Association for the Conservation of Energy

Consultation Response: Homes that don't cost the earth: Scotland's Sustainable Housing Strategy

ACE response – September 2012

Introduction to the views of ACE

The Association for the Conservation of Energy (ACE) is a lobbying, campaigning and policy research organisation, and has worked in the field of energy efficiency since 1981. Our lobbying and campaigning work represents the interests of our membership: major manufacturers and distributors of energy saving equipment in the United Kingdom. Our policy research is funded independently, and is focused on three key themes: policies and programmes to encourage increased energy efficiency; the environmental, social and economic benefits of increased energy efficiency; and organisational roles in the process of implementing energy efficiency policy. ACE is a member of the Scottish Fuel Poverty Forum, the Stop Climate Chaos Scotland coalition and the Existing Homes Alliance Scotland. We welcome this opportunity to respond to the consultation.

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Summary

We welcome the vision and ambition set out in the consultation document. There can be no doubt that "warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland" is a vision that ACE shares.

We also welcome the proposal to establish a National Retrofit Strategy building on the success of the Universal Home Insulation Scheme (UHIS), a scheme which ACE has long supported.

We are delighted the Scottish Government are considering introducing mandatory minimum energy efficiency standards for private homes, although we would urge Minister to press ahead with this sooner rather than later. We believe minimum standards coupled with the retrofit strategy are crucial to achieving our fuel poverty and climate change targets.

However, there are a number of sour notes in the document which suggest the Scottish Government is not fully signed up to this agenda.

Finance is crucial: the Scottish Government slashed the energy saving and fuel poverty budget by nearly a third in 2011-12 and has only partially reinstated that cut in the 2012-13 budget. If it is serious about delivering warm, high-quality, affordable, low-carbon homes, the Scottish Government must put its money where its mouth is. Investment of at least £100m per year of taxpayers' money is needed, and probably closer to £120m. Using the current economic climate as an excuse for slashing spending on those who are already on the lowest incomes is simply not acceptable and shows Ministers have their priorities wrong.

The approach to new buildings is also crucial. If it is serious about building sustainable homes, Scottish Ministers must stick to the Sullivan report roadmap of zero-carbon new buildings in 2016 and very low carbon buildings in 2013. Any watering down of standards or delay to implementing them will show a lack of commitment to the statutory targets set out in the Climate Change (Scotland) Act 2009.

Specific consultation questions

Chapter 1: National Retrofit Programme

Q1: Are vision and objectives as set out in sections 19 and 20 appropriate?

Yes, we believe the vision and objectives are broadly appropriate.

We welcome the commitment to deliver a step-change in the provision of energy efficient homes by 2030, although we note that this has not been quantified.

We welcome the restatement of the statutory requirement to end fuel poverty by 2016, although it is clear the Scottish Government needs to start putting its money where its mouth is if that target is to be met. To date it has failed to do so. It would also be helpful to have a commitment to fuel poverty-proof homes to ensure nobody falls back into fuel poverty after 2016.

We welcome the commitment that housing will "make a full contribution" to the Climate Change Act targets, although this wording is somewhat woolly and we would have preferred a clear statement that housing will achieve at least a 42% reduction in emissions by 2020 and 80% by 2050. The 36% reduction by 2020 set out in the Report on Proposals and Policies (RPP) is insufficient, and demonstrates a regrettable lack of ambition on the part of the Government.

We agree that the retrofitting and housebuilding sectors have a great deal to contribute in terms of Scotland's low carbon economy. Our own research, 'Warm Homes, Green Jobs'[1] suggests that achieving a 42% emissions reduction from homes could create or safeguard over 10,000 jobs and deliver a £4bn boost to the Scottish economy.

We broadly agree with the main themes identified in section 20, although we believe the Scottish Government should focus on the first two elements of these (a national retrofit programme and mandatory minimum energy efficiency standards), since they will unlock much of the rest of what is contained in the vision and objectives.

As we will set out in more detail in answer to later questions, there is no silver bullet to delivering warm, dry affordable homes but by far the most important elements of the strategy are a national retrofit programme and mandatory minimum standards. It is also essential that these two elements go hand in hand, and are seen as two sides of the same coin: one without the other will fail to realise the vision set out in this section.

Q2: What do you think are the main barriers that prevent home owners and landlords from installing energy efficiency measures?

Q3: Please explain any practical solutions and/or incentives to overcome any barriers you have identified?

We have answered questions two and three together.

If the Scottish Government had carried out a full and proper audit and assessment of the Energy Assistance Package, the Universal Home Insulation Scheme and the other Government-funded energy saving schemes, as the Fuel Poverty Forum has long recommended, these questions would not need to be asked, since such assessment would uncover the reasons given for people refusing free insulation and other energy saving measures. There has been some research into this question, including on public attitudes to housing in England[2], published by the Department for Communities and Local Government in 2011. Perhaps the Scottish Government should consider commissioning similar research?

Indeed, the question could well be turned around to face the Government: what are the main barriers that prevent the Scottish Government giving energy saving the policy and spending priority it deserves? The answer to that question is twofold: firstly, the Scottish Government has consistently refused to undertake a comparative cost benefit analysis of new generation versus energy saving. Secondly, Ministers do not consider insulation and energy saving to be politically sexy: they would rather cut the ribbon on a new wind farm or thermal generating station than be

pictured rolling out loft insulation or fitting draft proofing. Both of these problems can be tackled with a little political backbone.

To return to the question posed, on the basis of some of the evidence referred to above; reports from our members and anecdotal evidence we suggest that the main barriers to the takeup of energy saving measures, and the main solutions are as follows:

Problem	Detail	Solution
Lack of finance	Many householders lack the upfront cost of some energy saving measures. This is the biggest single reason given for not installing energy saving measures in the 2011 Public Attitudes to Housing research referred to above, affecting 35% of respondents.	Provision of free or very substantially discounted energy saving measures, such as under the Energy Assistance Package (EAP) and Universal Home Insulation Scheme (UHIS). We particularly commend the universal approach, which reduces the stigma associated with energy saving schemes and therefore reduces cost and increases uptake. We trust that the proposed National Retrofit Programme will continue this universal approach. For more expensive measures, the Green Deal should help, though we suggest the Scottish Government should also consider reintroducing the Energy Saving Scotland Home Loan scheme, which proved extremely popular. Further financial incentives should also be used, such as a stamp duty rebate for those buying the most energy efficient homes or for those who retrofit their homes within 6 months of purchase. We suggest a sliding rebate, with a small rebate for those who undertake modest retrofits, up to 100% rebate for those achieving an 80% reduction in predicted CO2 emissions.

