

Home Energy Efficiency Equity Loan Pilot

**Feedback survey assessing the impacts
of the pilot on loan holders: analysis of
responses**

March 2022



Scottish Government
Riaghaltas na h-Alba
gov.scot

Contents

1. Introduction	4
Background	4
Methodology	4
Report structure	5
2. Profile of respondents	6
Measures installed	6
Household composition	7
Size of household	7
Age profile	8
Employment status	8
Local authority area	9
3. Impact of measures installed	10
Impact on heating costs	10
Impact on awareness of home energy use	11
Impact on wellbeing	12
More comfortable home environment	12
Less stress and anxiety about their property	14
Other improvements to wellbeing	14
Impact on energy efficiency and carbon emission ratings	14
Impact of repairs	14
4. Feedback on the Equity Loan process and offer	16
Discovery of the pilot	16
What loan holders liked about the Equity Loan offer	17
Access to capital	17
Attractive and competitive terms	17
Endorsed by wider family	18
Straightforward, helpful support for applicants	18
The applicant journey and process of obtaining an Equity Loan	18
Feedback on timescales	18
The loan offer period	21
Percentage split between repairs and energy efficiency measures	23
Support provided by Home Energy Scotland (HES)	23
Support provided by Care & Repair	24
5. Additional feedback	26
Queries and wider views on potential improvements to the -pilot	26

Conclusions 28
Appendix 1: List of eligible measures 29
Appendix 2: Loan holder feedback questionnaire 30
**Appendix 3: Responses to quantitative questions in the feedback
questionnaire 33**

1. 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 scheme 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 eight local authority areas: Argyll & Bute, Dundee, Glasgow, Inverclyde, Perth & Kinross, Renfrewshire, Stirling and Western Isles. As of 1st November 2021, 136 loans have been offered, with an average loan value of £18,382.

In June 2021, research agency The Lines Between was commissioned by the Scottish Government to survey homeowners who used the Equity Loan scheme to fund energy efficiency improvements to their home and who had completed the journey from application to completion of works. This survey aims to generate evidence on the impact of the scheme for those who took part, and their views on any changes needed in order for a nationwide roll-out of the scheme to be successful. In addition, the survey is supplemented by a public call for evidence and three stakeholder webinars.

Findings from the survey of loan holders are presented in this report.

Methodology

The survey was designed by the Scottish Government. It included a range of questions to explore the Equity Loan's impact on loan holders' wellbeing, their energy bills and carbon reductions achieved. Loan holders were also asked for their feedback on the process of taking part in the scheme and how this could be improved in the future. The full loan holder feedback questionnaire is included in Appendix 2.

¹ [Link to Scottish Government's Heat In Buildings Strategy](#)

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

Details of the 54³ loan holders who took part in the pilot were shared confidentially with researchers and each loan holder was invited to take part in the survey. In total, 38 loan holders agreed to be interviewed (70% of the sample). Of the 16 loan holders who did not take part in the research:

- five did not respond to the invitation to take part;
- four confirmed they did not want to be involved in the research;
- three agreed to take part, but did not answer the phone at a scheduled interview time and did not respond to attempts to reschedule;
- two had invalid contact details;
- one was unable to take part due to poor health;
- one had moved abroad.

A breakdown of the profile of loan holders who participated in the survey, including information about location, age and household composition, is included in Chapter 2.

Report structure

The remainder of this report is structured as follows:

- Chapter 2 provides information about the profile of loan holders who participated in the survey, e.g. location, age and household composition.
- Chapter 3 contains feedback about the impact of measures installed.
- Chapter 4 explores the Equity Loan scheme process, including what loan holders felt worked well and what could be improved.
- Chapter 5 contains all other comments about the scheme.
- Chapter 6 presents conclusions based on the feedback survey.
- Tables with responses to the closed feedback questions are provided in Appendix 3, with results presented at relevant sections in Chapters 2 and 3. The closed questions covered measures installed, levels of warmth before and after works completed, impact on bills, and energy use monitoring.

³ Although 55 loans were completed, only 54 loan holders were involved – one loan holder was offered two separate Equity Loans.

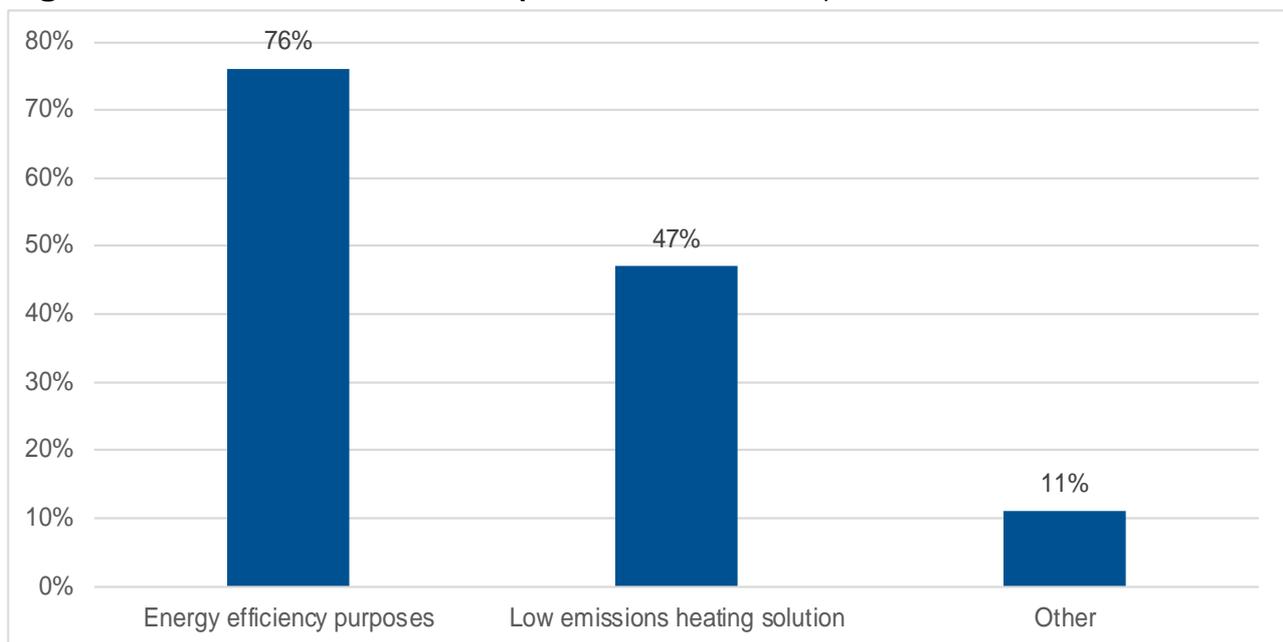
2. Profile of respondents

Information about the profile of the 38 loan holders who took part in the survey is presented below. This includes details of the measures they installed, the size of their household, the age profile and employment status of people in their household.

Measures installed

Of the 38 respondents, 29 (76%) installed measures for energy efficiency purposes and 18 (47%) installed low emissions heating solutions (Figure 2.1).

