



**A RESPONSE FROM THE SCOTTISH
FEDERATION OF HOUSING ASSOCIATIONS**

**HOMES THAT DON'T COST THE EARTH – THE
SUSTAINABLE HOUSING STRATEGY**

September 2012

1 Introduction

1.1 As the national representative body for housing associations and co-operatives in Scotland, the SFHA welcomes the opportunity to respond to the Scottish Government's consultation on a proposed Energy Efficiency Standard for Social Housing (EESH). We have discussed the consultation with our members, including focus groups in Aberdeen, Edinburgh and Glasgow, a major consultation event, and a staff forum in Dundee during the consultation period. This response reflects those discussions.

1.2 Housing associations and housing co-operatives in Scotland own and manage 46% of the country's affordable rented housing stock. This represents 274,996 homes across Scotland, concentrated in some of the poorest communities in our country.

1.3 Housing associations and co-operatives have been working to provide, manage and maintain housing throughout Scotland since the 1960s and have a track record of making a significant contribution to improving housing for the people of Scotland.

1.4 There are some important and distinctive features of housing associations and co-operatives. Our members are:

- Independent businesses with goals aligned to the Scottish Government in providing and managing high quality affordable accommodation and housing services;
- Responsible for accessing and managing public and private resources;
- Managing their businesses, not to make a profit but using resources imaginatively and inventively to benefit housing and communities;
- Accountable to their members, who live or have other interests in the communities and places which they create;
- Publicly accountable and thus regulated given their use of government resources;
- Able to demonstrate added value in terms of care and support, wider role and financial inclusion;
- Adaptable to changing circumstances.

1.5 Housing associations and co-operatives are diverse organisations at different scales, with different histories, purposes and goals. They also collaborate in different ways with each other, with the private sector and with local authorities, according to their particular business imperatives.

1.6 Housing associations and co-operatives continue to make a significant contribution to the new supply of housing in Scotland in different tenures, and they make an enduring contribution as owners and managers, providing around 11% of the accommodation available in Scotland, and factoring on behalf of countless other owners. Our sector has evolved over the decades and remains alert to adapt to whatever the future holds.

1.7 Housing associations and co-operatives in Scotland have a history of leading on energy efficiency and in addressing fuel poverty. They continue to have the most energy efficiency housing in Scotland of all sectors.¹

¹ Scottish Government (2011) Scottish House Condition Survey Key Findings – Figure 10. Available at <http://www.scotland.gov.uk/Publications/2011/11/23172215/0> accessed 28th September 2012

1.8 Housing associations and co-operatives have made significant strides towards meeting the energy efficiency standards set in the Scottish Housing Quality Standard, investing considerable sums in doing so. This has been achieved in the absence of any funding being made available by the Scottish Government in order to enable social landlords to retrofit their existing homes.

1.9 Our sector has a history of leading on innovation in energy efficient housing and initiatives to combat fuel poverty. Examples of this include installations of combined heat and power schemes, retrofit of micro-renewables, innovative new build schemes using Modern Methods of Construction (MMC) and welfare and energy advice services.

1.8 At the same time, housing associations and co-operatives face a number of significant challenges: welfare reform is likely to lead to reductions in revenue income and increases in operating costs for landlords; increased hardship for tenants and higher levels of bad debt; while cuts in grant for new build affordable homes effectively means that in order to develop homes to meet housing need our members need to cross subsidise new build schemes and increase their borrowings. This is at the same as private finance is becoming more difficult to access and the terms are becoming less favourable.

1.10 It is therefore the case that while housing associations and co-operatives have the skills and experience to continue to lead the way in sustainable housing, this can only happen if they have access to appropriate support and funding.

2 General Comments

2.1 The SFHA agrees in principle with the aims of the Sustainable Housing Strategy and welcome its scope and ambitions. We agree that both fuel poverty² and climate change have become such major issues that it is necessary for the Scottish Government to take action to address both in a systematic and concerted way.

Finance

2.2 In principle we approve of the Scottish Government's efforts to seek to ensure that an appropriate value is put on the energy efficiency of homes, something that at present does not seem to be reflected in either valuations of housing for sale or available mortgages. One way to help encourage a greater reflection of the value of energy efficiency would be for Stamp Duty and council tax to reflect the energy efficiency of a property.

2.3 However, we would add a note of caution, on applying this principle to affordable housing for rent. While it seems reasonable to charge a slightly higher rent for a more energy efficient home, estimated savings from improvements do not always match actual savings. Also, people who have been in fuel poverty may underheat their home and so there may be a "bounce back" effect when their home is improved and they are able to heat their home more fully. Any reflective increases in rents, therefore, need to be set cautiously below estimated savings.