Problem	Detail	Solution
Apathy / I don't have time	A significant number of householders don't install energy saving equipment despite being offered it for free, because they can't be bothered or claim they 'don't have the time' to make the required changes. This is the second largest group of people in the 2011 Public Attitudes to Housing research referred to above, with 31% claiming that nothing is stopping them installing energy saving measures, or that nothing needs to be done to their home. The English House Condition Survey 2009 found that 86% of properties can accept at least one cost-effective energy efficiency improvement, therefore in more than 25% of households responding to the survey (86% of 31%), there are energy saving measures which could be installed, nothing is stopping the householder from doing it and yet the improvement is not undertaken.	The only solution to this problem is a twin-track approach of a national retrofit strategy and the introduction of mandatory minimum energy efficiency standards at point of sale or rental.

Problem	Detail	Solution
Split incentive	For the private rented sector, there is a split incentive whereby the landlord will be responsible for installing the energy saving measures, but the tenant will reap the benefit through lower fuel bills. Often more energy efficient homes are unable to attract any premium in higher rents. This is the third biggest single reason given for not installing energy saving measures in the 2011 Public Attitudes to Housing research referred to above, affecting 19% of respondents	The only long-term solution to this problem is to introduce mandatory minimum energy efficiency standards at point of sale or rental – more information on this is contained in our responses to the questions in section 2. It is clear, for example, that current incentives in the PRS are not working. The Landlord Energy Saving Allowance (LESA) is a tax allowance that allows private sector landlords to claim up to £1,500 against tax every year against investment in energy saving in their properties. It has been available since 6 April 2004[3]. The UK Treasury reports that 2,050 taxpayers claimed LESA in 2007-8, representing approximately 0.16% of UK private sector landlords[4]. The Energy Saving Scotland Small Business Loans scheme lends zero-interest loans of up to £100,000. It has been available to landlords since December 2008. In an answer to a written parliamentary question, it was revealed that only five (5) loans were granted to private sector landlords in the first 12 months of operation[5]. Further measures which can help ameliorate this problem include the requirement to provide an EPC on all marketing material, and an up-to-date website which will allow prospective tenants to estimate fuel bills on the basis of an EPC.

Problem	Detail	Solution
Lack of knowledge	Some people do not know or do not feel they sufficiently understand what is involved in the installation of energy saving measures, and what the benefits are. This is the fourth biggest single reason given for not installing energy saving measures in the 2011 Public Attitudes to Housing research referred to above, affecting 13% of respondents.	Continued and expanded funding for the ESSAC network will help to combat this, as will expanded information and advice, both from the industry but also from trusted third parties such as the Energy Saving Trust and ESSACs. Videos and other marketing material that show what is involved in the installation of energy saving equipment will help, using both traditional media and social media. Expansion of the "Green Homes" network of those who have already had energy saving measures retrofitted and can speak about their experience will also help.
Finance does not cover redecorating / reinstatement / other ancillary costs.	Some energy saving schemes do not cover the cost of redecoration or reinstatement of period features such as cornices, or other ancillary costs such as scaffolding for external solid wall insulation.	It is essential that these additional costs are covered, either in the grant for measures, or in the loan to be paid back. The energy saving offer should include all measures needed to install the energy saving equipment and reinstate the property to at least its previous standard of decoration.
Stop-go funding schemes	Some funding schemes, most notably CERT, have been stop-go in nature, one month demanding thousands of loft insulation jobs, the next month very few. This makes it extremely difficult for the energy saving industry to plan investment; it has negative effects on the retention of skilled staff, and can have a negative impact on consumer perceptions.	It is essential that energy saving schemes are funded over the longer term, and that a reasonable level of stability is achieved on the volume of measures installed over time. Clear signals from Government, such as the introduction of mandatory minimum energy saving standards, would also help in this regard.
Perception of hassle	Some householders perceive the installation of energy saving measures will be a hassle and create dust / mess.	Videos and other marketing material that show what is involved in the installation. Expansion of the "Green Homes" network of those who have already had energy saving measures retrofitted and can speak about their experience.

Problem	Detail	Solution
Householders do not believe the fuel bill savings that can be achieved	Some householders don't believe the fuel bill savings quoted, and need demonstration that they will actually be achieved.	Expansion of the "Green Homes" network of those who have already had energy saving measures retrofitted. The Green Deal should help, with its 'golden rule' that energy bill savings must be more than loan repayments.
Mixed-tenure blocks and tenements require neighbour agreement	Agreement for the installation of measures which affect more than one property in a block can be time-consuming and costly to achieve, particularly in blocks with right to buy properties, and where there are absentee landlords.	The UHIS scheme has funded some innovative projects to deliver insulation in mixed-tenure blocks. The lessons should be learned from this, and if necessary the funding expanded. The measures being considered under Chapter 2 of this consultation will also help in this regard.
Misleading information	Certain national newspapers, and even some professional organisations, have in the past been guilty of spreading misinformation about the side effects of installing some types of insulation.	We welcome the fact that the Scottish Government has historically dealt with such misinformation robustly, and has published information which correctly identifies the issues to be considered when installing insulation.
Lack of trust	Some householders don't trust the claims made by some marketers of energy saving equipment. They think free insulation is too good to be true, so there must be a catch.	Area-based schemes run in conjunction with trusted local organisations such as councils or voluntary sector organisations can help to build trust. Guarantee schemes such as the Cavity Insulation Guarantee Agency (CIGA) or the soon to be launched Solid Wall Insulation Guarantee Agency (SWIGA) will help to ensure trust in the product and the installer.

Despite the barriers mentioned above, it is clear that area-based insulation programmes are successful in improving take up of measures. Targeted promotion, enabling measures and knock-down prices have all had an impact. Hence, there is good evidence to support the continuation of the UHIS approach under the National Retrofit Programme to maximise voluntary take-up. However, some homeowners and landlords are still not taking up measures, even when measures are free or in some cases, they are offered a 'cash-back'.

In addition to a well-designed National Retrofit programme (the approach set out in the Consumer Focus Scotland publication, Energising Communities[6] seems to be a sensible one), we suggest several of these barriers could be overcome by foreshadowing regulation of the private housing sector for minimum standards of energy performance to act as a backstop for those who won't take voluntary action, and drive demand for measures more generally.

Other measures which could help overcome barriers are:

- Continue support for Energy Saving Scotland advice network
- Improve the customer journey – quick, smooth, easy
- More handholding support for landlords
- Improve value of guarantees on upgrades
- A national register of property types and improvements needs to be created and widely distributed, including the range of non-traditional properties in Scotland.
- Landlord registration scheme can be a useful way to promote energy efficiency benefits

Q4: Given Scotland's diverse range of housing, what support is needed to enable people to get energy efficiency measures installed?

The range of housing in Scotland is similar to that found elsewhere in the UK. What is different is the proportion of different house types; the colder climate and in some parts of Scotland, the distances and therefore the transport costs involved.