Figure 2.1: Measures installed (n=38 loan holders)

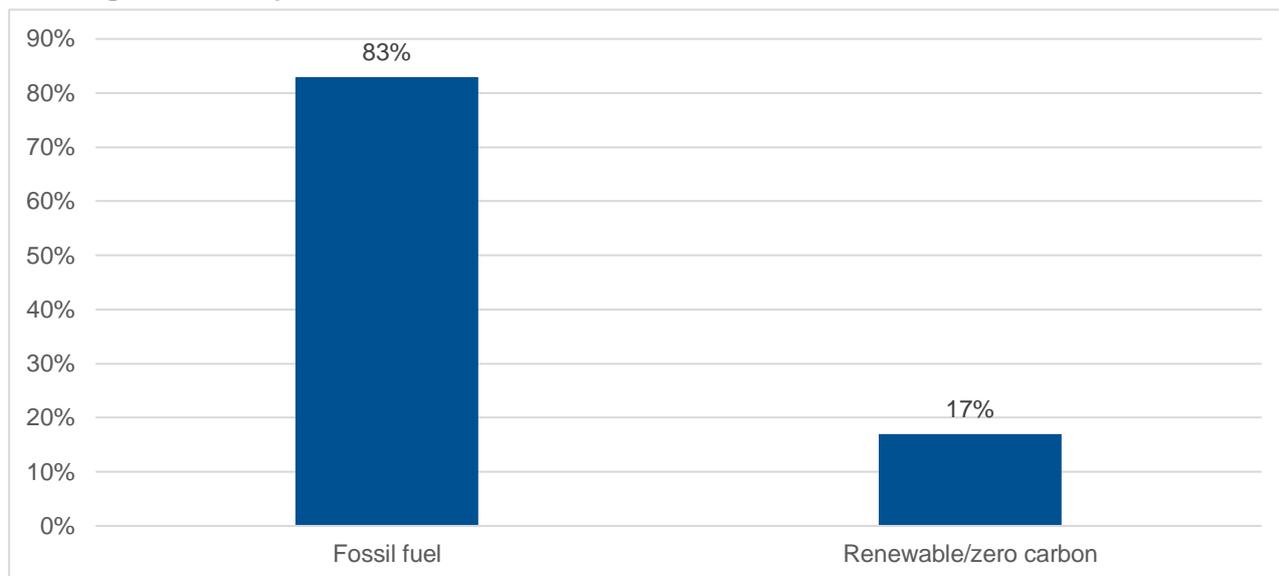


Nine (24%) installed both measures for energy efficiency purposes and low emissions heating solutions.

Low emissions heating solutions installed by loan holders included air source heat pumps and replacing old boilers with more efficient models. Of the 18 loan holders who installed heating solutions, most used systems based on fossil fuels (15, 83%) and three installed solutions that use renewable energy or zero carbon systems such as air source heat pumps (3, 17%) (Figure 2.2)⁴.

⁴ In nine cases, it is not clear if loan holders have installed a fossil fuel or renewable heating system. The data specifies, for example, 'replacement heating system' or 'replacement boiler' but provides no further details. In these cases, we have assumed the systems installed were fossil fuel.

Figure 2.2: Measures installed (n=18 loan holders who installed low emissions heating solutions)



Energy efficiency measures funded included double glazed windows and doors; cavity wall insulation; repairs and replacements of roofs, chimneys, gutters, fascias and soffits; treatment for dry rot; and solar panels.

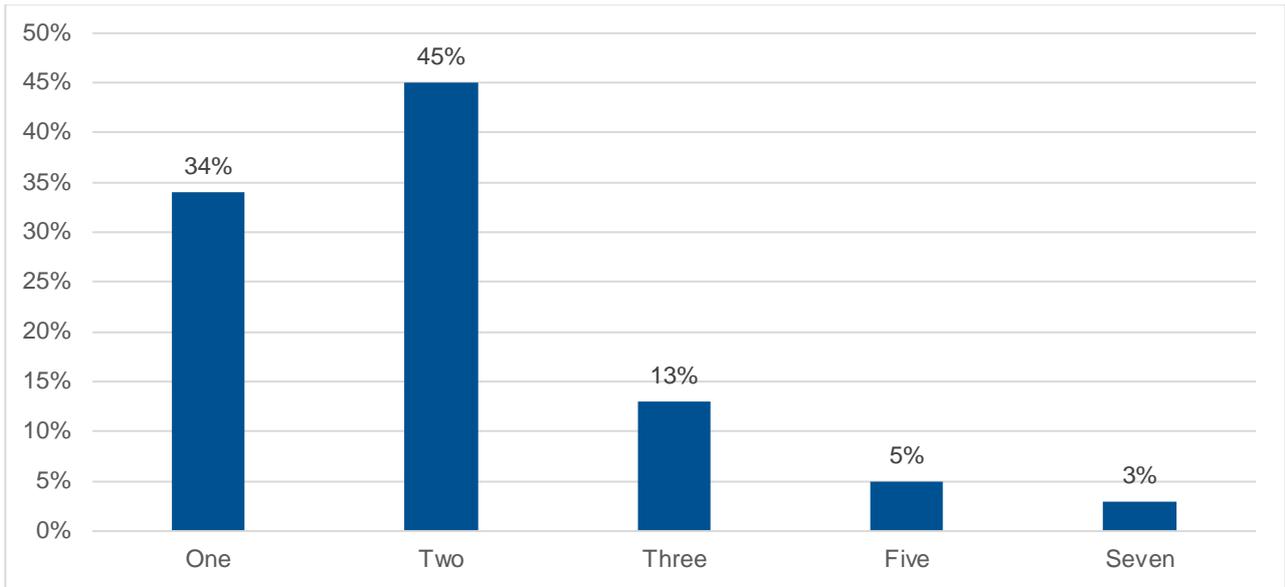
Four (11%) received other services such as re-wiring and re-decoration after flooding damage. All four of these loan holders also had a low emissions heating solution and/or energy efficiency measures installed.

Household composition

Size of household

At the time the works were carried out, a total of 79 people lived in the 38 loan holders' households, an average of 2.1 people per household. Figure 2.3 shows that the largest proportion of respondents lived with one other person (17, 45%), and 13 (34%) lived on their own. Smaller proportions lived in a household of three people (5, 13%), five people (2, 5%) and seven people (1, 3%).

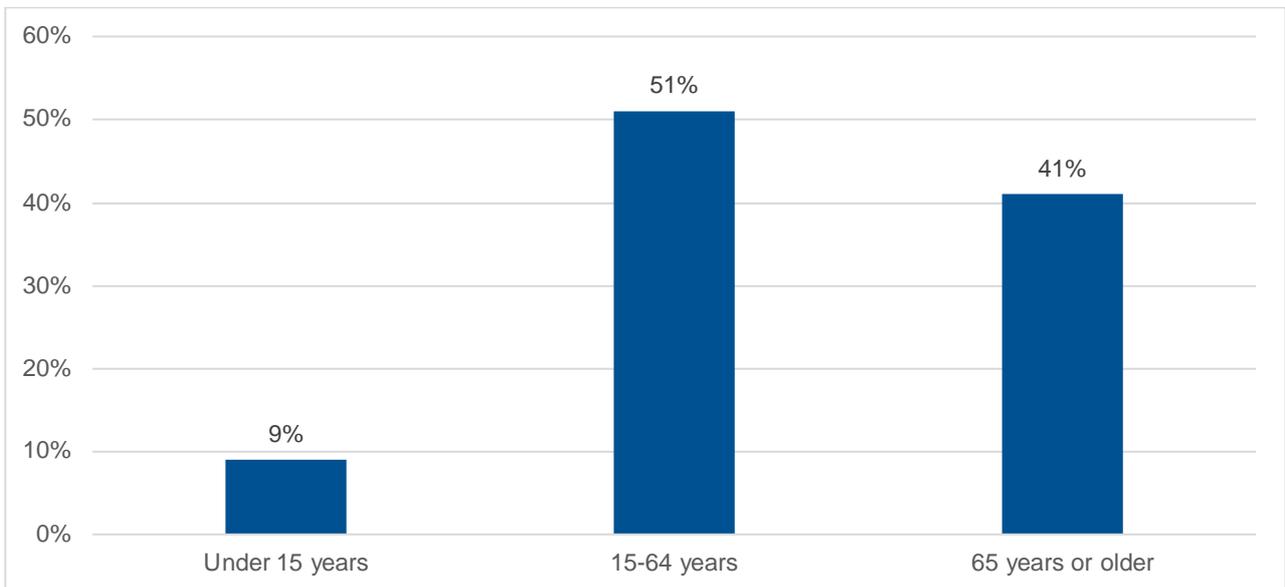
Figure 2.3: Number of people in household (n=38 loan holders)



Age profile

The 38 respondents reported that, of the 79 people in their households, seven (9%) were aged under 15 years, 40 (51%) were 15-64 and 32 (41%) were 65 or over (Figure 2.4).

