

**HOMES THAT DON'T COST THE EARTH**  
**A consultation on Scotland's Sustainable Housing Strategy**

**Response number: B018**

**From an individual who wishes to remain anonymous**

## CONSULTATION QUESTIONS

1. Are the vision and objectives as set out in sections 19 and 20 appropriate for Scotland's Sustainable Housing Strategy? Please answer Yes or No and provide fuller explanation if you wish.

Yes  No

Yes, but the primary priority must be to reduce energy use/ energy requirements. This should be the main direction of the strategy, with renewable technologies being pursued as a secondary priority.

We suggest there is an additional focus on publicising the vision and objectives.

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

Installation and renewal costs.  
Confusion over plethora of funding sources, targets, legislation,  
Historic reputation of some technology – for instance district heating systems blasting out un-controllable heat, shoddy cavity wall insulation.  
Lack of consistency of funding as demonstrated by the Feed in tariff debacle.  
Installing technological measures has a dis-benefit, as the technology needs to be managed.  
Landlords do not gain any benefit, such as a higher rent.  
The public is not yet demanding energy efficient homes.

3. Please explain any practical solutions and/or incentives to overcome any barriers you have identified.

Clarity of information, more information (such as TV programmes)  
Consistent and long term certainty of approach, and one single responsible organisation - not the plethora of agencies, some UK funding, some Scottish funding confusion that exists at present.

Make the RHI available to larger landlords such as RSLs.  
Insulate and ventilate effectively so that energy efficiency is built into the structure of buildings. This reduces energy need and therefore reduces the need for add-on technologies, such as Solar thermal or Photovoltaics.

Funding is probably required until energy efficiency becomes the established practice. For instance provide a Scottish Feed-in tariff at the previous higher level, as this resulted in a lot of take-up?

The use of financial incentives, such as tax breaks. This might not necessarily be within the Scottish Government's remit, but reducing VAT to zero on insulation, windows, and retro-fitting works, etc would make improvements more cost effective, and therefore financially attractive to individual occupiers.

Perhaps a link between council tax payments and EPC ratings? Therefore there would be a financial advantage (less council tax) should the property have a high EPC rating, such as B or A. This would need to be carefully managed as this could incentivise people to improve their properties, and therefore the council tax income could reduce if this measure works too well. There would also be a need for an acknowledgement about 'hard to treat' properties such as tenemental flats, where significant improvements in energy efficiency are prohibitively expensive.

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

Increased publicity - illustrate realistically recoverable costs from the energy efficiency measures, such as when a property has had upgraded insulation. Better documentation with less different structures, routes, etc.  
Reward positive changes with tax breaks or financial benefit  
Perhaps a national register of EPCs – or the EPC information is collated within council tax information.  
Information / publicity should be honest about the predicted future increased costs of energy, and our reliance on importing some of the energy.  
The increasing standards of the Scottish Building Regulations have already helped to progress this, please continue to increase the standards, but perhaps to a slightly longer timescale.

5. (a) What specific issues need to be addressed in respect of improving energy efficiency in rural areas, particularly more remote or island areas?

Put the power source closer to the user

5. (b) How should these be addressed?

Local community heating and power schemes

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

There are already tried and tested models, such as increased insulation, increased air-tightness. Renewable energy should not be the focus.

Local authorities should consider installing (modern) district heating systems for estates.

With regard to the Homes for Scotland proposal, if this is to be seriously considered as an option, it is essential in my view that the outcome must be completion of works to **actual units**, not cash payment. To manage this, it would probably be Local authority stock that could be retro-fitted first, but we recommend that completion of retro-fitting work is what is accepted. The

payment option will lead to inefficiencies, and a lack of actual achieved completed improved units. This approach would also lead to the major housebuilders increasing their knowledge, experience and skills of retro-fitting work, and components.

#### 7. What role should the Scottish Government play in a National Retrofit Programme?

Encourage insulation in preference to bolt on renewable technologies such as PV, wind, etc.

Do not do fund any more pilot schemes, particularly as these are not often monitored satisfactorily, or replicable.

Provide tax incentives – remove VAT on products that improve energy efficiency such as insulation, double glazing and make retro-fitting work zero rated for VAT.

Link Council tax to EPC

National EPC register.

Could Scottish Government complete a thermal camera Google street view map of Scotland to highlight poor thermal performance of individual properties to everyone? If Google can do it, presumably Scottish Government can.

Keep increasing the Scottish Building Standards but perhaps consider that many new homes being built now may be under 2007 regs rather than 2012/11 regs, so more time to assess the units which have complied with the most recent previous regulations. Also the application of the increasing Building Regulations to extensions, alterations etc needs to be promoted as a way of increasing retro-fits.

Diminish Historic Scotland's ability to deny energy efficiency improvements. Whilst the historic fabric is important, protection of the environment through carbon reductions is as important, if not more important.

#### 8. What role could the devolution of additional powers play in achieving more retrofit?

Raise our own money, so that we can spend it on energy efficiency measures.

