

**4. Please indicate which category best describes your organisation**

**(Tick one only)**

<b>Executive Agencies and NDPBs</b>	<input type="checkbox"/>
<b>Local authority</b>	<input type="checkbox"/>
<b>Other statutory organisation</b>	<input type="checkbox"/>
<b>Registered Social Landlord</b>	<input type="checkbox"/>
<b>Representative body for private sector organisations</b>	<input type="checkbox"/>
<b>Representative body for third sector/equality organisations</b>	<input type="checkbox"/>
<b>Representative body for community organisations</b>	<input type="checkbox"/>
<b>Representative body for professionals</b>	<input type="checkbox"/>
<b>Private sector organisation</b>	<input type="checkbox"/>
<b>Third sector/equality organisation</b>	<input type="checkbox"/>
<b>Community group</b>	<input type="checkbox"/>
<b>Academic</b>	<input type="checkbox"/>
<b>Individual</b>	<input type="checkbox"/>
<b>Other – please state... Representative body for local authorities</b>	<input checked="" type="checkbox"/>

**COSLA's Response to the Scottish' Government's consultation, *Homes that Don't Cost the Earth***

1. COSLA welcomes this opportunity to respond the Scottish Government's consultation, *Homes that Don't Cost the Earth*, the sustainable housing strategy (SHS).
2. Councils want their tenants to live in warm, comfortable and energy efficient homes. COSLA welcomes the SHS's vision for, 'warm, high quality, affordable low carbon homes and a housing sector that helps to establish low carbon economy across Scotland'. Local government is committed to the climate change targets and eradicating fuel poverty. The SHS comes at a time of significant cuts to local government. Whilst the SHS's principles are admirable, we have to be realistic about what councils can achieve within the budgets and resources available to them.
3. COSLA is responding to the 5 themes outlined in the consultation, and will not be responding to the individual questions.

**A National Retrofit Programme**

4. A primary focus of the SHS is to apply energy savings measures to Scotland's existing houses. It is planned to operate a National Retrofit Programme (NRP) in area based schemes with a focus on fuel poverty. It is expected that councils will have a lead role in the delivering the NRP, and that it will cover the whole of Scotland in 10 years.
5. The Fuel Poverty Forum agreed a number of principles to guide the NRP. Some of the key principles are:
  - Area-based, whole-house retrofit programmes should be developed to provide economies of scale to all parts of Scotland, starting with the areas worse affected by fuel poverty.
  - Area-based programmes should provide an offer of assistance to all households within the locality and customers should continue to have a single point of access for all support and advice including on tariffs and income maximisation
6. COSLA welcomes the area based approach to tackle those areas worse affected by fuel poverty. COSLA raised concerns about the area-based programmes providing an offer of assistance to all households. It is COSLA's view that expectations should not be raised unfairly, and there should not be prescription over the types of assistance that will be offered. COSLA officers will continue to engage with the Scottish Government and the Fuel Poverty Forum over the best approach to allow councils to address fuel poverty.
7. It is important that Scotland secures at least its fair share of the Energy Company Obligations (ECO) - in the simplest, most cost effective way possible. The NRP must be strategic and coherent drawing together existing work and delivering on the fuel poverty and climate change targets. The NRP is a real opportunity to create and maintain jobs, particularly in local economies. We welcome the pivotal leadership role that councils will play in the area based schemes. It is COSLA's understanding that the NRP funds will be available to both the private and social housing sectors. It must be recognised that the

delivery of the NRP may differ between councils, and top down prescription of the types of assistance to be offered would be unhelpful. Councils' need the autonomy to flexibility promote/deliver the NRP as best suits their communities' needs. COSLA expects to be directly engaged in NRP budget discussions.

