

Home Energy Efficiency Equity Loan Pilot

**Call for Evidence to inform the consideration
of the future expansion of the pilot to a
nationwide support scheme: analysis of
responses**

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Executive Summary

Most respondents endorsed the use of home equity to support decarbonisation and energy efficiency and described the benefits of this approach for individual homeowners and for Scotland more broadly. However, some raised concerns about equity release models, including how to support applicants and whether the pilot has sufficient reach.

While some respondents agreed with the current eligibility and scope of the pilot, others felt that council tax banding should not be used to determine eligibility. Within comments there was some discussion about expanding the eligibility criteria in future to include as many households as possible.

Most respondents were positive about the scheme's potential contribution to meeting the Scottish Government's climate change and fuel poverty targets. A few offered suggestions for how the scheme's impact could be maximised. A small number did not think the scheme would affect climate change and fuel poverty targets.

Nearly all respondents supported a nationwide rollout of the scheme. Some suggested changes to the scheme if it were to be rolled out on a larger scale, included streamlining the application process and supporting applicants to make the best use of funds and the right decisions for their home.

There was broad agreement that the EPC could be used in a future scheme, but some respondents noted concerns or reservations such as limitations in the approach or concerns over the quality of the EPC, with a few suggesting ways to improve the oversight of the EPC system.

The need to appoint an organisation to help promote consumer protection was noted. Important aspects of consumer protection, including advice and support, contractor standards and inspections, were highlighted. It was suggested that a consumer protection organisation could drive quality standards among contractors; a small number saw a role for consumer protection in the work inspection process. A few respondents called for warranties for any work carried out and the goods installed.

Respondents suggested a range of ways to support partnership working with housing associations and local authorities, including faster and simpler application processes, direct payments to partners, alignment with other schemes.

The importance of support and advice to help homeowners navigate the complexities of the scheme was a prevalent theme in responses. Various forms of support were noted; such as independent legal advice, general guidance about the terms of the loan and information about what to expect in the application process and beyond.

Respondents identified various challenges and opportunities presented by the potential expansion of the pilot. Greater energy efficiency of Scotland's buildings was the most prevalent theme in comments about opportunities linked to any expansion of the pilot scheme. A few respondents suggested that, as energy efficiency measures can help to reduce energy costs, the scheme could help to address fuel poverty. A small number of respondents expressed a view that the scheme could contribute to economic growth.

Introduction

Background

The Scottish Government (SG) is committed to improving energy efficiency in homes and decarbonising heat to help tackle climate change. A pathway to net zero-emission buildings by 2045 is set out in the Heat in Buildings Strategy¹, which details a series of near-term actions and long-term commitments to accelerate the decarbonisation of new and existing buildings.

One mechanism which could potentially improve the energy efficiency of housing stock in Scotland is being trialled through the Home Energy Efficiency Equity Loan Pilot. Established by the SG in January 2017 and closing in March 2022, the pilot allows eligible homeowners to borrow up to £40,000 from the SG against the value of their property to fund eligible works, including energy efficiency measures, heat loss reduction measures and repairs². Loan holders must repay the loan in full when they sell their home or transfer ownership. The loan is available for properties in council tax bands A to C or for properties in all council tax bands where the owner receives qualifying benefits.

The pilot scheme operates in 8 local authority areas: Argyll & Bute, Dundee, Glasgow, Inverclyde, Perth & Kinross, Renfrewshire, Stirling and Western Isles. Since the pilot's inception in 2017, 136 loans have been offered, with an average loan value of £18,382. The Scottish Government is considering developing the pilot as part of the suite of support schemes for the decarbonisation of buildings set out in the Heat in Buildings Strategy.

Sources of evidence included in this report

A Call for Evidence opened on 2nd August 2021 and closed on 8th October 2021. It contained 15 questions; 10 questions had both an open and closed question element, while the remaining 5 were open questions. The questions covered: the potential benefits and challenges of expanding the pilot to a nationwide scheme, how the delivery of the loans could be enhanced to support a nationwide uptake, and the scope and eligibility of loan offers. The Call for Evidence is an opportunity for the Scottish Government to understand a wide variety of stakeholder views and to collect input on how the pilot could be modified or enhanced if the decision is made to proceed to a nationwide scheme.

The Call for Evidence was supplemented by three stakeholder webinars which were attended by 57 stakeholders from 39 different organisations, many of which also submitted formal responses to the Call for Evidence. A feedback survey was also conducted among 38 homeowners who used the Equity Loan pilot to fund energy efficiency improvements to their homes and who had completed the journey from application to completion of works. This report draws on the relevant finding from each of these three sources; a full report on the feedback survey is available as a separate document.

¹ [Link to document 'Heat in Buildings Strategy'](#)

² A full list of eligible measures is included in Appendix 1.

Profile of Call for Evidence respondents

The Call for Evidence received 31 responses. Of these, 27 were submitted via the online consultation platform Citizen Space. A further four responded with an alternative format, for example, a PDF document. One-third of responses (10) were from an individual, with the remaining 21 submitted by organisations. A variety of organisations took part in the consultation, including 6 local authorities, two Care & Repair organisations and organisations from the housing, energy and surveying sectors, including Tighean Innse Gall, Elmhurst Energy and the Royal Institution of Chartered Surveyors. Other participating organisations included Nationwide, Historic Environment Scotland and Age Scotland.

Responses to the consultation, where permission for publication was granted, can be found on the Scottish Government's website.

Approach to analysis and reporting

This report presents the range of views expressed and trends among responses. The analyst team applied a qualitative coding framework based on a review of the Call for Evidence questions and a sample of responses. Where alternative format responses contained information that did not align to specific questions, analysts exercised judgement about the most relevant place to include this material for analysis purposes.

While qualitative analysis of open-ended questions does not permit the quantification of results, we signify the weight of a particular view using the following framework:

- The most common theme / the most prevalent theme in responses (and second most common), i.e., the most frequently identified.
- 'Several' or 'many' respondents (10+), i.e., a recurring theme but not most common.
- 'Some' respondents (5-9), i.e., another theme.
- 'A few' or 'a small number' of respondents (3-4); a minor theme.
- Where only one or two people have made a specific point, we have described this as 'two respondents' and 'one respondent' or 'a singular comment'.

Report Structure

This report is set out as follows:

- This section closes with a quantitative summary of the closed questions contained in the call for evidence.
- Chapter 2 presents an analysis of responses to Q1-3 which address views and experiences of the Equity Loan pilot.
- Chapter 3 covers Q4-Q6, which focus on the potential contribution of a nationwide scheme and views on the measures which should be included.
- Chapter 4 addresses Q7-Q9, which consider fuel poverty and consumer protection.
- Chapter 5 presents the analysis of Q10-Q12, which cover the opportunities and challenges presented by expanding the pilot.
- Conclusions are set out in Chapter 6.

Quantitative summary of questions

Question	Yes		No		Not answered		Providing Open-ended response ³	
	No.	%	No.	%	No.	%	No.	%
Q1: What is your view on the use of equity in people's homes in order to support the decarbonisation of buildings and the improvement of energy efficiency as a means to improve wellbeing and support independent living?	NA						30	97%
Q2: If you have direct experience of the Equity Loan pilot, please provide views or evidence of the impact of the loan product and support provided.	NA						23 ⁴	74%
Q3: Do you have views on the eligibility and scope of the pilot as it exists now? Please explain your answer	27	87%	1	3%	3	10%	29	94%
Q4: What is your view on the contribution a nationwide Equity Loan scheme focused on both energy efficiency and decarbonised heat solutions can make towards supporting our climate change and fuel poverty targets?	NA						30	97%
Q5: Please provide your views on the proposal to expand the Equity Loan pilot to a full nationwide support scheme.	NA						30	97%
Q6: Do you have a view on which energy efficiency measures and zero-emission heating solutions should be included in the list of eligible measures? Please explain your position	20	65%	7	23%	4	13%	25	81%
Q7a: Do you agree that a nationwide Equity Loan can support the reduction of fuel poverty in Scotland? Please explain your answer	22	71%	5	16%	4	13%	26	84%
Q7b: Do you have any suggestions on how a future scheme could better support a reduction in fuel poverty in Scotland? Please explain your answer	22	71%	4	13%	5	16%	23	74%
Q8a: The Equity Loan pilot uses the EPC recommendations as a basis for eligible measures which can be funded by the loan, and we will be consulting on a reformed EPC assessment process to better align with wider net-zero objectives as part of our Heat in Buildings Strategy. Do you agree with using the EPC in this way for a future scheme? Please explain your answer.	22	71%	6	19%	3	10%	28	90%

³ This figure does not include respondents whose open-ended response was no comment / not applicable or similar, or who referred solely to their response to another question.

⁴ Includes 3 who stated they had no direct experience and 1 who had no strong opinion.

Question	Yes		No		Not answered		Providing Open-ended response	
	No.	%	No.	%	No.	%	No.	%
Q8b: Can you provide any alternatives? Please explain your answer.	10	32%	15	48%	6	19%	14	45%
Q9a: Do you agree with the proposed approach to consumer protection set out above? Please explain your position.	21	68%	4	13%	6	19%	19	61%
Q9b: Are there any additional consumer protection measures that can be considered within Scottish Government competence? Please explain your position.	14	45%	9	29%	8	26%	21	68%
Q10: The expansion of the pilot could provide a greater opportunity for eligible homeowners to participate in scheduled refurbishment works being undertaken by local housing associations and local authorities. Do you have suggestions on how best to achieve such a working partnership? Please explain your position.	22	17%	3	10%	6	19%	23	74%
Q11: Do you have any suggestions on how to ensure delivery of the scheme is efficient and robust, including the legal process and customer support service whilst ensuring value for money? Please explain your answer.	19	61%	5	16%	7	23%	26	84%
Q12: Please provide your views on any challenges and/or opportunities offered by the potential expansion of the pilot.	NA						25	81%

Views on the Equity Loan Pilot

Question 1: What is your view on the use of equity in people's homes in order to support the decarbonisation of buildings and the improvement of energy efficiency as a means to improve wellbeing and support independent living?

Thirty consultation respondents provided an answer to Question 1. Most endorsed the use of home equity to support decarbonisation and energy efficiency and described the benefits of this approach for individual homeowners and for Scotland more broadly. However, some raised concerns about equity release models, including how to support applicants and whether the pilot has sufficient reach.

Support for using equity to support decarbonisation and energy efficiency

The most prevalent theme in responses to Question 1 was the approval of the use of home equity to support decarbonisation and energy efficiency efforts.

Many respondents expressed general support for an equity loan scheme, describing it as a 'useful' and 'welcome' approach. They described practical benefits, noting that it will allow homeowners to both improve the condition of their properties and make their homes more energy-efficient. Some expressed support for the scheme's focus on the decarbonisation of buildings. A few respondents felt that such actions have the potential to make a meaningful contribution to climate change mitigation.

