resources to support them with this additional responsibility
- A number of respondents commented that provision of information and advice should not be regarded as (solely the) landlord's responsibility – a

⁵ Question 4b was targeted at respondents who had answered "no" to question 4. In total, 41 respondents commented on question 4b: 13 of the 15 who had answered "no" at q4, and 28 others (comprising a mix of some who had ticked "yes", been undecided, and not responded to Q4).

holistic approach should be adopted, with information and advice from government and energy suppliers.

- 3.39 Finally, a small number of respondents did not support the proposed approach (these were mainly individuals, together with an RSL and other organisation). They commented that social tenants were being singled out – and suggested that because of their typically low incomes, tenants probably use less energy than people in other tenures; and that there is a risk that monitoring and use of smart meter data could become overly intrusive.

Question 5

Do you consider any particular equality groups will be at significant risk as a result of this new policy? If so, please outline what measures you consider appropriate to minimise risk.

- 3.40 Respondents' views on question 5 were mixed; some commented that no particular group would be at significant risk; some identified a number of equalities groups that may be at risk; and some identified risks to other groups.
- 3.41 **No group is particularly at risk.** There were two ways of reaching this conclusion. First, it was strongly suggested that some people would benefit and no-one should be disadvantaged by the improvement measures. A small number of respondents also noted that because the initiatives are fabric first, they should be "tenant neutral". Second, it was suggested that there could be pressure on landlords' budgets to fund the initiatives; resulting in an overall increase in rents and possibly an adverse effect on wider investment programmes.
- 3.42 **Equalities groups.** It was widely accepted that some groups of vulnerable tenants require additional support with managing their homes; typically some older people and people with some disabilities. It was suggested that some will find it more difficult to use the increasingly complex systems that are being introduced; and will need support to ensure they are confident using the systems and able to make best use of the options available (although for some, the computerised/automated nature of the systems will make them more convenient to use).
- 3.43 A number of measures were put forward to address the issues identified.
- A number of respondents made suggestions regarding information and advice – the need for a clear strategy; tailored advice and support that includes information in diverse languages and which is accessible to people with a range of disabilities; an advice service that includes in-home support and return visits to ensure vulnerable tenants properly understand the new systems.
 - One respondent suggested remote monitoring of energy use, with the potential to support, advise and possibly intervene where appropriate.

- A small number of respondents suggested that costs passed on to tenants should be actively managed, with rent increases avoided.
- It was noted that proposals for home visits were resource intensive, and that the provision of high quality services would require sufficient funding.

Question 6

Do you think the implementation of the Standard will cause an undue financial burden on any particular equality group? If so, we would welcome your views on what action could be taken to minimise that burden.

- 3.44 The main view expressed by respondents (typically local authorities and housing associations, but also a small number of private sector organisations) was that the implementation of the standard would not cause a particular financial burden on any particular equalities group. Many simply commented “no” without further elaboration. Among the others, there was a mix of views. Some felt that tenants’ financial position would not worsen – indeed, a small number commented that finances should improve. Some felt that it was likely that the standard would result in rent rises, but that no one group of tenants would experience a disproportionate increase.
- 3.45 However, some respondents (particularly housing associations, but also some local authorities, private sector and other organisations) commented that any increase in rents would affect some groups of tenants disproportionately. These included people on low incomes, particularly those just outside the benefit threshold/ those losing benefits as a result of welfare reform; those living in hard to treat dwellings, not benefiting (as much) from the range of energy efficiency measures, but still paying the higher rents; and likewise those in rural areas. It was also suggested that tenants will also disbenefit if new measures installed were to increase energy costs, although, with the exception of moves from partial to full heating systems, reasons for increased costs were not suggested.
- 3.46 A small number of respondents noted that the standard had the potential to increase costs for owners on mixed tenure estates; although it was also suggested that the cost of the measures in the proposals may discourage owners from participating.
- 3.47 Various measures were suggested to address the issues identified.
- 3.48 A number of respondents commented that adequate grant funding was required, so as to minimise/avoid rent increases. Heating allowances for tenants in hard to heat homes were also suggested.
- A small number of respondents (mainly individuals and one housing association) suggested a lower standard, so as to reduce costs
 - One respondent (other organisation) suggested ensuring correct design and installation of measures, to ensure that maximum benefits were achieved

- A number of respondents suggested support to tenants to understand information from smart meters/billing so that they can effectively manage their energy usage (this is dealt with in more depth in question 7)

Question 7

What else would you suggest to help tenants better manage their energy consumption?

3.49 Broadly in line with the previous three questions, responses to question 7 emphasised the importance of information provision, advice and advocacy, and smart meters and smart controls. However, the responses did draw out some detailed suggestions within these general themes, as well as additional issues: information and advice for the wider public, and a series of measures that would require government intervention/legislation. It should be noted that a number of organisations stressed that, if landlords are to be able to undertake the measures outlined to a high standard, additional resources will be required. This is particularly pertinent given the expiry of Wider Role funding, which has been a key source of housing association funding for this activity to date. Comments were received from all categories of respondents.

- **Meaningful information provision.** It was suggested that a comprehensive communications plan would be helpful, and should include robust information and research on energy use and attitudes; ensure information provision is coherent; sustained; and makes use of a diverse range of media (including general information leaflets and websites, through to property specific material such as handbooks and instructional DVDs). Information has to be accessible to diverse communities. Respondents noted that approaches such as working with communities and peer-to-peer training could be extremely effective.
- **Advice and advocacy.** Respondents suggested high quality advice and support on: the operation of new systems and controls; energy use and fuel saving methods; tariffs; and choosing and moving between suppliers. Advice should be provided face-to-face, preferably in-home, although centres that tenants can contact were also suggested. Follow-up visits to provide further support were generally considered helpful, as was the provision of supporting literature.
- **Public education.** A number of respondents commented that the responsibility for providing high quality information, advice and advocacy should not rest with landlords, but should be shared with central government and with energy suppliers. A number of organisations are already working in collaboration with other agencies/ contracting advice services from other organisations. A small number of respondents noted there was a clear need for people in all tenures to improve their energy awareness and manage their energy consumption. It was therefore suggested that some of the provisions mentioned above – for example general information provision, awareness raising, and tariff support – be delivered on a tenure-neutral basis by government or third party

organisations, with landlords focussing on information relating to the property.

- **Smart meters and smart controls.** Respondents were supportive of the Government’s planned roll-out of smart meters. Some suggested there would be merit in accelerating the roll-out, so that tenants could benefit as soon as possible. A number of respondents commented that it would be beneficial if tenants were given advice and support on interpreting the information produced and, of course, information, advice and support so that they know how best to modify their energy consumption/lifestyle in response to the smart meter readings. It was also suggested that additional smart controls could help to tenants monitor and manage their energy use (such as auto-switch-offs, zone controls and mobile/remote controls), and these should continue to be investigated and resourced as appropriate. A small number of respondents cautioned against the increasing complexity of systems and their controls, and suggested that some users, in particular vulnerable tenants, would be able to make easier and more efficient use of systems and controls if they were simplified.
- **Government intervention.** A number of suggestions that would require government intervention were made. Most were around tariffs: suggestions that tariffs on pre-payment meters be reviewed/removed, that pre/payment meters be abolished, that people with low level debts (<£500) be enabled to switch energy supplier so that they can take advantage of better tariffs, and that energy companies be obliged to move tenants to the lowest tariff. The other comments generally came from just one or two respondents and included suggestions for: energy labelling on all appliances; the removal of the stand-by button on all appliances; and subsidies for low energy light bulbs.

Question 8

Do you think that example case studies⁶ will be helpful or unhelpful in taking forward the Standard?

3.50 The vast majority of all respondents (74%, or 90% of those answering the question) thought that case studies would be helpful. Only 8% (10% of those answering) thought they would be unhelpful; most of these respondents were housing associations.

Table 4: Response to Q8

	Helpful	Unhelpful	No response	Total
Local authorities	20	0	2	22
Housing associations	33	5	4	42
Private sector	6	0	4	10
Other organisations	4	0	5	9
Individuals	1	2	0	3
Total No.	64	7	15	86
Total %	74%	8%	17%	100%

⁶ See extract C1 in Annex C

- 3.51 Respondents commented that the case studies will provide a useful starting point for understanding their stock, they provide useful information on the benefits of undertaking energy efficiency improvements to their stock, and will assist informed decision-making about investment. One respondent commented that similar support would be helpful for the 2050 targets, bearing in mind landlords' 30 year life cycle planning frameworks. A small number of respondents suggested that the case studies could play a role in informing tenants about the benefits of proposed measures, and one housing association suggested that an interactive web-based version could be developed that would help tenants understand their energy consumption and the measures they could take to reduce costs but maintain comfort levels.
- 3.52 A number of respondents did qualify their support. Some simply commented that the range of properties covered by the case studies was not yet complete, but generally noted the point made in the consultation that further case studies were planned. A number of respondents also commented that it would not be possible for Scottish Government to provide case studies for every property type, and that landlords might undertake their own case studies for some specific properties. A small number of respondents suggested that these could be passed to Scottish Government for quality assurance checks and shared with other social landlords through the Scottish Government's website.
- 3.53 There were mixed views on the optimum number of case studies. An often repeated view was that there should be as many case studies as possible, to ensure as many dwelling types are covered by a case study as possible and, as will be seen below, there were numerous requests for additional case studies. However, a few respondents did comment that there was merit in keeping to a set of broad categories case studies, and ensuring that they remained case study examples, not models of highly specific stock types. It was suggested that it might be helpful if Scottish Government provided guidance on modifying the general examples to more specific circumstances.
- 3.54 A small number of points relating to the content of the case studies were raised. There were concerns that the cost assumptions used were unrealistic, especially where the works involved tenant disruption or reinstatement works. It was noted that landlords will have to produce their own costings in order to assess the benefits that will be achieved within their own stock; nonetheless, there was view that the costings in the case studies could be reviewed. Other points raised include: the case studies should note that there are other ways of achieving the standard; the case studies do not take account of exposure and some regional factors such as rurality, which will affect costs; and the standard should also take account of cubic area to be heated and the wall area (variables included in the SAP/RdSAP software).
- 3.55 A small number of respondents said that the approach was unhelpful. In two cases, their comments indicate that their concerns were around the coverage of the case studies rather than the approach itself. A small

number of respondents commented that the approach was too complex/there were too many case studies. Other reasons were: concerns that the data were inaccurate; that the way people used energy was more important than the fabric of their home; and wider concerns with the standard.

Questions 8(a) 8(b) 8(c)

If helpful⁷: Are these the right range of dwelling types to be represented as case studies?

Are there any other types (including hard to treat) that you would like to be included as a case study?

If yes, please state type and say why you think they should be included?

3.56 Forty-eight per cent of respondents overall (equivalent to 68% of those responding to the question) agreed that the list of house types in the consultation sets out the right range of dwellings for inclusion in the case studies, while 22% of respondents overall (32% of those responding to the question) said it did not. Those disagreeing typically suggested that, to be of use to landlords, the case studies should cover a much wider range/all house types, property sizes and fuel types.

3.57 However, while these generally considered the right **range** of dwelling types to be included in the case studies, 65% of respondents overall (that is 85% of local authorities and 71% of housing associations) indicated that there were others that should also be included.

Table 5: Response to Q8a and Q8b

	Question Q8a Are these the right range of dwellings?				Question Q8b Should other types be included?			
	Yes	No	No response	Total	Yes	No	No response	Total
Local authorities	12	5	5	22	18	1	3	22
Housing associations	23	11	8	42	30	6	6	42
Private sector	5	1	4	10	4	1	5	10
Other organisations	1	0	8	9	2	0	7	9
Individuals	0	2	1	3	2	0	1	3
Total No.	41	19	26	86	56	8	22	86
Total %	48%	22%	30%	100%	65%	9%	26%	100%

3.58 Respondents listed a number of property characteristics and dwelling types that they would like produced as a case study.

3.59 **Non-traditional construction types** – respondents most commonly requested case studies for non-traditional house types. One respondent commented that the information will be extremely useful as data on installing measures to these properties is very limited and mistakes could be costly. No fines was mentioned frequently; while Atholl Steel; BISF; Wilson Block; and system built units generally were among the others suggested.

⁷ Responses to these questions were received from all respondents, not just those that answered “helpful” at question 8

- 3.60 **Hard to treat properties:** Many respondents indicated that case studies for hard to treat properties would be helpful. A number noted that these are particularly expensive properties to improve, and advice on measures will be particularly welcome. Key issues facing respondents included dealing with solid stone tenements (sandstone, granite, etc); hard-to-fill-cavities; improving properties in conservation areas/listed buildings; and buildings in rural/off-gas areas (considering viable alternative fuels).
- 3.61 **Multi-storey flats:** Identified as a case study category by a large number of respondents
- 3.62 **Timber framed properties:** a small number of respondents noted that because of the method of construction, some normal measures may not be appropriate and the fit of others may be different
- 3.63 **Listed buildings/conservation areas:** a number of respondents mentioned that case studies on carrying out improvements on buildings subject to planning restrictions would be helpful. One respondent highlighted Norfolk County Council's practitioner guide.
- 3.64 **Property characteristics** identified as missing from the set of case studies include: age-bands for 4-in-a-blocks; maisonettes; top/middle/bottom floor for all flats; size of property (floor area). It was also commented that no distinction was made between gable end flats and other flats (and end terraces and other terraces) although it was assumed the additional external wall would impact; that there was no account taken of exposure (for example facing into sea winds) in the case studies despite the impact this has on fuel use/heating costs; no age banding for c.1965-75 despite this being a key date for development; no age band for post 2007 properties, with one respondent noting that not all post 2007 properties are energy efficient.