These specific Scottish issues can be addressed as follows:

1) The colder climate in Scotland can be partially addressed by ensuring that any methodology used to calculate carbon saved from the installation of a particular measure takes the colder climate and longer heating season into account, and thus the greater carbon saving that can be achieved installing the same measure in Kirkwall compared to Cornwall.
   We understand that the most recent revision of Reduced Data Standard Assessment Procedure (rdSAP) does take climate into account, but we suggest the Scottish Government keeps this under review and considers whether National Home Energy Rating (NHER) or some other methodology would more accurately reflect the carbon savings achieved in Scotland.

2) There are a higher proportion of flatted properties (tenements) in Scotland compared to other parts of the UK, and a higher proportion of timber framed properties as well. Measures to tackle tenements should include funding through the National Retrofit Strategy, and extending greater powers to local authorities to require owners in multi-occupancy blocks to undertake measures where this is considered appropriate. Later questions deal with this issue in more detail. Older timber framed properties can be treated in much the same way as solid walled properties.

3) The distances involved in reaching the more remote parts of Scotland can increase transport and other ancillary costs, but can also make it tricky to encourage contractors to visit to supply quotes. It is therefore essential that the Scottish Government use its own funds to cover such costs where they are not available from other sources, to ensure the more

remote parts of Scotland do not miss out on energy saving measures available elsewhere. It may also be prudent to relax the usual requirement that funding for some more expensive work is contingent on obtaining three separate quotes from contractors – in some parts of the country this is just not possible.

4) Many of the specific Scottish issues of distinct house type, colder climate and greater distances involved can be addressed by well designed but locally-led area-based energy saving schemes such as those pioneered under the Universal Home Insulation Scheme (UHIS). We hope the Scottish Government will continue the best elements of UHIS in the design of its new National Retrofit Programme.

Q5: (a) What specific issues need to be addressed in respect of improving energy efficiency in rural areas, particularly more remote or island areas? (b) How should these be addressed?

See our response to question 4 above.

Q6: Taking into account the models and funding sources outlined in sections 1.20-1.37, what role might local authorities and other agencies play in bringing about a step change in retrofitting Scotland's housing?

ACE welcomes the approach outlined for the National Retrofit Programme. We agree it should consist of area-based programmes and be focused on fuel poverty.

While part of the benefit of UHIS has been that the schemes have been led by local authorities, who have the best local knowledge and a high level of trust amongst their local populations, the disadvantage of UHIS is that it has not been strategically focussed on the areas with highest levels of fuel poverty. Indeed, the UHIS funding allocations have often been based more on keeping COSLA and other local authority chiefs happy rather than on directing funding where it is most needed, or at schemes that deliver the greatest carbon saving or the greatest additionality. This is a mistake. If our aim is to end fuel poverty, we must have a scheme which is aimed at the areas with the highest incidence of fuel poverty instead of the petty "every authority must get something and Glasgow must get the most" formula which has been used in the past.

It is therefore essential that local authorities are not given a lead role in the delivery of the National Retrofit Programme, unless that role is in collaboration with their neighbouring authorities to deliver a scheme which it can incontrovertibly be proved is targeted at one of Scotland's worst areas of fuel poverty. Rather we would prefer to see ESSACs developing one or two schemes for each of their areas in collaboration with local authorities. This would deliver the best of both worlds: the strategic approach and the leadership from the ESSACs and the trust and local knowledge of local authorities.

It is not possible to prescribe what the schemes will deliver – it will depend on the nature of the households and housing type, rural or urban. Those leading the schemes will need to engage with intermediaries to design and market effective programmes which will target fuel poverty, while at the same time tackling emissions.

It is likely that the UHIS model offering free loft and/or cavity wall insulation could continue, especially in areas that have not yet been targeted. At the same time new model(s) will be needed to promote solid wall insulation – for example in mixed tenure blocks where the volume of work would be greater, and/or in rural areas where the carbon saving will be highest.

In general, design principles of the NRP should include:

- The need to provide an integrated package of measures for consumers, taking account of both the technical challenges outlined above and of the need to complement energy efficiency measures with income maximisation and tariff advice;
- Geographical targeting towards areas where fuel poverty is most prevalent;
- The need to offer measures in ways which meet consumers' needs and circumstances
- The requirements of existing and new funding streams. We would further recommend that the programmes, at the point of delivery, should be as flexible as possible, so that additional monies can be used to expand the range or scale of ongoing programmes as easily as possible, rather than setting up new mechanisms when resources become available.

We should also add in commenting on this question that the proposal from Homes for Scotland outlined in box 5 on page 21 is not credible and should not be entertained by Government. It is fundamentally flawed in that any such scheme cannot demonstrate additionality – in other words, it cannot be demonstrated that the claimed carbon savings would not have been delivered anyway. Indeed, it is highly likely that they would have happened anyway, with the excellent UHIS scheme and the forthcoming National Retrofit Strategy. The Scottish Government must therefore dismiss this hare-brained scheme, and continue with the roadmap set out in the Sullivan report for very low carbon new buildings in 2013 and zero-carbon new buildings in 2016.

Q7: What role should the Scottish Government play in a National Retrofit programme?

The Scottish Government should play the following roles:

- Join up the NRP and more broadly this strategy with other parts of government (eg NHS to help identify vulnerable householders; Scottish Enterprise to provide for training etc)
- Increase Scottish funding in order to meet fuel poverty and climate change targets. It is estimated that at least £100m of Scottish Government funding per annum to 2020 is required – probably more now, since that figure dates from some years ago and funding to date has not matched that level. Funding should be guaranteed over several years to allow for development of multi-year programmes.
- Put in place a scheme of equity loans for home owners along the lines of the National Lending Unit scheme previously considered as part of the implementation of the 2006 Act
- Data collection and analysis on housing condition; Scotland-wide mapping tool to support fuel poverty identification and allow targeting of areas to maximise ECO spend in Scotland
- Home Energy Efficiency Database should be up-to-date and searchable
- Evaluation of UHIS to inform development of NRP
- Monitoring and evaluation of the NRP against government outcomes
- Put in place a quality assurance programme for the NRP – how do we know the installed measures are actually delivery against predicted outcomes?
- Engage with utilities at ministerial level to identify best ways to maximise ECO

- Support development of regional Green Deal delivery to mesh with NRP
- Continue to fund ESSAC network and work in partnership to develop and improve the customer journey and ensure benefits are achieved post-installation

Q8: What role could the devolution of additional powers play in achieving more retrofit?

ACE has long campaigned for the use of stamp duty as a tool to encourage more energy efficient homes. The Westminster Government has long ignored these calls. Now that responsibility for stamp duty is devolved, it may be seen as a test of whether the Scottish Government really is more enlightened than Westminster as to whether or not it listens to our arguments.

Q9: What further action is needed to achieve the scale of change required to existing homes?

- Minimum standards of energy efficiency for the private sector at point of sale or rental to drive demand for the NRP
- Additional/alternative incentives and support for landlords
- Support ESSACs to design NRP programmes which create and sustain local employment
- Use experience of relevant Climate Challenge Fund projects to inform NRP area-based schemes
- Ensure there is a single brand to support householders and landlords for energy advice – continuing to use the Energy Saving Scotland approach would seem sensible here.
- Ensure the NRP is available to all housing sectors, including the social housing sector which needs support to meet EESSH targets, will help eradicate fuel poverty, and can often provide the 'anchor' to area-based schemes and attract economies of scale.