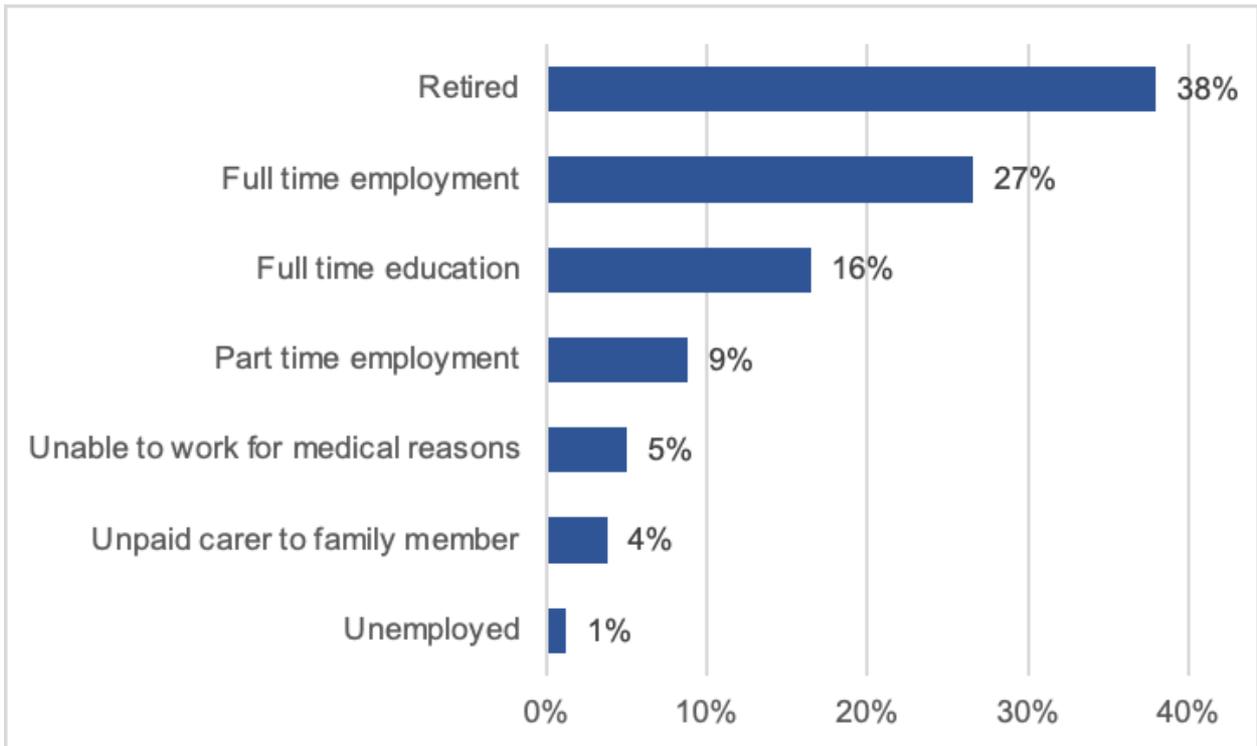
Figure 2.4: Age profile (n=79 household members)



Employment status

Respondents provided details of the employment status of the 79 people in their households at the time the work was done. The largest proportion (30, 45%) were retired, and 21 (32%) were employed full time. Seven (11%) were employed part time, four (6%) were unable to work for medical reasons, three (5%) were unpaid carers for those who cannot work on medical grounds, and one (2%) was unemployed (Figure 2.5).

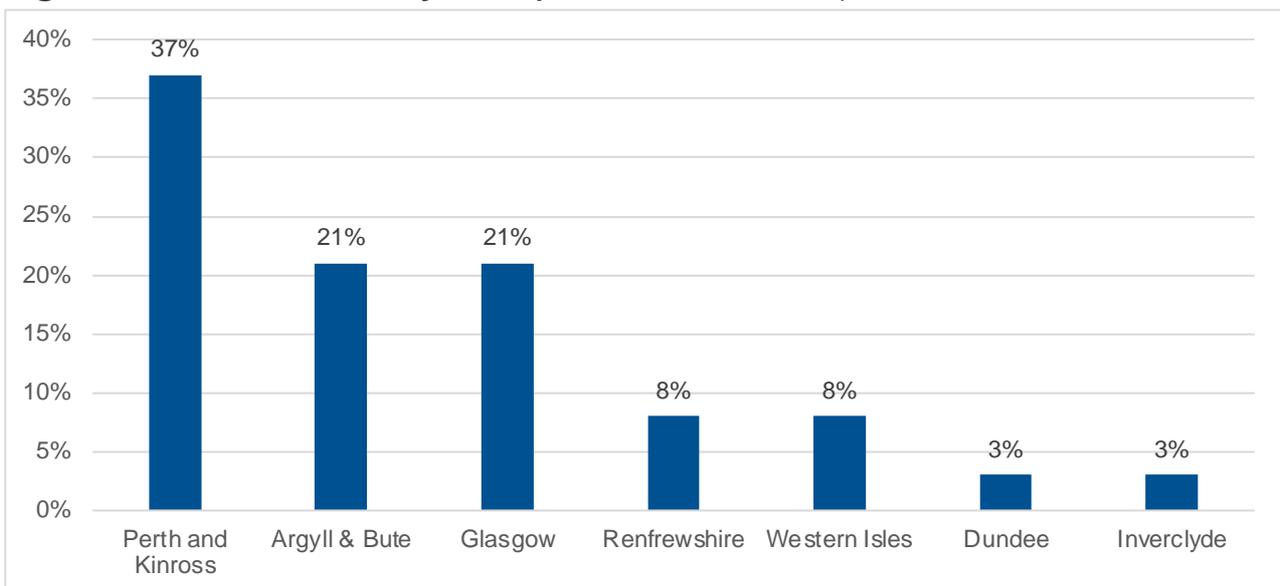
Figure 2.5: Employment status (n=79 household members)



Local authority area

Respondents represented seven of the eight local authority areas that took part in the pilot (Figure 2.6). Perth & Kinross (14, 37%) accounted for the largest proportion followed by Glasgow and Argyll & Bute (both 8, 21%).

Figure 2.6: Local authority area (n=38 loan holders)