"Reducing emissions from our homes and buildings is one of the most important things we can do to help end Scotland's contribution to climate change...Providing an additional financial route for homeowners to make energy efficiency improvements to their homes and decarbonise their heating systems can make a contribution towards the Scottish Governments plans to reach net-zero by 2045." (Propertymark)

Some respondents said an equity scheme could improve physical and mental health and wellbeing by creating healthy, warm and comfortable living environments with healthy air temperatures, humidity levels, noise levels, and improved air quality.

"Many older and disabled people in Scotland live in fuel poverty and poor housing conditions. This impacts on their health and wellbeing. The loan scheme as it stands can make a significant contribution to the future wellbeing of older people in Scotland." (Care & Repair Scotland)

Respondents also noted that equity schemes could tackle fuel poverty by introducing more cost-efficient measures into peoples homes.

Several respondents described equity release schemes as an opportunity for homeowners who otherwise would not have access to sources of funding to pay for repairs or decarbonisation works on their property. Examples included:

- those considered 'asset rich, cash poor' who do not have savings or access to grants and schemes such as Warmer Homes Scotland;

- low/fixed income households (e.g. pensioners) who do not have access to other forms of borrowing;
- people who do not qualify for other schemes or grants due to high income.

Some respondents highlighted particular benefits for elderly or disabled homeowners. They suggested the scheme would enable these groups to carry out repairs and energy efficiency improvements, allowing them to remain living independently in their home for as long as possible.

“People without significant regular income but who hold equity in their property can access this scheme to improve their homes, which allows them to live more comfortably in their existing homes, rather than needing to find alternative accommodation. This coupled with the repairs element of the Equity Loan can be seen as a benefit unique to this scheme which will help to improve wellbeing and support independent living.” (Energy Saving Trust)

Two respondents valued an equity loan scheme as a way for homeowners to improve the condition of their property without accruing conventional forms of debt or committing to monthly repayments. Another reflected that the loan terms seem ‘very fair’ for homeowners.

One respondent noted that this scheme might help minimise any backlash against the introduction of regulation for home energy efficiency standards in Scotland by offering an affordable route to finance decarbonisation measures.

Concerns about the use of equity schemes

A range of risks and concerns about using the equity in people’s homes to support decarbonisation was identified in responses, including comments suggesting that:

- homeowners may not have the best or most appropriate solutions recommended or installed;
- vulnerable households may not understand the debt behind the scheme;
- the scheme leaves out those without sufficient equity in their homes;
- the concept of losing a percentage of the value of your home on resale could be unattractive and limit interest in the scheme;
- the scheme is over-reliant on housing market growth to make it financially viable;
- the Scottish Government should not offer schemes that put people into debt.

A few respondents called for more clarity about the scheme's aims, noting confusion about whether the focus was on decarbonisation and Net Zero; or tackling fuel poverty in Scotland.

Question 2: If you have direct experience of the Equity Loan pilot, please provide views or evidence of the impact of the loan product and support provided.

Fifteen consultation respondents confirmed they had direct experience of the Equity Loan pilot and answered Question 2. Some had positive experiences, describing benefits arising from their participation in the Equity Loan pilot and their views on the future need for the scheme. However, others described negative experiences, having faced challenges with the legal and administrative processes involved. Many agreed on the importance of having a support or handholding service in place to support loan holders.

Positive experiences

A few agencies involved in the delivery of the pilot noted in their responses that households who took part in the Equity Loan pilot were pleased with the results of the process and what the pilot had enabled them to do to their property. This feedback aligns with the findings from the feedback survey of loan holders, where the majority confirmed that installing new energy efficiency measures or heating solutions into their property had a positive impact on their wellbeing. Loan holders provided a variety of reasons behind this change, including having a more warm and comfortable living environment and being less stressed about the condition of their property.

Other benefits arising from the Equity Loan pilot were identified by homeowners who participated in the feedback survey. These included a reduction in their heating costs and having a more wind and watertight home.

Some respondents described the need for the future scheme, suggesting that without it, many homeowners would not have any other way to improve the condition or energy efficiency of their homes.

“This was the only way we could afford an air source heat pump.” (Individual)

One respondent noted that in their experience, most households who accessed the pilot were living in properties in a state of ‘extreme disrepair’ and had few other options for financial assistance.

Many loan holders who responded to the feedback survey echoed this view, noting that the Equity Loan provided funding for repairs or energy efficiency works to which they did not otherwise have access.

Value of the support service

A majority of respondents and stakeholders who took part in the Call for Evidence webinars stressed the importance of having a support or handholding service to support loan holders throughout the Equity Loan process. They highlighted that many of the eligible households for the scheme are elderly and/or vulnerable and would struggle to complete the complex process without a handholding service.

“I think hand holding is essential for this scheme. You are dealing with vulnerable clients; you are dealing with clients who can't do everything online or send things via email. You need someone to go out and see people. So I think that's an essential going forward.”
(Webinar participant)

This feedback was reiterated in the feedback survey of loan holders; many commented on the value of and positive experiences with the support provided by Care & Repair.

Challenges with the legal and administrative process

Many participants in the consultation, webinars and loan holder feedback survey with direct experience of the pilot described challenges relating to the administrative and legal process. It was described as 'extremely time-consuming', 'complex', 'challenging' and 'slow and cumbersome'. Specific issues included:

- the extent and complexity of documentation;
- the length of time the process took;
- delays in day-to-day communication;
- loan holders incurring extra charges;
- documentation going missing;
- errors in paperwork.

Participants across all strands of the Call for Evidence (consultation, webinars and loan holder survey) reported that the complex legal and administrative processes caused delays in completed work. Those who took part in the loan holder survey felt there was room for improvement in timescales associated with the Equity Loan pilot.

Respondents described the negative impacts of difficulties or delays with the legal and administrative process, which affected the well-being of some loan holders and, in a small number of examples, soured relationships between agencies and local contractors. A few observed that delays in some cases meant that quotes and home reports expired; they had to be reissued before work could begin.

Some respondents recognised cases where delays were inevitable, for instance, shared ownership, complex legal circumstances related to title deeds and discharge of mortgages.

Inter-agency challenges

In responses to the Call for Evidence and during the stakeholder webinars, representatives from agencies involved in delivering the pilot described challenges in working together, including:

- a lack of consistent and clear communication from different parties;
- difficulties in agreeing and complying with timescales;
- a lack of clarity over the division of resources and responsibilities.

Question 3: Do you have views on the eligibility and scope of the pilot as it exists now?

Twenty-nine respondents provided an answer to Question 3. While some agreed with the current eligibility and scope of the pilot, others felt that council tax banding should not be used to determine eligibility. Others supported expanding the eligibility criteria in future to include as many households as possible.

Concerns with using council tax banding to determine eligibility

A major theme among responses to Question 3 (and the corresponding question in the Call for Evidence webinars) was concern about using council tax banding to determine eligibility for the scheme. Many respondents felt that council tax bandings are not an effective indicator of wealth and access to capital. As a result, using it to determine eligibility could restrict access to the scheme for those who need it most, particularly elderly and vulnerable households.

“Restricting eligibility to council tax banding A-C properties could miss a section of society that have saved hard to be able to purchase a larger property but who now are elderly, vulnerable, in fuel poverty and in most need of support.” (Organisation, anonymous)

“There may be a large number of older vulnerable households included within council tax Bands D - H that may be unable to finance energy adaptations within their home without assistance.” (Age Scotland)

Others felt there is nuance in the type of households and housing stock included in different council tax bandings across local authorities and between rural and urban areas. A few suggested that the council tax band criteria should be set on a local authority basis.

Some respondents suggested broadening the criteria to include council tax band D.

“I believe the Equity Loan scheme could be extended to properties within council tax Band D as the difference between tax bands C and D are minimal, and the Government could be missing out on potential clients who could access the scheme who require financial assistance to improve the energy efficiency of their properties.” (Individual)

Others advocated for the scheme to be open to owner-occupiers in all tax bands. Two noted that, given the high costs associated with installing energy efficiency measures, even households in more comfortable financial positions may still require financial support to fund decarbonisation works to their property.

Support for the current criteria

Conversely, some respondents expressed support for the current eligibility and scope of the pilot, describing it as ‘appropriate’, ‘ideal’ and ‘inclusive’. They felt that including households in council tax bands A-C and those receiving state benefits was a fair way to determine eligibility for the scheme.

“We agree with the scope for eligibility. This provides a good balance between enabling ‘cash poor’ customers to access energy efficiency measures while also not making the scope so broad that people might take on an Equity Loan when other savings, consumer debt or mortgage funded measures may be more appropriate.” (The Building Societies Association)

One respondent welcomed the inclusion of the eligibility criteria around people with disabilities.

Alternative criteria suggested

A few participants suggested alternative ways to determine eligibility for the scheme. During the Call for Evidence webinars, two stakeholders referred to the eligibility criteria for Warmer Homes Scotland, which considers the square footage of a property, suggesting that a metric like this may be a more effective way to determine eligibility and make the scheme more widely accessible to property owners throughout Scotland. Another suggested having criteria in place to only allow people over the age of 55 to apply for the loan, given younger people may not have enough equity in their homes to participate, and one suggested using criteria around household income.

One respondent suggested using the Standard Assessment Procedure (SAP) rating on the Energy Performance Certificate (EPC) to determine eligibility, where only those with a score of D or less could apply for the scheme. The SAP methodology assesses and compares the energy and environmental performance of dwellings. EPC ratings divide dwellings into bands based on costs; the higher the number, the lower the running cost. A score of D would be 55-68 SAP points; a score of G is 1-20 SAP points (least energy efficient).

Inclusion of landlords

Few commented on the inclusion of landlords in the eligibility criteria for the scheme. Most stakeholders were generally supportive of only allowing landlords with two properties or less in their portfolio to apply for the scheme. However, a small number of respondents felt that landlords who have more than two properties in their portfolio should be permitted to access the scheme, contending it was important to improve the energy efficiency of homes within the private rented sector. Two felt that limiting access to the scheme in these cases could have unintended consequences for the tenants living in privately rented homes, many of whom could be experiencing fuel poverty.

A few respondents suggested that landlords with up to three properties in their portfolio should be able to participate in the scheme, as this would be in line with other Scottish Government programmes like the Area Based Scheme (ABS) ⁵.

One respondent firmly believed that landlords should be excluded from the scheme and made to use other funds to make their properties more energy-efficient.

⁵ The Scottish Government’s Area Based Scheme (ABS) programme will provide over £64 million in 2021/22 - up from £55 million the year before - to enable every local authority in Scotland to deliver energy efficiency measures to fuel poor households and communities. See: <https://www.gov.scot/news/increased-funding-to-tackle-fuel-poverty-and-climate-change/>

Net Zero Policy Context

Question 4: What is your view on the contribution a nationwide Equity Loan scheme focused on both energy efficiency and decarbonised heat solutions can make towards supporting our climate change and fuel poverty targets?

Thirty respondents provided an answer to Question 4. Most were positive about the scheme's potential contribution to meeting the Scottish Government's climate change and fuel poverty targets. A few offered suggestions for how the scheme's impact could be maximised. A small number did not think the scheme would affect climate change and fuel poverty targets.