Q10: How can we make sure a National Retrofit Programme maximises benefits to all consumers (for example, older people, those from ethnic minorities, those with long term illness or disability)?

Lead an effective grassroots-led public engagement campaign about energy saving and the NRP – from schools, to community groups, workplaces, shops. The campaign should not just focus on installation of measures, but also more general behaviour change to save energy and gradually shift the cultural attitude to energy use.

There has never been a greater need to mainstream proper face-to-face energy advice. This is not just about providing a signpost to help with installing measures, this is about the delivery of a service to reinforce the community education and change the minds and habits of the public. One to one energy advice has shown time and time again to have benefits that reach further than just the delivery of a grant or a loan for physical works. There is a clear social inclusion and money management agenda that can be delivered via a well-managed and resourced advice service.

Chapter 2: the Role of Standards

Q11: Should the Scottish Government consider whether a single mandatory condition standard (beyond the tolerable standard) should apply to all properties, irrespective of tenure? If so, how would that be enforced?

Yes, the Scottish Government should consider setting a single mandatory condition standard that applies to all properties irrespective of tenure.

In terms of energy efficiency, we have no doubt the Scottish Government should set a mandatory minimum standard across tenures – see also our answer to question 21 below. It is clear that a voluntary approach has failed to drive the improvements in energy efficiency which are needed to end fuel poverty and deliver the carbon reductions required under the Climate Change (Scotland) Act 2009.

In terms of disrepair, there can be no doubt that Scotland has a horrendous record and that action is needed to address this. It might be prudent to set a standard which encompasses both energy efficiency and disrepair. However, ACE are experts at energy efficiency. We have no doubt that the case for mandatory energy efficiency standards has been made. We are not experts at building disrepair, and therefore would not wish to comment one way or another as to whether the case has been made for a mandatory standard or not.

Q12: (a) In Box 6 we identify a checklist for maintaining a quality home. Do you agree with our proposed hierarchy of needs? Please answer Yes or No. (b) If you think anything is missing or in the wrong place please explain your views.

Yes, we broadly agree with the principle of a hierarchy of needs. However, the checklist as set out in box 6 needs further refinement. Specifically we would suggest:

- Point 3 is insufficiently strongly worded, and ignores many effective improvements to the energy efficiency of the building fabric. We would prefer wording such as “Install insulation where it is technically feasible to do so, and ensure all other reasonable improvements such as draftproofing and energy efficient glazing have been completed.”
- Likewise point 5 is not sufficiently strongly worded, and ignores the possibility of joining a CHP or DH scheme which is likely to be more efficient. We would therefore suggest “Join a district heating or combined heat and power scheme if one exists in your area, or replace your boiler with an A-rated efficient appliance.”
- Point 6 is likewise poorly worded and likely to put some people off. There may be good reasons why a solar panel is installed before external wall insulation, for example, and one need not wait for the other. We would therefore suggest changing the wording to, “Consider installing solar panels or other appropriate microgeneration equipment.”
- The hierarchy also ignores householder behaviour which has a substantial impact on emissions from individual homes. We would suggest adding an additional point such as “Contact your local ESSAC for advice on how to effectively control your energy use.”

It is also not clear how the Scottish Government intends to use this hierarchy of needs – this point would benefit from clarification.

Q13. Should local authorities be able to require that owners improve their properties, in the same way they can require that they repair them? For example, could poor energy efficiency be a trigger for a work notice? Please answer Yes or No and provide further explanation if you wish, for example on how this might work.

Yes in principle, but with the same caveat set out in answer to question 11 above that our response refers to the energy efficiency element of any such work notice. We do not feel we are in a position to comment on whether a local authority should issue disrepair-related work notices.

Q14: Should local authorities have a power to enforce decisions taken by owners under the title deeds, tenement management scheme or by unanimity? For example, should they have explicit powers to pay missing shares of owners who are not paying for communal repair work, in the same way they can for agreed maintenance work?

Yes, this seems sensible.

Q15: Should LA's be able to automatically issue maintenance orders on any property which has had a work notice?

No comment.

Q16: Should the process for using maintenance orders be streamlined, and if so, how?

No comment.

Q17: Should LA's be able to:

a) **Issue work notices affecting the amenity? and**
b) **Require work such as to improve safety and security on properties which are outwith a Housing Renewal area?**

No comment.

Q18: Should LA's be able to issue repayment charges for work done on commercial properties, in the same way they can for residential properties?

This would appear to us to be sensible, especially in multi-use blocks, for example where the ground floor is used as retail space and the upper floors are accommodation.

Q19: What action, if any, do you think SG should take to make it easier to dismiss and replace property factors?

No comment.

Q20: What actions can be taken to raise the importance placed by owners and tenants on the energy efficiency of their properties?

As outlined above and in answer to question 21 below, the two most important steps the Scottish Government can take are to introduce a National Retrofit Programme which continues the best elements of UHIS (including a universal element) and introducing a mandatory minimum energy efficiency standard at point of sale or rental.

Alongside these measures, the Scottish Government should also:

- Lead by example. We suggest setting a target to reduce emissions from the Scottish Government's own estate by 10% per annum. Westminster has achieved this, so it would be unfortunate if Holyrood were unwilling or unable to match this level of ambition.
- Continue to provide information and support to householders through the ESSAC network.
- Require EPCs to be provided in all marketing material for a property, and provide an online resource (perhaps through EST) to allow prospective tenants and house buyers to easily convert an EPC score into a likely fuel bill scenario.
- Normalising energy efficiency improvement through the media as with smoking ban and seatbelts campaigns.
- Commit to implementing the Sullivan recommendations on new-build standards. This will send a strong and consistent message on energy efficiency for all homes.

On the issue of leading by example, it is clear from research by Futerra Communications published by the United Nations Environment Programme – and indeed replicated in other research – that any energy saving campaign will be seriously undermined if the public perceive a significant gap between Government rhetoric and reality[7]. For example, if Government undertakes campaigns to urge Scots to take action to make their homes more energy efficient, yet energy use and emissions from the Government's own estate are rising, people will be disempowered, be less likely to take action and more likely to ignore future campaigns. It is clear therefore that a lack of consistency not only reduces the effectiveness of the current campaign, but makes it more likely that future calls to action will be ignored. Recent research by Ipsos Mori confirmed this point:

> *"If householders are asked to use less energy and adopt low carbon measures, the public estates should also do so, for instance turning off council office lights at night. Participants are adamant that there is no excuse for wasting energy from the very people calling for change."*[8]

Q21: Should the Scottish Government introduce minimum energy efficiency standards for private sector housing?