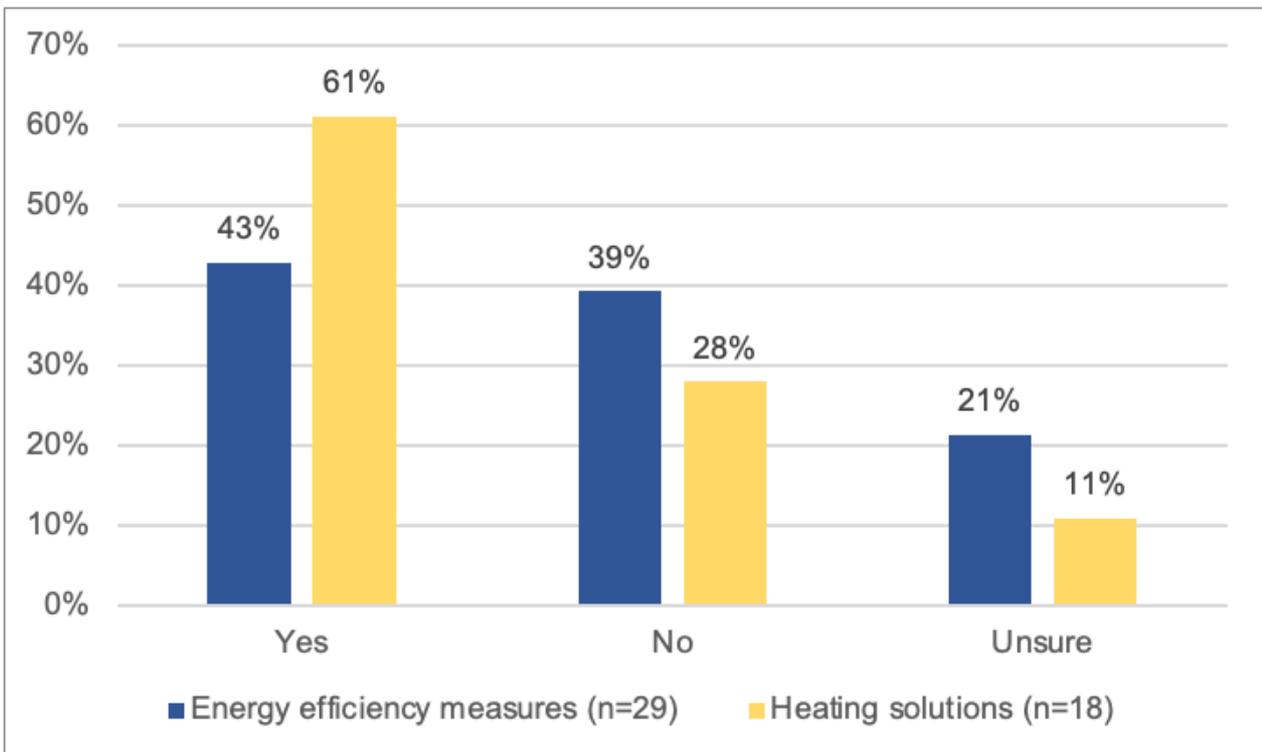
3. Impact of measures installed

Survey participants identified a range of positive impacts from their participation in the Home Energy Efficiency Equity Loan Pilot. Personal impacts included lower heating costs and greater wellbeing. More broadly, participants described improvements to their living environment; including their homes being wind and watertight.

Impact on heating costs

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



Some loan holders commented on changes in their heating bills after taking part in the scheme, with one saying their bill had reduced by about £20 per month, and another noting they had seen a 25% reduction in their heating costs. One noted an indirect cost saving from having a new boiler; they were no longer paying insurance, as the new boiler that had been installed 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

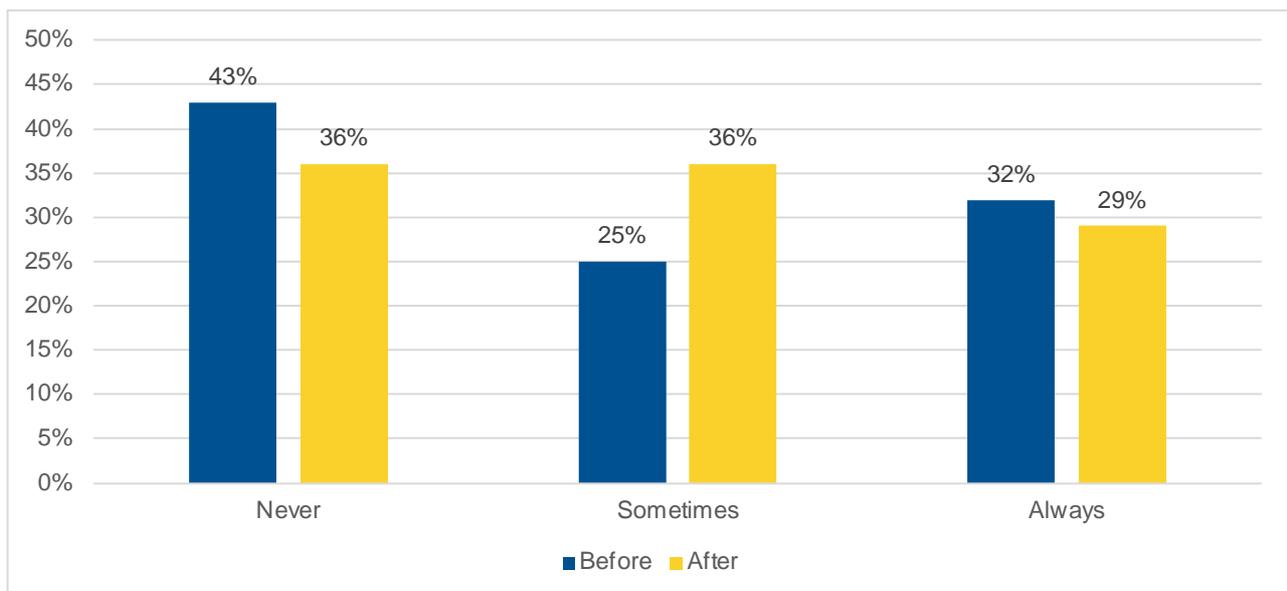
factors, such as new energy tariffs, more time spent at home due to COVID-19 and weather conditions, i.e. having been through a particularly cold winter.

A few loan holders, noted that it had been less than a year since the measures were installed so they were unable to compare heating costs with the previous winter.

Impact on awareness of home energy use

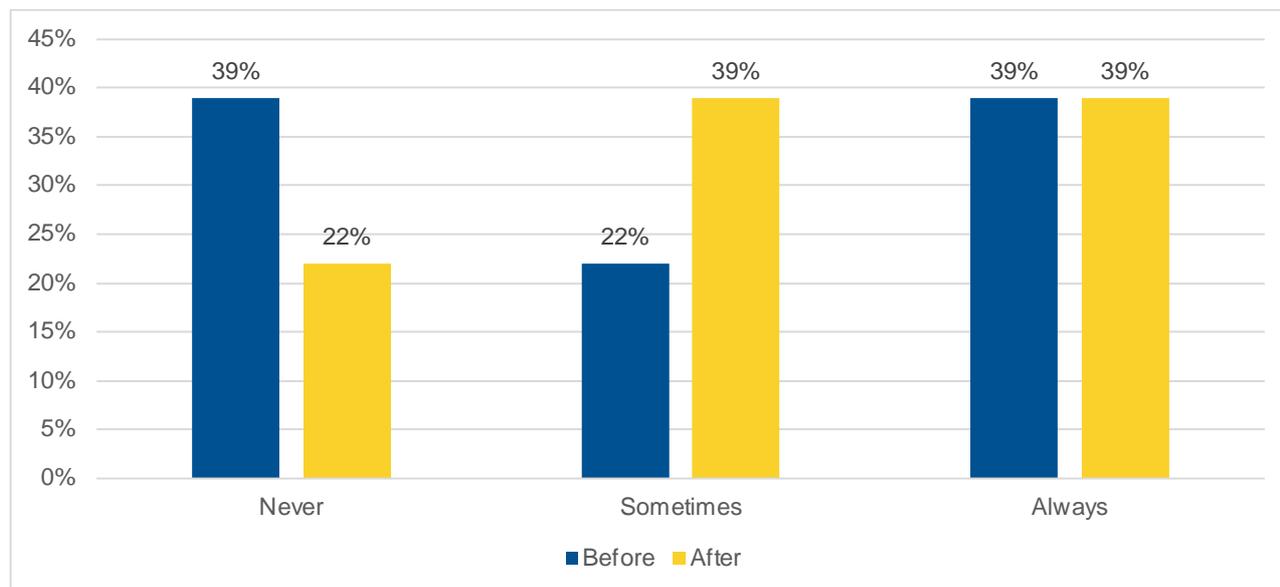
The impact of the pilot on loan holders' awareness of energy use is less clear. Figures 3.2 and 3.3 illustrate that the proportion of loan holders who reported 'never' monitoring their home energy use for heat decreased after they took part in the scheme, and there was an increase in the proportion that 'sometimes' monitored their energy use. However, the proportion of loan holders who said they 'always' monitor their home energy use decreased among loan holders who installed energy efficiency measures and stayed the same among those who acquired heating solutions.