² Scottish Government (2010), Scottish House Condition Survey: Key Findings, table 28. Available at <http://www.scotland.gov.uk/Publications/2011/11/23172215/0> (accessed 28th September 2012)

New Build

2.4 A number of housing associations and co-operatives have been leaders in developing innovative solutions to increase energy efficiency in new build, using Scottish firms to develop highly energy efficient homes. We believe there is an opportunity to build on this experience and share knowledge. However, members have voiced concerns around the idea of the Scottish Government using the Affordable Housing Supply Programme to encourage the mainstreaming of MMC, with many taking the view that this could lessen their control of their developments and reduce opportunities for local companies and contractors to benefit from investment in the local area. We would therefore urge the Scottish Government to engage in dialogue with the SFHA and its members before developing this outline proposal further.

2.5 The SFHA and its members are also supportive in principle in the idea of increased standards in new build housing and therefore we cautiously welcome the pool of funding for housing associations and co-operatives who propose to develop affordable housing to the Silver level in the Sustainability Labelling Standards. Many members, however, have expressed doubts that the £4,000 additional grant available will fund the cost of meeting this standard and so we look forward to seeing further details about the scheme.

Retrofit

2.6 In principle the proposal to develop a National Retrofit Programme (NRP) is welcome as research suggests that house by house and street by street schemes are the most cost effective way to improve the energy efficiency of existing homes.³

2.7 However, there are a number of important caveats to our in principle support for NRP. Members have made clear that a NRP must still provide a safety net, so that where tenants or owners are in fuel poverty but are not within a designated NRP area, there must be a mechanism to intervene and improve the energy efficiency of their home.

2.8 There is also a concern that the timescale for the NRP does not fit with the first target date in the Energy Efficiency Standard for Social Housing (EESH). The NRP is estimated to take 10 years, starting in 2013/14, yet if the EESH is implemented then social landlords must meet high energy standards from 2020.

2.9 Members have also expressed concerns about who the NRP will support – the SFHA understands from discussions with the Scottish Government that it is proposed that the majority, if not all, of the funding for the NRP will support improvements to housing in the private rented sector (PRS) and owner occupied sectors. Given that at present there are proposals to regulate for energy efficiency in the social sector (through EESH), but there are no firm proposals to regulate for minimum energy efficiency in the private sector, the proposed allocation of NRP is in the view of the SFHA and its members inequitable.

2.10 The set up of a NRP also has to be flexible and responsive to supporting innovative projects and meeting areas of need across the country. Some members have expressed concerns that there is a danger that activity could be too closely concentrated in a few areas when there are areas that require investment all across the country.

³ Consumer Focus Scotland (2010), *Energising Communities: Learning from area-based energy efficiency projects in Scotland*. Available at [insert link] (accessed 28th September 2012)

Minimum Standards

2.11 Some of our members have carried out preliminary assessments of the cost of meeting the EESSH 2020 target and believe that the cost would be considerably above what they would expect to invest through their planned maintenance programmes. While in some cases funds such as the Energy Company Obligation (ECO) the Renewable Heat Incentive (RHI) and Feed in Tariffs (FiTs) will help support housing associations and co-operatives to improve the energy efficiency of their homes, we believe it would be a significant error for the Scottish Government to rely on funds outwith its control to allow the ambitious targets in EESSH to be met. Previous experience of changes in tariff payments for FiTs on solar pv, and the proposal in the current RHI consultation that no payment for domestic installations be made to Registered Social Landlords⁴, illustrates this point.

2.12 The SFHA therefore calls on the Scottish Government to ensure that NRP funding is available to help housing associations and co-operatives to improve the energy efficiency of their existing homes.

2.13 We also call on the Scottish Government to set aside a percentage of the European Structural Funds that it administers in order to fund housing associations and co-operatives to help meet the ambitious targets set in EESSH. The ARBED initiative in Wales provides an excellent example of what can be achieved through this approach, in a country where social landlords do not have to meet the minimum energy standards proposed in the EESSH.⁵

2.14 It is also our view, however, that if fuel poverty and climate change are to be successfully tackled, the Scottish Government needs to take a strong lead on the issue and set out minimum energy efficiency standards to be met across all tenures. As social housing comprises less than a quarter of Scotland's housing stock, regulating for only social housing will fail to address both of these issues.