Yes, ACE strongly agrees that mandatory energy efficiency standards are essential if the Scottish Government is to meet its statutory fuel poverty and climate change targets, as part of a package that includes an area-based universal energy saving scheme and additional finance support, advice and information, as outlined in answer to questions 2 and 3 above.

We suggest the regulations should be introduced under section 64 of the Climate Change (Scotland) Act 2009 within the next 6 months, to come into force during 2015. The standard should apply at point of sale or rental, and should initially be set at a minimum EPC rating of E, rising to a minimum EPC of C from 2020 onwards. We agree with the proposals put forward by the Existing Homes Alliance Scotland in this regard.

There may be a need for exemptions to the minimum standard in exceptional circumstances, but we do not believe there is a need for blanket exemptions. Exemptions might apply to certain listed buildings and certain properties in conservation areas if it can be proved that all reasonable measures have already been taken in an attempt to raise the property to the minimum standard for example.

We support the introduction of an Energy Efficiency Standard for Social Housing in 2020, but believe the proposed method, setting different standards for different house types, is too complicated and should not be pursued. We certainly do not think that approach is appropriate for private sector housing, since its complicated nature will make acceptance by the general public unlikely. However we agree the two standards should be set at similar levels. The ideal would therefore be to abandon the over-complicated proposals for social housing and adopt a simple EPC rating standard for social housing.

The UK Government has already set a minimum standard for the private rented sector from 2018, so it would be perverse for the Scottish Government, with its higher levels of fuel poverty and more ambitious climate change targets, not to at least match that, and preferably to go further.

The minimum standard should target the least energy efficient homes initially because these are the ones that emit the most carbon dioxide and where the incidence of fuel poverty is highest. We also believe the standard should be applied to both owner occupied and private rented sectors because both must be tackled in order to meet Scotland's climate change and fuel poverty targets.

Q22: How could we amend EPCs to make them a more useful tool for influencing behaviour change to improve energy efficiency?

We welcome the measures outlined to improve both the information presented in EPCs, and their use. As noted above, we consider that the provision of clear and integrated information on energy efficiency, likely energy bills, and costs of any suitable improvements is critical for consumers, whether buying or renting a house.

- EPCs should, as will be the case with Green Deal assessments, contain information on typical energy running costs; and
- EPCs should have a higher profile for consumers than is currently the case. In this respect, we welcome existing proposals, for example to include EPC A-G rating more prominently in property advertising.
- Make them available in full as part of the lease pack for assured tenancy (not just in the meter cupboard)
- Make it compulsory that estate agents should make the entire EPC available when looking at property and downloadable from website
- Make more of the running cost, not just the rating band (as with white goods labelling) this appears on P2 but is not obvious. We also suggest that, since this may quickly become out of date, an online tool should be promoted to give an accurate and up to date fuel bill estimate on the basis of the EPC report.
- Have clear on front page what the "potential" would be if all measures were to be carried out. The "potential" rating on the front page only takes account of "low cost measures" (i.e. under £500)
- Make clear that the running costs on an EPC do not take into account appliance use.
- Highlight availability of free impartial advice, from Energy Saving Scotland advice centres, on the EPC
- Enhance the EPC second page to prescribe treatment for the house type
- Tailor advice within EPC for particular house type

- Raise awareness of EPCs and energy costs to prospective tenants/purchasers
- The Scottish Government should also keep the methodology used to create the EPC under review, and if the revised rdSAP is not found to be appropriate for Scottish circumstances, should consider whether NHER or another methodology is more appropriate.

Q23: Are there other key principles that we ought to consider when looking at the possible introduction of regulations?

Discussions at consultation events and with stakeholders more widely have shown that there is not yet clear understanding of what any possible regulations might mean in practice – for example, a stakeholder at the Existing Homes Alliance consultation event put forward the view that regulation would require the installation of solid wall insulation to improve the rating of a stone-built, off-gas-grid house, at costs in excess of £10,000.

WWF's research undertaken by EST suggests that this is not the case[9]. However, this clearly indicates the need for both the production and promotion of information, ideally including case studies, describing existing poor housing, and what has been done at what cost to improve it. This information should be available from, for example, improvements funded through the Energy Assistance Package and other public sector schemes.

Ahead of the change of standards a major promotion and education campaign should be initiated targeting the conveyancing industry and private landlords and letting agents. This should promote the timelines for compliance and support and incentives.

Ahead of the regulation being in place all renters and purchasers of property should know what standard their property meets and if it complies with the forthcoming regulation.

We also reiterate the point that regulations should go hand-in-hand with a universal area-based energy efficiency scheme, taking the most successful elements of UHIS. We would prefer every home in Scotland to have been offered some free or heavily discounted energy saving equipment before the introduction of regulation. To clarify, we are therefore calling on the Scottish Government to ensure that every home in Scotland has been offered energy saving equipment appropriate to their house type by 2015 at the latest.

Q24: How could regulation be used to support the uptake of incentives?

Regulation would help to raise awareness of the free and discounted measures available, and would lead to an increase in uptake for the National Retrofit Programme and the Green Deal.

Q25: In section 2.68 we identify design options for the standard. Do you have any views on the options set out? Are there others we should consider?

ACE supports the introduction of a minimum standard of E on the EPC scale by 2015, with the intention to raise this standard to a C by 2020. We believe this approach:

- Can be clearly communicated and understood
- The 2015 standard of E is easily met with cost-effective measures

- Provision for some limited exemptions could be made
- The obligation could be passed on to the buyer for a period of time – for example 6 months
- An assessment (eg Green Deal) could identify the cost-effective improvements necessary to reach a certain EPC level for the specific house. There could be different combinations of measures to reach a certain EPC level.

Q26: Do you agree that any regulations for private sector housing ought to reflect the energy efficiency capacity of the property and / or location, as is proposed for the social sector?

No. As mentioned above, we do not support this approach for the social sector and it is completely inappropriate for the private sector. In the social sector, a small number of highly trained property managers make decisions on retrofit approaches. In the private sector, a large number of people with widely different technical ability and training make the decisions. It is therefore completely inappropriate for the private sector.

Besides the technical aspects, there is also the vital issue of understanding and acceptance. An EPC rating is relatively easy for the lay person to understand, and public acceptance of a minimum EPC score would therefore not be too difficult to achieve. A complicated system of different standards for different house types would not be met with public acceptance.

Added to this is the fact that a differentiated system as proposed for the social rented sector is unlikely to deliver the carbon savings or the fuel bill saving required to meet statutory targets.

Q27: If you agree with Q26, should houses of the same type in the social and private sectors be expected to meet the same standard?

While we do not agree with Q26, we would note that:

- Registered Social Landlords are able to lease private rented housing to supplement their own housing stock: this housing should be of equivalent quality to RSL stock.
- Right to buy properties should not be more attractive to the market than the private sector by virtue of meeting higher standards: tenants need to be able to find the same quality on the private market.