Question 9

What are your views on using the SAP/RdSAP methodology for regulating energy performance in the social rented sector?

- 3.65 On the whole respondents agreed with the proposed approach to allow either RdSAP or full SAP calculations for the standard. Reasons for this included that it is easily understood, it is the industry standard and is fit for purpose. However, the main reasons were that landlords have already invested in the approach for the SHQS so are familiar with it and have established a databank already.
- 3.66 However, it should be noted that a substantial proportion of these respondents, together with respondents who did not support using the method for the standard, raised a number of issues or concerns with the method.
- 3.67 **EPCs:** A number of respondents were concerned that the method would require an EPC for every property. This would carry clear cost and logistical issues (which are discussed further at question 27). It should be

noted that the proposed approach will not require EPCs for 100% of the stock. Energy modelling across the stock may be required, which will entail a certain level of data.

- 3.68 **SAP and RdSAP:** a small number of respondents commented that differences can arise in outputs between SAP and RdSAP. Clarity was requested on how this should be managed, although one respondent suggested that RdSAP should be adopted.
- 3.69 **Usability of the software:** a small number of respondents commented that the software was hard to manipulate, and that they found producing outputs time consuming.
- 3.70 **The package:** Respondents made a series of points about the package itself:
- The model does not reflect local, or at least Scottish, conditions (weather, built environment). It should be noted however that RdSAP v9.91 uses regional weather data for all costs and savings.
 - There was a view that there are biases within the model⁸. It was suggested that some components scoring more highly than others - (eg loft and wall insulation, boilers, photovoltaics) score highly in terms of RdSAP; while it is extremely difficult for some energy/building characteristics to score highly (e.g. flats with solid wall construction, flat roof properties, and detached properties).
 - The model does not reflect all available systems and tariffs; and in particular, does not recognise newer systems. (While this will be resolved with the new version about to be released, it was not clear to some respondents if steps were being introduced to keep the package up to date). However there are relevant processes within SAP⁹.
 - **Variation between versions:** The SHQS accepts data from three versions of SAP / RdSAP, which means landlords have data spanning all three. There was concern from respondents that this information should be compatible with the standard – either minimum standards should be produced for each version or a set of conversion factors should be provided. A small number of respondents suggested a requirement that the standard be in forthcoming version 9.91, but most respondents considered that this means existing data could not inform the standard and would result in additional expense.

⁸ Scottish Government however notes that SAP is consistent with the standard BS EN ISO 13790 (Energy performance of buildings. Calculation of energy use for space heating and cooling). All products are tested using an approved testing methodology.

⁹ Standard Assessment Procedure - Appendix Q: Special features and specific data - <http://www.sap-appendixq.org.uk/page.jsp?id=1>

3.71 Nonetheless, a number of respondents commented that given the absence of viable alternatives, it made sense to adopt the approach, acknowledge the limitations within the method, and work to improve on it. A small number of respondents did argue that preferred alternatives were available: for example National Home Energy Rating Scheme (NHER) (which is an option under SHQS) or using the U-values¹⁰. One respondent suggested a role for thermal imaging, possibly as a supplement, to determine the impact of measures.

Question 10

Do the 'Baseline: 1990 Measures' accurately reflect the energy efficiency performance of dwellings at that time?

If not, please provide details.

3.72 Views were mixed on whether the 'Baseline: 1990 Measures' accurately reflect the energy efficiency of housing at that time. Just 40% of all respondents (56% of those answering the question) said that they did, while 31% (44% of those answering) said that they did not. The housing association sector was slightly more likely than the local authority sector to say they felt the baseline was not accurate (50% compared with 32% of those responding).

3.73 Twenty-nine per cent of respondents did not answer the question; with a significant portion of the non-response coming from non-social landlord organisations.

Table 6: Response to Q10

	Yes	No	No response	Total
Local authorities	13	6	3	22
Housing associations	17	17	8	42
Private sector	2	2	6	10
Other organisations	1	0	8	9
Individuals	1	2	0	3
Total No.	34	27	25	86
Total %	40%	31%	29%	100%

3.74 There was a general view among respondents (from both those agreeing and disagreeing with the proposal) that there was little information that could be used to check the baseline. One respondent noted that their systems did not have data going back that far, others that the method used to establish the baseline was not clear.

3.75 Those who agreed with the proposal commented that the baseline looked reasonable or broadly in line with expectations. Many of those agreeing with the proposal, qualified their agreement: for example, they commented that there was other alternative, or suggested an alternative baseline (1997) which fits with the introduction of the Home Energy Conservation Act (1995).

¹⁰ The standard will be based on RdSAP v9.91. This version will allow users to enter actual U-values, where evidenced.

3.76 Respondents who disagreed with the proposal argued that the measure was inaccurate, and were concerned about the reliance on modelled data. While they lacked hard data, many had clear recollections that measures assumed in the baseline to be installed in properties were not standard in their organisation by 1990. In particular, a number of respondents mentioned central heating had not been installed throughout their stock by the early 90s. Conversely, some respondents commented that the baseline was too low for their stock, as it assumed applicable building standards. However as the organisation tended to build above the minimum, measures identified as improvements may have been built with the property.

Question 11

Are the suggested improvements in the ‘Further Measures’ and ‘Advanced Measures’ columns of the case studies realistic and feasible?

3.77 Fifty per cent of the respondents overall (72% of those responding to the question) thought the suggested improvements in the case studies are realistic and feasible, while 19% (27% of those responding) did not. The profile of response was different for local authorities and housing associations: almost all of the local authorities that answered (89%) thought the measures were realistic and feasible, compared with 66% of housing associations.

Table 7: Response to Q11

	Yes	No	Undecided	No response	Total
Local authorities	16	1	1	4	22
Housing associations	21	11	0	10	42
Private sector	4	1	0	5	10
Other organisations	1	1	0	7	9
Individuals	1	2	0	0	3
Total No.	43	16	1	26	86
Total %	50%	19%	1%	30%	100%

3.78 On balance those commenting on the question also indicated that the measures were realistic and feasible, and that they broadly agreed with them. A small number of respondents noted that they were assuming new technologies and energy efficiency products would come on stream over the period to 2050 which would assist them in meeting their targets, and commented that it was important these new measures were processed quickly so that landlords could determine their role in improvements programmes and eligibility for grants funding.

3.79 A number indicated that while they agreed generally, they would need to assess the measures in terms of technical feasibility, affordability, and practicality. The availability of funding to support the improvements was mentioned by several respondents, with concerns that rental streams may become the main source of funding for measures that often had high costs and long payback periods.

- 3.80 A number of those agreeing also noted areas of possible concern, including delivering the measures in conservation areas/listed buildings, where planning restrictions would present difficulties for some measures such as double glazing and boiler flues. Some rural landlords were concerned that the measures may not be sufficient, with one indicating that they have already installed many of these simply to meet the SHQS. Landlords with mixed-tenure blocks raised concerns that as the costs of measures required to common parts increased, there was an increasing risk that owners would refuse to participate; and concerns were raised about the costs and benefits of PV panels.
- 3.81 Those disagreeing were concerned that they would not be able to achieve the standard, and/or felt that the measures set out in the case studies would not support them. Indeed, a small number of respondents noted that some advanced measures would be required to achieve the 2020 target. A range of specific issues was identified with the further and advanced measures.
- **Unrealistic costings:** A number of respondents (including some who agreed with the proposals) were concerned that the costings contained in the case studies were inaccurate. This was particularly the case for the larger-scale works required in the later periods where it was felt that the costs of disruptions/decant, making good, redecoration, and so on were not taken into account.
 - **Life cycle replacements:** Several respondents were concerned that the measures – the further measures in particular – would require them to replace elements before the end of their life cycle, in some cases to achieve fairly minimal efficiency gains. Where grant funding was not available, the funding responsibility would lie with the landlord, resulting in rent increases.
 - **Specific measures/technical specifications:** Concerns were raised with a number of elements: solar PV was considered expensive, both capital and ongoing revenue costs: the Feed-in Tariff component was considered uncertain, security and disposal issues were identified, and the efficiency gain limited. A number of issues were raised about insulation measures, including the costs, disruption and impacts on space standard with respect to internal wall insulation and under floor insulation, problems relating to external wall insulation with some property types and securing buy-in from owners. There was also a view that none of the boilers currently available reach the specification required.

Questions 11(a) 11(b)

Please provide further explanation of any measures that you think should not be included within the modelled case studies.

Please provide further explanation of any measures not currently included in the case study modelling that you would like to see included?

- 3.82 Most respondents either indicated they were content with the range of measures contained in the case studies or did not comment on this question. Only a handful of elements were suggested for exclusion, by a small number of respondents. These were
- Energy efficient lighting: tenants often do not like the quality of the light and remove the bulbs; so although low energy lighting makes an important contribution to energy efficiency, the landlord is not in control.
 - Zoned time and temperature/heating controls: typically properties are too small for the zoning to be practical.
 - Solar PV, solar thermal for the cost and efficiency reasons noted above
 - Solid wall insulation (external wall insulation, internal wall insulation) and some cavity wall insulations for hard to treats – as discussed above
- 3.83 Respondents suggested a number of measures that might be added to the case studies, and one respondent raised the general point that there was a need to ensure measures were sufficiently future-proofed.
- All options – all fuel types, heating systems, fabric types.
 - Better alternatives for electrically heated homes were requested.
 - Insulation measures: roof insulation, under floor insulation, external wall insulation for multi storey flats, super-insulated properties
 - Impacts of fuel switching: from solid fuel/oil/electric to gas/biomass/other low carbon. There were also suggestions for case studies for solid fuel heated homes
 - The options available to treat properties in areas off the gas grid
 - Glazing options, to accommodate the needs of listed/conservation areas, and to consider whether a higher specification would be more appropriate going forward.
 - Options that can be energy efficient, but are not traditionally thought of as so – for example case studies that include secondary heating/seasonal heating with wood-burning stoves in rural areas, single room heating options
 - Greater use of renewables, with one respondent suggesting that the RdSAP listing could provide a starting point. Specific requests were made for case studies on air source heat pumps, biomass, solar PV and solar water heating, and district heating schemes.
- 3.84 A number of other measures were also suggested: energy monitors, to enable tenants to monitor (and respond to) the energy use; building fabric upgrades/repairs, to ensure that building condition is not contributing to

energy inefficiency; and inclusion of the private sector in the case study modelling.

Question 12

Taking into account the factors outlined in paragraphs 6.5 and 6.6¹¹ of the consultation document, do you agree that establishing a minimum Environmental Impact rating for the main dwelling types is the most practicable format for the standard?
If not, please explain why.

3.85 Just 37% of respondents (46% of those answering the question) agreed with the proposal to establish a minimum Environmental Impact (EI) rating while 41% of respondents (51% of those answering) disagreed. As the table below shows, local authorities were evenly split on this issue, while a majority of housing associations were against. All those responding from the private sector were in favour.

Table 8: Response to Q12

	Yes	No	Undecided	No response	Total
Local authorities	11	9	0	2	22
Housing associations	13	22	2	5	42
Private sector	6	0	0	4	10
Other organisations	2	1	0	6	9
Individuals	0	3	0	0	3
Total No.	32	35	2	17	86
Total %	37%	41%	2%	20%	100%

3.86 The consultation asked those who did not agree with proposed approach to say why. A small number of respondents commented that the environmental efficiency (EE) and EI ratings serve different functions: that EI is designed around reducing emissions; EE around reducing energy use and costs.

3.87 The main reason respondents gave for disagreeing with the proposal was a preference for EE ratings¹². Indeed, this view was expressed by almost all of those disagreeing with the proposal (and therefore, especially by housing associations). Most of these respondents commented that because the EE rating relates to energy usage and cost it is more relevant to tenants. Respondents considered it would be easier to explain the EE rating to tenants; indeed many were already familiar with it. There were concerns that a focus on reducing carbon emissions could conflict with producing the most affordable heating solutions for tenants, while adopting the EE rating would support work to address fuel poverty.

3.88 A number of landlords suggested that EE ratings had an advantage because they themselves were familiar with it. It was considered to have a practical application in the development of investment programmes and, as the approach currently used for the SHQS, its adoption would provide consistency. A small number of respondents commented that the approach was more relevant to the Government's Affordable Warmth target, and a

¹¹ See Extract C2 in Annex C

¹² It is worth stressing that many of these respondents noted they supported the Government's Climate Change agenda. Their disagreement was simply with the rating scheme proposed here.

concern was raised that if the EI was adopted the Affordable Warmth target might be compromised

3.89 A number of those in agreement with the proposals also commented on the question (a mix of local authorities and housing associations). A small number emphasised the relevance of the rating system to the climate change agenda, while some others wished to qualify their support for the proposal. Issues mentioned included suggestions that the case study categories needed to be reviewed; revisions were required to the baseline to accommodate some specific property types; and further review of some data issues. One housing association noted there would be a need to consider fuel poverty separately.