2.15 It is also the case that without minimum standards being set for the private sector, many social landlords will struggle to upgrade their properties to the proposed standards – something that is already an issue under the lower standards imposed by the SHQS. From our consultations with members we know that this is a particular issue in traditional stone tenements in mixed ownership, where high improvement costs and planning restrictions also pose considerable difficulties.

2.16 We appreciate that minimum energy efficiency standards could, at least initially, pose a challenge for owner occupiers and private landlords. We believe, however, that if people were given advance warning of phased changes, and if standards had to be met at point of sale and rental, then these challenges are not insurmountable. The SHQS similarly helped to drive improved energy efficiency in the social rented sector by providing standards with a long lead in period.

2.17 While as stated above and in our response to the EESSH, the SFHA and its members generally support the introduction of a minimum energy efficiency standard, funding and finance are major issues. We believe that these questions are not properly addressed in the

⁴ DECC (2012), Renewable Heat Incentive: Proposals for a domestic scheme, page 59 . Available at http://www.decc.gov.uk/en/content/cms/consultations/rhi_domestic/rhi_domestic.aspx (accessed 28th September 2012)

⁵ Welsh Government (2012), Arbed Strategic energy performance investment programme <http://wales.gov.uk/topics/environmentcountryside/energy/efficiency/arbed/?lang=en> (accessed 28th September 2012)

SHS or EESSH consultations and require significantly more development, consideration and consultation before a minimum standard should be finalised.

Hard to Treat Properties

2.18 In particular we believe that some properties will prove expensive and difficult to treat, but may not provide the scale of carbon savings or the ease of improvement to attract investment by utilities. Many members advise that flats in mixed tenure stone tenements are difficult to treat, yet have not attracted CERT or CESP funding. It is also unclear whether safeguards in ECO intended to ensure that rural properties attract investment will be sufficient to overcome the significant logistical and cost issues associated with improving such homes.

2.19 Discussions with members also indicate that the standards will be challenging for a significant proportion of properties with electrically heated homes. For example, a landlord whose stock was almost all built after 1989 has found that they will require to retrofit renewables to a significant proportion of their stock. While improving properties and installing renewables is desirable, it is the view of the SFHA and its members that the resource and funding implications need to be considered more fully before the proposed standards are set.

2.19 If the minimum standards are imposed, then they have the potential to provide an additional administrative burden to bodies that are already subject to considerable regulation. In particular, it would be necessary for landlords to provide Energy Performance Certificates (epcs) for 100% of their stock. This being the case, it is vital that a separate protocol is developed for social landlords. It should acknowledge the numbers of similar properties that they have and their expertise and the quality of the data that they hold so that landlords do not face the cost and administrative burden of providing an epc for all of their properties by 2020. We look forward to discussing this further with the Scottish Government and have already highlighted the issue with the Building Standards division.

Skills, Training and the Economy

2.20 The SFHA and its members believe that the Sustainable Housing Strategy provides the opportunity for a significant boost to the economy and increased levels of training and employment as a result of major investment in retrofit programmes.

2.21 Housing associations and co-operatives have a strong track record in providing and co-ordinating schemes that provide apprenticeships as part of capital investment programmes in their local areas. The SFHA's Carbon Portal can provide data to help target early investment in area based retrofit schemes⁶.

2.22 Investment in housing and energy efficiency is particularly labour intensive and, if fully resourced, could boost Scotland's employment. We understand that the European Social Fund could help support training, and we believe that there is potential for housing associations and co-operatives to work with organisations such as Changeworks, Solas, SCARF and the Wise Group on investment and training. This could provide a significant boost to employment and training in poorer areas.

⁶ Carbon Portal SFHA (2012) <http://www.carbon-portal.org.uk/> (accessed 28th September 2012)

3 Detailed Comments

3.1 A series of specific questions are included in the consultation paper, covering the five key themes in the strategy:

- Financial Market Transformation*
- New Build Market Transformation*
- National Retrofit Programme*
- Minimum Standards*
- Skills and Training*

Background

Q1 Are the vision and objectives set out in s 19 and 20 appropriate for Scotland's SHS?

3.2 The aspirations to tackle/end fuel poverty and to enable the construction industry and housing bodies to contribute to and benefit from Scotland's low carbon economy are welcomed by the SFHA. The scope of the SHS, with its aim to tackle existing and new build housing and to address finance, the new build market and skills and training is worthy of the ambitious aims of the strategy.

3.3 However, we have two areas of concern:

- the tentative nature of the document's approach to introducing minimum standards in the private sector;
- the uncertainty about the availability of grants and loans to ensure the massive investment needed to meet the aims of the strategy.