Q28: Are there other specific issues we need to consider in introducing regulation on the energy efficiency of the home for particular groups of people (older, people with disabilities)

A key test of any possible regulation must be the extent to which it benefits vulnerable and disadvantaged consumers. We believe that this question raises the following issues:

- there remains a need for targeted energy efficiency support (as is currently provided by EAP) for vulnerable consumers.
- experience (for example, delivery of CERT Super Priority Group targets) shows that engagement with vulnerable or disadvantaged groups often requires bespoke approaches, and that information is best delivered by intermediary organisations trusted by different groups. This would be relevant for the promotion of information on minimum standards.

- the way regulations are designed and applied needs to take account of the circumstances which might face vulnerable consumers. For example, it would not be appropriate to make an elderly person carry out significant, expensive or disruptive works as a condition of selling their house prior to moving to retirement accommodation. An approach which is flexible enough to permit either the seller or buyer to carry out improvements would be more appropriate.
- There may be a case for exemption from some measures e.g. replacement of heating system or controls where householder suffers memory loss or confusion
- it will require careful, co-ordinated, and consistent communication, in partnership with local agencies, as Energy Saving Scotland advice centres do with EAP, and as with the Digital TV rollout.
- Close working with social care staff, hospital discharge response teams, and carers needs to be built in – there are examples of this with 'Warm and Well' projects

Q29: Should we consider additional trigger points to sale or rental? If so, what should these be?

Yes, additional trigger points should be considered, and if it appears that these would have a positive impact on climate emissions and fuel poverty levels, and that they can be easily implemented and enforced, then standards should also be set at these points. Specifically we suggest the Scottish Government consider setting the standard for any other work which requires a building warrant; at point of HMO or landlord registration and on re-issue of an EPC (for longer-term leases). These might also be appropriate trigger points to take action on disrepair.

As well as requiring the minimum standard to be met at these trigger points, it might also be appropriate to inform and encourage property owners to voluntarily meet the standard when they are undertaking other work which does not require a building warrant. This will require an information and awareness campaign.

30. Should rollout of any regulation across the owner occupied and PRS sectors be phased or all at once? If you think that rollout should be phased how do you think this should be done?

We support the proposal from the Existing Homes Alliance to phase the roll-out over time, specifically to introduce the regulations as soon as possible, with a coming in to force at EPC E from 2015 and EPC C from 2020. This will have the advantage that the numbers affected by an EPC E will be relatively small, which will allow five years to tweak the regulation and enforcement process on the basis of experience before the more onerous standard is introduced in 2020.

We do not support proposals to phase the regulations in geographically or by tenure as this could cause confusion and be perceived as unfair.

It is critical that any new regulation is simple and effective so that it delivers the intended benefits. We would suggest that application of standards at the point of sale or rental, backed up by continuing access to incentives, represents the best option. This is because mechanisms (landlord registration, conveyancing process) already exist into which regulations could be added.

We also reiterate the point made many times above, that regulations should go hand-in-hand with financial incentives, advice and support.

Q31: What other issues around enforcement do we need to think about when considering different approaches to how regulation might work?

If designed and promoted appropriately, we believe that the current conveyancing process should be able to take on board minimum standards without difficulty. As noted above, we believe that the burden should be transferable – once only and for a limited period – to the new owner at the point of sale. As well as reducing the burden on the seller, this approach means that buyers would be able to carry out energy efficiency improvements alongside any other work they might wish to do when moving in.

If the local authority is to enforce the PRS minimum standard, as seems most sensible, then additional resources will be required from the Scottish Government to local authorities in recognition of this fact.

Q32: In sections 2.76-2.79 we suggest that one way of regulating would be to issue sanctions.
A: Do you think sanctions on owners should be used to enforce regulations?
B: Should owners be able to pass on the sanction or obligation to buyers?

We agree that the use of sanctions for those who flout the requirement to meet the standard is essential to give regulation credibility and ensure its success.

We also agree with the proposal to pass the obligation to meet the standard to new buyers for a limited period of time, for example six months.

In addition, an incentive could be introduced within the Land and Buildings Tax replacing stamp duty in 2015 so that energy efficient homes that comply with the Standard are taxed at a lower level than those that do not. Part of the tax could be reclaimed by the buyer if they achieve the Standard within year 1 of ownership.

Q33: The Scottish Government does not intend to regulate before 2015. The working group will consider what options for the timing of regulation might be appropriate, but given the points 2.80 – 2.81, when do you think it might be appropriate to apply regulations?

As mentioned above, we believe the Scottish Government should introduce regulations as soon as possible, to come into force in 2015 with a minimum EPC of E, and in 2020 with a minimum EPC of C.

We believe that regulation should come into force from 2015 for several reasons:

- To give sufficient advance notice to owner-occupiers and landlords
- To drive uptake of the National Retrofit Programme and thereby maximising Scotland's share of ECO and efficient spend of Scottish Government funding
- To drive demand for the Green Deal
- To encourage upgrades of as many properties as possible, as soon as possible
- To maximise on jobs opportunities for the retrofit industry by creating strong demand for measures

Chapter 3: Financial Market Transformation

Q34: In 3.11 – 3.13 we describe the range of legislative and policy levers that we believe are available to help transform the financial market so that it values warm high quality low carbon homes.
a) Do you agree that this is the full range of measures?
b) Can you suggest ways to help transform the market for more energy efficient homes?

We agree with the introductory analysis to this chapter which concludes that property values do not reflect energy efficiency and therefore running costs of the home. We agree that we need to shift cultural attitudes to energy use such that people value energy efficiency. This market and social transformation will only occur through a synergy of policies and programmes. Bigger carrots and bigger sticks are necessary to send the right signals to the householder and the energy efficiency industry. So along with enabling measures of education and financial incentives, it is equally important to have minimum standards of energy performance established for the private sector. The communication of a standard by a certain date is vital so the market recognises that the sale and rental of energy inefficient properties is unacceptable.

The relatively widespread take-up of solar PV panels as a result of the introduction of FiT payments shows that consumers and industry can and do respond to high profile market signals. However, while there is some indication of increased take up of energy efficiency measures as a result of rising energy costs, these concerns do not yet seem to be translating into mainstream decisions about property purchase or investment.

The consultation presents a range of measures which are useful, but must be taken in combination with each other to have maximum impact across society. We also suggest the following additional measures:

- Better presentation of information at point of purchase/rental: as well as the compulsory use of EPC data at the point of advertising, it should also include the running costs.
- Apply a council tax discount to all properties that have achieved a significant energy upgrade
- Use the Land and Buildings Tax replacing stamp duty to incentivise energy efficient homes.
- Review legislation relating to the Clean Air Act and urban biomass to allow for approved appliances for district heating to multiple homes.
- Continue to expand the EST Green Homes network to include many more energy upgrades of existing homes
- Showcase energy efficiency upgrades of public buildings

Q35: What changes would be required to current survey and lending practice to enable mortgage lenders to take account of the income from new technologies or savings on energy bills?