Question 13

If you think that the standard should be a minimum Environmental Impact rating, do you think that there should also be a safeguard that the dwelling's current Energy Efficiency rating should not reduce?

3.90 Fifty-one per cent of respondents overall (76% of those answering the question) agreed with the proposal that the dwelling's current EE rating should be safeguarded. Sixteen per cent felt that it need not be (24% of those answering the question); most of these were housing associations. However, it should be noted that this question was targeted at those who had answered "yes" to question 12. If only those 32 respondents are considered, the findings are slightly different: 30 were in favour of a minimum EE rating, 1 was not, and 1 did not respond.

Table 9: Response to Q13

	Yes	No	No response	Total
Local authorities	19	2	1	22
Housing associations	18	8	16	42
Private sector	6	1	3	10
Other organisations	1	0	8	9
Individuals	0	3	0	3
Total No.	44	14	28	86
Total %	51%	16%	33%	100%

3.91 A number of comments were made in favour of safeguarding the EE. Many of these comments came from people who had disagreed with the proposals for an EI rating at question 12, with some explicitly stating that they wished to make their views on retaining a minimum EE rating clear in the eventuality that an EI rating was adopted.

3.92 In line with the findings above, the prevailing view was that the dwelling's current EE rating should be safeguarded. This came predominantly from local authorities and housing associations, together with a number of private sector and other organisations. The main reason given was that measures to improve EI should not be at the expense of EE. As might be expected given the comments in question 12, there was a strong view that improvement works should not result in a decline in energy efficiency.

There was a clear view that landlords should continue to address fuel poverty and that the EE rating was the appropriate measure to support this.

“[M]any housing associations and co-operatives are concerned that the standard is really about meeting the targets in the Climate Change Act and should be more focussed on fuel poverty. To adopt a system where additional investment leads to increased fuel poverty would be perverse.”(housing association)

3.93 Further, a number of respondents commented that deteriorating EE can mean that the tenant loses out twice - first in terms of higher fuel charges and second in terms of higher rent to pay for the improvement. It was suggested that in addressing fuel poverty, every attempt should be made to prevent rent rises and ensure that improvement works do not result in energy cost increases.

3.94 A small number of technical points were raised. One respondent queried the date from which the “current” EE rating would be measured – would it be as at 1990 or some later date? Another raised the issue of anomalies in the RdSAP ratings between updates in this context, and noted that these may be the cause of changes in ratings. Only a few respondents commented that they would not want the EE rating (a mix of housing associations, individuals and a small number of local authorities). The reasons given included:

- The SHQS suffers from offering a choice of rating compliance (SAP/ NHER) – the EESSH standard should opt for simplicity, and choose a single rating
- It will be more practical to have a single standard – given the range of house types and fuel options most landlords have, running one standard will generate a large number of outputs, running two will be significantly more work
- The situation where EI rises but EE falls only happens rarely, and the impact on EE is likely to be very small, does that justify the additional work?
- The EE is not accurate and occupiers tend to ignore it anyway
- Cannot have the best of both worlds – the government will have to decide which objective has the higher priority

Question 14

In assessing your stock against the proposal for a new standard for social housing, do you foresee any significant challenges in obtaining individual property details across your stock?

If yes, please explain why.

3.95 There was a mixed response to this question: with 27% of respondents saying they did foresee challenges in obtaining individual property details

across their stock, 41% saying they did not, and 31% not responding. This question was particularly pertinent to local authorities and housing associations, and most answered the question. Of those that responded from these categories, just under 40% said that they foresaw challenges and just over 60% said they did not.

Table 10: Response to Q14

	Yes	No	Undecided	No response	Total
Local authorities	7	11	0	4	22
Housing associations	14	23	1	4	42
Private sector	0	1	0	9	10
Other organisations	0	0	0	9	9
Individuals	2	0	0	1	3
Total No.	23	35	1	27	86
Total %	27%	41%	1%	31%	100%

- 3.96 The main problems identified by respondents related to data collection. A number of respondents were concerned that the standard will require information for every property, and noted that their stock databases, even where EPC data have been collected, still contained “gaps”¹³. Further, existing data were based on older versions of the RdSAP. A number of respondents queried whether new data would be required for these properties as well, or whether the older data would be adequate. The need to collect stock data raised a series of comments: a number of respondents mentioned that (substantial) resources would be required to complete the databases, and it was suggested that, even where the landlord could keep costs down by using in-house assessors, even the cost of lodging the EPCs could be significant for some landlords; a number of respondents commented that achieving 100% access to their properties would be problematic, as some tenants would refuse to allow surveyors entry; and one respondent raised concerns about the number of experienced and qualified Green Deal Assessors, given the volume of stock to be assessed and monitored, and suggested that the supply shortage could impact on the cost of commissioning such surveys.
- 3.97 Respondents queried whether cloned data would be acceptable; with some suggesting that allowing cloned data would both greatly reduce the costs of moving to the new approach and help address situations where tenants had refused the surveyor access. However, one respondent did note that organisations with very diverse stock had far fewer opportunities to employ cloning.
- 3.98 Other suggestions designed to reduce data collection costs included: having fewer categories, in order to simplify the monitoring data required; reducing the costs for lodging EPCs on properties that have been upgraded; and only having one energy efficiency rating (the EE score was suggested).

¹³ As noted above in question 9, there is no requirement for 100% coverage of EPCs; a modelled approach will be acceptable

- 3.99 A number of respondents also noted potential problems with their information systems. One housing association commented that the standard will require landlords to have a full RdSAP/SAP software system with staff training up to use it; others that they would need significant time and resources to reengineer their current systems so that they were able to collect and analyse the information required for the standard; and that new version software would have to be purchased and staff training updated. One respondent suggested that it could be helpful if the Scottish Government were to provide a simple RdSAP system that landlords could use.
- 3.100 Some of the organisations that did not anticipate any problems also commented. They indicated that they already had a good quality information/system that was fit for purpose: for example, they already had good coverage from EPCs; had undertaken/planned to undertake a 100% stock survey information; had a viable asset management database.

Question 15

Do you think that the ratings at paragraph 6.7¹⁴ of the consultation document are suitably challenging?

If not, please give explanations why not and suggest more suitable ratings.

- 3.101 The majority of respondents (59% of respondents) agreed that the proposed ratings targets for 2020 are sufficiently challenging, while just 14% of respondents think they are not.

Table 11: Response to Q15

	Yes	No	No response	Total
Local authorities	16	4	2	22
Housing associations	30	6	6	42
Private sector	3	1	6	10
Other organisations	0	0	9	9
Individuals	2	1	0	3
Total No.	51	12	23	86
Total %	59%	14%	27%	100%

- 3.102 However, the comments revealed varying interpretations of this question across the respondents: with a small number of those answering “yes” commenting that the targets were not particularly challenging, some that they were reasonable targets, and some that they were extremely challenging. Those answering “no” were also divided: most considered the targets not particularly challenging, but a small number considered them extremely challenging.
- 3.103 The smallest group of responses was from respondents who felt the ratings targets were not particularly challenging. The main reasons given were that the landlord was already meeting/was close to meeting the standard, principally because they had invested in their stock to meet the energy efficiency standard in the SHQS; or because they had a proportion of

¹⁴ See Extract C3 in Annexe C

electrically heated homes in their stock which would have a lower rating under the standard than the SHQS.

- 3.104 A small number of respondents noted that while many landlords would not find it challenging to meet the standard for much of their stock, they may have some properties that would cause them particular difficulties. Indeed, they suggested this stock may not meet the SHQS and was unlikely to be able to meet the new standard at an affordable cost. One respondent did comment that their ease of meeting the standard was dependent on a “test of reasonableness” being applied, such that they would not be expected to implement uneconomic measures.
- 3.105 A small number of respondents clearly stated that the standard should be higher. One respondent suggested that the standard should be “future-proofed”:
- “If the standard is set too low, then landlords will carry out the minimum to achieve the standard rather than consider the most appropriate solution for the property as a whole...A strategic view should be taken of the ratings and set at a level which encourages high standards and is acceptable for the future.” (local authority)
- 3.106 Only a small number of respondents suggested alternative ratings: one suggested that the ratings could be increased by 5%; one suggested a minimum rating of D¹⁵; one suggested that while SAP 65 is challenging it will still leave tenants fuel poor and that SAP 81 would be a better target as this would fuel-poverty-proof homes.
- 3.107 Those respondents who considered the standard challenging but attainable commented that the targets appear reasonable, achievable and affordable; although one respondent made the point that this may not be the case looking at the targets beyond 2020. It was mentioned that challenging targets would enable the social rented sector to play its part in enabling the government to meet its climate change targets and contribute to addressing fuel poverty. Resources were mentioned by a number of respondents, and one made the specific point that the improvements required to meet the targets were potentially costly, and questioned the equity of funding between the private and social sectors, in particular the allocation of National Retrofit Programme (NRP) funding to the private sector, given that the standard only applies to the social sector.
- 3.108 Those who said they felt the target would be extremely challenging noted the following concerns.

¹⁵ It was suggested the D rating would be pertinent given Energy Company Obligation (ECO) and Green Deal will require ‘D’ rating by insulation improvement before other more expensive technologies are considered; and Feed-in Tariff eligibility is dependent on meeting the ‘D’ SAP rating...

- Increases in SAP targets for some stock types will have implications for the costs of the projects, potentially affecting rent levels, wider investment programmes and the capacity of owners to participate in the programmes.
- Some properties/property-types can never be brought up to standard (economically) – for example mid-floor flats.
- Some properties will be very costly/difficult to bring up to standard: for example those with electrical heating systems that do not meet the SHQS, hard-to-treats in off-gas areas, non-traditional stock, listed buildings/conservation area stock.

3.109 Those that commented they felt the standard was challenging or very challenging made some suggestions on modifying the standard. These included: minimum SAP of 60; and assessment against a band, not a fixed rating.

Question 16

Do you think the suggested energy efficiency rating for electrically heated detached homes and bungalows undermines the SHQS? Please explain your choice¹⁶.

3.110 There was a mixed response to this question: with 30% of respondents saying the proposed rating for electrically heated homes undermines the standard, 40% saying it does not, and 30% not responding. If we only consider those that did respond, the split was 43% saying ‘yes, the proposal undermines the standard’, and 57% ‘no, it does not’. The profile of response was slightly different for local authorities and housing associations: with 60% of the local authorities that responded answering yes, compared with 38% housing associations. Most of the other respondents did not answer this question.

Table 12: Response to Q16

	Yes	No	No response	Total
Local authorities	12	8	2	22
Housing associations	13	21	8	42
Private sector	1	3	6	10
Other organisations	0	0	9	9
Individuals	0	2	1	3
Total No.	26	34	26	86
Total %	30%	40%	30%	100%

3.111 The main reason given by respondents answering ‘yes’ was that standards should be improving, not declining. Indeed, it was suggested that standards should already be improving as landlords continue to work towards the SHQS. A number of respondents commented that the SHQS abeyance system required reasons to be provided – whereas this is simply a blanket reduced standard. It was suggested that the new approach offers no incentive to landlords to improve their stock and as consequence

¹⁶ The standards for each house type and fuel type are given in Extract C3 in Annex C

opportunities for low cost improvements could be missed. One respondent suggested that the proposal could be improved if it were only applied to properties in off-gas areas, as landlords in other areas should be able meet the standard economically. Another commented that it was important that landlords maintain the pace of improving their stock, as further targets will be set post-2020, and these properties risk falling even further behind the norm.

- 3.112 A number of landlords commented that reducing the standard for these properties was inconsistent with fuel poverty objectives. One respondent (other organisation) noted that rates of fuel poverty among consumers using gas central heating are lower than for those using electric heating and argued that it was counter-productive to set lower targets for electrically heated properties. However another, while making the same point also cautioned that it is extremely difficult to predict long-term energy costs and whether the gas supply will continue to be available at an affordable cost in the long-term (housing association).
- 3.113 Respondents also commented that there are a number of other properties that are similarly difficult/more difficult to improve to standard, but they are not being set a lower standard.
- 3.114 Those who thought the proposed standard did not undermine the SHQS typically commented that the rating for electrically heated detached properties and bungalows was realistic or pragmatic. Respondents commented that this was especially the case where SHQS exemptions had already been obtained; where the dwellings were in off-gas areas; and where significant and costly works would be required to achieve higher ratings. Some properties might never be brought up to standard (economically) and may need a continuing lower standard.
- 3.115 Nonetheless, a number of respondents did note that there was potential scope for improvements in energy efficiency in these properties: some mentioned that they were amenable to the installation of ground source heat pumps (not an option for some other property types); technological change over the period to 2020 and beyond was expected to bring new innovations; while a combination of greening of the electricity grid to reduce carbon emissions and changing price relativities could potentially make electricity a more viable option. There were some concerns, even within this group of respondents, about adopting a blanket lower standard for a group of properties; and one respondent suggested encouraging a high standard via subsidy.

Question 17

What are your views on whether all social rented dwellings should be heated by gas, electricity or renewable heat sources by 2030?