A belief that the scheme can support climate change and fuel poverty targets

The most common theme among responses to Question 4 was the belief that a national rollout of the scheme would support efforts to meet the Scottish Government's climate change and fuel poverty targets. Many agreed that a wider rollout could support the decarbonisation of buildings in Scotland and help more low-income households to reduce fuel costs.

"An equity system, with a streamlined legal system, would be extremely valuable in unlocking capital to resource essential energy efficiency and low carbon upgrades while enabling those in fuel poverty to significantly reduce their energy bills." (Individual)

"Propertymark believes expanding the Equity Loan pilot to a full nationwide support scheme will provide more homeowners (owner-occupiers and landlords) with an additional route to funding changes that can minimise their own or their tenants' fuel costs and support the Scottish Government's progress towards meeting its climate change and fuel poverty targets." (Propertymark)

Some noted that the scheme will help meet climate change and fuel poverty targets because it offers support to elderly households considered 'asset rich, cash poor' who may not be able to pay for home repairs or energy efficiency improvements any other way.

A few respondents felt that, even in the case of a national rollout, this scheme alone will not be enough to make a significant change in the energy efficiency of homes in Scotland. They suggested the scheme must be offered in addition to other public and private funding sources to meet climate change and fuel poverty targets.

“It is important to bear in mind that the Equity Loan is a niche product and it will not deliver the Scottish Government’s climate change and fuel poverty targets alone but it will bridge an important gap in the market and play a role in ensuring that no one is left behind as Scotland transitions to net zero.” (Energy Saving Trust)

“We think it likely that equity release options, including those being offered by the banks and building societies will play an important role in supporting investment to make homes more energy-efficient and to decarbonise the sector.” (ALACHO⁶)

Ways to maximise the impact of a nationwide rollout

Some respondents suggested ways to maximise the impact of the scheme on fuel poverty and climate change targets. A few advocated for the eligibility criteria to be broadened in a national rollout, making the scheme open to all. They felt that allowing more homeowners and landlords to access the Equity Loan would increase the rate at which buildings are made more energy efficient.

Other suggestions included investing in more publicity and visibility for the scheme and working with lenders to offer more flexible loans options to homeowners.

“There may also be benefits from Government working together with mortgage lenders to understand how the Equity Loan scheme can be blended with lenders’ own green products. For example, a customer may be able to support a certain level of mortgage borrowing but would benefit from topping this up with an Equity Loan. This would be positive for all parties, with the customer able to choose their own blend of debt and equity, lenders able to use to brand of the scheme to promote their products, and for Government to spread funding more widely.” (The Building Societies Association)

Belief that the scheme will have little impact

A small number of respondents felt that the scheme might not have a major impact on climate or fuel poverty targets. One suggested that the Scottish Government focus on other priorities to achieve climate change and fuel poverty targets, including green energy sources, hydrogen and charging points for electric vehicles.

⁶ Association of Local Authority Chief Housing Officers

Question 5: Please provide your views on the proposal to expand the Equity Loan pilot to a full nationwide support scheme.

Thirty respondents provided an answer to Question 5. Nearly all supported a nationwide rollout of the scheme. Some suggested changes to the scheme if it were to be rolled out on a larger scale. Two individuals did not support a national rollout.

Support for a nationwide rollout

The majority of respondents supported a nationwide rollout of the scheme, welcoming additional affordable routes to funding repairs, energy efficiency improvements and the decarbonisation of housing stock in Scotland.

“This will expand the range of offerings available to householders and will make a meaningful difference aligning with Government targets for the energy efficiency ratings of properties.” (Organisation, anonymous)

A few respondents commented that a national rollout would fill the current gap in funding for those who are ineligible for the Scottish Government’s standard interest-free loans or for support from the national fuel poverty programme.

Suggested changes to the scheme before a nationwide rollout

Some respondents felt that changes to the scheme were needed before they fully endorsed a national rollout. These included:

- more flexibility in the range of measures and the methods used to install them;
- broadening the eligibility criteria;
- streamlining the legal and administrative process involved;
- more clarity behind the focus of the scheme (e.g. whether the priority is reducing fuel poverty or decarbonisation);
- having a dedicated team within the Scottish Government to support all aspects of the process.

One respondent highlighted the need to ensure enough skilled technicians are available to deliver quality retrofit across Scotland before a large scale rollout of the scheme.

Importance of support service

A few respondents stressed that if the scheme is to be rolled out on a larger scale, it is important to keep a bespoke and tailored support service in place.

“If support for homeowners through the process is going to be less tailored/more generic due to costs then the complexity may deter people. This is a particular risk given that the households most likely to use this route are those that are vulnerable and who may be less familiar with finance arrangements and less confident about applying. The success of the scheme may depend on the continuing provision of more bespoke/individual guidance and support through the process.” (Organisation, anonymous)

Two respondents suggested that in the event of a national rollout, it would be best if local services offered the handholding support. Stakeholders at the Call for Evidence webinar agreed with this, noting that local services will have more knowledge of the local market and housing stock. However, one stakeholder suggested that a centralised service would be the best way to ensure consistent support is delivered across all areas.

Stakeholders at the Call for Evidence webinars were asked to comment on how the support scheme could be tailored to efficiently serve the needs of the individual, while also scaling up the coverage of the service. Many used the opportunity to emphasise the importance of maintaining the handholding support service, due to the scheme's complexity and the vulnerability of many of the applicants.

“What I have found is that some of the clients are vulnerable and do need extra assistance... We have vulnerable people, we have people that have mental health problems and it can be challenging for them, we have to take them through that journey. So I would imagine that, given the complexity of some of the problems, you would need somebody to guide them through that process.” (Webinar participant)

“I think the key thing with this is that these jobs are complex. And where you’ve got repairs and energy efficiency measures, you’re quite often going to have more than one contractor involved. And so having someone there to support households who are normally more vulnerable, definitely not used to dealing with these things, I think sort of adds a lot of value because it can get really complex.” (Webinar participant)

Several suggestions about how the the support service could be delivered effectively in the event of a national rollout were raised by webinar participants. These included:

- ensuring any future support services are able to support on the technical aspects of the process (e.g. inspecting works, recommending contractors) as well as providing administrative support and information;
- having a combined support/information service in place for all SG Home Energy Efficiency and fuel poverty schemes;
- Home Energy Scotland providing some of the handholding support;
- including a portion of the cost of the support service into the loan amount.

A few participants felt it was important that households have access to ongoing support after works are completed, to ensure that new measures and heating solutions are being used effectively and efficiently.

“If we're installing quite complicated new forms of technology - heat pumps, solar panels - an element in terms of the interventions being successful will be human behaviour and understanding about how to actually use the technology to best potential. Will there be capacity for ongoing support for householders, to be able to check in with them to ensure that they are using the technologies as efficiently as possible?” (Webinar participant)

One respondent raised concerns that a scaling up of the support service would result in a lot of the information and support being moved to an online format. They felt it was important that some of the support provision remains offline, and that in-person support

remains available so that households without digital skills or access can still access support.

Those against a national rollout

Two respondents did not support a national rollout of the scheme. They felt that the scheme would not make an impact on climate change and fuel poverty, and the Scottish Government's efforts should be focussed on other priorities.

Q6. Do you have a view on which energy efficiency measures and zero-emission heating solutions should be included in the list of eligible measures? Please explain your position

Twenty-five respondents provided a comment in their answer to this question. Similar numbers raised the three most common themes of discussion; endorsement of the pilot measures, discussion of energy efficiency, and comments on net-zero measures.

Endorsement of the pilot measures

Endorsement of the list provided in the pilot was a prevalent theme. The list was described as ‘good’, ‘adequate and met the needs of clients’, and ‘ensures that options (particularly for heating) are not restricted’. One local authority endorsed the list but proposed a regular review to allow new and emerging technologies to be included.

“In our view it is important not to be too prescriptive about the technology that can be used but to focus on the impact that it will have and quality control around the design and installation process. That observation aside we think that the list of eligible works applied during the pilot is appropriate and included the necessary flexibility to ensure that other works, not specifically mentioned, can be considered.” (ALACHO)

Comments on energy efficiency measures

Another common theme was suggestions for changes or additions to the eligible energy efficiency measures. These varied and included:

- Using as wide a range of insulation measures and materials as possible, including those considered vapour-open, which are excluded by many funding schemes.
- One respondent supported specific energy efficiency measures on the list without clarifying if they felt the other measures were inappropriate.
- A suggestion that the measures and solutions should be aligned to those identified within the ‘fabric first’ approach recommended by the ‘Zero Emissions Social Housing Taskforce Report’.
- Shetland Islands Council described challenges around installing insulation measures if PAS 2035 compliance is required in the future.

A small number of responses focussed on the value of taking a ‘fabric first’ approach so that the property’s condition is improved before assessing which heating solutions could be used. One individual suggested “Passive measures first; insulation, draught stripping, windows, doors, render”. Elmhust Energy also called for a ‘fabric first’ approach. Another response noted homeowners may be more comfortable with familiar improvements, e.g. double glazing and insulation, and argued the role of these measures and a fabric first approach should not be underestimated.

Comments on zero-emission heating solutions

The variety of comments about zero-emission heating solutions included:

- every carbon negating measure to be permitted and incentivised;
solar energy to be a primary focus;
- air Source Heat Pumps and Solar PV with battery storage to be included;
- funding connections to local district heating schemes and heat networks;
- including boiler options using hydrogen (generated from renewable sources);
- one respondent supported specific heating solutions on the list without clarifying whether the other measures were considered inappropriate;
- South Lanarkshire Council called for consideration to include heat retention storage heaters, infra-red heating, microgeneration, micro hydrogen, and battery storage. They also suggested the inclusion of smart devices and control systems to enhance efficiencies. Similarly, Energy Saving Trust called for only including the most efficient electrical storage heaters on the list;
- one respondent noted homeowners can be less comfortable with unfamiliar solutions such as air source heat pumps. They argued that more could be done to raise awareness of these solutions, given the importance of net-zero heating systems to the Scottish Government's fuel poverty plans.

Concerning fossil fuel heating solutions, one respondent noted their agreement with their removal from the list of eligible measures in the expanded scheme. Another called for fewer carbon fuelled heating options (in line with increasing zero-emission options). Energy Saving Trust commented that gas connection should no longer be an eligible measure after 2025, given the phased withdrawal of public support from that date.

Other measures to include

Some respondents highlighted other measures they felt could be eligible, including:

- installation of electric vehicle charging points;
- small scale or Micro wind and Micro-hydro, primarily for remote rural communities;
- measures that might increase uptake of the Equity Loan offer or further improve wellbeing. For example, Energiesprong in the Netherlands offers new kitchens and bathrooms for the wider retrofit offer;
- fire safety measures, to be carried about in advance of the new 2022 requirements.

Other less commonly mentioned themes

A few respondents commented that nothing should be excluded from a list of eligible energy efficiency measures and zero-emission heating solutions as long as they help achieve decarbonisation and reduce fuel poverty.

A small number mentioned the need for flexibility. They felt the list of eligible measures should not be too prescriptive about the technology or solutions, as these are likely to vary by type of property and across different parts of Scotland.