These changes will take place over time as practice reflects rising energy costs and any regulatory framework. Once the principle is established, it is likely that training and Continuing Professional Development will help address the current lack of understanding of energy costs and income, but demand for this knowledge will only come once the market is established.

We suggest training should include:

- Training to surveyors, solicitors and estate agents to take account of renewable technologies present and assess the income and savings from these. We note that the Scottish Government is currently funding the Energy Saving Trust to deliver such an awareness raising programme with solicitors and estate agents, and welcome this.
- Training to lenders to take account of additional income and savings resulting from renewables when assessing for a mortgage

Q36: Section 3.15 lists challenges which may prevent the benefits of more sustainable houses being recognised in future. What further challenges, if any, need to be addressed?

- Engaging with householder values; exploring other motivations to behaviour change that make people feel good about themselves and their actions (rather than just saving money)
- Giving greater priority to following up with householders after retrofit to make sure they are benefitting from the changes and know how to use the technology
- Continued discussion with stakeholders, especially property professionals, on the Green Deal

Q37: Sections 3.16 – 3.22 set out the actions Scottish Government is currently taking to encourage greater recognition of the value of sustainable homes. Do you agree that this action is appropriate? What further action is needed?

As above, we agree that all these actions are appropriate and helpful. However, we would emphasise that the wider context also influences consumers, and emphasise the importance of promoting energy efficiency throughout all buildings over which the government has influence, not just housing. The wider context also includes new houses – it would send the wrong signal to householders if the Scottish Government stepped back from the recommendations in the Sullivan Report on new build standards. Strong and ambitious building standards will drive innovation, quality, and a reputation for low carbon building – anything less and Scotland will not be able to capitalise on this economic opportunity.

However, the strongest measure the Scottish Government can take to encourage surveyors, mortgage lenders and wider society to value energy efficiency in the value of property would be to set a mandatory minimum energy efficiency standard at point of sale or rental, as referred to previously.

Chapter 4: New Build Market Transformation

Q38. What steps can we take to ensure that we design and develop sustainable neighbourhoods?

Sticking to the recommendations of the Scottish Government's own expert group on building standards would be a good start. The Scottish Government set out a roadmap to zero-carbon new buildings in the 2007 Sullivan report[10]. The report sets 2016 as the date for the introduction of zero-carbon new building standards in Scotland with two interim improvements in 2010 and 2013. The report and its recommendations were widely welcomed throughout the energy saving and building industries, and the Scottish Government accepted the recommendations. The Scottish Government duly implemented changes to 2010 regulations as recommended by Sullivan.

Recently, however, we understand the Scottish Government has come under pressure to water down both the 2013 interim standards and the 2016 zero-carbon standards. **We believe it must stand by its commitments as set out in Sullivan, since to do otherwise would risk missing the Government's own statutory climate change and fuel poverty targets and would seriously damage the energy saving industry at a particularly sensitive time.**

Until 2010, energy standards in Scottish building regulations were 30 years behind those in Sweden[11]. Following the 2010 changes, ACE estimates we are around 10 years behind[12]. But we still have one of the worst records for home energy efficiency in Europe. Following the recommendations in the Sullivan report will bring us into line with the rest of Europe.

Q39. Section 4.10 sets out the main challenges to address in taking forward our aim of new build transformation. What further challenges, if any, need to be addressed?

We do not believe that the cost premiums identified in paragraphs 2.44 -2.47 are accurate. Compared to the well-documented experience of South Lanarkshire College[13]. Secondly, there is need to consider the total costs of new houses, including running costs over their lifetimes, rather than looking only at the up-front costs at the point of sale. It would therefore be helpful to describe running cost savings in financial, as well as environmental terms.

The Scottish Government's climate change road map, the 'report on proposals and policies' (RPP)[14] sets out how ambitious climate change targets will be met. It anticipates that the 2013 changes to section 6 of the building regulations will deliver 137,000 tonnes of CO_2 saving in 2020, representing nearly 10% of the 'homes and communities' emissions reductions and a significant portion of non-domestic savings. To water down these proposals leaves a substantial gap in the Scottish Government's ability to meet its statutory targets, and thus undermines the Scottish Government's currently world-leading position on tackling climate change.

The Scottish Government also has a statutory target to end fuel poverty by 2016[15]. It is unlikely this will be achieved by watering down new build standards.

In addition, the RPP assumes 100% compliance with building regulations, which as we know does not happen. 96% of respondents to a recent Scottish Government consultation said they believe there's a compliance gap[16]. So in fact more must be done to deliver the carbon savings already accounted in the RPP, not less.

Opponents of improved new build standards have used wildly exaggerated claims for the cost of building homes to the new standard. Some of these come from out-of-date reports. Others are simply inaccurate. Thus the claimed additional £5-£10k cost per home is more likely to be around half that in reality, especially once a more realistic price of carbon is incorporated.

In addition, the benefits to householders and the wider economy of sticking to the roadmap have been downplayed. ACE recently undertook research which found that meeting the Scottish Government's climate targets in the domestic sector alone would create or safeguard 10,000 jobs and deliver a gross value added (GVA) to the Scottish economy of £4bn[17]. At a time of great uncertainty in the energy saving industry, watering down or delaying the 2013 and 2016 standards could put those jobs in jeopardy.

Q40. What action is needed to increase the capacity for developing and bringing to market innovative methods of construction?

As noted above, the proposals set out in the Sullivan report do not require innovative or groundbreaking methods: the methods required have been used in countries such as Sweden and Germany for years. The Passivhaus technology has been commonplace in Germany for over 30 years, for example. Perhaps what is needed is a knowledge exchange to enable those Scottish housebuilders who imagine that achieving the Sullivan standards is out of their reach to see how most continental builders have been doing it for years. Indeed, one doesn't even need to go to the continent, since there are an increasing number of Passivhaus certified homes in Scotland, often built very affordably. Perhaps the volume housebuilders need to learn from those who have completed these constructions in Scotland.

Q41. What further changes to the operation of the Government's affordable housing supply programme would help to enable it to champion greener construction methods and technologies in the medium term?

Sullivan recommended that future changes to building regulations should be published well in advance, i.e. the 2016 changes should be published in 2013 and the 2013 changes published in 2010. We note that this has not happened, but nonetheless live in hope that both 2013 and 2016 changes will be published soon.

It would be helpful and would send out the right message if housebuilders building to future regulations were to be offered an incentive, such as a zero-rated building warrant fee, or a substantial rebate on the stamp duty for the property.

Q42. What further action is needed to influence the construction industry to make greater use of innovative methods to deliver more greener new homes?

As mentioned above, the methods required are not innovative: most continental European countries, and even some states of the USA, have been deploying these methods for decades.

Perhaps a knowledge exchange system is needed to allow volume housebuilders to see how it is done. Perhaps additional incentives, such as the stamp duty and zero-rated building warrant fee for those building to future regulations, would also be helpful, as mentioned above.