- 3.116 The weight of opinion within the comments was that, in principal, social rented homes should be heated by gas, electricity or renewable heat sources by 2030. In general, respondents commented that it would be

realistic and achievable in urban areas, but could be problematic in rural areas lacking a gas supply. Many respondents noted that it would be consistent with tenants' general preference for a gas-fuelled home (although see comments below about solid fuel and tenants' choice).

- 3.117 **Gas** There were mixed views about the inclusion of gas on the list of fuels. It was appreciated that gas is currently the cheapest fuel. Some respondents noted that continuity of supplies is not guaranteed and that there was potential for further price increases, potentially making gas less attractive; some noted the continuing difficulties/costs they faced completing the gas infrastructure within their area (this issue was not confined to rural authorities/areas); while others suggested that the objective should be to reduce the use of fossil fuels over the period to 2030, not embed their use.
- 3.118 **Electricity** There were also mixed views on electricity. A small number queried the inclusion of electricity on the list, given its relatively high cost and high carbon emissions; while one respondent noted that organisations may struggle to get electrically heated homes to the SHQS standard let alone the proposed standard. However a number of respondents noted measures to decarbonise the electricity grid, and suggested that technological change could result in real cost savings over time, making electricity an energy-efficient and cost-effective fuel source. One respondent commented that EI ratings should distinguish renewable and fossil fuel sources of electricity, and award the former a higher rating. One rural organisation noted insufficient capacity on the electricity grid as an issue.
- 3.119 **Renewables** A small number of organisations indicated that social landlords should be aiming to primarily/only use renewable energy sources in their homes. However, it was appreciated that given current and likely technology and the available funding support, this would not be financially viable. A number of respondents suggested that, as technology improved, viability could improve, taking factors such as fossil fuel price increases, fuel poverty and carbon reduction targets into account. Measures to increase the use of renewables were suggested in the meantime: increased funding and increased certainty around grants (it was suggested the proposed funding system does not give landlords sufficient certainty to plan effectively); removal of planning obstacles; and measures to increase tenants' confidence in renewables.
- 3.120 **Solid fuel.** It was noted that some tenants prefer solid fuel heating. For some this is simply what they are most familiar with; for others, particularly those in rural areas but also some in ex-mining areas with concessionary coal allowances, fuel can be obtained at zero cost, making it very attractive. Delivering solid fuel alternatives in off-gas areas can be challenging for landlords. Some mentioned working towards converting solid fuel to biomass, through the use of wood pellets; others engaged in fuel-switching have noted that the costs are substantial, difficulties can be encountered in securing land to house the plant/ improvements, and that tenants opt-out rates are high.

3.121 A number of other issues were raised by respondents. In particular, a number of respondents commented on price relativities: it was suggested that current price relationships cannot be guaranteed; some argued that the combination of government policy to favour electricity power stations; together with running down of gas supplies, could mean that electricity, rather than gas, is a more affordable fuel for tenants by 2030; and a number commented that the uncertainties around relative prices mean that care should be taken when modelling assumptions about fuel types. Similar issues were raised by a number of respondents regarding carbon emissions. The importance of accurate information on the EI of different fuels, and how these might change with technological change over the period to 2030 was noted. In this regard, the potential energy efficiency of oil was suggested by a small number of respondents. Given volatility of fuel prices and the difficulties in accurately forecasting fuel relativities, a small number of respondents suggested that greater emphasis should be placed on measures to improve the energy efficiency of the building itself.

Question 18

Do you think that either of the options set aside should be reconsidered? If yes, please explain which option you prefer and why.

3.122 The working group had previously considered and rejected two other options: to establish a set of measures that all homes would be required to meet; and to set a minimum percentage reduction in emissions for each of the different dwelling types. Only 19% of respondents thought that either of the options should be reconsidered. Housing associations were over-represented in this group. All three of the individuals responding to the consultation answered 'yes' to this question.

Table 13: Response to Q18

	Yes	No	No response	Total
Local authorities	2	18	2	22
Housing associations	10	28	4	42
Private sector	1	3	6	10
Other organisations	0	2	7	9
Individuals	3	0	0	3
Total No.	16	51	19	86
Total %	19%	59%	22%	100%

3.123 More of the respondents who indicated a preference for one of the options chose the first option (the set of measures). These respondents were mainly housing associations and individuals, and a small number of local authorities. Comments were generally fairly brief, but indicated that respondents thought that an approach involving a simple list of measures that the landlord had to install had the potential to be realistic and achievable. A small number of respondents provided example lists of measures they felt could be appropriate; typically these included fuel switching to gas; installation of an appropriate boiler; wall insulation, loft insulation and low energy light bulbs. One respondent commented that these were practical measures that landlords should be taking as a matter of course but added "there is little else we can do to improve the energy

efficiency of properties without substantial redevelopment measures” (housing association). One respondent suggested a slightly different approach, suggesting measures based on thermal refurbishment standards for a series of property elements (roof, wall, floors, windows and doors, hot water tank insulation and primary pipe work).

- 3.124 A small number of respondents indicated they would prefer the second option (a minimum percentage reduction). These were a mix of housing association and local authority respondents. In one case, this support for option two was qualified: dependent on reasonable percentage reductions being assigned and appropriate housing categories being adopted. One respondent commented that the approach would serve to level the playing field between landlords by appreciating their different starting points. Indeed, a number of the respondents not in favour of reconsidering either option made the point that that this approach could be appropriate for some hard to treat property types and/or for rural stock (this is the approach discussed at 20 for dealing with unusual dwellings).
- 3.125 A number of the respondents who did not want either option reconsidered also commented. They mentioned that they agreed with the reasons given for discarding the options in the consultation paper; that the rejected options were complicated and onerous; and that EPCs are transparent, familiar to landlords and becoming more familiar to tenants. One respondent, commenting on the first option, made the point that the measures should be concerned with outcomes, focusing on measures may not allow landlords to say much about change in energy efficiency or emissions. One respondent commented that the second option could penalise landlords that had already been very pro-active, but might still be expected to make substantial (possibly 42%) savings.

Question 19

Do you agree that the standard should apply to all individual homes and not be aggregated across a landlord’s stock? Is this practicable?

- 3.126 Overwhelmingly all categories of respondents indicated that the standard should apply to all individual homes. Respondents commented that this approach would ensure that all tenants would benefit from a minimum level of energy efficiency in their homes. In particular, it was noted that landlords would be obliged to make improvements across their stock, and focus investment on the properties in most need of upgrading. It was also noted that this approach would be more effective in addressing fuel poverty. A number of respondents commented that additional resources would be required to enable landlords to achieve this.
- 3.127 Many of the respondents commented that, while they agreed the standard should apply to all homes, a number of properties would fail to meet it. As noted above (and covered further in questions 20 and 21) these would include properties where improvements are unaffordable and where access/measures were refused.

- 3.128 A number of respondents further qualified their agreement: while they agreed in principle with the standard being applied at the level of individual homes; their agreement related to an amended form of the standard, based on comments they had made elsewhere in the consultation document (for example a standard based on EE not EI, or one that used an amended set of property categories).
- 3.129 Some respondents proposed a more pragmatic approach, viewing the individual homes approach as the ultimate goal, but with an interim aggregate approach adopted for practical reasons. A small number of other respondents favouring the individual homes approach mentioned that aggregating the standard across the stock could provide useful benchmarking statistics.
- 3.130 A number of respondents (housing associations) indicated that they preferred the aggregate approach. It was considered to be more practical and offer greater flexibility for programming capital work. There would be opportunities to balance out ratings; for example, it would be possible to still meet the standard if some of the stock exceeded the standard and some narrowly failed. It was anticipated that special arrangements would still be made for hard to treat stock. A small number of respondents also noted that an individual level standard would be the ultimate goal.
- 3.131 Concerns were noted about the aggregate approach by a small number of those in favour of the individual homes approach. In particular: that opportunities to address fuel poverty were much lower; that landlords would be able to 'cherry-pick' the easy-to-improve stock in order to secure their pass, and ignore energy inefficient stock; and would disadvantage some types of landlord, such as stock transfer associations and non-developing landlords.
- 3.132 Generally respondents considered that the individual homes approach was practical, either introduced immediately or with an interim phase, largely to facilitate the data collection. There were mixed views on the practicality of collecting individual level data were that required to support the individual homes approach (as noted above, the proposed approach will not require landlords to develop 100% stock databases). Generally respondents considered it would be achievable: the approach is similar to the one currently in place for SHQS and landlords are familiar with EPCs. However, producing an EPC for every property was considered a significant investment in both time and resource. Many of the respondents suggested that cloned data should be permitted, at least in the short to medium term, until landlords had had the opportunity to build up a 100% stock database/address gaps where access is refused by tenants. One respondent suggested that Scottish Government should set a target for 100% data collection - say 2020. A small number of respondents suggested that, given the investment required, especially for landlords with large stocks, cloned data should be permitted long-term.

Question 20

Paragraph 6.14 in the consultation document envisages that there would be no requirement for any exceptions in the new standard and suggests a way of dealing with those more unusual properties not covered by the case studies and which are harder or more expensive to treat¹⁷. **Do you agree that this approach to unusual dwellings could offer a reasonable way forward for applying a standard to these dwellings?**

3.133 The majority of respondents (58% of respondents as a whole and 83% of those answering the question) agreed with the proposed approach to assessing improvements in hard to treat dwellings; while just 12% of respondents (17% of those answering the question) did not agree. Thirty per cent of respondents did not answer the question – mostly these were organisations that do not directly manage social rented stock. The profile of response from local authorities and housing associations was very similar.

Table 14: Response to Q20

	Yes	No	No response	Total
Local authorities	16	2	4	22
Housing associations	27	6	9	42
Private sector	4	1	5	10
Other organisations	3	0	6	9
Individuals	0	1	2	3
Total No.	50	10	26	86
Total %	58%	12%	30%	100%

3.134 Generally respondents noted that the approach was reasonable or practical. A number of respondents commented that the approach would ensure that improvements could be made to unusual properties, one respondent commented that it would be helpful given that case studies cannot be developed for every eventuality, and another appreciated the acknowledgement that some dwelling types would not be brought up to standard. A small number of respondents noted that this approach will only be allowed for certain house types and certain circumstances. Most welcomed this, and indicated that the further details on the definitions would enable them to determine whether their stock is likely to meet the standard. One respondent asked for guidance on the definitions; both to ensure that landlords do not redefine stock as unusual to reduce the level of investment required; and to enable good practice to be shared.

3.135 Some respondents qualified their acceptance of the proposal. A small number of respondents commented all measures undertaken would need to be cost effective. Other comments included a suggestion that the method should be piloted over a range of property types before landlords are required to implement it; and allow landlords to clone information /calculations to minimise the number of EPCs/surveys required.

3.136 Some respondents raised concerns with the approach.

¹⁷ See extract C4 in Annex C

- A small number commented that the method would be impractical for landlords with a large stock of unusual properties (one of these respondents had c.8,500 such dwellings)
- A number of respondents commented that defining the 1990 baseline would be very difficult for the unusual properties, and asked for further details on how accurate definitions were to be established.

3.137 A number of alternative approaches were suggested:

- requiring implementation of EPC recommendations (within cost limits);
- adopting sets of measures, including one specific suggestion that focused on enhancing the fabric of the building;
- a whole life cycle costing approach, to assess the cost effectiveness of proposed measures;
- production of case studies for all property types; and
- measures to enable the standard to apply to all/more of the stock – single energy rating, allowing exemptions, funding to enable the “mainstream” measure to apply to all properties, and measures to compel tenants to comply.

Question 20(a)

Do you agree that the percentage reduction for unusual dwellings should correspond to Climate Change targets and be set at 42%?

If not, at what level do you think the reduction for unusual dwelling should be set that will be achievable but provide a meaningful contribution to the improved energy efficiency of social rented housing?

3.138 Only 22% of all respondents (33% of those answering the question) agreed with the proposal that the target percentage reduction for unusual dwellings should be 42%, while 44% disagreed (66% of those answering), and 33% did not respond. The profile of response from local authorities and housing associations was similar.

Table 15: Response to Q20a

	Yes	No	Undecided	No response	Total
Local authorities	7	11	1	3	22
Housing associations	10	21	0	11	42
Private sector	2	4	0	4	10
Other organisations	0	1	0	8	9
Individuals	0	1	0	2	3
Total No.	19	38	1	28	86
Total %	22%	44%	1%	33%	100%

3.139 Some of the respondents who agreed with the proposal also commented. Their reasons for supporting the 42% target include its clear connection with the climate change targets and the positive impact achieving the target will have on addressing fuel poverty (although it was appreciated that

making improvements may be more expensive in these properties). One respondent comment that because the 1990 baseline is 'generously low', 42% improvements should be achievable.