Other singular points raised by respondents included:

- a call for homes to be assessed professionally as part of the application process and for implementing Building Renovation Plans (BRP);
- one respondent with a negative view of the scheme felt none of the measures should be included.

Stakeholder webinar feedback

Discussion in the stakeholder webinars about the eligible measures echoed the above themes. Participants considered the list to be comprehensive. A few called for the list to be open to new technologies and flexible to include a variety of measures to suit different properties or repairs.

On energy-efficient measures, aligning with responses to the Call for Evidence, many participants advocated a fabric first or whole-house approach. There were suggestions to ensure the eligible measures could make homes wind and watertight and that there should be consideration of how some measures are classed. For example, replacement double glazing could be considered an energy efficiency measure rather than a repair.

Some stakeholders expressed reservations about air source heat pumps, including the challenge of using them to heat larger homes and installing them in the social housing stock. There was discussion around the importance of follow-up conversations with loan holders to ensure that any zero-emission heating solutions installed are being used efficiently in one webinar.

A few noted the inclusion of oil and LPG heating on the list, which they assumed would be removed given the Scottish Government and Scottish Green Party's Cooperation Agreement which includes an end to public subsidies for oil and LPG boilers. One commented that this would place pressure on the air source heat pump supply chain.

Fuel Poverty and Consumer Protection

Q7a. Do you agree that a nationwide Equity Loan can support the reduction of fuel poverty in Scotland? Please explain your answer

Twenty-six respondents provided a comment in their answer to this question.

Positive impact on fuel poverty

The most prevalent theme was agreement that a nationwide scheme could have a positive impact on reducing fuel poverty, either in isolation or in conjunction with other initiatives. Two-thirds of those who responded agreed either that this was the case, or felt that it had been demonstrated by the pilot.

A commonly mentioned reason was that the loans provided access to funds for people who may not be eligible for other schemes. One respondent noted that the scheme also includes support for disrepair, which can often be a barrier preventing energy efficiency upgrades under other schemes where support for repairs are not included. There was also an appreciation that the scheme aided specific vulnerable groups, particularly older people.

Broader suggestions for changes to the scheme

The next most commonly mentioned theme was suggestions for improvements or additions to the scheme to make it more effective. As this was the focus of Q7b, these comments have been included in the analysis at that section of the report.

Other less commonly mentioned themes

A few respondents highlighted other benefits of the approach. These centred on the improved condition of the property more generally, leading to more comfortable living conditions and better health and wellbeing. One called for these additional benefits to be included in future awareness campaigns for the scheme to boost participation. Another noted the scheme's contribution in helping people to improve their circumstances while reducing the amount of public money used to do so.

Other comments made by a small number of respondents included the need to address fuel poverty for those in rented accommodation as opposed to homeowners helped by the pilot; for housing associations to borrow to improve heating and ventilation; and for people who are able to work to be helped to find employment to cover the costs of improvements.

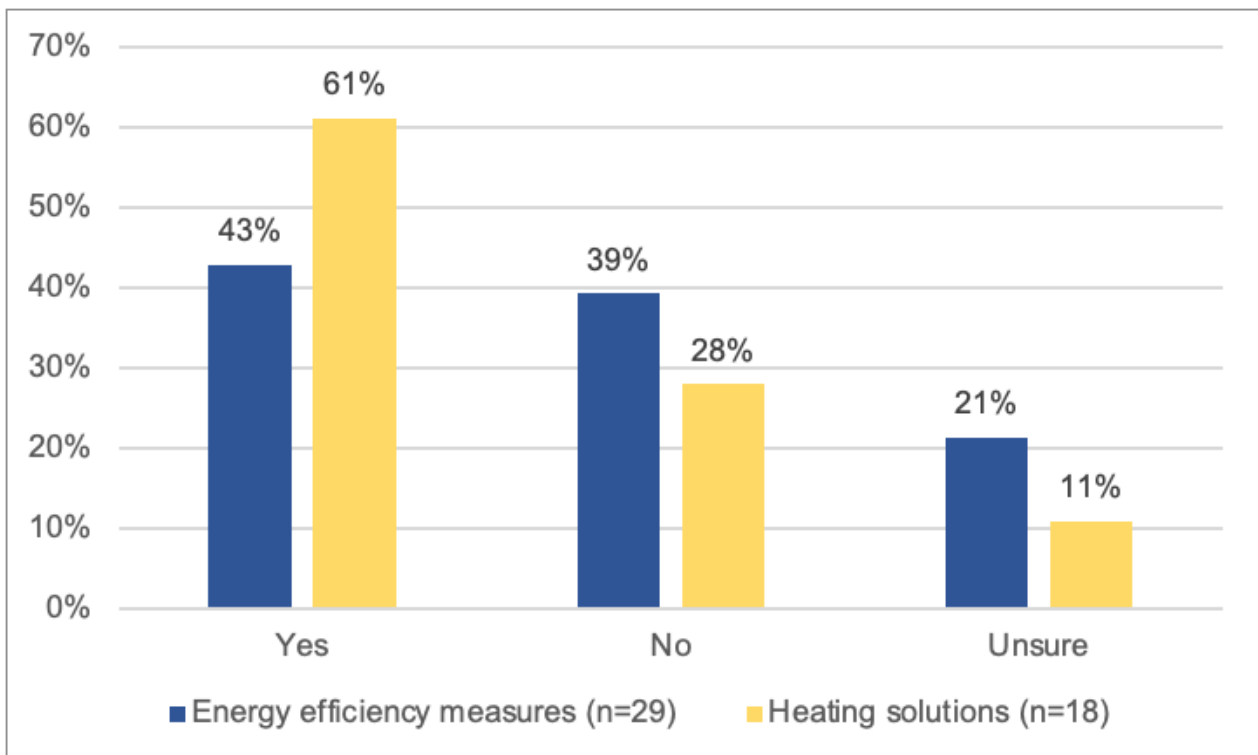
One individual did not believe the scheme would have much impact on fuel poverty, stating: "It is a long-term solution to the climate challenge. It will not have any positive impact in the short term at least, on fuel poverty. Those in fuel poverty are also those least able to take out a new loan."

Loan Holder Survey Feedback

Several loan holders described a reduction in the cost of their heating bills. This was more common among loan holders who had installed low emissions heating solutions. Sixty-one per cent (11) of those who installed heating solutions observed a reduction in their heating

bill; the equivalent figure among loan holders who installed energy efficiency measures was 43% (12).

Figure 1: Since installing the new measures, in winter, has your heating bill reduced in cost?



Loan holders commented on changes in their heating costs taking part in the pilot:

“I would say it has reduced by a reasonable amount...I would say maybe 25%.” (Loan holder)

“In terms of electricity bill, it’s massively different compared to what was before the gas was installed.” (Loan holder)

“I would say it’s reduced about 20 pounds a month.” (Loan holder)

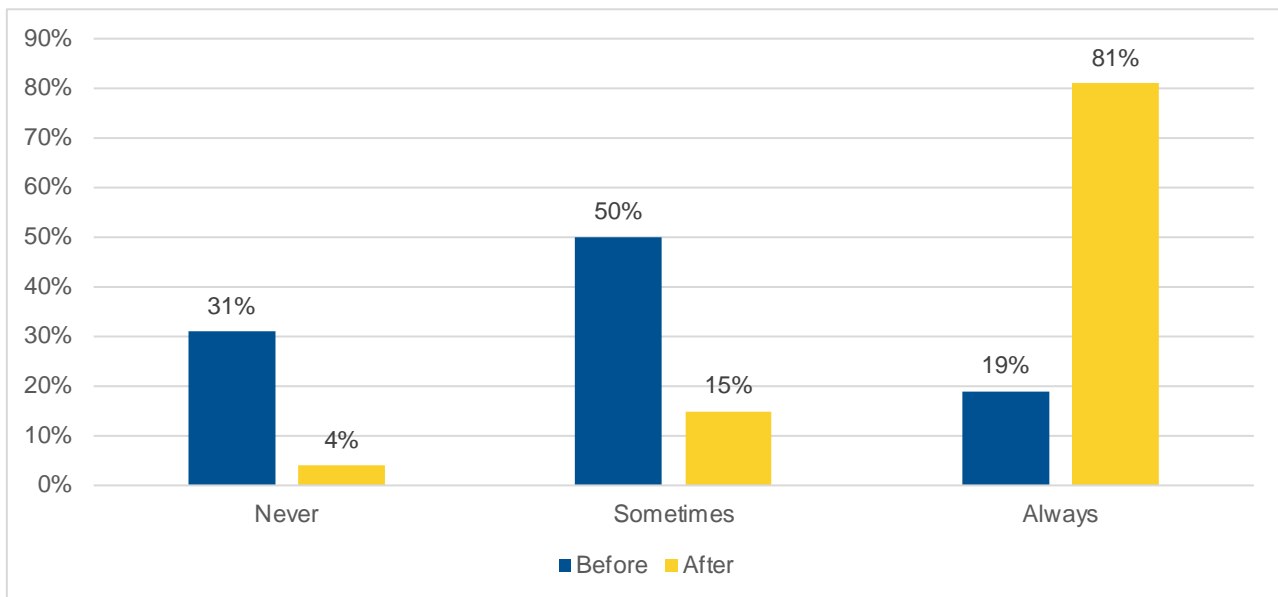
One loan holder noted an indirect cost saving; they were no longer paying insurance, as their new boiler came with a five-year warranty.

Some loan holders found it difficult to compare their heating costs before and after the measures were installed. They described a lack of certainty because of other contributing factors, such as new energy tariffs, more time spent at home due to COVID-19 and weather conditions.

Many loan holders also described having warmer homes due to new insulation, more efficient heating systems and double-glazed windows. Twenty-six respondents who installed energy efficiency measures gave quantitative information about their feelings of warmth before and after installing the measures. Nineteen per cent (5) reported they ‘always’ felt warm in winter before the installation, but this increased to 81% (21) after.