Figure 3.2: Were you monitoring your home energy use for heat? (n=28⁵ loan holders who installed energy efficiency measures)



⁵ 'Don't know' excluded

Figure 3.3: Were you monitoring your home energy use for heat? (n=18 loan holders who installed low emissions heating solutions)



Loan holders who were monitoring their home energy use for heat did so through:

- Keeping track of heating costs
- Electricity and gas meter readings
- Smart meters (one smart meter connected to an app in the loan holders' phone)
- Written statements from their energy provider

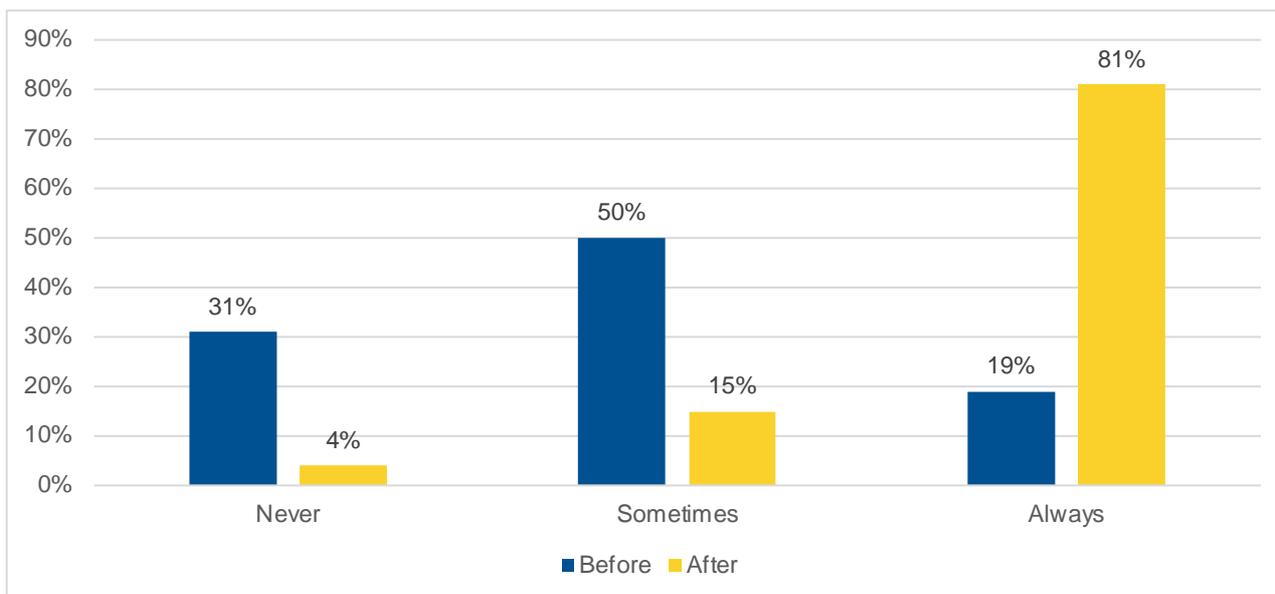
Impact on wellbeing

The majority of loan holders 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 comfortable living environment and being less stressed about the condition of their property.

More comfortable home environment

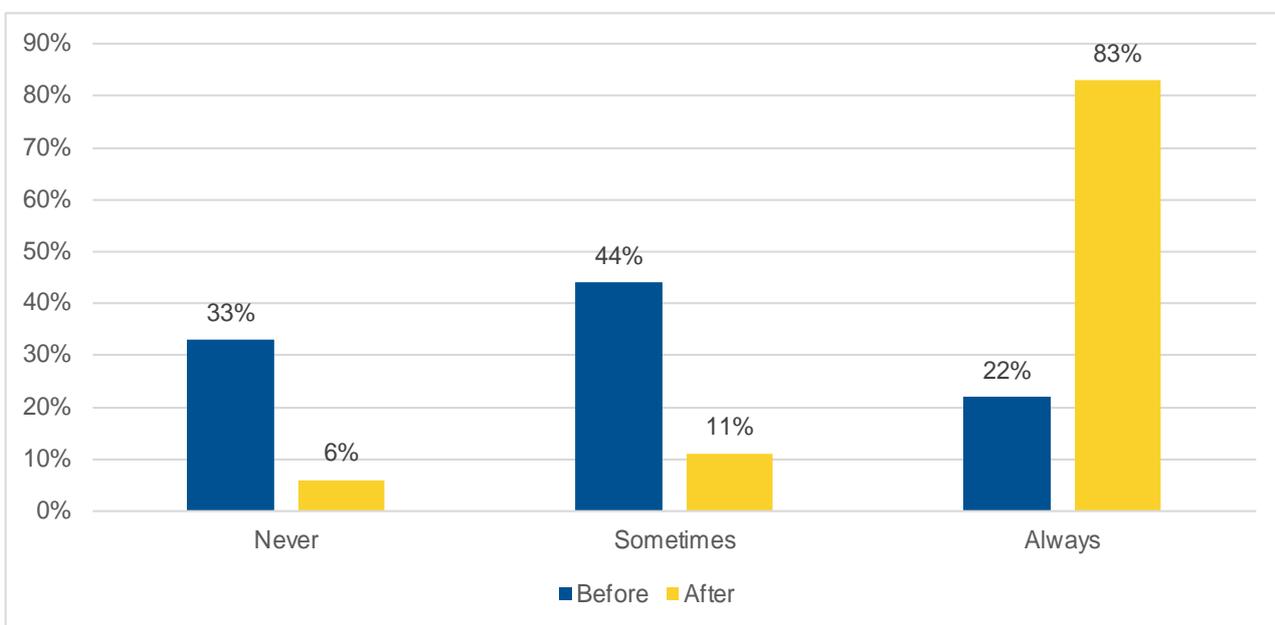
A common theme in discussions about improved wellbeing was that loan holders were experiencing more comfortable day-to-day living conditions. Many described having warmer homes as a result of new insulation, more efficient heating systems and double-glazed windows. Twenty-six respondents who installed 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 3.4).

Figure 3.4: Were you staying warm in winter? (n=26⁶ 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 3.5).

Figure 3.5: Were you staying warm in winter? (n=18 loan holders who installed low emissions heating solutions)



Other benefits which contributed to a more comfortable living environment included having a more reliable hot water source, having a more soundproof home and having damp, dry rot and draughts in their property addressed.

⁶ Don't know' excluded

"I'm far happier...I can see the difference because everything is warmer and it's just a far better [heating] system than what I had for years."

"It's lovely and warm and there's no draught. And there is less noise – we're quite near a main road so it's reduced the noise."

"The house is much less damp now. I mean, before I had things going mouldy in the bedroom...but we haven't had that. It's made a vast difference. It's a much, much more comfortable environment."

Less stress and anxiety about their property

Some loan holders described being less stressed about the condition of their homes since taking part in the scheme, using phrases such as 'a great sense of relief' and 'a weight off my mind' and 'stress free'. They felt they were now less likely to experience leaks, boiler breakdowns and damage to their housing fabric in the future, which contributed to their sense of wellbeing.

A few mentioned they were no longer stressed about the financial pressures of heating their homes due to a significant reduction in their energy costs.

Other improvements to wellbeing

A small number were pleased with enhancements to the external appearance of their home, noting that new windows and doors made their property look nicer, which made them feel better as a result. Two noted that the idea of doing something positive for the environment had an impact on their wellbeing.

Impact on energy efficiency and carbon emission ratings

Most loan holders were not aware of any change in their property's energy efficiency and carbon emission ratings after the works were completed. Some simply did not have any awareness or understanding of these ratings, while others had not had their property inspected or evaluated since taking part in the scheme. Those who were aware largely indicated positive changes.

While many loan holders were not able to provide official ratings, some were confident that their property is now more energy efficient after taking part in the pilot.

Impact of repairs

Roughly half of loan holders confirmed they used the Equity Loan to pay for repairs to their property. Loan holders noted that repairs had led to improvements in the condition of their home, making it more wind and watertight.

Those who had repairs to their roof commented on the longevity of such works, and how this brought them peace of mind for the future.

"We're reassured that it's done and it's a long, long time before it needs done again. Roofs are not something that you need to repair that often. That's all been replaced and repaired, it's quite reassuring that it's all done."