- 3.140 A number of concerns were expressed by other respondents. General comments included that the 42% target was arbitrary. A small number of respondents mentioned that meeting the target would either require landlords to implement very expensive measures, with implications for rent levels; or consider stock disposal, with consequent loss of what could be reasonably good, affordable housing into the private rented sector. Several respondents asked whether any modelling/research had been undertaken to determine if 42% savings were realistic for these dwelling types and to estimate the potential costs of doing so.
- 3.141 The consultation asked those who disagreed with the target to propose an alternative level. A small number of respondents commented that they did not feel sufficiently informed to suggest an alternative target. One respondent suggested a banded target – of 20% to 42% - as possibly suited to their stock, but noted that this was provisional. Two main alternatives approaches to the 42% target were suggested by respondents: securing the maximum, economically viable improvement in rating possible based on house, fuel and construction type; and setting a lower standard for certain property types. Exemptions where measures would not be viable were mentioned (and addressed further in the next in the next question). A number of other approaches were also mentioned, each by a small number of respondents, including: aggregating the 42% target across the whole stock (see the discussion of an aggregated standard at question 19); setting a minimum energy efficiency standard, below which no social rented home should fall to protect the tenants in these homes; and setting the standard for unusual homes at a percentage of the mainstream standard (say at 80%).

Question 21

Do you think that there should be exceptions to the proposed energy efficiency standard? If so, how should they be treated?

- 3.142 The majority of respondents (66% of all respondents, 92% of those answering the question) agreed there should be exceptions to the proposed standard, while just 6% of respondents (8% of those answering) disagreed. Again, a significant proportion of respondents did not answer this part of the question (28%), mainly organisations that do not hold social rented stock. The profile of response from local authorities and housing associations was very similar.

Table 16: Response to Q21

	Yes	No	No response	Total
Local authorities	18	1	3	22
Housing associations	33	2	7	42
Private sector	3	2	5	10
Other organisations	1	0	8	9
Individuals	2	0	1	3
Total No.	57	5	24	86
Total %	66%	6%	28%	100%

3.143 Respondents typically considered that exceptions to the standard may be required for stock that could not be brought up to standard regardless of cost/only at disproportionate cost; where tenants were refusing consent to works affecting their home; and where owners/landlords/owners of commercial premises in mixed tenure blocks were refusing consent to works on common parts. In addition, a number of respondents suggested that exceptions may be required for properties in listed buildings/conservation areas; properties awaiting demolition; and to accommodate existing life cycle renewal schedules. This last point was made by several respondents, mainly housing associations, who noted that landlords may have the necessary improvement work contained within their asset management plans, but with some properties scheduled post-2020. They commented that it would not make sense to undertake the energy efficiency works piecemeal in order to achieve the deadline, nor would it be possible to accelerate the whole/required sections of the programme.

3.144 Nonetheless, respondents on the whole indicated that exceptions should be minimised.

- **Hard to treat properties:** A number of respondents reiterated measures suggested previously for dealing with hard to treat properties (see question 20): a percentage reduction, requiring all reasonable measures to be implemented, a lower standard for hard to treats; a review of planning restrictions; and additional funding to enable the standard to be met.
- **Tenant refusals:** It was commented that tenants have the right to opt-out of improvements, but that landlords should encourage participation; at worst measures can be installed at change of tenancy. A small number of respondents suggested that measures to enable legal action to compel tenants to allow work on their home would be helpful; although another respondent commented that legal action would be time-consuming and costly.
- **Owner refusals:** Active engagement with owners, landlords and commercial premises within mixed tenure properties was considered critical (see the discussion on this earlier at Q3a, with respect to the SHQS). A small number of respondents indicated that measures were needed to compel owners to participate in the improvement works; while others considered the measures contained in the Strategy for Sustainable Housing consultation, if progressed, would be helpful in this regard.

- 3.145 It was suggested that improvement plans, setting out key actions and timescales would be helpful in structuring activities designed to minimise exceptions. A number of respondents suggested that some form of independent review of each landlord's exceptions should be undertaken, with most of these suggesting a role for either the regulator or Scottish Government. A number of respondents also stressed that landlords should be required to review their exceptions periodically, to determine whether they remain necessary, given technological innovation and possible changes to funding regimes.
- 3.146 A small number of respondents indicated that exceptions were not required. Some simply commented there should be no exceptions; some qualified their opinion (in one case there was an assumption of adequate funds to meet the standard and the current system of abeyances in operation; in the other, an assumption of sufficient funds and legislative change to introduce the standard into the private sector); and one respondent commented that exceptions would not be needed if a reduced standard were introduced for unusual dwellings, linked to cost-effectiveness.

Question 22

Are there any other relevant sources of funding that can help social landlords improve the energy efficiency of their stock?

- 3.147 The consultation document provides a description of the main sources of funding (loans and grants) available in Scotland to both the social and private sectors. It includes information on funding made available by the Scottish Government, the UK government and Europe. Respondents generally agreed that this listing contained the main sources of funding currently available and those that are likely to be available to support the implementation of the standard.
- 3.148 Respondents commented that the only other significant means of funding the measures would be through landlords' own resources. A number of respondents said that existing capital programmes (including new build programmes) could be affected as resources were diverted to fund the standard; and/or that additional funding may be needed, resulting in increased rent levels for tenants. A number of concerns were expressed about increasing rent levels: in particular, the implications for fuel poverty; and the potential to cancel out any benefits gained from the energy efficiency measures.
- 3.149 A small number of additional sources of funding were identified:
- Repairs funds. A number of respondents have stressed the importance of ensuring the property is a well-maintained. One respondent suggested that funding available to repair properties could be a useful addition.
 - Retrofit Reward Scheme. An offsetting scheme proposed by Homes for Scotland whereby new build developers would pay into a pot to assist

funding of refurbishment of second hand stock in lieu of achieving higher energy standards in new build developments.

- European Union Structure Funds. One respondent (SFHA) commented that, given the high energy efficiency standard being set for social housing, Scottish Government should follow the example set by the Welsh and French governments and set aside a percentage of EU Structural Funds to improve energy efficiency in social housing.
- Commercial opportunities may produce revenues and/or resources in kind. For example one landlord had initiated a solar PV scheme, but opportunities to offset the surpluses from the Feed-in Tariff were no longer an option; a wind-farm initiative is in development; and a joint venture with energy efficiency manufacturers, that will provide subsidies/discounts for the association when using the product, are being explored.

3.150 A number of respondents noted that there is a plethora of funding sources. As a consequence, the situation is complex, resource intensive (to keep current on funding mechanisms and to make funding bids) and securing funding can be uncertain. One respondent suggested that, at a minimum, Scottish Government should maintain and circulate an up-to-date list of relevant funding sources, while others suggested that sources should be streamlined. A small number of respondents suggested that measures should be taken to manage the transition to the new funding schemes, to ensure continuity of funding for organisations and, critically, a steady stream of work within the construction sector.

Question 23

Given the range of financial assistance available to landlords, do you agree that the standard can be achieved without disproportionate cost? If not, please explain why.

3.151 Fifty-six per cent of all respondents (81% of those answering the question) did not think that the standard could be achieved without disproportionate cost. Just 13% of respondents (19% of those answering the question) felt that it could. Most of those answering the question were from local authorities and housing associations, and the profile of their responses was the same.

Table 17: Response to Q23

	Yes	No	No response	Total
Local authorities	3	15	4	22
Housing associations	5	30	7	42
Private sector	3	1	6	10
Other organisations	0	0	9	9
Individuals	0	2	1	3
Total No.	11	48	27	86
Total %	13%	56%	31%	100%

3.152 As might be expected given the results in Table 17 above, a fairly small number of respondents said that they thought the standard could be

achieved at a reasonable cost: some because they had already met the SHQS and felt the standard was achievable, and one because they were eligible for substantial grant assistance. A number qualified their comment and noted that the standard was achievable for most of their stock, but anticipated problems with some dwellings; however they assumed that exemptions/abeyances would be made for these properties, that additional funding would be made available, and so on.

3.153 Most respondents indicated that the standard would not be achievable at a reasonable cost. A range of issues were raised, many of which have been discussed under other questions:

- **Cost of achieving the standard not yet known.** A number of respondents noted that only partial and indicative cost information is available thus far. Landlords still do not have information on the standards for a number of stock types and will then need to undertake detailed analysis of their stock to determine the cost implications of the standard.
- **Grant funding levels not yet known.** A number of respondents also noted that funding levels are uncertain, and a number of respondents urged Scottish Government to clarify the size of the Scottish pot as soon as possible. A series of barriers to effective programme planning were identified – and these were considered particularly pertinent as the scale of works increased – including uncertainties created by competitive bidding, the late award/confirmation of funds, and the forthcoming shift in funding from landlord to householder. On this last point, there were real concerns that tenants would be reluctant to take the initiative in the Green Deal, considering it their landlord's responsibility to improve their home, and some respondents were concerned that tenants would be unwilling to provide the necessary personal data to enable applications to proceed. There were general concerns that the level of funding would be insufficient, and there were specific concerns about lack of funding outside the ECO areas.
- **Under-estimation of costs:** Respondents raised two sets of concerns around the costings that had been used in the case studies. First, it was suggested that costs used in the calculations were too low for some elements. Second, it was suggested that the costs only covered the installation of the measure, and take no account of the raft of other costs that the landlord will have to cover: including planning costs, such as obtaining permissions and building warrants, and consultants fees; obtaining consent from tenants; tenant disruption costs, such as decant, lost rental, and redecoration; any additional works that may be required as a result of the improvements; and working with owners in multi-tenure blocks.
- **Stock profile:** Some respondents noted that the consultation document indicated that for many house types, the likely cost of meeting the new standard will not be much more than for meeting the energy efficiency element of the SHQS. However, there was a clear view that landlords with

a large number/high proportion of hard to treat stock/properties in off-gas areas would find it difficult to achieve the standard at a reasonable cost (depending on how the standard for these property types was defined). Multi-storey flats are already proving disproportionately expensive to improve. A small number of respondents commented that landlords might face difficult decisions regarding the future of some of their stock, where detailed cost calculations indicate that improvement measures are not cost effective.

- **Increased rents:** Pressure on rents would come from two main sources. First, the shift in the funding regime from grants to loans would effectively transfer the cost of delivering energy efficiency measures to rents. Second, insufficient grant/loan funds (overall funds available/eligibility), would require landlords to resource measures themselves. A number of respondents commented, however, that the potential to increase rents might be limited given the forthcoming welfare reform.
- **Other issues:** mentioned included the particular problems faced by rural landlords, the combination of being off the gas-grid and having diseconomies of scale; the pressure on capital budgets may potentially crowd out other essential expenditure, such as development of new affordable housing; and some authorities now have very limited headroom in their prudential borrowing, which may limit the extent to which they can deliver some of these measures.

Question 24

We see an opportunity to advance gender equality in the creation of jobs to undertake the retrofitting works in industries that have traditionally been male-dominated. Your views on how we can maximise gender equality in job creation would be welcome.

- 3.154 Less than half of the respondents (47%) answered this question. Several of those who did comment felt gender equality, and job creation in general, were wider issues concerning employers, further education, training agencies and the Scottish Government, and somewhat beyond the scope of the consultation. Nonetheless there was a high level of support for the government's proposal. Respondents welcomed the prospect of new jobs in the construction industry given the impact the recession has had over recent years; and many supported measures to improve gender equality in the construction sector, although some tempered this by saying it should not be at the expense of the jobs of existing workers. It was suggested that the EQIA could be a useful tool in bringing these issues out fully.
- 3.155 The most frequently suggested measures were designed to improve awareness of the opportunities available. These included: awareness raising in schools, colleges, universities, careers fairs, on-line, and so on; and promoting opportunities to job-seekers, women in training, and so on. It was noted that landlords are often well-placed to make such contacts. A number of respondents commented that recruitment materials issued had

to include positive female images, and should include a statement setting out the organisation's gender equality statement.

- 3.156 Respondents saw potential to promote gender equality through training and education: female school leavers should be encouraged to take-up Modern Apprenticeships on new and local energy technologies; steps should be taken to ensure that training courses remain aligned with developing technologies - so that the training women (and men) receive is current and relevant; and courses should be tailored for female applicants.
- 3.157 Finally, respondents considered that a series of changes were required in the workplace. One respondent commented that a change in attitudes would be required if a shift of the gender profile were to be achieved. Most suggestions were concerned with making the workplace more "female-friendly": flexible working, child-care options, and facilities for women (toilets/changing rooms). Respondents also suggested that contract conditions could be used to promote better opportunities for women: for example, attaching conditions to Green Deal installers that a percentage of employees/apprentices should be women; and scoring gender opportunities positively during tender assessments. However, one representative body from the private sector disagreed and commented that "We believe the criteria should be based on the ability of a construction company to efficiently and effectively carry out the contract to a high standard". Notably, a number of respondents simply stated that the solution was to "employ more women".

Question 25

Are there any other data sources you could suggest to monitor the proposed energy efficiency standard?

- 3.158 The consultation document identifies the Scottish House Condition Survey (SHCS), the Home Energy Efficiency Database (HEED) and landlords' returns to the Scottish Housing Regulator (SHR) as the main possible data sources available to monitor the standard. Most of the respondents who answered the question agreed. Some suggested that, while these were the most appropriate data sources, they could be improved.
- 3.159 HEED. A small number of respondents suggested imposing a deadline for completing EPC collections. Measures to improve the quality of updating were also suggested, for example one respondent suggested landlords should be allowed to input updates directly onto the system, another raised concerns about reliance on voluntary updating and suggested that a more robust approach was needed to ensure the quality of the data in the system. A number of respondents suggested expanding HEED so that it contained all the information required by the regulator to monitor the standard. As noted in question 26, some respondents suggested it might therefore be possible for the regulator to extract the information required for monitoring directly from the HEED, rather than landlords having to complete annual returns. It was also suggested that open publication of the EPCs would make them of more value to landlords.