Chapter 1 A National Retrofit Programme (NRP)

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

3.4 The major barriers preventing the installation of energy efficiency measures are finance (with competing pressures on our sector including welfare reform and reduced grant for new build), lack of regulation in the private sector preventing upgrade of mixed tenure estates and planning authorities failing to favour energy efficiency measures in existing homes.

Q3 Please explain practical solutions/incentives to overcome these issues?

3.5 Minimum standards for the owner occupied and PRS, increased grants and low interest loans, clear guidance for planners followed by training encouraging investment in energy efficiency and highlighting what important issues fuel poverty and climate change are.

Q4 What support is needed to enable people to get energy efficiency measures installed?

3.6 A wide range of support is needed:

- in rural areas there needs to be funding to make schemes attractive to ECO installers,

- in towns there needs to be funding and facilitation to tackle mixed tenure schemes, especially in traditional tenements.

Q5 What specific issues need to be addressed in rural areas?

3.7 There are a number of specific issues in rural areas: the challenge presented by off gas areas; the cost of improving homes due to rurality and distance from main population centres. Suggested solutions include:

- fund energy efficiency through NRP and incentives with a top up for rural areas;
- encourage renewables schemes through loans and grants;
- support our sector and Community Energy Scotland to develop renewables schemes;
- support local installers to ensure that they are accredited to be Green Deal and ECO accredited so that workers don't have to travel a huge distance to rural schemes, draining jobs and increasing costs.

Q6 What role might local authorities and other agencies play in bringing about a step change in retrofitting Scotland's housing?

3.8 Local authorities have a role to play both in monitoring standards in the private sector (subject to being provided with resources) and to enable and lead on area based schemes. However, it is important to acknowledge that our sector has expertise and a large number of properties and can also play a role in facilitating and leading on area based schemes. In seeking to encourage a NRP, the Scottish Government should be flexible and not concentrate solely on large, regional, council facilitated schemes. There will continue to be a role for smaller schemes led by associations, and by schemes that run across the country such as the SFHA's Carbon Portal.

Q7 What role should the Scottish Government play in a NRP?

3.9 The role of the Scottish Government should be to provide sufficient funding through grants and loans to enable the desired step change to be made, and to provide broad guidelines for retrofit schemes. There will also be a need for a monitoring role so that if particular areas miss out on funding this is addressed. Finally, it is crucial that there is a safety net for the fuel poor living outwith initial NRP areas.

Q8 What role could the devolution of additional powers play in NRP?

3.10 There is potential for the use of stamp duty to encourage energy efficiency, and further devolved powers would provide more such opportunities. At the same time, it is the SFHA's view that there is scope within the existing Scottish Budget, and through the Scottish Government's allocation of European Structural Funds, to move sufficient funds to energy efficiency in order to meet the targets on fuel poverty and climate change.

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

3.11 Minimum standards should be set for all homes, and increased funding needs to be provided through Scotland's NRP and from Scotland's ERDF budget.

Q10 How can we make the NRP maximise benefits to all consumers?

3.12 By providing a funding offer to all, whether a loan or a grant, and by ensuring funding of face to face advice from energy charities, local authorities and housing associations. Using online or telephone services alone disadvantages certain groups.

Chapter 2 – The Role of Standards

Q11 Should the Scottish Government consider whether a single condition standard should apply to all properties irrespective of tenure, and how should it be enforced?

3.13 Yes, a single mandatory condition standard should be developed. Otherwise the fuel poverty and climate change targets will not be met. This could either be enforced by local authorities (but they would need additional funding) or through the Home Energy Efficiency Database (HEED) database. Enforcing the standard at point of sale or rent would be the most straightforward approach.

Q12 The document identifies a hierarchy of needs in maintaining a home – do you agree with it?

3.14 We agree that the hierarchy is correct, with the caveat that a rigid approach to this hierarchy cannot always be taken. For example, housing associations have developed CHP schemes in order to alleviate fuel poverty ahead of investing in insulation. Decisions will always be partially influenced by funding and opportunities, particularly when funding is limited or targeted on particular technologies.

Q13 -19 Questions on local authority enforcement powers on house conditions

3.15 In our view, the only effective way to improve standards in the private sector is for the Scottish Government to set a minimum standard and then ensure that properties are improved at point of sale or let beyond a set date. We believe that the proposals discussed around local authorities enforcing improvements, or funding improvements to owners' properties and then reclaiming the costs are far less workable and will impose unsupportable pressures on local authorities at a time of scarce resources. There is a potential role for local authorities, housing associations and co-operatives in mixed tenure once minimum standards have been set. , It is difficult to see improvements in mixed tenure schemes without minimum standards being set by the Scottish Government..