"Obviously, because the house has been brought up to a better standard, it takes a lot of pressure off me as I get older. The roof will last another 30 years, and by that time I'll be 97 so I'll not be worried about putting a new roof on!"

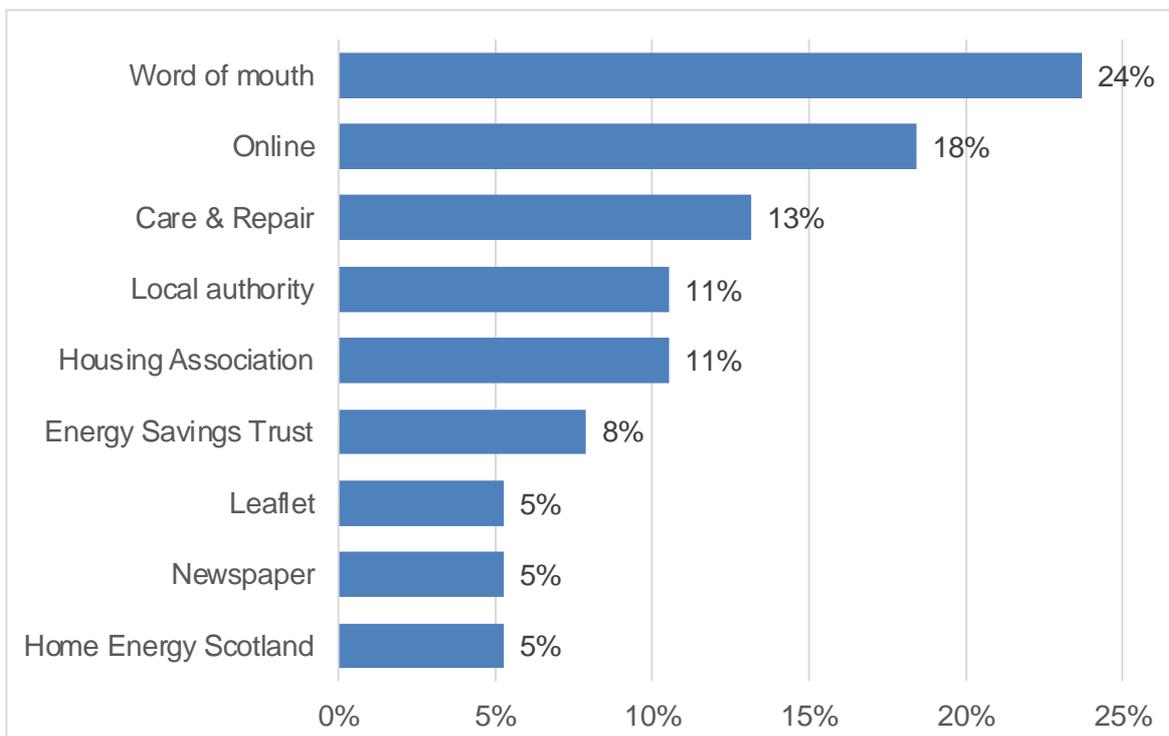
4. Feedback on the Equity Loan process and offer

Loan holders provided feedback on their experiences with the Equity Loan pilot, including how they found out about the scheme, their views on the loan terms and conditions, and suggested improvements to the process.

Discovery of the pilot

Loan holders learned about the pilot through a variety of channels. The most common route was through word of mouth (Figure 4.1). Nearly a quarter of loan holders (9, 24%) described situations where friends, family, colleagues or members of the local community informed them about the pilot.

Figure 4.1: How did you find out about the Equity Loan Pilot? (n=38)



Seven loan holders discovered the pilot online, either through targeted adverts, a Google search or on the SG's website and social media.

Several loan holders noted that they found out about the pilot through contact with other agencies with connections to the pilot:

- five found out through Care & Repair;
- four from a local housing association;

- four from their local authority;
- three from the Energy Saving Trust;
- two from Home Energy Scotland.

Two read about the scheme in their local newspaper, and two said they had been sent a leaflet promoting the pilot.

A common theme in responses to this question was that loan holders were actively searching for financial support to fund repairs and energy efficiency improvements to their home when they discovered the pilot.

What loan holders liked about the Equity Loan offer

Access to capital

The majority of homeowners described the value of the Equity Loan in terms of offering capital which enabled important improvement work to be carried out. Many said the Equity Loan provided finance which they did not have, or ensured they could retain any savings for security.

"It made changing the heating viable, affordable. She [mother] wouldn't have had the funds to do it herself. She didn't have a spare five grand lying about in the bank, even though she saw the need to change the heating, which is why she went to the scheme. I mean, if she hadn't seen the scheme, she wouldn't have had the funds available. So thumbs up to the Scottish Government for shelling out. Overall, a very good scheme, well worth doing."

"I don't know how long I'm going to live - the Equity Loan ... would be paid back in the sale of the house which will probably be when I pass on - I felt it would be as well to do that to keep the few pennies that I had - I don't know what other repairs and things I will need to do to the house."

Attractive and competitive terms

Participants reported that the Equity Loan pilot helped them avoid seeking a private loan to fund improvement work, which was described as a less attractive prospect, with less favourable terms.

"It let me get the means to get the work done. Other than that, I probably would have been looking at a loan, but not working and being retired, I wasn't too keen on that."

"At the time, we only had one wage coming into the house. So it was difficult to do without extending our outgoings. The scheme is really beneficial...it would have been tougher to go get a bank loan."

"It's very attractive - a much better deal than other home Equity Loan options that are available commercially."

Endorsed by wider family

Within families, homeowners mentioned discussing the pilot with loved ones who would ultimately become owners of the property through inheritance. They said responses were positive, even if family members were initially cautious.

"I did check it with my family to see how they felt - when I pass away the house goes to them - they were quite delighted."

"We put it to the family - we've got 3 children with their families and they said 'its entirely up to yourselves and don't worry about us - do what's right for you' and this sounds a good way of getting the work done without it having a big impact on our finances."

"I was very dubious when mum said, this is what she wanted to do, and I thought, you know, Equity Loan, stealing your money, taking all the house value, but no, not at all, I found it very fair... they weren't money grabbing. It seemed very much a case of for the benefit of the homeowner rather than the benefit of the Government."

Straightforward, helpful support for applicants

A small number of homeowners said the loan application process had been easy to participate in. Others said that the terms of the loan put them at ease.

"It was quite simple, it was straightforward and it did exactly what I needed it to do because we were asset-rich but cash-poor."

"I thought it was very user-friendly in the terms and conditions."

Some highlighted the value of the support they had received in the application process (this is explored in more detail later in the report).

The applicant journey and process of obtaining an Equity Loan

Feedback on timescales

The Equity Loan scheme was a pilot, providing opportunities for development and application of learning. For context, in this section, householder's feedback is provided with detail about when they received a loan; as some of the challenges identified early on in the pilot were addressed as it evolved.

Six loan holders did not identify the need for any improvement in the process because they felt it had worked well. These represented three different local authority areas and timescales between 2017 and 2021, including properties with complex lists of repairs and improvements. There was no clear pattern linked to this positive experience.

On potential changes to the Equity Loan scheme, the most common improvement suggested by people was to reduce the time involved in the process, mentioned by fourteen respondents (just over one third). A further seven specifically highlighted delays with legal processes. Combined, this means that just over half of loan holders felt there was room for improvement in timescales associated with the Equity Loan.

A small number acknowledged that the delays they experienced were due to the pandemic; however households across the period from 2018-2021 cited time delays as a problem. As with the positive comments, there is no pattern linking issues to geographic location or the scale of work.

Some loan holders felt that the pilot's new status had led to inevitable teething problems and that the delays they had experienced had not been excessive. A lack of knowledge about the pilot among local lawyers was one factor that loan holders felt had contributed to extended timescales.

"You have to have the lawyer approve everything and obviously because it was a new scheme the people that we used weren't really aware of the ins and outs of it and that's where we ended up with a big delay and quite a bit of hassle... I would make sure that you had approved lawyers, approved law companies that knew exactly what the process was."