3.160 The SHCS was considered a data source for monitoring progress at a national level, but less helpful at the local level where sample sizes were often small. However, a small number of respondents suggested that it could be amended to accept updates from third party surveys, where they were compatible with its own methodological protocols, increasing its databanks and possibly increasing its usefulness at the local level.

3.161 A number of alternative/additional data sources were suggested.

- Landlord data management system/asset management databases. Many of the respondents noted that landlords maintain useful asset management and stock survey data sets. Respondents commented that landlords should be using these to monitor progress at the local level and to inform investment decisions. It was also suggested these could be made particularly useful if they were integrated across social landlords at the local authority level, with one respondent suggesting a possible link to the housing needs and demand assessment/local housing strategy process as a possible framework for this.
- A small number of respondents suggested making use of energy company data, if it could be obtained in a usable format; for example, to identify households that are potentially in fuel poverty and properties with poor energy ratings. As smart meters are installed, much more detailed information will become available.
- One respondent is developing thermal imaging to assess the performance of energy efficiency measures in its stock.
- One respondent suggested that there might be lessons to be learned from European standards – e.g. the Swiss approach – Minergie.

Question 26

Would you welcome the Scottish Housing Regulator (SHR) monitoring the proposed standard both in the interim period and longer-term or would you prefer an alternative body to carry out this role? If so, who and how?

3.162 Fifty per cent of all respondents (75% of those answering the question) would welcome the SHR monitoring the standard, while just 16% (25% of those answering the question) would not. Thirty-four per cent of respondents did not answer the question – mainly private sector and other organisations. The profile of local authorities and housing associations answering the question was similar (84% and 76% said 'yes').

Table 18: Response to Q26

	Yes	No	No response	Total
Local authorities	16	3	3	22
Housing associations	25	8	9	42
Private sector	2	1	7	10
Other organisations	0	0	9	9
Individuals	0	2	1	3
Total No.	43	14	29	86
Total %	50%	16%	34%	100%

3.163 The consensus opinion among the responses, was that the SHR was the obvious body to monitor the standard. Two main reasons were given by respondents: monitoring the standard was seen as a continuation of the SHR's current role monitoring the SHQS energy efficiency targets; and adding the standard to the SHR's responsibilities as opposed to bringing in a new body would avoid adding to the bureaucracy of social landlord monitoring. The Council of Mortgage Lenders noted in their response that

“[T]his approach has worked well for SHQS and we would see it working similarly for EESSH. We believe that if this approach was followed it would assist in providing comfort to our members in respect of the financial viability of existing Housing Associations to whom they are lending and in respect of any new lending to assist in achieving EESSH.”
(Private sector)

3.164 A number of respondents commented on the monitoring requirements. It was suggested that: the SHR should work jointly with local authorities and housing associations to develop an appropriate monitoring framework; that the data demanded from landlords should be consistent with existing data collections; the measures selected should enable benchmarking between organisations; and that returns should not be onerous to complete. A number of respondents, including the SFHA, suggested that the HEED could be developed to capture the required information and to enable the SHR to extract the necessary monitoring data directly, so doing away with landlord returns completely.

3.165 Some of these respondents also raised a number of concerns. A small number queried the logistics of the SHR monitoring the standard within the framework of the Social Housing Charter, given there is currently no provision for the standard within the charter and its next review is several years away. A few respondents emphasised that the SHR would need to be adequately resourced to undertake the monitoring, and there were some concerns that this may not be the case. There were also some concerns that the SHR does not have sufficient technical knowledge to monitor the standard, although one respondent commented that this was a matter for the SHR to address.

3.166 A number of respondents disagreed with the proposal that the SHR should monitor the standard. These respondents expressed substantive concerns about the SHR's technical ability and resources to undertake the task. The Glasgow and West of Scotland Forum of Housing Associations noted

“We agree that high level reporting on EESSH progress could usefully be carried out as part of landlords’ annual reports to SHR. Beyond this, we are not sure that the SHR has either the resources or the specialist expertise to assess the results reported by landlords or the need for exceptions or abeyances.” (housing association)

3.167 There were also comments that an active monitoring requirement would be inconsistent with the risk-based approach to performance management that the SHR has been adopting. A number of alternatives to the SHR were suggested: that the standard be monitored at the national level, using national data such as the SHCS; that specialists within Scottish Government be responsible for monitoring, either using information supplied in the annual return or, possibly, using data harvested from a modified HEED; or that a specialist body be appointed.

Question 27

Are there any other costs associated with monitoring landlords’ progress towards the energy efficiency standard?

3.168 Forty-eight per cent of all respondents (82% of those answering the question) said there are costs associated with monitoring the standard. Just 10% (18% of those answering) said there are not. Some 42% of respondents did not answer this question, mainly private sector and other organisations, but a number of housing associations and a handful of local authorities as well.

Table 19: Response to Q27

	Yes	No	No response	Total
Local authorities	13	4	5	22
Housing associations	23	5	14	42
Private sector	2	0	8	10
Other organisations	1	0	8	9
Individuals	2	0	1	3
Total No.	41	9	36	86
Total %	48%	10%	42%	100%

3.169 Respondents were generally concerned that monitoring and reporting on the standard would incur additional costs. One respondent commented that the overall costs would depend on the level of information and detail required as part of any annual returns.

3.170 Additional costs identified by respondents fell under three broad categories

- Staff time: training on the use of new complex systems; to monitor the standard; prepare reports; disseminate the outputs to tenants
- IT costs: purchases of software/licences, establishment/development of IT systems to accommodate the new requirements, and to integrate new requirements with existing property databases

- Data collection: generation of EPCs for all properties to complete the 100% stock database¹⁸; resurveys of properties as improvements are carried out; update surveys when the EPCs reach their 10 year lifespan. Costs could be either in-house or for contractors.

3.171 Two key issues were raised regarding costs. First, a number of respondents queried whether a 100% stock database was necessary or whether cloned data would be accepted. It was suggested that considerable cost savings could be achieved if cloned data were permitted (as noted above at question 9, 100% coverage of EPCs will not be required, and data modelling will be appropriate). Second, the cost per EPC indicated in the consultation (£30) was challenged. Several respondents noted that, while this may apply to bulk purchased EPCs, it did not accord with their experience of the cost for one-offs, or in rural areas. Some noted that although there were savings to be made by undertaking EPCs in-house, they were not substantial.

3.172 A number of respondents suggested that measures should be taken to minimise the costs to landlords, for example by ensuring that the data collected was concise and meaningful, and that the monitoring and reporting processes avoid bureaucracy as far as possible. One respondent suggested that the monitoring scheme should be subject to a rigorous cost assessment before it is adopted, while one respondent suggested that a system of self-assessment could be adopted.

3.173 Some respondents noted that monitoring will not add costs – that their systems are already fit for purpose for example. One respondent commented that monitoring improvements does not involve costs; but costs are incurred in monitoring compliance. That is, it is costly to maintain an up-to-date record of the EE/EI rating of the stock as a whole, as properties deteriorate and the effectiveness of the improvements/initiatives deteriorate. As a consequence, landlords cannot rely on a baseline survey as updated on HEED, new surveys are required - and these are costly.

Question 28

Should there be regular milestones to measure progress towards 2050? If so, what dates would you suggest?

3.174 The vast majority of respondents (59% of all respondents and 93% of those answering the question) thought there should be regular milestones to 2050. Just 5% (7% of those answering the question) disagreed.

¹⁸ See earlier footnotes on this point

Table 20: Response to Q28

	Yes	No	No response	Total
Local authorities	18	0	4	22
Housing associations	25	4	13	42
Private sector	4	0	6	10
Other organisations	2	0	7	9
Individuals	2	0	1	3
Total No.	51	4	31	86
Total %	59%	5%	36%	100%

3.175 The consultation proposes that, in order to meet the longer term 2050 target, interim milestones are set for 2020, 2030 and 2040. Respondents overwhelmingly agreed with proposals to set milestones: it was felt that given 2050 was such a long time into the future, clear interim review dates would be essential in ensuring the final target was achieved. Respondents typically favoured milestones set around ten years (as proposed for the standard) or, in some cases, five years (as is currently the case for the SHQS) apart. They noted that these schedules would allow progress to 2050 to be assessed and would accommodate technological change. A number of respondents suggested that the frequency of milestones might need to be increased towards 2050, to be certain that the objective was going to be met. For example, some suggested an additional milestone in 2045, and one respondent suggested yearly milestones may be indicated if progress was particularly poor.

3.176 Some respondents qualified their agreement with the proposals. The SFHA suggested 5-yearly milestones, but said this schedule should be subject to review to check for affordability and achievability. One respondent suggested that the schedule may need to be different – either to be consistent with government monitoring of climate change targets, or so that monitoring is sufficiently responsive to technological change (3-yearly was suggested) while a small number of respondents suggested that monitoring should be undertaken annually through annual returns.

3.177 A small number of respondents indicated they disagreed with the proposals. Reasons given were that it was currently too early to set dates, and that given the challenges of meeting the 2020 target the focus should currently be there.

Question 29

Do you agree that setting the longer-term milestones should be deferred until progress towards 2020 can be reviewed?

3.178 The majority of respondents (56% of all respondents and 80% of those answering the question) thought that setting the longer-term milestones should be deferred until progress towards 2020 could be reviewed. Some 14% of respondents (20% of those answering the question) disagreed.

Table 21: Response to Q29

	Yes	No	No response	Total
Local authorities	17	3	2	22
Housing associations	27	6	9	42
Private sector	3	0	7	10
Other organisations	1	1	7	9
Individuals	0	2	1	3
Total No.	48	12	26	86
Total %	56%	14%	30%	100%

3.179 Relatively few respondents commented on this question. Those that did were fairly evenly split between agreeing with the proposal to defer and wanting the milestones set as soon as possible.

3.180 Deferring setting the milestones was considered to have two main advantages: it would allow progress to 2020 to be taken account when setting the next milestone, and future milestones would be realistic, challenging and achievable as they would be set with reference to recent technological change and costings. Some respondents appreciated that the absence of future milestones could itself create uncertainty, and suggested that a detailed programme plan for the delivering the milestones would be helpful in this respect.

3.181 Respondents suggesting that the milestones were required earlier commented that they needed the 2050 target and interim milestones as soon as possible to inform the 30-year business planning cycles, investment decisions and, possibly, loan restructuring. A number of respondents noted that it is a requirement that they produce 30 year plans, and certainty around major long-term investments is invaluable. It was suggested that early publication of interim targets would be useful for organisations that wish to accelerate their work-programmes, and for organisations that wish to prioritise certain elements of the programme (for example hard-to-treats). It was suggested that SHQS data could be used to model post 2020-milestones for the standard, rather than having to wait until 2020.

Question 30

Do you consider there to be any further opportunities within the Energy Efficiency Standard for Social Housing to promote equality issues? If so, please outline what action you would like us to take.

3.182 Only a third of respondents answered this question, and most of their responses were fairly brief.

3.183 Many respondents simply commented that there were no further opportunities to promote equalities issues arising from the standard, or none that they were aware of. Some of these respondents emphasised their commitment to equal opportunities policies, and some noted that there was potential for equal opportunities issues to arise so these should be monitored and addressed as appropriate.

3.184 The main issue identified by respondents related to the role that the standard could play in tackling fuel poverty. A number of respondents highlighted the disproportionate levels of older people, people on low incomes and single parents in the social rented sector. It was suggested that: further work to explore the potential impacts of the standard on vulnerable groups should be undertaken; measures to address disadvantage, including tailored information and advice, brought forward; and the benefits of the standard in tackling fuel poverty emphasised. One respondent suggested targeting additional resources on electrically heated properties subject to a lower standard, as the tenants will face higher fuel costs and may be at greater risk of fuel poverty.

- A number of other suggestions were also made: monitoring and analysis of equalities data, to assess the uptake of schemes; outreach marketing aimed at hard to reach/vulnerable groups; ensuring marketing materials have clear equalities section - translation options/different formats; and using the information from the EQIA to determine whether there are further potential opportunities. One respondent commented that there is a need to consult with equalities groups if this has not been done.

4 CONCLUSION

4.1 A number of general themes emerged during the study.

4.2 Overall, respondents tended to agree that generally the standard was achievable at a reasonable cost, although detailed costings have yet to be produced and translated into asset management plans by landlords. Nonetheless, clear concerns were expressed about achieving the standard in some specific types of stock and locations: typically hard-to-treat stock (for example solid wall/hard to fill cavity properties), multi-storeys, listed building/conservation areas, and properties not on the gas grid. At this stage it is not yet clear what the standard will be (and how it will be set) for these properties. Some landlords raised the possibility that otherwise sound stock may have to be disposed of where it proved too expensive to bring up to the standard.

4.3 There were real concerns about funding. The transition to new funding approaches should be underway shortly, but details of funding levels are still not available; while the shifts from grants to loans and from payments to householders rather than to landlords were not welcomed by landlords. The impact on overall funding levels and budget scheduling is uncertain but respondents do not expect increasing funding, and landlords generally expect to bear the brunt of the higher costs themselves. Many noted the constraints on increasing rents to support such expenditure – committed expenditure, commitments to reduce fuel poverty and the impacts of forthcoming welfare reform.