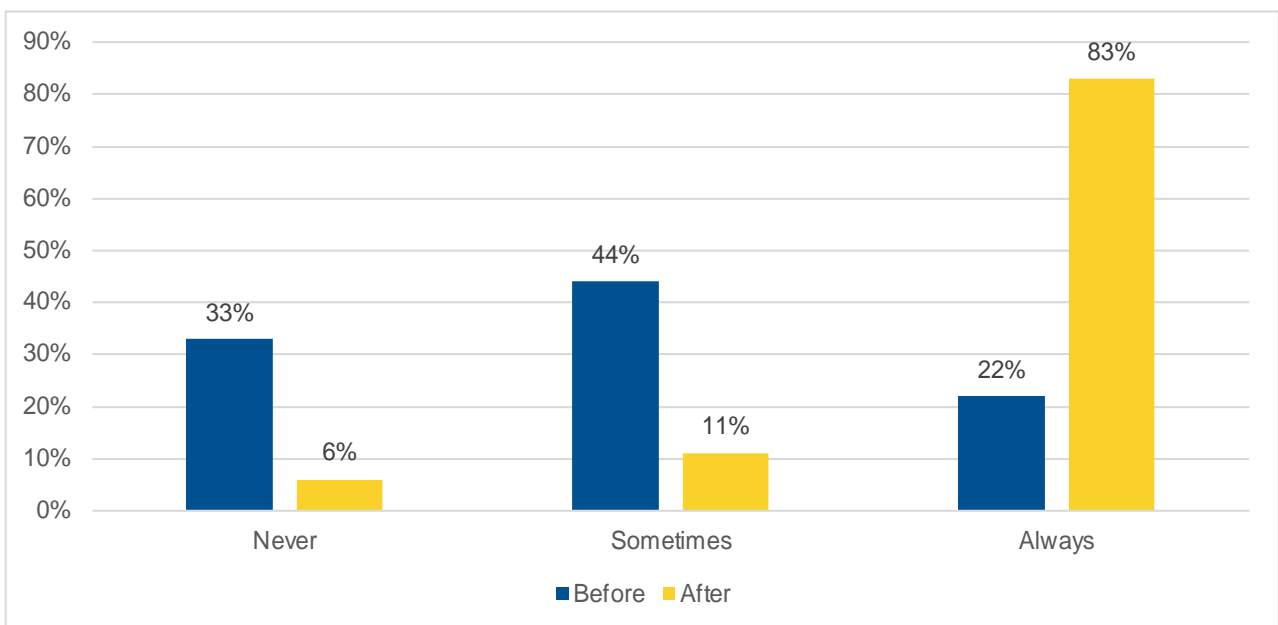
Meanwhile, the proportion who indicated they 'never' felt warm in winter decreased from 31% (8) to 4% (1) (Figure 2).

Figure 2: Were you staying warm in winter? (n=26⁷ loan holders who installed energy efficiency measures)



Among those who installed heating solutions, 22% (4) reported 'always' feeling warm in winter before the solutions were installed, but this increased to 83% (15) after. Similarly, the proportion who confirmed that they 'never' felt warm in winter after the measures were installed was only 6% (1) compared with 33% (6) before (Figure 3).

Figure 3: Were you staying warm in winter? (n=18 loan holders who installed low emissions heating solutions)



⁷ Don't know' excluded

Q7b. Do you have any suggestions on how a future scheme could better support a reduction in fuel poverty in Scotland? Please explain your answer

Twenty-three respondents provided a comment in their answer to this question.

Changes to the scheme setup

Suggestions for changes to the setup of the scheme were most prevalent. These comments addressed the specifics of the scheme, and the potential to tackle fuel poverty by making participation easier and more appealing.

Most common were suggestions around the application process and supporting applicants in making the best use of funds and the right decisions for their home. Most recognised the target audience requires a significant level of support. Respondents from the Care & Repair organisation felt applicants could be better supported if their managing agent was customer-focused, e.g. a Care & Repair officer, or if owners could make a direct application to a support organisation thereby bypassing the Energy Saving Trust. There was also a suggestion that Home Energy Scotland could provide a support mechanism. One respondent called for an online application option.

“Owners and landlords will also need support in the use of the funds made available including to ensure that they use appropriate technology, reputable installers and that the condition and maintenance of the property is sustained in the medium to long term. Whilst we do not think the use of an architect or other building professional to oversee the work should be a requirement of the scheme we do think that some effort is required to ensure that owners, including landlords, get the right advice and support before, during and after the works.” (ALACHO)

A few respondents commented on the use of contractors. These included ensuring: that all retrofits are of high quality via appropriate regulation; separation of roles between those recommending measures and installing them; that any requirements around contractor compliance or accreditation does not prevent smaller contractors from being involved - particularly in remote and rural locations; that there is a sufficient workforce in Scotland who are skilled in evaluating and installing energy performance measures; and that contractors should be part of the Scottish Government to prevent any unnecessary profiteering from the scheme.

Opportunities for education and information were mentioned by a few respondents. Two felt the scheme should be supported by educating loan holders - and the public more generally - on how to best use the installed measures and how to run their home most efficiently. Two felt the scheme would benefit from better marketing and communication to support take-up. Another suggested marketing or information campaigns about the scheme should also raise awareness of how living conditions would improve.

Other improvements to the scheme mentioned by one or two respondents included:

- calls for a more streamlined legal process and simplified legal support;
- the Association for Decentralised Energy suggested “it would be helpful for future schemes to align with consumer protection measures and there could be a blend of

grant and loan funding for vulnerable consumers. This allows less debt to accumulate and could encompass longer payback periods.” An individual called for the scheme to include grants and for different rates of interest on the loan;

- that the cost should be paid for from the profits of the carbon credit trading market;
- ensuring the scheme includes new products, e.g. blinds made of solar panels;
- one respondent questioned whether enabling costs are covered within the £40,000 loan and what impact this may have on money available for measures.

In the loan holder feedback survey, some reiterated previous comments about time delays in the process, and one household identified three issues they thought should be considered in any future expansion of the loan scheme:

- the limits on the number of properties an applicant could get support for, therefore a “good conscientious landlord would not be eligible for this”;
- a perceived conflict between energy efficiency improvements and planning regulations: “You can’t double glaze windows in a listed building - this means you have to look at incredibly expensive alternative ways”;
- the loan limit in the pilot acting as a barrier to implementing all of the work needed on a larger property: “We got up to the maximum value of the loan but couldn’t do all the windows.”

Reviewing eligibility criteria

The second most prevalent theme was reconsidering or widening the pilot’s eligibility criteria. These comments primarily focussed on widening the criteria to allow more fuel poor households to access assistance. Specifically, a small number of respondents called for the scheme to be available to all homeowners to maximise take-up. A few noted that many households in higher council tax bands could be asset rich but cash poor and living in larger and less energy-efficient houses.

Singular comments included Age Scotland’s suggestion that “future schemes could ensure local authority areas with the highest proportion of older people, and fuel poor households (including extreme fuel poverty) are prioritised first”. South Lanarkshire Council suggested considering how social landlords can be supported in their efforts to reduce fuel poverty.

“By expanding the scheme to cover the whole of Scotland so that greater numbers of fuel poor households can benefit; By expanding the scheme to cover properties in all council tax bands (i.e., not just council tax bands A-C) so that greater numbers of fuel poor households can benefit.” (Energy Saving Trust)

“Open the scheme up to all owner-occupiers rather than those in only Council tax band A-C. Again, many owners will be asset rich but cash poor and find themselves living in large and expensive properties that they struggle to heat or improve the energy efficiency of, thus find themselves in fuel poverty but with limited financial support available to them.” (Organisation, anonymous)

One loan holder reflected in the feedback survey that the use of council tax banding as criteria for eligibility might prevent some people in need from accessing the scheme.

“The council tax banding seems a bit of an artificial boundary. You get people living in fuel poverty in houses that are of a higher council tax band that couldn’t qualify for this purely because of that. I can understand why council tax banding was used for the trial, because it was a quick and simple thing to measure. But if you’re going to roll it out across the whole of Scotland, as a measure, not just to tackle climate change, but to help tackle fuel poverty, then allowing people who are in fuel poverty, and that can be measured to qualify for the scheme, whether they live in a large house or not, I think would be a nice thing.”
(Loan holder)

Broader comments on the scheme

Some respondents raised more general issues with the scheme, which they felt should be considered before further expansion. These were mentioned by a small number of respondents and included:

- two respondents requested clarity over the aim of the scheme. They questioned whether the scheme aims to achieve a reduction of fuel poverty or a goal of zero-carbon. They noted that these do not go hand in hand; for example, running costs may increase if the focus is on improvements to decarbonise a home;
- calls for a fabric first approach in the scheme were made by two respondents, focussing on improving the condition of the property before energy efficiency measures are installed;
- introducing the PAS 2035 / TrustMark requirements to provide a level of consumer protection and confidence in the works undertaken;
- considering rising fuels costs and how these could offset financial savings resulting from improvements;
- acknowledging that Scotland’s geography means there will be significant variation in project delivery costs.

Suggestions beyond the scope of the scheme

A few respondents made suggestions relating to fuel poverty which are outwith the scope of the scheme. These included: calls to stop outsourcing windfarms and to feed profits from wind and hydro schemes into a fuel poverty fund; for increased pay in Scotland to allow people to improve their homes; for councils to take better care of social housing stock; to assist people with their fuel bills (though this respondent acknowledged that the scheme is a more effective way to use money); and to add home economy to the core school curriculum.

Stakeholder webinar feedback

There was some discussion in the stakeholder webinar of the scheme’s role in reducing fuel poverty. Much of the conversation aligned with the theme of widening the scheme’s eligibility criteria to allow those in other council tax bands or in larger properties to participate. One stakeholder raised the challenge of involving people living in fuel poverty who may be more reluctant to engage with authorities or utility providers. They called for the scheme to partner with organisations that can support and reassure vulnerable people experiencing fuel poverty.

Q8a. The Equity Loan pilot uses the EPC recommendations as a basis for eligible measures which can be funded by the loan and we will be consulting on a reformed EPC assessment process to better align with wider net-zero objectives as part of our Heat in Buildings Strategy. Do you agree with using the EPC in this way for a future scheme? Please explain your answer.

Twenty-eight respondents provided a comment in their answer to this question.

Agreement with using the EPC in the future

The most common theme in response to Q8a was agreement that the EPC could be used in a future scheme. Over two-thirds of those who responded endorsed the EPC, of which one third explicitly agreed, and the remainder agreed but noted concerns or reservations as described below.

“Though there are some concerns about the accuracy of EPCs and whether they treat low carbon energy sources appropriately in their methodology, we agree that EPC bands are widely used by a range of stakeholders. While alternative approaches such as specifying SAP point improvements could also be considered, we believe that for the sake of consistency, using EPC bands is the best approach.” (The Building Societies Association)

Potential enhancements, additions or alternatives to the EPC

While there was some support for the EPC, a similar number of responses described how the EPC scheme could be improved or used in conjunction with other assessments.

A few described the limitations of the EPC, highlighting improvements that would be needed in the future:

“The limitations surrounding EPC assessments and their subsequent recommendations are now better understood, such as the fact they are largely based on standard assumptions of occupants and that they do not take into account variations including in occupant behaviour or the state of repair of a property.” (Age Scotland)

“Without a reformed EPC regime we cannot support this as the sole mechanism for qualification. For example, blown double glazing units or warped ancient wooden door won’t flag on an EPC, and yet efficient doors and glazing are essential to secure decarbonised heating and overall efficiency.” (Tighean Innse Gall)

“Cost indicators [on the EPC], at this time, are not applicable for remote rural locations. In our experience dealing with timber frame properties from late 1960s to present day the EPC limits possibilities for retrofitting wall insulation. The EPC states on older timber frame properties no insulation assumed but does not offer recommendation for improving rating with wall insulation. This therefore restricts access to Government grant/loan funding for a large number of properties in Shetland.” (Organisation, anonymous)

Some suggested the need for the scheme to use EPC alongside other assessments. A few mentioned the new PAS 2035 and PAS 2030 standards requiring a whole-house retrofit survey.