[Loan holder received Equity Loan funds in February 2018]

Some described frustrations with the SG's externally contracted lawyers. The issues described involved poor communication and lengthy waits for action.

A small number of participants said they had incurred unexpected costs because of additional legal work they had to arrange. These loan holders described confusion about how this aspect of the pilot operated.

"There was confusion. The scheme was described to us along the lines of the only initial outlay you'll have will be for the survey, all your legal fees will be wrapped up in the loan that you get. But lawyers didn't seem to be operating on that assumption."

[Loan holder received Equity Loan funds in February 2018]

"And we initially needed a wee bit extra work and we were told that the loan would just get added on to it, we were guaranteed that...he had assured us that it would go onto the loan, and it didn't. We had to then go and find that money to pay more lawyer fees, which we didn't know about...it was extra lawyers' fees ...and the Scottish Government only paid for

the initial paperwork. And I tried to contact that guy umpteen times, and he just stopped calling me back."

[Loan holder received Equity Loan funds in March 2019]

While some households reflected that legal processes for loans and property need to be done properly, others felt there was an excessive degree of complexity.

"We had to get a solicitor to read over the paperwork. And we had to shell out quite a bit of money as well because she had to spend hours on the paperwork, looking at the contract. She said she'd never seen an agreement like it in all her working days. She said it's more akin to a multimillion pound loan or something when the loan was actually for like five thousand pounds or something. So it was incredibly complex, and I couldn't understand a lot of it to be honest."

[Loan holder received Equity Loan funds in October 2020]

It was most common for people to report lags in day-to-day communication, with this accumulating to create a longer overall delay. While expressing these views, most loan holders emphasised that overall they still believe in the positive value of the scheme, but that element of the process requires streamlining.

A small number of households reflected that the delays affected timescales for improvement work and in some cases, work had to be completed in less favourable weather conditions. This led to additional expense as costs had gone up, which caused stress.

"I ended up getting windows in when it was snowing in January because of all the delays and that was I think down to the unknown of it being a pilot scheme and no one knew what they were doing."

[Loan holder received Equity Loan funds in March 2018]

"It affected quotes, it affected costs which I had to bear, extra costs... The work was priced and then a year later...I mean, it didn't affect it an awful lot because the contractors were very good about it. But there was a slight increase in costs, which I paid myself."

[Loan holder received Equity Loan funds in August 2019]

In some cases, delays led to people taking their own action. One person reported making alternative temporary financial arrangements, in order to get around the delays and ensure the process stayed on track.

"If my Mum didn't have me who had some money in the bank to start the process, she would have been waiting a lot longer to get the work done to get the heating she needed. And it's a lot...which I was happy to do. If she was an 80 year old who had seen it in the paper or in an ad on TV and thought that's a good idea, there's no way she would cope with the process."

[Loan holder received Equity Loan funds in July 2019]

A small number of loan holders observed that the complexity of the process and the difficult nature of communication would have been problematic for people who were less capable.

The delays and complexity of the process proved stressful for a small number of loan holders, who said their experiences affected their willingness to recommend the scheme to others.

"It was a hassle from start to finish. I wouldn't recommend it to anybody."

[Loan holder received Equity Loan funds in March 2021]

"I wouldn't do it again. Me and my wife wouldn't go through that again. It was a very, very stressful thing."

[Loan holder received Equity Loan funds in October 2019]

Some households were positive about the applicant journey, saying that their experience of the process had been good.

"I would say everything worked very well - some people might have a problem understanding it, especially when it's basically something for nothing, but I can't think of anything negative at all about it."

[Loan holder received Equity Loan funds in March 2018]

The loan offer period

The loan offer period refers to the timeframe after the loan is officially offered in which the works on the property must be completed. Loan holders are also expected to submit invoices and have a site visit from their Care & Repair officer within this period.

When the Equity Loan pilot began in 2017, the loan offer period was 3 months. This was extended to 12 months during the COVID-19 pandemic, and it has now been changed to 6

months. However, the SG have granted extensions in cases where the works could not be completed in time due to exceptional circumstances.

Opinions on whether the original three month loan offer period was long enough were mixed. More than half of the loan holders felt that the three month limit was not long enough for all the steps to be carried out. However, others noted that in their experience, the three month timeframe was sufficient for their works to be completed and inspected.

Some of those who reasoned that the timeframe should be extended had experienced significant delays throughout the process which meant that their works could not be completed within three months. Delays occurred as a result of several different factors including:

- restrictions put in place as a result of the COVID-19 pandemic meant surveyors and tradesmen could not enter properties to complete evaluations or undertake any works;
- local contractors not having availability to undertake the works;
- raw materials not being available;
- delays due to legal complications, e.g. title deeds and multi-tenured blocks with shared ownership.

One loan holder described communication issues between the different agencies involved.

"We had to get an extension because the paperwork took so long. Our building society weren't keen on it happening - they hummed and hawed and we couldn't get an answer out of them. And we needed their approval. And the solicitor came in and she had to negotiate and eventually they said yes. So we had to get an extension and we had to have the builders, the guy who was doing the solar panels, he had to be ready to do the work as soon as."

A common theme among loan holders who took part in the pilot prior to the COVID-19 pandemic was that, although the three month period was adequate at the time, they no longer felt this would be long due to current supply chain challenges such as high demand, a lack of skilled workers and a 'backlog of work after lockdown'.

One participant felt strongly that the loan offer period should be contingent on different factors, for example the type of works being completed and the time of year that the Equity Loan is approved.

"In the West of Scotland, a new roof is totally and absolutely dependent on the weather. Imagine the offer of loan fell in September or October and you get a bad spell of weather. They would just not touch that roof. I've been in the building trade all my life and I would not touch a roof until we came to March or April. So I think it may have to be that someone can make a judgement on the ground to say, it's a roof and the offer of loan has landed in September - they should get a year to get that sorted out, or they should get six months to get it in place. That's something that has to be taken into account."

A few loan holders described feeling worried when they first learned about the three month timeframe, fearing they would not be able to get everything in place within that timescale.

However, some loan holders felt that the three month period was sufficient and they faced no issues in getting their works completed within that timeframe.

Percentage split between repairs and energy efficiency measures

One of the terms of the Equity Loan states that up to 45% of the loan can be spent on repairs, but the remaining 55% must be spent on installing energy efficiency measures.

Many loan holders were unaware of this term, either as it was not applicable to them (having not used the loan to pay for repairs), or having no recollection of this condition of the loan. Those who were aware of the percentage split term described it as 'decent', 'fine' and 'reasonable'.

Two loan holders felt that the percentage allowance for repairs should be increased.

A few loan holders were unsure whether the works they had done would qualify as a repair or if they would be defined as entirely new measures being installed.

Support provided by Home Energy Scotland (HES)

Home Energy Scotland (HES) is a support and advice service delivered by the Energy Saving Trust. HES aims to support people in Scotland to create warmer homes, reduce energy bills and help tackle climate change. Applicants were able to contact HES for support and advice about the Equity Loan throughout the process,

While loan holders remembered receiving support, this was often linked to a specific individual, and they had limited recollection of which organisation that person was employed by. The few comments specifically about HES were positive.

Not every loan holder felt supported throughout the process. Some noted that the availability of support from HES had not been made clear to them.

"They weren't really in contact with me. I didn't really have any contact with them. If they were meant to contact me, they didn't."

"I have to say I got a little bit confused about who to speak to, I think there was maybe a change of personnel at one point and nobody had let me know."

"I think the feedback I got from them was that's outwith the Energy Saving Trust process, because that was to do with the government lawyers, so there was a split between what the Energy Saving Trust could do."

One person could not recall being offered any support at all.