Now is not the time to backslide on the recommendations in the Sullivan report – we should stay on course for the escalation of standards to net-zero by 2016/2017. This will benefit the new-build sector, but also the retrofit industry. Techniques, skills, and reputation for a green build industry will mean better energy upgrades and help transform cultural and market attitudes to energy use. We have made specific comments on the Homes for Scotland's proposal in answer to question 6 above.

Chapter 5: Skills and Training

Q43: (a) Has Chapter 5 of this consultation identified the key challenges to ensuring Scottish companies have the skills to take advantage of the opportunities expected to be on offer? Yes/No (b) If not, What other challenges are there?

Yes, we agree the key challenges have been identified.

However, while the importance of clear signals from Government in order to allow industry to plan training and investment is crucial, we are not convinced the Scottish Government is giving this anything more than lip service. Two cases in point: firstly, the fact that Ministers are considering welching on Sullivan. Sullivan was regarded as a clear roadmap and a clear indication to the energy efficiency industry to allow it to train and invest. That Ministers are considering tearing up that roadmap shows that Ministers have not taken on board the importance of clear signals.

A second case in point is the 2011-12 Scottish budget, which slashed investment in ending fuel poverty by nearly a third[18]. The 2012-13 budget only partially reinstated that cut.

Both of these suggest that Ministers have not yet understood the importance of clear and unambiguous commitments which will allow industry to train and invest.

Research by the Association for the Conservation of Energy and Dr Joanne Wade, commissioned by eaga Scotland in October 2009, found that achieving the Scottish Government's targets in the Climate Change (Scotland) Act in the domestic sector only will create or safeguard over 10,000 jobs for 10 years[19].

However, our report found that these jobs will only be created or safeguarded if an appropriate skills strategy is put in place. Whilst in some cases the skills required for additional energy efficiency work may already be present in the workforce (for example in loft insulation installation) there are areas where significant additional labour will be required in sectors already experiencing skills capacity issues (for example in boiler replacement). There will also be a need for significant increases in the numbers of people able to install technologies such as solar water heating and biomass boilers.

One skills requirement that is often overlooked is the need for people who can maintain the newer technologies that are installed: increased installation of microgeneration technologies in particular needs to be accompanied by policies that help to ensure that regular maintenance is possible in all areas of the country, otherwise there is a risk that a few bad experiences with broken systems could undermine consumer confidence in the technologies. The importance of having maintenance skills increases when the technologies are used in vulnerable households where any extended period without heat / hot water would have potentially serious consequences.

Q44. What further action is needed to ensure there is appropriate investment in skills and training to meet these opportunities?

Supply-side measures such as support for apprenticeships must be maintained at an adequate level, along with support for colleges to deliver training in the installation and maintenance of the wide range of measures which will be required – including in solid wall insulation and micro-renewables. Support for SMEs to access ECO funded jobs will also be central. This, along with a

focus on procurement to make it easier for SMEs to win public contracts, would help deliver economic stimuli at a local level. However, demand-side measures are also vital if industry is to invest significantly in jobs and training.

We agree that stability in economic and financial conditions can play a part in building confidence to invest in skills and training. However, it is clear that stability in regulation is also central. Minimum energy performance standards set within regulation as described above would give clear indication of future demand for the industry and lay the basis for the up-skilling of the workforce and investment in training and employment. In terms of incentives to develop skills in low and zero carbon technologies, from design through to maintenance, public support for a wider range of measures in retrofitting programmes will be vital.

Prioritisation of public spending on retrofitting through a National Retrofit Programme would provide further signals which would create the conditions for such investment. We believe that investment in retrofit programmes provide a great opportunity to provide skills and training in poorer communities where fuel poverty will be an issue, and that HAs and councils can partner with bodies such as Changeworks, Energy Agency, Solas, SCARF and the Wise Group to deliver such schemes.

Q46: How do we ensure that skills and training opportunities are provided on an equitable basis to all groups in society?

No comment.

Q47: Apart from training and skills opportunities are there any other issues that should be addressed to make employment in construction and other industries becomes more representative?

No comment.

End of consultation questions

We trust you are able to take these comments into account.

[1] Guertler P, Booth C and Wade J (2009) Warm Homes, Green Jobs – the economic impacts of the Climate Change (Scotland) Act in the residential sector
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[2] Taylor, D (2011) *Public attitudes to housing in England - Report based on the results from the British Social Attitudes survey*
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[3] See http://www.direct.gov.uk/en/HomeAndCommunity/BuyingAndSellingYourHome/LettingYourHome/DG_175186
[4] Treasury figure provided in private letter from Treasury official dated 16 November 2009 – copies available on request. EHCS estimates 1.2m private sector landlords in England in 2006; Scottish Government Review of the Private Rented Sector estimates 107,516 private sector landlords in Scotland. No estimates for Wales or Northern Ireland could be found.
[5] Scottish Parliament written questions S3W-29121 to 29128 answered 1 December 2009:
http://www.scottish.parliament.uk/business/pqa/wa-09/wa1201.htm
[6] Energising Communities, http://www.consumerfocus.org.uk/scotland/publications/energising-communities
[7] United Nations Environment Programme (2005) *Communicating Sustainability*
[8] Ipsos Mori (2009) *The Big Energy Shift*, summary report

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[9] http://assets.wwf.org.uk/downloads/raising_the_standards.pdf
[10] Scottish Government (2007) *A Low Carbon Building Standards Strategy For Scotland*
available online: http://bit.ly/LU9oRi
[11] Backstop U-values required in domestic buildings in Scotland prior to 2010 were 0.3, 0.25 and 0.2 W/m2K in walls, floors and roofs respectively (Scottish Building Standards Agency (2007) Domestic Technical Handbook). In Sweden in 1978, the corresponding values were 0.3, 0.2 and 0.2 W/m2K respectively. (Energy Advisory Associates (2001) Building in ignorance, demolishing complacency: improving the performance of 21st century homes http://www.ukace.org/pubs/reportfo/BuildIgn.pdf)
[12] This is an estimate, since the Swedish building standards system no longer uses backstop U-values which would allow direct comparison.
[13] http://www.south-lanarkshire-college.ac.uk/Renewable-Technologies/Renewable-Technologies/low-carbon-house.html
[14] Scottish Government (2011) *Low Carbon Scotland: Meeting the Emissions Reduction Targets 2010-2022*
Available online: http://www.scotland.gov.uk/rpp
[15] Housing (Scotland) Act 2001, s.88
http://www.legislation.gov.uk/asp/2001/10/section/88
[16] Reference - http://www.energyefficiencynews.com/i/3525/
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[18] See http://bit.ly/mnM2ET
[19] Guertler P, Booth C and Wade J (2009) Warm Homes, Green Jobs – the economic impacts of the Climate Change (Scotland) Act in the residential sector