Provide tax breaks, and tie Council tax to EPCs

Scotland's international reputation on climate change is currently that it has set high but unrealistic targets, with a disproportionately low funding level or action plan to achieve these targets. This reputation needs to change to showing a successful record of achieving (perhaps more gradual) improvements. Our reputation on renewable energy is one thing, but this is in itself not reducing energy consumption, which should be the overarching priority.

#### 9. What further action is needed to achieve the scale of change required to existing homes?

Improved communications - Graphic illustrations of the cost of poorly insulated homes.

Financial incentives such as VAT, council tax as mentioned above.

10. 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)?

If it is a standard that is required, it should be implemented.

The changes to the benefit system are more of an issue for some groups, and an energy efficient home would assist in reducing their occupational costs

11. (a) Should the Scottish Government consider whether a single mandatory condition standard (beyond the tolerable standard) should apply to all properties, irrespective of tenure?

Yes  No

11. (b) If so, how would that be enforced?

This is difficult, as it would be interfering with private ownership and therefore unlikely to be politically acceptable. The government should, however, consider this issue.

If the government does proceed with this, then a government agency should enforce, perhaps using the EPC as the standard? It is appropriate to take enforcement action on properties that are structurally unsafe and a danger to other parties, and a lack of energy efficiency is a danger to the world.

12. (a) In box 6 we identify a checklist for maintaining a quality home. Do you agree with our proposed hierarchy of needs?

Yes  No

12. (b) If you think anything is missing or in the wrong place please explain your views.

Eliminate the second of these by providing government inspection

13. 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  No

This is difficult, as it would be interfering with private ownership and therefore unlikely to be politically acceptable

14. 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 ? Please answer Yes or No and provide further explanation, if you wish.

Yes  No

Urgent work could go ahead and local authorities could enforce payment or arrange low interest loans

15. Should local authorities be able to automatically issue maintenance orders on any property which has had a work notice? Please provide further explanation if you wish.

Yes  No

16. Should the process for using maintenance orders be streamlined , and if so, how? Please answer Yes or No and provide further explanation, if you wish.

Yes  No

17. Should local authorities be able to: a. issue work notices on housing affecting the amenity, and b. require work such as to improve safety and security on properties which are outwith a Housing Renewal area? Please answer Yes or No and provide further explanation if you wish.

Yes  No

18. Should local authorities be able to issue repayment charges for work done on commercial properties, in the same way they can for residential premises? Please answer Yes or No and provide further explanation below, if you wish.

Yes  No

19. What action, if any, do you think the Government should take to make it easier to dismiss and replace property factors?

Option 4 - Set up performance standards and inspect

20. What action can be taken to raise the importance placed by owners and tenants on the energy efficiency of their properties?

Education and TV documentaries.  
Information on what happens in other countries  
Highlight predictions about increasing energy costs in the future  
Financial benefit – such as relationship to council tax  
National EPC database and thermal imaging photographic record.

21. Should the Scottish Government introduce minimum energy efficiency standards for private sector housing?

This is difficult. We are aware of some of the poor standards in the private rented sector, but tackling owner-occupiers may be more difficult. The council tax/ EPC link and other tax breaks may assist.

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

Relate council tax payments to EPCs.  
EPCs are easily understood  
Compile a national database of EPCs

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

Emphasise need for reducing energy consumption rather than introducing renewable technologies – even though this may not increase the economic activity from increased demand for renewable technologies.  
Simple regulations.  
Must make this a priority to the highest standard possible balanced against type and difficulty  
Need to acknowledge the position of hard to treat properties which require significant capital costs to achieve improvements

24. How could regulation be used to support the uptake of incentives?

By setting enforceable standards  
Demonstrable financial saving to occupier/owner – lower council tax, as well as energy bills

25. In section 2.68 we identify design options for the standard. Do you have any views on the options set out in that report? Are there other options that we should be considering?

We should take the hard path now; it is not going to get any easier. The regulations should enforce the maximum standards possible

26. 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?

Yes  No

Just use the EPC rating to keep it simple

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

Yes  No

Comments

28. Are there other specific issues we need to consider in introducing regulation on the energy efficiency of the home for particular groups of people, for example older people, those with disabilities, people from minority ethnic communities?

Regulation would deliver provision that is adequate at present. The changes to the benefit system are more of an issue for some groups, and an energy efficient home would assist in reducing their occupational costs.

29. Should we consider additional trigger points to point of sale or rental? If so, what?

Yes  No

Building warrant applications for extensions, etc would be a possible trigger point. Difficult to require people to have to pay more capital cost by improving the rest of their property – but if there is a change to VAT so that all this is all zero-rated for VAT, that would help offset the cost.

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?