“A property Retrofit Survey in line with the revised PAS 2035 would provide a holistic approach and would provide a better understanding of the requirements for the property which would in turn outline the measures for consideration.” (Organisation, anonymous)

“We believe that a bespoke assessment of the property would provide a more robust basis for the measures being installed, particularly given the focus on fuel poor households and lower value properties. If equity is being withdrawn from the home to fund measures, these need to form part of a coherent package of upgrades to the home over time. In this respect the EPC alone, in its current format, would not be sufficient.” (Organisation, anonymous)

Other suggestions were mentioned by one or two respondents and varied considerably:

- two respondents suggested that EPC recommendations need to be improved to take account of new and alternative technologies;
- another felt that the EPC should better reflect heat source and ongoing changes made to the home;
- one noted that the EPC does not provide information in relation to the reduction of carbon. Another called for clarity over the weighting given to the EPC metrics e.g. *“if the Energy Use and Carbon metric is seen as higher importance than the Cost metric, it is important to understand the impact that this may have on the fuel poor”*;
- another noted their calls for carbon and cost to have equal prominence on the EPC;
- one suggested the EPC should only be included in the process after energy efficiency improvements have been installed.

Ensuring the quality of the EPC

Some respondents described concerns over the quality of the EPC, with a few suggesting ways to improve the oversight of the EPC system.

In describing quality issues with the EPC, respondents used phrases such as ‘contained many inaccuracies and ‘a waste of time’. They noted errors in reports due to a lack of full property inspections or limited consideration of the specific features of buildings.

Two respondents questioned the EPC process, believing it is open to abuse and misuse by people making money from unnecessary work. One suggested oversight could be improved with a continuous, transparent quality assessment for EPC assessors to ensure the quality of the recommendations and advice provided is robust.

“In my experience as a project officer, the use of an EPC before any energy efficiency improvements are carried out is a waste of time. On a number of occasions, I was asked by EST to carry out another home visit as my recommendations in support of the client application were different from those in the EPC, and I was informed by the client that the EPC representative either spent a short time in their home, did not carry out a full inspection of the property and/or their report was incorrect.” (Individual)

References to the EPC consultation process

A few responses referred to the anticipated consultation on a reformed EPC assessment process, noting they supported the consultation or intended to respond to it. One noted a link to the Scottish Building Standards consultation where similar proposals are outlined.

Stakeholder webinar feedback

While there was some agreement that the EPC can be used as a tool to determine changes to a property, feedback from stakeholders during the webinars highlighted the same concerns over EPC quality as detailed above. These included the fact that the EPC may not accurately reflect what measures are possible within a property or may suggest quick fixes to reduce energy costs which are not the best long-term measures to reduce carbon emissions.

Q8b. Can you provide any alternatives? Please explain your answer.

Fourteen respondents provided a comment in their answer to this question.

Of these, four indicated a preference for using the EPC scheme, or said that no changes were required. The same number provided comments on how the EPC could be improved. These included: how an additional retrofit survey in line with PAS 2035 could aid the scheme; and that a skilled scheme administrator or Care & Repair Officer should be allowed to determine how to proceed with elements that are not covered in an unreformed EPC.

“A potential alternative would be to develop a more in-depth Retrofit Report that must be conducted by a qualified and experienced Chartered Surveyor with in-depth knowledge of energy efficiency measures, and the building type in question, after the completion of an EPC. This could be used as a basis for eligible measures. Alternatively, if the recommendations included in EPCs are improved as part of broader reforms, they may become a suitable basis.” (Royal Institute of Chartered Surveyors)

Other singular responses included calls for:

- re-introducing the Home Energy Scotland advisor’s energy report for applicants, which was removed from the process during COVID;
- a cost-benefit analysis per property, to ensure the scheme can help as many people as possible with the pot of money available;
- the addition of airtightness testing along with the EPC, particularly in exposed rural and island areas;
- a focus on wider climate change mitigation actions, e.g. hydrogen infrastructure, improved space standards for homes and changing building regulations.

Question 9a: Do you agree with the proposed approach to consumer protection set out above?

Sixteen respondents answered this question.

Endorsement of the proposed approach to consumer protection

The most prevalent view expressed was of support for the proposed approach set out in the consultation paper. A few respondents made broad comments endorsing the proposals. Some highlighted the value of specific elements of the suggested approach, including the intention to adopt the latest retrofit standards and to give consideration to using the UK TrustMark quality assurance framework.

“Propertymark believes that the Scottish Government’s proposed approach to consumer protections adequately addresses concerns about the potential conflict between emissions and fuel poverty targets and will help ensure consumers receive high-quality work carried out by skilled operatives through use of the latest retrofit standards.” (Propertymark)

“We think it is sensible to have a quality assurance framework that is consistent with that in other parts of GB, and provided it ensures in practice that installations are of high standard, customer satisfaction is high and that any issues are addressed swiftly, the Scottish Government should adopt the UK government’s TrustMark quality assurance framework.” (Energy Savings Trust)

Webinar participants also commented on the value of TrustMark accreditation. They highlighted that the scheme provides assurance for consumers that contractors meet standards related to quality, insurance and staff training.

Challenges in implementing the proposed approach

Some respondents identified challenges to implementing the proposed approach. Most notably, a few reported that there could be difficulties in ensuring that installers have the necessary accreditations, particularly in remote and rural areas, due to a reported lack of infrastructure for training and development.

“TrustMark registration demands adherence to PAS 2035 / PAS 2030: 2019 retrofit standards. Rural and remote rural supply chains are not ready for this transition. Had this applied to the pilot in the Western Isles no work would have been started. The professional infrastructure for training and development of the workforce is not there in northern Scotland. The capacity and ability of the local supply chain to meet these requirements are not there. Home equity will not be delivered in the Highlands and Islands by anyone if you go with this approach and ultimately no consumers there will benefit from anything. Consumers will be protected from any work being carried out as no one will be in a position to deliver any. Who will do the work?” (Tighean Innse Gall)

“Potential limit on the number of installers in rural and island areas unless there is additional mechanisms put in place to support small local businesses gain required accreditations. Opportunities are more likely to be taken up by large developers which have the resources to meet any upskilling/retraining and ongoing paperwork requirements, and this, therefore, may restrict competition or see works being undertaken by firms outside the Islands.” (The Building Societies Association)

This view was also shared by some webinar participants, who noted that the process of acquiring accreditation could place a burden on contractors. These webinar participants observed that if TrustMark accreditation were made a pre-requisite for contractors to take part in the scheme, it could limit the number of contractors who would be available to carry out the required work, particularly in rural areas.

Other challenges, each identified by one respondent, were:

- the TrustMark framework’s requirement for contractors to carry out a home visit - the respondent suggested that this visit would be more cost-effective for contractors and convenient for homeowners if it was carried out by video call instead;
- a risk that homeowners’ investment would not be reflected in their property value: one anonymous organisation said, “this could lead to customer detriment as the homeowner when selling their property after having such measures installed, would be left worse off in terms of proceeds compared to selling the property without having had the work done”. This respondent suggested that this could be mitigated by placing a cap on the amount to be repaid “at the lower of the agreed equity share of the sale price or the loan amount at 2.5% APR also protects people in cases where the market value of the property may fall”;
- the need for a “regulated expedited field office that can fact check reported cases” (Individual).

Reservations about the proposed approach

Two individuals expressed reservations about the proposed approach. One said the proposals were “insufficient” while the other suggested that more details were required: “It doesn’t explain how, just that you would like to make things better”.

Additional measures

Two respondents proposed additional consumer protection measures in response to Q9a. These responses have been included in the analysis of Q9b below.

Q9b. Are there any additional consumer protection measures that can be considered within Scottish Government competence?

Eighteen respondents provided an answer to Q9b.

An organisation to promote consumer interests

The most common theme in responses to Q9b was to suggest the appointment of an organisation to help promote consumer protection. In their comments, respondents highlighted important aspects of consumer protection, including advice and support, contractor standards and inspections.

Three respondents felt that a consumer protection organisation's role should include a focus on providing advice and support directly to consumers.

“With its core function of providing consumer advocacy and advice; with a view to reducing harm and increasing confidence between both consumer and business, we believe the newly formed Consumer Scotland body should actively consider any future rollout of the Equity Loan programme under its future work plan for 2022-23, especially considering the scheme aims to target older and more vulnerable households as a priority.” (Age Scotland)

“The Council would promote the use of Home Energy Scotland to provide independent advice, particularly to vulnerable homeowners where they may feel pressurised into making life-changing decisions.” (Glasgow City Council)

Two others suggested that a consumer protection organisation could drive quality standards among contractors.

“Potentially a national delivery agency could be a way forward to drive standards and control delivery, linked to the construction industry, ensuring qualified installers are trained and skills are available.” (Organisation, anonymous)

Another view reported by two respondents was a role for consumer protection in relation to the work inspection process.

“Care & Repair have been successful in the protection of consumers for 30 years and therefore the best way to ensure consumer protection is for Care & Repair nationally to deliver home equity in future and conduct a 100% inspection rate as they have in the pilots. TrustMark deliver a 5% inspection rate, so it seems perverse to lower standards in Scotland by the Scottish Government introducing new UK driven ones.” (Tighean Inne Gall)

Quality assurance framework for contractors

While quality assurance was most frequently discussed in responses to Q9a, some respondents further advocated at Q9b for a quality assurance framework such as TrustMark. These respondents felt this would be beneficial to provide assurance that installers meet quality standards and protect consumers against any rogue contractors.

“Consumer protection measures linking back to the use of the PAS2030 and PAS2035 standards to ensure various suitable improvement options are available to the home owner under equality assured framework, with appropriate redress.” (Elmhurst Energy)

Warranties

A few respondents called for warranties for any work carried out and the goods installed. One felt the Scottish Government could have a role in providing these warranties.

“A Scottish Government backed warranty for works carried out incorrectly (to be assessed by an independent chartered professional).” (Individual)

Process for consumer redress

Two respondents emphasised the importance of establishing a route for consumers to seek redress if they have problems with the work carried out or the equipment installed.

“Ultimately consumers need to know that work has been carried out to a high standard and that if it is not there is a system in place to rectify any problems quickly (ideally a single point of contact for recourse).” (Energy Saving Trust)

Post-purchase support

One organisation suggested that contractors should carry out post-purchase visits with consumers to make sure they can use the new equipment.

Newer heating systems tend to have more complex controls than standard systems. It's important that homeowners know how best to use the system to heat a house efficiently, a 'soft landing' service from the contractor/installer would help this. There should be a duty to... ensure that there is a requirement for post-installation visits to ensure that the owner is clear and comfortable about using system and system is working to optimum level. (Organisation, anonymous)

Q10. The expansion of the pilot could provide a greater opportunity for eligible homeowners to participate in scheduled refurbishment works being undertaken by local housing associations and local authorities. Do you have suggestions on how best to achieve such a working partnership?

There were 23 responses to this question. These covered a range of ways to support partnership working with housing associations and local authorities, including faster and simpler application processes, direct payments to partners, alignment with other schemes and resourcing.

