

### Financial Market Transformation Action Plan : Progress for actions identified in Scotland's Sustainable Housing Strategy

No.	ACTION	PROGRESS	MILESTONES
1	Building on advice received from the former Financial Services Authority, we will actively engage with lenders, consumers and surveyors to evaluate the opportunity of including a valuation premium on energy efficiency measures. There is considerable international evidence emerging that green homes are increasingly attractive to homebuyers, and evidence from the UK that people are concerned about energy bills and thinking about saving energy in the home . We will work with stakeholders to review evidence on energy performance, market conditions and how to accelerate the potential for sustainability to be reflected in valuations.	Initial stakeholder meetings commenced in September 2013. Key items of research published includes DECC's June 2013 study which identified a positive link between EPC rating and property value; and EST's recent study which found consumers saw energy efficiency as an important characteristic and were willing to pay more for a home with microgeneration equipment. A multi-disciplinary ISM workshop was held in January 2014. Stakeholder engagement will continue throughout 2014 and will be based on the ISM findings and this extended action plan.	Development of FMT Action Plan
2	The 2020 Built Environment sub group will work with the Glasgow Solicitors Property Centre and Glasgow University on tracking home buyers appetite towards energy efficiency.	GSPC and the University of Glasgow have developed a two-stage plan for the project. The 2020 Group confirmed at the last SHSG meeting its intention to fund the project. A decision by the 2020 Group Board is expected imminently.	Dependent on commencement date – possible result August 2014
3	We will ensure that the review into Home Reports, scheduled to coincide with 5 years of their operation in December 2013, considers their role in supporting behaviour change to encourage home owners to value the sustainability, both in terms of condition and energy efficiency, of their houses.	Consultation launched December and ran to 27 February. Responses are currently being analysed and we are into next phase of research. Review expected to complete by end of November	Analysis of consultation responses April 2014.  Review concludes December 2014.
4	We will work with stakeholders to develop guidance to homeowners on what to think about when considering investment in their homes.	This is being addressed through the development of proposals for the common housing quality standard and is planned to be included in the consultation.	This will be one of a series of papers to be considered by the proposed forum on a common housing standard. Subject to stakeholder views on a forum, we intend to consider these papers between summer 2014 and summer 2015.
5	We will work with Historic Scotland on their pilot for a Traditional Building Health Check, which will look at an opt-in programme which provides a maintenance log book for homeowners.	This project now started in Stirling, and initial sign ups to the trial are underway.	
6	We will continue to fund and expand the Energy Saving	2013/14 to date (April-December):	

	<p>Trust's Home Energy Advice Centres to deliver impartial independent advice on Green Deal and the Energy Company Obligation helping households make decisions on the benefits and cost effectiveness of energy efficiency improvements in their homes. The following figures for 2012/13 exceed the targets we had set:</p> <ul style="list-style-type: none"> <li>o 312,051 customer advice contacts</li> <li>o 847 Small and Medium Enterprises receiving in depth energy reviews by consultants.</li> <li>o 1.26M lifetime tonnes CO2 and 5.3 TWh lifetime energy</li> <li>o 44,300 tonnes of CO2 and 186,000 MWh saved annually</li> </ul>	<ul style="list-style-type: none"> <li>• 146, 523 customer advice contacts</li> <li>• SMEs receiving in-depth energy reviews are now conducted through Resource Efficient Scotland as part of that new advice and support service and so cover a wider range of resource efficiency that the in-depth energy reviews in previous years</li> <li>• Estimated 285,948 lifetime tCO2 and 1.20 TWh lifetime energy</li> <li>• Estimated 10,323 t CO2 and 42,285 MWh saved annually</li> </ul>	
7	Through our sponsorship of the Energy Saving Trust we will continue to fund the Green Homes Network. The Network currently boasts over 740 members who have volunteered to share their experiences of energy efficiency upgrades in their homes. We will also look to expand the Network's membership and to include video case studies for Green Deal / ECO measures such as solid wall insulation on the Green Homes Network webpage .	There are already 16 social housing projects listed on the recently launched Green Network for Social Housing which will provide useful information and contacts to other social housing providers. Further homes and business members and social housing projects will be recruited during the remainder of the 2013/14 financial year.	
8	We will encourage the uptake of Green Deal in Scotland through the Green Deal cashback scheme which will offer grants of up to £1,200 for the installation of measures.	Since the scheme opened in 2012, 25,544 vouchers have been issued to date. In September eligibility to the scheme was extended to RSLs for both social housing and private households in their area based improvement schemes.	Scheme due to end 31 March. Awaiting outcome of discussion with UK Government on consequential funding.
9	We will build on the work set out in Low Carbon Scotland: A Behaviours Framework which includes a user guide and a series of workshops on the Individual, Social and Material (ISM) tool.	A multi-disciplinary stakeholder workshop was held in January 2014. Participants were asked to consider influences on buyer behaviour and consideration of energy efficiency during home buying. A number of ideas were also generated. The ISM Report will be circulated at the next SHSG meeting. It has formed the basis of the additional actions identified in this action plan.	ISM Workshop ISM Report circulated
10	We will continue to provide advice on how to make homes warmer and more energy efficient through the Greener Scotland website.	New Home Energy Scotland campaign highlighted on the GreenerScotland.org website in October 2013. Information updated accordingly.	
11	We will work with Skills Development Scotland and other partners to deliver training supported by the Low Carbon Skills Fund, helping small and medium sized employers train their staff to become certified Green Deal assessors and installers.	The majority of LCSF training supported in 2013/14 has been linked to training for Green Deal.	
<b>Financial Market Transformation Action Plan : Additional actions identified following publication of Scotland's Sustainable Housing</b>			