Q20 What actions can be taken to raise the importance placed by owners on energy efficiency?

3.16 Rising fuel bills will place the issue higher up the agenda. Setting minimum standards and marketing will also help.

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

3.17 Yes, minimum energy efficiency standards are essential if fuel poverty and climate change targets are to be achieved, and jobs and apprenticeships to be secured in a labour intense industry.

Q22 How could we amend eps to make them a more useful tool for encouraging increased energy efficiency?

3.18 This could be achieved by providing estimated energy savings and payback periods for works below £1000.

Q23 Are there other issues that we need to consider when introducing energy efficiency regulations?

3.19 The timing (and giving enough notice to allow owners to prepare), and whether to set either a single standard or whether to mirror the EESSH, with separate standards for house types and heating source. It may also be worth considering different standards for different construction types. All of this could be consulted on when a standard is to be introduced.

Q24 How could regulation support the uptake of incentives?

3.20 Regulation is vital to encourage the uptake of incentives and it is our view that the two must be introduced together if a step change in energy efficiency is to be achieved.

Q25 Do you have views on the possible design of the energy efficiency standard?

3.21 Option 3 is best as it is the most straightforward. A measures- based approach limits solutions and can lead to perverse incentives Option 4 might have a role in ensuring that the early standard is fair and affordable. See above for other considerations.

Q26 Do you agree that regulations for the private sector ought to reflect the energy efficiency capacity of the property and its location, as in the EESSH?

3.22 This seems a reasonable approach, but it would need to be subject to more detailed proposals/design. The extent to which this is the case in EESSH proposals is limited (except for heating type).

Q27 Should houses of the same type in the social and private sectors have to meet the same standards?

3.23 Yes, all properties need to meet the same standard irrespective of tenure. This will ensure social equity, address fuel poverty, improve mixed tenure homes and meet climate change targets.

Q28 Are there other issues to consider for minorities?

3.24 The provision of support and advice as highlighted above.

Q29 Should we consider additional trigger points to sale and rental?

3.25 Point of sale and rental are the most practical to enforce.

Q30 Should the roll out of any private sector regulation be phased or all at once?

3.26 Relatively easily achievable targets should be set for all for 2020 (and be well advertised) then 5 year milestones thereafter that set tougher targets. As with EESSH, there may be certain property types (non-traditional, stone tenements, off gas) that require to have different or lower standards.

Q31 What other issues around enforcement need to be considered?

3.27 Costs, resources and enforceability, hence the suggestion of standards being met and checked at point of sale or rent.

Q32 Should sanctions be considered as part of enforcement of regulations for owners, and should owners be able to pass on the burden on to buyers?

3.28 Yes, sanctions should be considered, otherwise how would they be enforced? We agree that owners should be able to pass on the burden, but only at first sale.

Q33 There is no intention to regulate before 2015, but when do you think it might be appropriate to apply regulations?

3.29 Regulations should be intimated from 2015 (as in the social sector), with the first target date set for 2020. That way the same rules will apply across tenures and will be clearly understood.

Chapter 3 Financial Market Transformation

Q34 Does the summary of policy and legislative levers accurately reflect what is available?

3.30 Yes, they are essentially covered, although the reference to epcs could be clearer on costs and potential savings. Other mechanisms are available to encourage financial market transformation such as Stamp Duty and Council Tax reflecting energy efficiency values.

Q35 What changes would be required to surveying and lending practice to take account of renewables income or savings on energy bills?

3.31 This is not strictly the SFHA's area of expertise, but it would seem sensible to ensure that value reflects the increasing importance of energy bills in household costs, and that mortgages also take this into account to some extent. Account could be taken of projected fuel bills and of income from FITs and RHI.

Q36 What else needs to be considered in seeking to address valuations and lending as above?

3.32 The main issues and challenges are covered in the chapter. However, there is insufficient regard given to likely future energy costs (which may double in the next ten years).⁷

Q37 The Scottish Government is working on actions to encourage greater recognition of the value of sustainable homes. What further action is required?

3.33 We agree that marketing and behaviour change is important. However, we also believe that setting standards and targets are much more effective than

⁷ Guardian (5th October 2010), [insert title of article in italics] available at <http://www.guardian.co.uk/money/2010/oct/05/energy-bills-double-next-decade> (accessed 28th September 2012)

demonstration projects which are not necessarily mainstreamed unless there are concrete proposals to ensure that this takes place.