Yes  No

Perhaps regulate the PRS first as most PRS landlords have sufficient funds to have an investment in a second property. There are other issues with the PRS such as condition/ repairs which might be more urgent to address prior to addressing any energy efficiency issues (although they could be combined)

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

A level of dedication in those checking compliance, so that the principles

involved should be inherent – i.e. reducing energy use first

32. In sections 2.76-2.79 we suggest that one way of regulating would be to issue sanctions.

(a) Do you think that sanctions on owners should be used to enforce regulations?  
Yes  No

(b) Should owners be able to pass the sanction or obligation on to buyers?  
Yes  No

This is going to be difficult in the private sector – the landlord registration systems could perhaps deal with the PRS.

There must be experience from other countries as to how they have dealt with this issue.

Perhaps a punitive Stamp Duty rate as penalty?

33. The Scottish Government does not intend to regulate before 2015. The working group will consider what options for timing of any regulation might be appropriate, but, given all the points set out in sections 2.80-2.81, from when do you think it might be appropriate to apply regulations?

This needs to be phased in with additional funding if there are no other financial incentive such as tax breaks.

Scotland needs to be careful about setting over-optimistic target dates which will not be achieved. The economy needs to be considered as a factor to ensure new regulations do not stall any recovery.

Why not use the same timescale as England and Wales? Many individuals and companies operate across the UK and we would not want Scotland to be penalised by reduced investment because it was setting more challenging timescales. Consistency of approach is important.

34. (a) In Section 3.4 we describe the range of legislative and policy levers that we believe are available to help us transform the financial market such that it values warm, high quality, low carbon homes. Do you agree that this is the full range of levers?

Yes  No

34. (b) Can you suggest any other ways to help transform the market for more energy efficient, sustainable homes?

The more we build the cheaper they'll get.

There will continue to be confusion over UK government and Scottish Government legislation. This issue needs to be carefully clarified for all.

The value of housing is mainly determined by supply and demand, not running costs. In most situations there is a shortage of housing which

therefore creates a high value, and the EPC rating does not yet impact on value.

It would be interesting to know where there are similar properties – but one of which has improved its energy efficiency by say the introduction of cavity wall insulation, whether this has resulted in any increased value. Whilst it might not have affected value, it might have made a property more attractive to a purchaser or occupier. I understand that commercial valuations are not yet starting to show a differential because of energy efficiency.

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

EPCs form part of Home Report. However, value is largely determined by supply and demand. Mortgage lenders do tend to be conservative, and the introduction of the Feed-in tariff has not been without its issues in terms of affecting flexibility of disposal. Perhaps the Government needs to guarantee to pay any costs incurred by mortgage lenders which are related to new technology on foreclosures. This would need to be demonstrated/proven.

The Scottish Government could restrict the availability of the Open Market Shared Equity scheme and the 'Mi new home' to properties with High EPCs – for instance the eligibility criteria is a B or A EPC.

Could Home Report information packs be required to contain the last year's electricity and gas bills to provide some indication of energy efficiency (I appreciate this is highly subjective depending on the occupier's use). This could assist the new occupier to be able to source the best value supplier.

36. Section 3.15 lists a range of challenges that may prevent the benefits of a more sustainable, energy efficient home being fully recognised in its value. What further challenges, if any, need to be addressed?

Comments

37. (a) Sections 3.16-3.22 set out the action that Scottish Government is currently developing to encourage greater recognition of the value of sustainable homes. Do you agree that this action is appropriate?

Yes  No

37. (b) What further action is needed to influence consumers and the market?

More information – TV programmes, real life fuel savings – monitored and demonstrated independently.

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

Involve communities with designers, give information on the processes involved, and don't patronise communities  
In regeneration areas, ensure tailored properties are available in advance of retro-fit programmes, either for de-cant or transfer.

39. 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?

Do not reinvent the wheel. The methods and standards required are all currently available

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

More action, less apprehension. But remember the core message is to reduce energy consumption, not use renewables to generate energy.

The changes to the Building Regulations in 2010/11 have been understood by the construction industry, and most are reacting to these changes.

41. 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?

Make the regulations more onerous now, but provide financial assistance initially until energy efficiency is mainstream practice. The additional £4,000 per unit grant funding for 'Sliver' is very unlikely to cover the additional cost and therefore is unlikely to be taken up very often, as RSLs would historically expect any add-on to be 100% funded. We acknowledge, however, that affordable housing needs to become less dependent on grant funding.

Do not fund any more pilots, unless there is very detailed monitoring. Even if there is monitoring of energy use, this is so subjective to the occupier, so not necessarily of great statistical value.

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

Do not influence, legislate. Be bold - we do not have time for any delay

43. (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

43. (b) If not, What other challenges are there?

People must be encouraged to buy into what they are building, not just 'a job', but to take pride in their job and role.

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

Longer apprenticeship with multi-trades training

45. How can the construction industry be made more aware of the potential funding and support for skills and training development opportunities and engage effectively with those providing training to ensure that it meets their current and future needs?

Through clients, Scottish Builders Federation, CIOB, Homes for Scotland, etc.

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

Clients can stipulate in contractual arrangements

47. 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?

Respect for trade skills, not being regarded as an inferior career

48. Please describe any specific difficulties relating to skills and training that apply to those in remote and island areas and your view on how these may be addressed.

Logistics - people should go to the communities