<b>Strategy. These are already underway or will be starting soon.</b>			
<b>No.</b>	<b>ACTION</b>	<b>PROGRESS</b>	<b>MILESTONES</b>
12	We will develop a low carbon vision for Scotland's future. This tool will be used to engage the public and stakeholders in what a low carbon future might hold. It will describe what life will be like in a low carbon future and will include a look at low carbon households.	Project is at the initial scoping stage.	Draft vision – summer 2014 Vision launch – early 2015
13	Homes for Scotland is hosting a Saltire Fellow who is developing a marketing and communications strategy for stimulating consumer demand for energy efficient homes. The strategy will focus on specific actions that can be implemented by member companies to help collectively achieve a wider behavioural change in the housing market.	Saltire Fellow has been in place since January 2014 and is due to report final recommendations at end March 2014. The project has included interviews with prospective homebuyers and new home builders, focus groups, and a review of existing research and best practice in the UK, overseas and from other sectors.	Marketing and Communications Plan finalised March 2013
14	We will develop proposals for regulating energy efficiency in existing private sector housing. Regulations are likely to drive a change in buyer/seller behaviour and may create additional demand for energy efficient homes. This was identified as a 'big ticket' item during the ISM workshop with participants suggesting that this could drive a shift in the market – to favour homes that are more energy efficient and therefore meet the standard.	The Regulation of Energy Efficiency in Private Sector housing (REEPS) working group has met 5 times since April 2013. Two subgroups have been set up to take forward detailed work around what the standard should be, and to consider related issues arising from the wider context (for example fit with incentives, impact on housing markets and current attitudes to energy efficiency).	Consultation on draft regulations spring 2015
15	The Greener Scotland campaign is a national campaign encouraging everyone across the country to play their part in making Scotland a cleaner, greener place to live. The campaign is delivered in partnership with a range of public, private and voluntary organisations.	The "Greener Together" Campaign was launched in January 2012 and has sought to represent the 10 key behaviours in an integrated way through television, outdoor and digital social advertising. It is complemented by a website and helpline. The "Too Good To Waste" four-part television series aired in April 2012 and followed Scottish celebrities as they were challenged to reduce their wasteful ways. The programmes included demonstrations of how everyone has the potential to make changes to reduce costs and become 'greener'. A qualitative study following the series found that the behaviours that were most adopted related to electricity management, lowering food waste and composting.	Follow-on TV series from "Too Good To Waste" to launch on 21 March 2014.  Energy Saving Trust YouTube videos , e.g. on better heating management etc.

### Financial Market Transformation Action Plan : Possible new actions arising from ISM Workshop

No.	ACTION	SUMMARY
1	Establish Financial Market Transformation Reference Group to act as a sounding board for further development and implementation of the Action Plan.	The aim would be to ensure that expert input would continue to be made into the ongoing development of this work. It is anticipated that this would be a light touch, virtual network, supplemented with occasional meetings with specific partners, if required.
2	We will develop guidance for home buyers and renters on what to think about when looking to buy or rent a property.	ISM Workshop identified home buying as an unfamiliar process as houses are bought and sold infrequently and therefore consumers have not formed habits. The proposed guidance could act as a central point for advice around house buying, e.g. sign-posting other advice around mortgages, conveyancing etc., as well as providing hints and tips on what to consider when (a) viewing a property, (b) reading the Home Report and EPC, and (c) when negotiating. This resource would bring together existing guidance and could be expanded to include house condition.
3	We will identify opportunities to raise awareness of domestic energy efficiency across the property professionals, i.e. surveyors, estate agents and solicitors	The role of institutions was noted in the output from the ISM Workshop, and in particular the high level of contact they can have with buyers, e.g. estate agents and solicitors. This action will look for opportunities to raise awareness of energy efficiency across professional networks. It will look for opportunities to use print and social media and look to share research, evidence and good news stories.
4	We will investigate whether there are additional ways to present information about a property's energy efficiency in order to promote its benefits.	The ISM Workshop suggested that people do not currently perceive energy efficiency as a relevant consideration during house purchase. That they do not recognise running costs and potential savings associated with different measures, that EPC information is not readily comparable between properties, and that EPC ratings do not mean anything to buyers and owners. In short, there is not a common language in regard to energy efficiency equivalent to that for transport (ie, miles per gallon). This action will seek to investigate what other opportunities exist for presenting energy efficiency information. It is also relevant to the development of REEPS. Milestones may include report back to REEPS sub-groups or FMT Reference Group.
5	We will develop a resource that outlines the characteristics of properties with a range of EPC ratings.	The ISM workshop suggested that people do not easily understand energy efficiency and that it means different things. Participants also noted that it is extremely difficult to compare properties. This resource would provide an overview of characteristics you might expect to see for different types of property with different EPC ratings.
6	Homes for Scotland – Saltire Fellow legacy	May be follow-up actions emerging from Saltire Fellow project based at Homes for Scotland considering approaches to stimulating demand for greener homes.
7	We will look to identify actions that could be pursued to support market transformation in the private rented sector.	There is potential to broaden the focus to include action in the private rented sector. In the first instance, we will look to hold further ISM workshops to better understand the factors at play.
8	Improvement framework experiments	Scottish Government is seeking to use public service improvement framework approach to promote innovation and better services. There is a possibility of using small scale experiments to test innovative ideas, for example, to investigate how to prompt changes in behaviour that reduce energy use, or new ways to promote use of EPCs during house sales.