4.4 Respondents welcomed the modelled case studies, which set out the impact of different energy efficiency improvements, as well as the likely cost of installation for the most common house types. They were in accord

with proposals to produce further case studies for non-traditional/hard to treat properties and other fuel types. However, some queries were raised about the accuracy of the costings data within the case study and around the assumptions used to underpin the 1990 baseline.

- 4.5 Respondents were also in broad agreement with the monitoring arrangements as set out in the document, not least because of the level of continuity with existing systems. The core datasets (EPCs) and methodology (SAP/RdSAP) were familiar to landlords and were generally considered fit for purpose. However, the data requirements are potentially considerably more onerous than is currently the case under SHQS, and several respondents requested that these be clarified/reviewed. Respondents welcomed the proposal that the SHR be responsible for performance measurement, although there was some confusion as to how the logistics will be handled until the Social Housing Charter is revised. There was also agreement that a series of interim milestones would enable effective monitoring of progress to the 2050 target. However, there were mixed views on how best to achieve this: to set all the milestones at the start to provide a firm basis for business planning; or to set the milestones on an incremental basis so that they are informed by progress to date, technological developments and relative fuel prices.
- 4.6 Respondents were supportive of the government's carbon reduction objectives but were clear that in many cases tenants' priorities were around energy efficiency and, in particular, reducing fuel costs. As organisations, many were concerned with delivering measures that did not compromise their fuel poverty objectives and make tenants worse off overall; generally their preference was that the improvements should result in an increased level of thermal comfort for the tenant without a rise in rent. There were some concerns that the financial impacts could be greater on some groups, such as vulnerable groups who spend more time at home and who have low incomes, as well as people living in properties with low target ratings/properties granted exceptions.
- 4.7 A key issue facing landlords is delivering improvements in mixed tenure properties/multi-tenure estates. Many report difficulties securing co-operation from owners with respect to SHQS works. The decline in grant funding following the introduction of the scheme of assistance was seen as a contributory factor. Key concerns for landlords hoping to secure opt-in from owners for the standard were that limited grant funding would be available (although other funding may be) and that some works would be costly. A common view was that extending the standard to the private sector would be helpful.
- 4.8 A number of respondents raised questions regarding whether maintaining their stock to the standard will be a legal requirement and, in particular, whether landlords will be permitted to let properties that fail to achieve the standard. The proposals contained within the document are for a set of targets to inform investment planning not the definition of a new condemnatory standard.

GLOSSARY

List of acronyms

ALACHO	Association of Local Authority Chief Housing Officers
ASHP	Air Source Heating Pump
CERT	Carbon Emissions Reduction Target
CESP	Community Energy Saving Programme
CIH Scotland	Chartered Institute for Housing Scotland
COSLA	Convention of Scottish Local Authorities
ECO	Energy Company Obligation
EPC	Energy Performance Certificate
EQIA	Equalities Impact Assessment
EST	Energy Savings Trust
GHA	Glasgow Housing Association
GWSF	Glasgow and West of Scotland Forum of Housing Associations
HEED	Home Energy Efficiency Database
NRP	National Retrofit Programme
PSHG	Private Sector Housing Grant
PV	Photovoltaic
RIF	Respondent Information Form
SFHA	Scottish Federation of Housing Associations
SHCS	Scottish House Condition Survey
SHQS	Scottish Housing Quality Standard
SHR	Scottish Housing Regulator
SHS	Sustainable Housing Strategy
TSA	Tenements (Scotland) Act 2004
UHI	Universal Home Insulation Scheme

Glossary

Asset Management	Refers to the monitoring and maintenance of a landlord's housing stock
Energy Efficiency (EE) rating	The EE rating is based on the energy costs associated with the energy delivered to the dwelling to provide heating, ventilation and lighting (sometimes referred to as the SAP rating).
Environmental Impact (EI) rating	The Environmental Impact (CO ₂) rating relates to the dwelling's annual CO ₂ emissions.
Mixed tenure	A reference to blocks of flats or estates with a mix of owner occupied, social rented and private rented properties
NHER	National Home Energy Rating - a rating scale for measuring the energy efficiency of housing
RdSAP	Reduced data Standard Assessment Procedure. This is used in EPC calculations typically for existing dwellings, as full SAP data is not available.
SAP	Standard Assessment Procedure - a rating scale for measuring the energy efficiency of housing, used in EPCs

ANNEX A: LIST OF RESPONDENTS

The following responded to the consultation and were willing for their responses to be made public.

Local Authorities

Aberdeen City Council
Aberdeenshire Council
Association of Local Authority Chief Housing Officers (ALACHO)
Angus Council
Argyll & Bute Council
City of Edinburgh Council
Clackmannanshire Council
Convention of Scottish Local Authorities (COSLA)
Dundee City Council
East Ayrshire Council
East Lothian Council
Falkirk Council
Fife Council
Glasgow City Council
Highland Council
Moray Council
North Lanarkshire Council
Orkney Islands Council
Renfrewshire Council
South Lanarkshire Council
West Dunbartonshire Council
West Lothian Council

Housing Associations

Ardenglen Housing Association
Albyn Housing Society
Angus Housing Association Ltd
Argyll Community Housing Association
Barrhead Housing Association
Berwickshire Housing Association
Caledonia Housing Association
Castle Rock Edinvar
Cernach Housing Association Ltd
Clyde Valley Housing Association
Dalmuir Park Housing Association
Dumfries and Galloway Housing Partnership
Dunbritton Housing Association Ltd
Dunedin Canmore Housing Ltd
East Kilbride and District Housing Association
Easthall Park Housing Co-operative Ltd
Gardeen Housing Association
Glasgow and West of Scotland Forum of Housing Associations

Glasgow Housing Association
Glasgow West Housing Association
Grampian Housing Association
Hanover Housing Association
Knowes Housing Association
Lanarkshire Housing Association Ltd
Link Group Ltd
Lister Housing Co-operative Ltd
Loreburn Housing Association
Loretto Housing Association
Manor Estates Housing Association Ltd
North View Housing Association
Ore Valley Housing Association
Orkney Housing Association
Partick Housing Association
Port of Leith Housing Association
Queens Cross Housing Association
Rural Stirling Housing Association
Scottish Federation of Housing Associations
Shire Housing Association Ltd
Thenue Housing Association
West of Scotland Housing Association
Whiteinch and Scotstoun HA
Williamsburgh Housing Association

Private Sector

Carillion Energy Services
Council of Mortgage Lenders
Federation of Master Builders
National Federation of Roofing Contractors: Scotland
Rockwool Ltd
Scottish and Southern Energy
Scottish Land and Estates
Stewart Milne Group
The Energy Utilities Alliance
Val-U-Therm

Other Organisations

Representative Bodies for Professionals

CIH
RICS Scotland

Third Sector Organisations

Energy Action Scotland
Energy Savings Trust
Waterwise

Other Organisations

Consumer Focus Scotland

NHS Health Scotland

Scottish Managed Sustainable Health Network (SMaSH)

SEPA

Individuals

Three responses were also received from individuals

ANNEX B: SUMMARY OF RESPONSES BY CATEGORY OF RESPONDENT

Table B1: Categories of respondent (RIF Q4)

Groups	No.	%
Registered Social Landlord	40	47%
Local authority	20	23%
Private sector organisation	6	7%
Representative body for private sector organisations	4	5%
Representative body for professionals	3	3%
Third sector / equality organisation	3	3%
Other statutory organisation	1	1%
Representative body for third sector / equality organisations	1	1%
Representative body for Community organisations	1	1%
Individual	3	3%
Other:	4	5%
All respondents	86	

Table B2: Response to Q1

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	17	77%	2	9%	3	14%	22
Housing associations	27	64%	9	21%	6	14%	42
Private sector	4	40%	3	30%	3	30%	10
Third sector	1	33%	1	33%	1	33%	3
Rep prof orgs	1	50%	0	0%	1	50%	2
Other organisations	1	25%	1	25%	2	50%	4
Individual	1	33%	2	67%	0	0%	3
Total	52	60%	18	21%	16	19%	86

Table B3: Response to Q4

	Yes		No		Undecided		No response		Total
	#	%	#	%	#	%	#	%	#
Local authorities	17	77%	2	9%	1	5%	2	9%	22
Housing associations	28	67%	10	24%	0	0%	4	10%	42
Private sector	5	50%	1	10%	1	10%	3	30%	10
Third sector	2	67%	0	0%	0	0%	1	33%	3
Rep prof orgs	0	0%	0	0%	0	0%	2	100%	2
Other organisations	2	50%	0	0%	0	0%	2	50%	4
Individual	1	33%	2	67%	0	0%	0	0%	3
Total	55	64%	15	17%	2	2%	14	16%	86

Table B4: Response to Q8

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	20	91%	0	0%	2	9%	22
Housing associations	33	79%	5	12%	4	10%	42
Private sector	6	60%	0	0%	4	40%	10
Third sector	1	33%	0	0%	2	67%	3
Rep prof orgs	1	50%	0	0%	1	50%	2
Other organisations	2	50%	0	0%	2	50%	4
Individual	1	33%	2	67%	0	0%	3
Total	64	74%	7	8%	15	17%	86

Table B5: Response to Q8a

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	12	55%	5	23%	5	23%	22
Housing associations	23	55%	11	26%	8	19%	42
Private sector	5	50%	1	10%	4	40%	10
Third sector	1	33%	0	0%	2	67%	3
Rep prof orgs	0	0%	0	0%	2	100%	2
Other organisations	0	0%	0	0%	4	100%	4
Individual	0	0%	2	67%	1	33%	3
Total	41	48%	19	22%	26	30%	86

Table B6: Response to Q8b

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	18	82%	1	5%	3	14%	22
Housing associations	30	71%	6	14%	6	14%	42
Private sector	4	40%	1	10%	5	50%	10
Third sector	1	33%	0	0%	2	67%	3
Rep prof orgs	1	50%	0	0%	1	50%	2
Other organisations	0	0%	0	0%	4	100%	4
Individual	2	67%	0	0%	1	33%	3
Total	56	65%	8	9%	22	26%	86

Table B7: Response to Q10

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	13	59%	6	27%	3	14%	22
Housing associations	17	40%	17	40%	8	19%	42
Private sector	2	20%	2	20%	6	60%	10
Third sector	0	0%	0	0%	3	100%	3
Rep prof orgs	1	50%	0	0%	1	50%	2
Other organisations	0	0%	0	0%	4	100%	4
Individual	1	33%	2	67%	0	0%	3
Total	34	40%	27	31%	25	29%	86

Table B8: Response to Q11

	Yes		No		Undecided		No response		Total
	#	%	#	%	#	%	#	%	#
Local authorities	16	73%	1	5%	1	5%	4	18%	22
Housing associations	21	50%	11	26%	0	0%	10	24%	42
Private sector	4	40%	1	10%	0	0%	5	50%	10
Third sector	1	33%	0	0%	0	0%	2	67%	3
Rep prof orgs	0	0%	0	0%	0	0%	2	100%	2
Other organisations	0	0%	1	25%	0	0%	3	75%	4
Individual	1	33%	2	67%	0	0%	0	0%	3
Total	43	50%	16	19%	1	1%	26	30%	86

Table B9: Response to Q12

	Yes		No		Undecided		No response		Total
	#	%	#	%	#	%	#	%	#
Local authorities	11	50%	9	41%	0	0%	2	9%	22
Housing associations	13	31%	22	52%	2	5%	5	12%	42
Private sector	6	60%	0	0%	0	0%	4	40%	10
Third sector	1	33%	1	33%	0	0%	1	33%	3
Rep prof orgs	0	0%	0	0%	0	0%	2	100%	2
Other organisations	1	25%	0	0%	0	0%	3	75%	4
Individual	0	0%	3	100%	0	0%	0	0%	3
Total	32	37%	35	41%	2	2%	17	20%	86

Table B10: Response to Q13

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	19	86%	2	9%	1	5%	22
Housing associations	18	43%	8	19%	16	38%	42
Private sector	6	60%	1	10%	3	30%	10
Rep prof orgs	0	0%	0	0%	2	100%	2
Third sector	1	33%	0	0%	2	67%	3
Other organisations	0	0%	0	0%	4	100%	4
Individual	0	0%	3	100%	0	0%	3
Total	44	51%	14	16%	28	33%	86

Table B12: Response to Q14

	Yes		No		Undecided		No response		Total
	#	%	#	%	#	%	#	%	#
Local authorities	7	32%	11	50%	0	0%	4	18%	22
Housing associations	14	33%	23	55%	1	2%	4	10%	42
Private sector	0	0%	1	10%	0	0%	9	90%	10
Third sector	0	0%	0	0%	0	0%	3	100%	3
Rep prof orgs	0	0%	0	0%	0	0%	2	100%	2
Other organisations	0	0%	0	0%	0	0%	4	100%	4
Individual	2	67%	0	0%	0	0%	1	33%	3
Total	23	27%	35	41%	1	1%	27	31%	86