### **The Role of Standards**

8. The Scottish Government is considering using regulation and enforcement powers to improve the condition of both social and private sector housing. COSLA's response to setting further energy efficiency standards for social landlords that exceed the Scottish Housing Quality Standard (SHQS) has been submitted to the Scottish Government's separate consultation, *Developing and Energy Efficiency Standard for Social Housing*.
9. COSLA has given further consideration to the setting of minimum standards in the owner-occupied and privately rented sectors, from some point after 2015. It is understood that the Scottish Government believes the standards are necessary as incentives and encouragement alone are not enough to improve energy efficiency. The introduction of the Green Deal and ECO means a move away from free energy efficiency measures, perhaps making it even harder to incentivise home owners to install energy efficient measures.
10. It is noted that the consultation is looking at expanding councils' enforcement powers. The Scottish Government is proposing that in certain situations a council will be able to require an owner to improve their property for energy efficiency work to support the achievement of the SHQS in mixed tenure blocks.
11. The establishment and enforcement of minimum standards raises a series of questions for local government. Firstly, in the current economic climate are minimum standards the most effective way to proceed? What impact will standards have on the housing market if implemented at the point of sale or rental? Should councils oversee the enforcement of minimum standards in private sector housing? Where will councils get the resources to enforce the minimum standards?
12. It is noted that the Scottish Government is taking forward a working group to consider these issues in more detail. It is recommended that COSLA is on the working group .
13. Whilst minimum standards in private sector housing are welcomed, the standards must be realistic, fair and achievable. They must be introduced alongside a sound package of financial support, for both private sector owners and the enforcement agent. Any regulation should fit with incentives, such as the NRP, to maximise uptake. The roll out of the Green Deal will be central to the enforcement of any regulations, and their implementation needs to take into account housing market conditions. There needs to be a sufficient lead in time prior to the introduction of regulations.
14. If councils were to take on the enforcement role then the cost, capacity, processes and suitability of existing structures (such as the Landlord Registration Scheme to oversee the private rented sector regulation) needs to be considered and fully costed in advance of implementation. Local government would expect additional and adequate resources should they agree to take on the enforcement role.

## **Financial Market Transformation**

15. The climate change targets are dependent on not only behavioural change, but a culture shift amongst house buyers. At present, the housing market does not currently attach any additional value to homes with higher standards of energy efficiency.
16. Without a change in valuation practice in private sector housing there will be no incentive to invest in energy efficiency. It is important there is the right balance between incentives and valuations to ensuring this policy does not negatively impact on the housing market. Careful consideration needs to be given to rent setting implications in the private rented sector. Perversely we would not want to see more energy efficient properties charging higher rents.

## **New Build Market Transformation**

17. If practical from 2016/17, the Scottish Government is aspiring that all newly built homes will be net zero carbon new homes. The aim is to modernise the house building industry through procurement and the Scottish Government's affordable housing programme. It is noted that the Scottish Government will soon be convening a construction procurement review. COSLA will be seeking representation on the review.
18. The construction procurement review presents an opportunity to encourage local contractors to seek public sector contracts, smarter procurement thinking and support local economies. It is vital that any transformation supports and creates a local skills base, and links into local and national regeneration strategies.
19. The additional £4,000 subsidy to improve the energy efficiency of affordable new build properties is welcomed. It is recommended that costings are undertaken to establish the likely expense to be incurred by social landlords in fitting the new technologies to ensure its feasible for social landlords to fund them.

## **Skills and Training**

32. The NRP and Green Deal has the potential to create and maintain jobs in the building and refurbishment industry. Having a workforce with the appropriate skills and training to retrofit energy efficiency measures is essential if the SHS is to succeed. At the same time, having appropriate advice services to provide information to tenants is essential (for example on fuel switching and the use of renewables). Alongside those skilled in modern construction, there is a need for those with retrofit skills, and trained assessors and inspectors to ensure any regulatory standards are met.
20. There needs to be appropriate investment in skills and training to ensure the Green Deal and other programmes are delivered professionally. The anticipated creation of new jobs must result in the creation of local jobs, to ensure there is legacy for a skilled and adaptable workforce to support the local economy.
21. As councils become involved in the promotion and/or delivery of the NRP and Green Deal they need to feel confident in the quality of advice and energy efficiency measures being offered and installed. There is a reputational risk for all councils should these programmes fall short of expectations.

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