Chapter 4 New Build Market Transformation

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

3.34 Planning could as standard encourage/require that new developments orientation and layout aim to maximise passive solar gain, that strategic sites are close to transport hubs and public transport where possible. Planning should also encourage the expansion of existing towns/use of brownfield sites over greenfield or new towns. Finally, building standards should gradually raise building standards but ensure that sufficient warning is given to allow builders, developers and social landlords to plan and prepare.

Q39/40 Questions on the constraints faced in taking forward new build market transformation, and on what action is needed to increase capacity for innovation in the new build industry

3.35 We agree with the analysis of constraints. We would suggest that if the government wants to see increased uptake of innovative methods, then it needs to continue with increased building standards on a clearly marked out route map. However, for this to work and not be counter-productive, the government needs to ensure that they work with industry and social housing providers to ensure goals are affordable and achievable. Future targets and approaches also need to be set out well in advance of the implementation dates.

Q41 What changes are needed to the AHSP that would help enable it to champion greener construction methods?

3.36 There is potential to use AHSP to influence the sector to procure MMC – an area on which housing associations and co-operatives already lead. However, it is important to ensure that any such process is not over centralised and allows potential for local companies to bid. Also, if the Scottish Government pursues this approach through AHSP, then they should also encourage private developers to do the same otherwise social housing could be seen as a testing ground while the savings in cost and energy efficiency hoped for may never be fully realised due to a failure to mainstream.

Q42 What further action is required to influence the construction industry to make greater use of innovative methods?

3.37 The most effective approach is likely to be to continue to set higher building standards but as stated above it is key that sufficient detail and warning are provided ahead of any changes to standards.

Chapter 5 Skills and Training

Q43 What are the key challenges to ensure that Scottish companies have the skills to meet the key challenges to take advantage of the opportunities provided by a move to energy efficient homes?

3.38 We agree that the main challenges are identified for new build and renewables. However, we are concerned that the document does not fully recognise the potential of new build housing and retrofit of existing homes to kickstart the economy. Investing in housing could be a hugely effective economic stimulus as well as meeting fuel poverty and climate change targets and providing potential export opportunities.

Q44 What further action is needed to ensure that there is appropriate investment in skills and training to meet the opportunities identified?

3.39 Increased investment in retrofit and MMC would lead to a clear market for skills and jobs and see colleges, trade bodies and universities continue to increase their work in these areas.

Q46 How do we ensure that skills and training opportunities are provided on an equitable basis?

3.40 Equity could be achieved through the use of Community Benefits clauses and apprenticeship programmes – something housing associations and co-operatives have a history of providing in the areas that they serve across Scotland.

4. Conclusion

4.1 The SFHA welcomes the scope and ambition of the Sustainable Housing Strategy and believes that it is comprehensive and seeks to address the major issues.

4.2 We agree in principle with the proposed NRP, subject to it being properly funded, as the most cost effective and efficient way to make a step change in the energy efficiency of Scotland's existing homes.

4.3 We believe that for the NRP to succeed and meet its goals of cutting carbon emissions and addressing fuel poverty then it must

- Receive higher levels of funding than that in the current draft Scottish Budget, at least £100 million per year;
- Identify ring fenced ERDF money to boost energy efficiency in housing association and co-operative homes;
- Provide top up schemes to draw in ECO funds in areas that might otherwise struggle to attract ECO.

4.4 It is also crucial that the NRP provides a safety net of funding to people in fuel poverty outwith the early targeted areas.

4.5 The SFHA agrees that there is potential to increase energy efficiency in new build through MMC, and that this can be achieved by raising building standards. Such changes need, however, to be signalled in advance and widely consulted on so that social landlords, developers and builders can prepare and plan.

4.6 The retrofit of existing housing to increased energy efficiency standards can cut fuel poverty and carbon emissions as well as creating jobs and training at a time of recession. Housing associations and co-operatives, if properly funded, have the groupings of stock, the skills and the community trust to lead on such schemes in the areas that they serve.

4.7 Information gathered through the SFHA Carbon Portal provides the opportunity to help target resources in area based retrofit schemes.

4.8 To achieve the ambitious targets set by the Scottish Government it is essential that they regulate for minimum standards in the private sector. Fuel poverty and climate change cannot be addressed if more than three quarters of Scotland's housing does not require to be improved.

SFHA

28th September 2012

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