Table B13: Response to Q15

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	16	73%	4	18%	2	9%	22
Housing associations	30	71%	6	14%	6	14%	42
Private sector	3	30%	1	10%	6	60%	10
Third sector	0	0%	0	0%	3	100%	3
Rep prof orgs	0	0%	0	0%	2	100%	2
Other organisations	0	0%	0	0%	4	100%	4
Individual	2	67%	1	33%	0	0%	3
Total	51	59%	12	14%	23	27%	86

Table B14: Response to Q16

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	12	55%	8	36%	2	9%	22
Housing associations	13	31%	21	50%	8	19%	42
Private sector	1	10%	3	30%	6	60%	10
Third sector	0	0%	0	0%	3	100%	3
Rep prof orgs	0	0%	0	0%	2	100%	2
Other organisations	0	0%	0	0%	4	100%	4
Individual	0	0%	2	67%	1	33%	3
Total	26	30%	34	40%	26	30%	86

Table B15: Response to Q18

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	2	9%	18	82%	2	9%	22
Housing associations	10	24%	28	67%	4	10%	42
Private sector	1	10%	3	30%	6	60%	10
Third sector	0	0%	1	33%	2	67%	3
Rep prof orgs	0	0%	0	0%	2	100%	2
Other organisations	0	0%	1	25%	3	75%	4
Individual	3	100%	0	0%	0	0%	3
Total	16	19%	51	59%	19	22%	86

Table B16: Response to Q20

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	16	73%	2	9%	4	18%	22
Housing associations	27	64%	6	14%	9	21%	42
Private sector	4	40%	1	10%	5	50%	10
Third sector	1	33%	0	0%	2	67%	3
Rep prof orgs	1	50%	0	0%	1	50%	2
Other organisations	1	25%	0	0%	3	75%	4
Individual	0	0%	1	33%	2	67%	3
Total	50	58%	10	12%	26	30%	86

Table B17: Response to Q20a

	Yes		No		Undecided		No response		Total
	#	%	#	%	#	%	#	%	#
Local authorities	7	32%	11	50%	1	5%	3	14%	22
Housing associations	10	24%	21	50%	0	0%	11	26%	42
Private sector	2	20%	4	40%	0	0%	4	40%	10
Third sector	0	0%	1	33%	0	0%	2	67%	3
Rep prof orgs	0	0%	0	0%	0	0%	2	100%	2
Other organisations	0	0%	0	0%	0	0%	4	100%	4
Individual	0	0%	1	33%	0	0%	2	67%	3
Total	19	22%	38	44%	1	1%	28	33%	86

Table B18: Response to Q21

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	18	82%	1	5%	3	14%	22
Housing associations	33	79%	2	5%	7	17%	42
Private sector	3	30%	2	20%	5	50%	10
Third sector	1	33%	0	0%	2	67%	3
Rep prof orgs	0	0%	0	0%	2	100%	2
Other organisations	0	0%	0	0%	4	100%	4
Individual	2	67%	0	0%	1	33%	3
Total	57	66%	5	6%	24	28%	86

Table B19: Response to Q23

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	3	14%	15	68%	4	18%	22
Housing associations	5	12%	30	71%	7	17%	42
Private sector	3	30%	1	10%	6	60%	10
Third sector	0	0%	0	0%	3	100%	3
Rep prof orgs	0	0%	0	0%	2	100%	2
Other organisations	0	0%	0	0%	4	100%	4
Individual	0	0%	2	67%	1	33%	3
Total	11	13%	48	56%	27	31%	86

Table B20: Response to Q26

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	16	73%	3	14%	3	14%	22
Housing associations	25	60%	8	19%	9	21%	42
Private sector	2	20%	1	10%	7	70%	10
Third sector	0	0%	0	0%	3	100%	3
Rep prof orgs	0	0%	0	0%	2	100%	2
Other organisations	0	0%	0	0%	4	100%	4
Individual	0	0%	2	67%	1	33%	3
Total	43	50%	14	16%	29	34%	86

Table B21: Response to Q27

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	13	59%	4	18%	5	23%	22
Housing associations	23	55%	5	12%	14	33%	42
Private sector	2	20%	0	0%	8	80%	10
Third sector	0	0%	0	0%	3	100%	3
Rep prof orgs	1	50%	0	0%	1	50%	2
Other organisations	0	0%	0	0%	4	100%	4
Individual	2	67%	0	0%	1	33%	3
Total	41	48%	9	10%	36	42%	86

Table B22: Response to Q28

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	18	82%	0	0%	4	18%	22
Housing associations	25	60%	4	10%	13	31%	42
Private sector	4	40%	0	0%	6	60%	10
Third sector	1	33%	0	0%	2	67%	3
Rep prof orgs	1	50%	0	0%	1	50%	2
Other organisations	0	0%	0	0%	4	100%	4
Individual	2	67%	0	0%	1	33%	3
Total	51	59%	4	5%	31	36%	86

Table B23: Response to Q29

	Yes		No		No response		Total
	#	%	#	%	#	%	#
Local authorities	17	77%	3	14%	2	9%	22
Housing associations	27	64%	6	14%	9	21%	42
Private sector	3	30%	0	0%	7	70%	10
Third sector	1	33%	0	0%	2	67%	3
Rep prof orgs	0	0%	0	0%	2	100%	2
Other organisations	0	0%	1	25%	3	75%	4
Individual	0	0%	2	67%	1	33%	3
Total	48	56%	12	14%	26	30%	86

ANNEX C: EXTRACTS FROM DEVELOPING AN ENERGY EFFICIENCY STANDARD FOR SOCIAL HOUSING

Extract C1

Dwelling types and modelled case studies

5.5 Through examination of the Scottish House Condition Survey (SHCS), the most common house types in Scottish social housing were identified, listed below. This allowed case studies to be developed based on these house types by modelling the impact of different energy efficiency improvements, as well as the likely cost of installation. Copies of the case studies are available on the Scottish Government website at: <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/sustainable/standard>.

1. Pre 1919 solid wall flat - ground floor
2. Pre 1919 solid wall flat - mid-floor
3. Pre 1919 solid wall flat - top floor
4. Interwar cavity flat - mid-floor
5. Interwar cavity house - mid-terrace
6. Interwar cavity house - semi-detached
7. Four in a block - lower
8. Four in a block - upper
9. Post war 1950-64 - mid-floor
10. Post war 1950-64 - mid-terrace
11. Post war 1950-64 - semi-detached
12. 1976-83 - mid-floor
13. 1976-83 - mid-terrace
14. 1976-83 - semi-detached
15. 1984-91 - mid-floor
16. 1984-91 - mid-terrace
17. 1984-91 - semi-detached
18. 1992-98 - mid-floor
19. 1992-98 - mid-terrace
20. 1992-98 - semi-detached
21. 2003-07 - mid-floor
22. 2003-07 - mid-terrace
23. 2003-07 - semi-detached

5.6 Whilst it was considered informative to repeat such modelling on a wide variety of house types, there was also the risk that too many case studies would lead to confusion and make it harder for landlords to identify which case studies were relevant to their stock. The list above is thought to provide an indicative range of the most common dwelling types so that social landlords can gauge their stock as they work towards achieving the standard.

Extract C2 The proposed energy efficiency standard

6.1 Proposed energy efficiency standard. Using the modelling work and through consultation with our working groups the proposed energy efficiency standard for social rented housing is to establish a minimum EPC Rating (which we propose should be the Environmental Impact score) which every social rented dwelling will be required to meet by 2020. The standard will be different for different dwelling types. This would enable the Scottish Government to measure reductions in emissions from the 1990 baseline.

6.2 Both the Environmental Impact (EI) and the Energy Efficiency (EE) ratings are generated as part of the EPC process. The proposed standard is based on the Environmental Impact rating (i.e. carbon dioxide emissions) which is generated as part of the EPC assessment. It is proposed that a minimum Environmental Impact rating would be established for broad categories of similar house types based on the modelling. For example, a top floor flat on the gas grid would be expected to achieve an EI rating of “X”, whereas a mid-terraced house heated by electricity would be expected to achieve a rating of “Y”.

6.3 In most scenarios both scores are improved in tandem, therefore achieving a higher EI rating should lead to a more energy efficient home. However as the EE rating is based on the cost of fuel, in a minority of cases where high emissions reductions can be achieved, the cost of the fuel is actually higher. This could be the case for technologies such as biomass.

6.4 Therefore to act as a safeguard, it is proposed that should a minimum Environmental Impact (EI) rating be used for the energy efficiency standard, the dwelling’s current energy efficiency rating should not decrease as measures are installed.

Benefits of the proposed energy efficiency standard

6.5 As described above, we have drafted detailed case studies modelling the impact of a range of measures, providing assessment of appropriate improvements to the energy performance of that dwelling type. Landlords would have flexibility to assess their stock and implement energy improvements that they consider are most appropriate, which are not necessarily the same improvements identified in the case studies, in order to meet the required EI rating identified for that dwelling type. Depending on the case study type, the efficiency of services and the fuel type, the indicated emissions reduction will vary, taking account of these variables.

6.6 A summary of the key aspects of the proposed standard is set out below:

- It’s fair in that all landlords will be expected to make an equivalent contribution, relevant to their stock.
- It would allow the Scottish Government to measure reduction in emissions since 1990.
- Landlords will have full flexibility in the measures they install.

- As the target will be a minimum EPC rating, landlords can take into account any improvements that have already been made.
- All tenants would benefit from a minimum level of energy efficiency.
- The information required is generated when an EPC is produced.
- It only considers space and water heating and lighting, so concentrates on areas where landlords can make a difference.
- Landlords would need to have a good understanding of their stock, though some may have been working towards a 100% survey of their stock as part of the SHQS.

Extract C3 Proposed ratings

6.7 The tables below set out the proposed scores to be met by the main dwelling types:

Standard for gas heated homes for 2020

Broad Type	Minimum EPC (EI) rating for the standard	Minimum EPC (energy efficiency) rating
Top floor flats heated by gas	C (70)	C (75)
Mid floor flat heated by gas	C (80)	C (80)
Ground floor flat heated by gas	D (65)	C (70)
Mid-terraced house heated by gas	C (70)	C (75)
End terrace / Semi-detached heated by gas	D (65)	C (70)
Four in a block - Lower heated by gas	D (60)	D (65)
Four in a block - Upper -heated by gas	D (60)	D (65)
Detached / bungalow heated by gas	D (55)	D (60)

Standard for electrically heated homes for 2020

Broad Type	Minimum EPC (EI) rating for the standard	Minimum EPC (energy efficiency) rating
Top floor flats heated by electricity	D (60)	D (65)
Mid floor flat heated by electricity	C (70)	C (70)
Ground floor flat heated by electricity	E (50)	D (60)
Mid-terraced house heated by electricity	D (55)	D (60)
End terrace / Semi-detached heated by electricity	E (50)	D (60)
Four in a block - Lower heated by electricity	E (50)	D (60)
Four in a block - Upper -heated by electricity	D (55)	D (60)
Detached / bungalow heated by electricity	E (50)	D (55)

NB It is proposed that the energy efficiency standard is based on the EI rating. The Energy Efficiency rating is also included in the tables above to give an idea of what a standard based on that rating may look like and to help inform responses to the consultation.

Extract C4 Treating unusual dwelling types

6.14 As the case studies are designed to cover the main dwelling types, it is envisaged that there would be no requirement for any exceptions in the new standard. However, as noted above the modelling work and case studies don't cover all social rented housing; there are some more unusual types of dwelling in the sector. Even within common house types there are individual dwellings where circumstances differ. The ongoing peer review process is considering how best to handle the approximately 10% of the stock which isn't covered by the work done to date. However, one suggestion is that a methodology is set out for landlords to follow. This would require them to use the 1990 base assumptions to record a baseline for their individual dwelling and calculate a set percentage reduction to identify a required improvement. This method could be used for all unusual dwelling types, including types where the 1990 baseline is significantly below the generic baseline for a similar dwelling type. The percentage reduction would be set by Scottish Government to recognise the different dwelling circumstances and be in line with the burden on other dwelling types. This is set out in more detail below.

**Example of the proposed methodology for dealing with Hard-to-Treats.
Example: no-fines concrete, semi-detached, gas heated dwelling, constructed in 1978.**

1. The landlord enters survey details from the individual property into RdSAP using the same assumptions for the building services elements as for the generic dwelling type (as discussed in 4.20). The relevant generic building type for this example will be 1976-1983 built gas heated semi-detached house.
2. The landlord calculates the baseline Environmental Impact rating. For this example dwelling the baseline EI rating is F (28) with approximate CO₂ emissions of 103 kg/m²/year. This is lower than the generic building type which is E rated.
3. The Scottish Government will set the required percentage reduction and the landlord will calculate what the reduction in emissions should be for that individual dwelling. For example, the dwelling must achieve a minimum 42% reduction in CO₂ emissions, reducing the emissions to approximately 60 kg/m²/year.
4. The landlord considers the range of appropriate cost effective options by which the dwelling can meet the required reduction in energy and emissions. These are likely to include:
 - 100% low energy lighting;
 - A condensing boiler;
 - Time and temperature zone controls;
 - Roof insulation; and
 - Double glazing.
5. The landlord chooses the best combination of measures and undertakes the required work

6.15 This approach will only be permissible for certain house types and certain circumstances, which will be defined in the final version of the standard.

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