Reducing delays in the application process

The most common view among Call for Evidence respondents and webinar participants was that reducing the delays in the application process experienced during the pilot could help to encourage housing associations and local authorities to take part. Participants noted that some applications were completed within one month, but more complicated cases could take up to six months. There was one example where the process took two years. Respondents who shared these examples suggested that delays like this could make the scheme unappealing to local housing associations and local authorities.

“The shockingly long delays in approvals made it impractical for social landlords to depend on this funding. One local authority stated: ‘after Care & Repair submitted the application it went into a black hole’. If an efficient team, as previously suggested, is set up to oversee the application process, we are confident that the scheme terms will have an appeal to social housing landlords.” (Care & Repair Scotland)

Webinar participants discussed the complications that a lengthy application process could cause. The longer the application process goes on, there can become a need to revisit quotes, surveys and EPC evaluations if they have expired, and this can delay the planned work significantly. Participants felt that this issue needs to be addressed to encourage more local authorities and housing associations to engage with the scheme.

“I know certainly for our housing association partners, I know that the length of time it’s taken to get some of the loans approved has really challenged their procurement. You know, procuring contracts and tendering them, thinking works are going to start, but then the grant, the Equity Loan has not been approved in time, and it holds up whole projects.” (Webinar participant)

“Part of the problem is, as you resolve the legal issues and cleanse the title, the difficulty is the time it takes to do that, it means your mortgage redemption figure, your valuation, your EPC all become out of date, and then have to be revisited. And then if costs change, then that has to be revisited as well.” (Webinar participant)

Payment process

Some respondents expressed a view that the Scottish Government could provide the funds from the scheme directly to local authorities or housing associations instead of the homeowner, as is currently the case. They suggested this approach could help local authorities and housing associations to 'front fund' works without the risk of owners withholding payment, as well as protecting contractors from any risk of owners refusing to pay them on completion of the work.

Webinar participants also suggested that mandated payments for local authorities and housing associations would make the scheme more attractive for them.

"It [giving the funds to the homeowner] puts the council at big risk because we pay the contractor and we have to sit and wait for the funding to come through from the applicant." (Webinar participant)

"It causes tremendous problems if you've been working with an RSL [Registered Social Landlord] for the best part of nine months, and they are anticipating that when they carry out the work, that the money is going to be there, and then they find out it's not, that's just a major embarrassment for the scheme. So that side of things needs to be looked at as well, about how we can get to a point where we can guarantee partners, that our money will be in place when they are ready to go." (Webinar participant)

Alignment with other schemes

A few respondents called for the home Equity Loan scheme to be aligned with other schemes to help establish a working partnership with local authorities and housing associations. For example, one noted that the scheme could be used to cover owner contributions required for works under the Energy Efficient Scotland Area Based Scheme (EES: ABS) programme. Webinar participants also suggested that the scheme could be aligned with the EES: ABS programme.

"From an ABS perspective, moving to a three-year programme might give us a bit more of a lead in time to allow us to work with owners in future project areas... we have that longer lead-in, it will be beneficial for people who do want to use this route to fund measures... I think that there are opportunities for local authorities to work more closely with owners who want to want to participate and give them options around how to pay for that." (Webinar participant)

Administrative and resource issues

Another theme identified in the discussion among webinar participants and raised by one Call for Evidence respondent, concerned the resources that local authorities and housing associations require to administer the scheme.

"I think having the staff to run the project would be very difficult." (Webinar participant)

Similarly, one respondent to the Call for Evidence noted that some local authorities have more resources than others, which could lead to inconsistencies in delivery across the country.

Mixed tenure properties

Participants reported that implementing the scheme in mixed tenure properties could add another layer of complexity. There were examples in which different timescales caused difficulties: where a housing association or local authority has completed work on the properties they own in a block before private owners in the block have funding in place.

“You can understand why these people [private owners] want the works done. And we have a contractor that wants to do the work but the process is not allowing that to all flow in the manner in which it could.” (Webinar participant)

Awareness-raising

Two individuals who responded to the Call for Evidence suggested that there could be a role for local authorities and/or local housing associations in contacting homeowners directly to suggest energy efficiency improvements to their property. This communication could also include an outline of the costs involved and information about the availability of the scheme to help fund the work.

Other suggestions

Other suggestions to facilitate the involvement of local authorities and local housing associations, each identified by one respondent, include the following:

- offering discounted or subsidised rates as an incentive for homeowners to take part;
- appointing a dedicated member of staff to coordinate the Equity Loan scheme and build relationships with local authorities and local housing authorities;
- ensuring that staff involved in delivering the scheme have the necessary training and knowledge.

Opposition to involving local authorities and local housing authorities

Two respondents opposed the idea of working in partnership with local authorities and housing associations. One felt that this approach could reduce the resources available for people in more remote areas; the other did not explain their view.

“This approach could easily swallow up the entire scheme, leaving people in rural isolated locations behind.” (Individual)

Q11. Do you have any suggestions on how to ensure delivery of the scheme is efficient and robust, including the legal process and customer support service whilst ensuring value for money?

Twenty-four respondents answered Q11.

Support and advice for homeowners

The most prevalent theme in responses to Q11 concerned the importance of support and advice to help homeowners navigate the complexities of the scheme. Respondents suggested that homeowners required various forms of support; such as independent legal advice, general guidance about the terms of the loan and information about what to expect in the application process and beyond.

“The benefits to homeowners should be clearly communicated, along with ensuring there are no hidden or additional costs. Guidance or detail of what should be expected when a homeowner takes part in the scheme, and what they realistically will achieve by utilising it in terms of energy improvements should all be part of the package of support.” (South Lanarkshire Council)

“The Council considers there is a leading role for local authorities and housing associations to offer advice, provide funding options, and extol the benefits that owners would receive in return. This could be a similar model to the Scottish Government’s ABS programme with the provision of aftercare advice and support. In addition, we would see this supported by an enhanced role for Home Energy Scotland to assist owner through the process including the provision of energy advice, behavioural change and use of new heating systems within the home.” (Glasgow City Council)

A few respondents supported a blended approach to engaging with homeowners, with a mixture of online, phone and face-to-face support. Two respondents praised the online and telephone toolkit available for homeowners but suggested it could be complemented by face-to-face support to reach those who are unable to access support in that way.

“The toolkit is a good idea to support those who are able to use it effectively. Also, group support at various stages would help e.g. info sessions to a community/housing scheme, even if only a handful of those residents progress through the full process it will increase awareness and literacy around the processes.” (Individual)

One respondent repeated a view expressed earlier in the Call for Evidence that the support currently delivered face-to-face could be provided more efficiently by phone.

“The online toolkit / phonenumber is certainly a good step but it won’t be a catch-all unless customers who don’t have access to the internet or are not tech savvy have family or friends to support them.” (Organisation, anonymous)

Legal process

A few respondents noted the lengthy nature of the legal processes involved in the pilot and the delays this causes for applications. These respondents suggested there was scope for streamlining through, for example, a pro-forma for applicants to complete online and/or a framework of solicitors to support applicants.

“We believe that further work could be undertaken to overcome delays with the legal process to ensure that households can benefit from the support offered by the scheme much earlier. For example, a framework of solicitors who are clear on the scheme’s terms available to potential applicants could improve the legal process timescales.” (Energy Saving Trust)

One respondent expressed a concern that the loan could cause a legal issue for homeowners when they want to sell their property and suggested the Scottish Government take action to avoid this situation.

“The scheme should not make the loan an encumbrance for the homeowner, a flexible exit phase should be included to nullify the loan before selling the property or transferring the ownership. It would be also essential for the Government to educate the legal practices to ensure no further issues with the financials occur when a property is to be sold or change ownership.” (Elmhurst Energy)

Delivery organisation(s)

A small number of respondents observed that careful consideration should be given to the organisation(s) that deliver and co-ordinate the scheme. They expressed a view that the public sector is not best placed to deliver the scheme but did not fully explain their reasons for this view. Two respondents emphasised the importance of the delivery organisation(s) having the resources and capacity to deliver the scheme effectively.

“Fund a small unit that will oversee the process and allow agents for the owners to have direct access so that administrative and legal delays can be quickly resolved.” (Care & Repair Scotland)

Customer feedback

Two respondents highlighted the importance of customer feedback in identifying potential improvements to the scheme.

“Improvements are likely to be best identified through a proper review of customer experiences and journeys. We understand that some of this work is already underway.” (Glasgow City Council)

Other suggestions

Individual respondents shared suggestions to ensure efficient and robust delivery of the scheme, including the following:

- establishing an advisory group to monitor the performance of the scheme, including the Scottish Government, delivery organisation(s) and other relevant organisations;
- compiling a list of approved contractors similar to the Constructionline Gold standard;
- for the Scottish Government to inspect work carried out;
- involving a RICS-accredited Chartered surveyor in establishing the value of the house to calculate the loan to ensure “accuracy and fairness in the provision of the loan and the repayment value at time of sale” (Royal Institution of Chartered Surveyors);
- providing support for installers to enable more to take part in the scheme, thereby encouraging competition and keeping costs as low as possible.

Opportunities and Challenges

Q12. Please provide your views on any challenges and/or opportunities offered by the potential expansion of the pilot.

Twenty-three respondents answered this question and identified various challenges and opportunities presented by the potential expansion of the pilot.

Opportunities

Enhance energy efficiency

Greater energy efficiency of Scotland's buildings was the most prevalent theme in comments about opportunities linked to any expansion of the pilot scheme. Some respondents observed that the scheme provides an opportunity to support homeowners to install energy efficiency measures that they could not otherwise afford, and this would have a positive impact on Scotland's carbon emissions.

"Historic Environment Scotland recognises that investment in the ongoing care, maintenance and upgrading of our existing buildings and places is essential to sustaining the quality of Scotland's historic environment and, also, to meeting our climate change targets. We are therefore in broad support of proposals for the expansion of the Home Efficiency Equity Loan Pilot as a means of financing necessary energy efficiency improvements and other such upgrade works." (Historic Environment Scotland)

"From the information provided on the consultation paper, the council would agree that the scheme would appear to be an effective mechanism of supporting the owner-occupier and private rented sectors to transition to decarbonised heat sources and improve energy efficiency." (South Lanarkshire Council)

Reduce fuel poverty

A few respondents suggested that, as energy efficiency measures can help to reduce energy costs, the scheme could help to address fuel poverty.

"These energy efficiency improvements and associated fabric repairs could have a significant impact on reducing the fuel poverty position of owners throughout Scotland." (Individual)

Economic growth

A small number of respondents expressed a view that the scheme could contribute to economic growth by enhancing demand for energy efficiency measures, and providing an opportunity for contractors in the industry.

“The wider Government targets and other funding mechanisms around energy efficiency and low/no carbon systems again will assist in focussing attention on this area and the business opportunities that will exist going forward.” (Organisation, anonymous)

Quality standards

One respondent noted that the scheme could encourage contractors to obtain new accreditation, thereby helping to improve quality standards in the industry more widely.

Challenges

Engaging homeowners

Difficulties in engaging homeowners were the challenges most commonly mentioned by respondents to Q12. In this discussion, some predicted difficulties in encouraging potential participants to release equity from their property.

“It is the Council’s view that homeowners are reluctant to release equity from their property for a wide range of social and financial reasons therefore promotion of the scheme and impending energy efficiency regulation will need to be a key message from the Scottish Government to prompt owners and private landlords to take action.” (Glasgow City Council)

Two respondents noted the importance of providing evidence of the benefits, such as the financial gains associated with energy efficiency measures, to encourage homeowners to take part in the scheme.

“Scottish Government needs to work hard by providing scientific facts to convince owners that they should decarbonise their homes.” (Care & Repair Scotland)

Resources

The resources required to deliver the scheme was another challenge highlighted by some respondents. A few noted the importance of ensuring that delivery and partner organisations have the necessary human resources to coordinate the scheme to avoid delays in the application process. The high cost of the energy efficiency measures required was another challenge identified by a small number of respondents.

“The Scottish Government’s energy efficiency targets for domestic properties are too ambitious unless a significant programme of grant funding is made available to heavily supplement individual homeowners’ investments.” (Propertymark)

Contractor availability

Some respondents noted that the availability of contractors with the skills to install the required measures could be a challenge, and that support from the Scottish Government might be necessary to build the capacity of contractors. Another issue, cited by one respondent, is that homeowners could be “ripped off” by unscrupulous traders.

“We recommend that any scheme should support the engagement of a sufficiently skilled and knowledgeable workforce to specify, install, and assess any upgrade works. This is so that works are undertaken sensitively and to a high standard.” (Historic Environment Scotland)

Types of property

The need to ensure the scheme is appropriate for Scotland’s varied housing stock was described by a few respondents. In these comments they expressed particular concern around types of building, including historic and listed properties, where the feasibility of making improvements may be limited by technical and/or financial factors.

“It will be critical, however, that any financing scheme should cover works which are compatible with Scotland’s varied historic and traditional building stock. This is necessary so that any adaptations undertaken do not harm either the fabric or cultural significance of our historic buildings.” (Historic Environment Scotland)

One highlighted the regional differences in building type across Scotland and commented that a measure appropriate in buildings in one area of the country might not work in another area.

Administrative issues

A few respondents mentioned challenges related to the administration of the scheme for consumers, local authorities, local housing authorities and other parties. They shared examples of issues experienced during the pilot, for example, delays in the application process, and felt that the scheme would be improved if these matters were addressed.

“The bureaucracy of this pilot has caused significant problems to clients, Care and Repair, and participating local authorities and RSLs. The fact that a pilot continued for 5 years is indicative of this. The loan is an exceptional product, which the Scottish Government should be proud of, but unless the backroom administration is radically overhauled, any rollout will fail.” (Care & Repair Scotland)

Conclusions

The call for evidence has generated valuable feedback from a range of knowledgeable and informed stakeholders. This includes over two-thirds of the households who completed works through the Equity Loan pilot and partners involved in delivering the pilot. Representatives of organisations that may make a key contribution to any potential rollout, such as local authorities, support agencies, energy companies and mortgage lenders, also provided valuable perspectives. Their responses provide an essential evidence base for the Scottish Government to draw upon when deciding any next steps.

Most endorsed the use of home equity to support decarbonisation and energy efficiency. They shared examples of the benefits of this approach for individual homeowners and Scotland more broadly. Support for the equity loan model stemmed from its role in enabling homeowners to improve the condition of their properties and make their homes more energy-efficient. Some endorsed the scheme's focus on the decarbonisation of buildings; a few felt that such actions could make a meaningful contribution to climate change mitigation.

However, while there was praise for the equity release model overall, some of those involved in the pilot suggested there was scope for refinement in any potential rollout. They highlighted that a rollout must retain the support available for applicants and described frustrations with processes and timescales for some participants. To maintain their commitment, there is scope to either address these challenges; or manage the expectations of loan holders and delivery partners before they engage with the scheme. A few respondents called for more clarity about the scheme's aims, noting confusion about whether the focus was on decarbonisation and Net Zero; or tackling fuel poverty.

There was general agreement that the EPC could be used in a future scheme, but respondents highlighted improvements to enhance this aspect of any potential rollout. Support for the proposed consumer protection approach set out in the consultation paper was also evident, including the intention to adopt the latest retrofit standards and use the UK TrustMark quality assurance framework. Respondents also put forward a range of suggestions about how to work effectively with partners. They highlighted the need for contractors with appropriate skills to be available to install the home improvements.

Mixed views emerged about eligibility and expanding the scheme's reach; some felt the existing model worked well; others called for an expansion based on needs assessments or broader criteria, particularly around eligible council tax bands. A few felt landlords with more than two properties should be able to engage with any potential rollout. The list of eligible measures was endorsed and some other options were also suggested. Alternative approaches to eligibility and any expansion of measures included in the scheme could be considered in line with the resources available for a potential rollout,

Overall, the feedback presents clear evidence that the pilot was valued, and a wider rollout is welcomed. These views were underpinned by broad recognition of the positive impacts experienced by many households who took part in the equity loan pilot.

Annex A: Summary of Call for Evidence Questions

	Question Text	Question Type
Q1	What is your view on the use of equity in people's homes in order to support the decarbonisation of buildings and the improvement of energy efficiency as a means to improve wellbeing and support independent living?	Open
Q2	If you have direct experience of the Equity Loan pilot, please provide views or evidence of the impact of the loan product and support provided.	Open
Q3	Do you have views on the eligibility and scope of the pilot as it exists now?	Closed
Q3	Do you have views on the eligibility and scope of the pilot as it exists now? Please explain your answer	Open
Q4	What is your view on the contribution a nationwide Equity Loan scheme focused on both energy efficiency and decarbonised heat solutions can make towards supporting our climate change and fuel poverty targets?	Open
Q5	Please provide your views on the proposal to expand the Equity Loan pilot to a full nationwide support scheme.	Open
Q6	Do you have a view on which energy efficiency measures and zero emission heating solutions should be included in the list of eligible measures? Please explain your position	Open
Q7a	Do you agree that a nationwide Equity Loan can support the reduction of fuel poverty in Scotland?	Closed
Q7a	Do you agree that a nationwide Equity Loan can support the reduction of fuel poverty in Scotland? Please explain your answer	Open
Q7b	Do you have any suggestions on how a future scheme could better support a reduction in fuel poverty in Scotland?	Closed
Q7b	Do you have any suggestions on how a future scheme could better support a reduction in fuel poverty in Scotland? Please explain your answer	Open
Q8a	The Equity Loan pilot uses the EPC recommendations as a basis for eligible measures which can be funded by the loan and we will be consulting on a reformed EPC assessment process to better align with wider net zero objectives as part of our Heat in Buildings Strategy. Do you agree with using the EPC in this way for a future scheme?	Closed
Q8a	The Equity Loan pilot uses the EPC recommendations as a basis for eligible measures which can be funded by the loan and we will be consulting on a reformed EPC assessment process to better align with wider net zero objectives as part of our Heat in Buildings Strategy. Do you agree with using the EPC in this way for a future scheme? Please explain your answer.	Open
Q8b	Can you provide any alternatives?	Closed
Q8b	Can you provide any alternatives? Please explain your answer.	Open

	Question Text	Question Type
Q9a	Do you agree with the proposed approach to consumer protection set out above?	Closed
Q9a	Do you agree with the proposed approach to consumer protection set out above? Please explain your position.	Open
Q9b	Are there any additional consumer protection measures that can be considered within Scottish Government competence?	Closed
Q9b	Are there any additional consumer protection measures that can be considered within Scottish Government competence? Please explain your position.	Open
Q10	The expansion of the pilot could provide a greater opportunity for eligible homeowners to participate in scheduled refurbishment works being undertaken by local housing associations and local authorities. Do you have suggestions on how best to achieve such a working partnership?	Closed
Q10	The expansion of the pilot could provide a greater opportunity for eligible homeowners to participate in scheduled refurbishment works being undertaken by local housing associations and local authorities. Do you have suggestions on how best to achieve such a working partnership? Please explain your position.	Open
Q11	Do you have any suggestions on how to ensure delivery of the scheme is efficient and robust, including the legal process and customer support service whilst ensuring value for money?	Closed
Q11	Do you have any suggestions on how to ensure delivery of the scheme is efficient and robust, including the legal process and customer support service whilst ensuring value for money? Please explain your answer.	Open
Q12	Please provide your views on any challenges and/or opportunities offered by the potential expansion of the pilot.	Open

Annex B: Equity Loan Pilot eligibility

Eligibility Criteria for the Equity Loan Pilot

The property that work is to be carried out on must be in Perth & Kinross, Stirling, Dundee, Glasgow City, Inverclyde, Renfrewshire, Argyll and Bute or the Western Isles council areas. The following people can apply:

- Owners of properties in council tax bands A - C, or owners (or permanent occupiers, like partners or children) who receive the qualifying benefits. (see below)
- Private landlords with no more than two properties to rent that are in council tax bands A - C, or whose tenants receive the qualifying benefits. A landlord must be classed as a 'natural person' (meaning they're not registered as a business) and cannot own more than two properties.

List of qualifying benefits

If any of the permanent occupiers (including homeowner, their children or partner, or their tenants) receive any of the qualifying benefits listed below, then they can apply for the HEEPS Equity Loan. The qualifying benefits are:

- Guarantee element of the Pension Credit
- Attendance Allowance
- Universal Credit
- Any of the benefits replaced by Universal Credit, like income-based Job Seekers' Allowance, Child Tax Credits, Working Tax Credits, Employment and Support Allowance, Income Support or Housing Benefit
- council tax Reduction (excluding the 25% discount for single occupancy)
- Carer's Allowance
- Disability Living Allowance or Personal Independence Payment
- Armed Forces Independence Payment
- War Disablement Pension
- Industrial Injuries Disablement Benefit

Equity Loan Pilot Eligible Measures

Energy Efficiency:

- Repairs that reduce heat loss through the building fabric and/or reduce damp or moisture penetration
- Insulation (including external wall, internal wall, cavity wall, lofts, rooms in roofs, flat roof, under floor and primary pipework)
- Gas, oil or LPG boiler
- Solar (PV, thermal and PVT)
- Warm air unit
- Draught proofing
- Electrical storage heaters
- Hot water tanks
- Heating controls
- Double glazing (new or replacement) and secondary glazing
- Radiator panels
- Gas connection (to the mains or to a district heating system)
- Repairs to existing systems (if this is more cost effective than a full replacement)
- External doors
- Biomass boilers and stoves
- Low energy lighting
- Heat pumps (air source, ground source and water source)
- Works that improve water efficiency

Repairs:

- Roof structure, coverings and flashings
- Rainwater goods
- Chimney stacks and heads (including removal)
- Work to eradicate rising and penetrating damp External wall repairs including finishes
- Work required to make good plaster and/or decoration after a repair
- Active and passive ventilation systems
- Repairs considered essential to allow an approved measure to be carried out, for example if re-wiring is needed to allow electrically powered energy efficiency measures to be installed
- Wet and dry rot
- Other repairs to be considered on a case by case basis (not including purely cosmetic)



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