Support provided by Care & Repair

At the beginning of the pilot, the SG subcontracted Care & Repair, an organisation which specialises in offering household works and repairs to older and disabled residents, to provide support to loan holders throughout the process. Care & Repair Officers were assigned to each case (where the applicant had agreed to it) and provided support such as responding to queries, assisting with paperwork, recommending contractors and inspecting the works once completed.

A key theme in conversations with loan holders about their journey through the process from application to completion was the value of and positive experiences with the support received from Care & Repair.

Almost all of those who had experienced support from Care & Repair were positive about it. They described various ways in which they had felt supported, from form-filling, to liaison with other organisations, and overall project management. Key themes in the feedback were that people felt they had someone to turn to who they could trust to guide them through the process.

"It worked really well that you had people come out and explain what was going on, help with the application form - all of that was pretty straightforward."

"They were really helpful. Everything was done. If I had questions I could just pick up the phone and talk to somebody. It was excellent...it put my mind at rest because I wasn't sure, you know, am I doing the right thing? But she said, anytime you've got a problem, just phone me up and ask me. Everybody I dealt with was really good, and really nice."

"He [Care & Repair Officer] made it possible for many people. It was a huge help. He kept us on the right track and he dealt directly with Edinburgh and the contractors. He kept on top of that. He himself commented that he was frustrated with delays and having to apologise - there was frustration there on his part. He was very professional. Especially for old folks on their own who couldn't cope with the bureaucracy - he smoothed that process."

"He [Care & Repair Officer] was fantastic throughout the whole process. And was there to answer any questions just as soon as I had them. He had an answer to everything. He cleared up a lot of things that might have ended up causing confusion."

The positive comments about support centred on how Care & Repair staff had performed their roles; they were described as responsive, efficient, well-informed, active in seeking answers where needed, patient, thorough and reassuring.

Two respondents had not had a good experience with Care & Repair. In one case, a staff member had been subcontracted elsewhere and communication and support ceased; the other said they could not get any contact from Care & Repair despite repeated attempts.

5. Additional feedback

At the end of the survey loan holders were offered the opportunity to provide any further comments on the pilot. Half of these comments were positive, reflecting on improvements to their homes, beneficial impacts on daily life and the wider value of the pilot.

"I'm just delighted that we've got the opportunity through the Energy Saving Trust and we're more than happy with the results. Without that, we'd probably still be sitting here the same windows, same doors and the same roof. So, more than happy with how it all worked out. The only thing I would say is that it's a really good scheme."

"I think this is a wonderful initiative, that really could help an awful lot of people who otherwise would be left at the back of the queue."

"I think it's a great scheme and I think there will be many people like my mum across the country - if she was in that house for a few more winters she might not last the cold effects - but she is in a warm house, happy and got a good end to her days... it's peace of mind as well."

"I have to say we are delighted with it - just iron out the hiccups."

Three loan holders reflected on the environmental value of the pilot.

"We need to do more and more if we're going to achieve climate targets, especially in retrofitting older properties."

"It's reduced the carbon footprint."

"I'm in favour of the Scottish Government making funds available to housing associations and to owner occupiers to try and reduce the carbon emissions. So whether that's to better insulate properties, or to invest in like ground source heat pumps and things like that, that would be my next move."

A small number loan holders urged for greater promotion of the pilot, believing it could benefit many others.

Queries and wider views on potential improvements to the -pilot

A quarter of respondents described some confusion about the terms of their loan. They queried charges, expressed uncertainty about the current value of their loan and asked if and how they could pay it back early. Those who expressed uncertainty during the about how much they would pay back were contacted and the loan was re-explained to them.

"The only thing that I'm really bothered about it is I don't know how much I would have to pay back. And that kind of niggles at me."

"I still would like an annual statement or a bi-annual - is there somewhere I can go for more information? I saw that it [the loan pilot] was the Scottish Government so I thought that must be a good deal and it was for people that had a disability. I thought that must be very fair but in the back of my mind I'm thinking I jumped into it too quickly."

"It was put in a good while ago, and recently, my mum got an email saying that they wanted proof of receipt and transfer of funds to various parties involved, which was all sent initially after the work was done. And they're saying if they don't receive it in 60 days, they will proceed to recover the funds of the grant. Very worrying for an 80 year old to read that. So I scanned all the documents again, sent them back again. And it has been signed at each office, and we have heard nothing back ... that's a worry she doesn't need."

"One thing was that when it was finally settled and I was told that I was owed an extra £200 for legal costs, that was all supposed to be included in the charge - I contacted the solicitors - they were quite annoyed that there was this extra charge added on. It had been said to me payment had taken so long from the Scottish Government that solicitors had put on a charge - my solicitor said 'do not pay that'. It had been said to me that if wanted that included in the loan they were going to charge nearly the same amount again...I was advised not to do that and not to pay it separately. I am delighted with the work done and the heating and I don't want to complain too much - but there was a hassle."

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 meaning that implementing all of the work needed on a larger property can be difficult to achieve "We got up to the maximum value of the loan but couldn't do all the windows".

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

Conclusions

Over two-thirds of the households who completed works through the Equity Loan pilot took part in the survey. Their responses provide an essential evidence base for the Scottish Government to draw upon when considering the learning from the pilot and deciding any next steps. Reflecting their lived experience, loan holders' feedback spans the range of eligible works, including energy efficiency measures, heat loss reduction measures and repairs that were available through the pilot.

Impacts for loan holders included lower heating bills and more comfortable living conditions. In particular, we highlight the significant rise in the number of respondents who reported that they 'always' felt warm in winter (22% reported 'always' feeling warm in winter before the solutions were installed; this increased to 83% after works completed. Other benefits included having a more reliable hot water source, having a more soundproof home and having damp, dry rot and draughts addressed. Some loan holders described being less stressed about the condition of their homes since taking part in the pilot.

The pilot produced evidence of the demand for equity loans; most loan holders were actively searching for financial support to fund repairs and energy efficiency improvements to their homes when they discovered the pilot. They learned about the pilot through a variety of channels; nearly half became aware through an organisation involved in the pilot; just under a quarter described a word of mouth referral from someone they knew.

Important attributes of the pilot included access to capital, competitive terms, and the professional support provided during the loan application process. On potential improvements to the scheme, loan holders expressed a desire for shorter timescales in the legal processes. Confusion among a small number of loan holders about terms and conditions also indicates that there may be scope to enhance the accessibility and clarity of communication about fees and timescales.

The survey generated limited evidence about the impact of the home Equity Loan pilot on energy-efficiency and carbon emission ratings. Loan holders' awareness of changes to their property's energy efficiency and carbon emission ratings after the works were completed was low; some did not understand these ratings, others had not had their property inspected since taking part in the pilot. However, those who used the Equity Loan to pay for repairs to their property were able to identify improvements in the condition of their home, including making it more wind and watertight.

Overall, the feedback presents clear evidence that the pilot was valued by loan holders. There was a broad acknowledgement of the positive impacts experienced by many households, which, given that two-thirds of loan holders lived with others, extended beyond the loan holders to others they shared their homes with.

Appendix 1: List of eligible measures

- Repairs that reduce heat loss through the building fabric and/or reduce damp or moisture penetration
- Insulation (including the external wall, internal wall, cavity wall, lofts, rooms in roofs, flat roof, underfloor and primary pipework)
- External doors
- 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)
- Gas, oil or LPG boiler
- Biomass boilers and stoves
- Low energy lighting
- Heat pumps (air source, ground source and water source)
- Works that improve water efficiency
- 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)

Appendix 2: Loan holder feedback questionnaire

Section 1: Confirmation of measures installed and composition of household

Q1 Please confirm what measures you installed with the funds from the Equity Loans:
a) Energy efficiency purposes
b) Low emissions heating solution
c) Other (please specify)

Q2 Please quantify how many people in your household fall into these different age groups:
a) Under 15
b) 15-64
c) 65 or older

Q3 How many people in your household are:
a) Full-time workers
b) Part-time workers
c) Unemployed
d) Unable to work for medical reasons
e) Retired
f) Other (please specify)

Section 2: Impact of Equity loan on heating levels and cost

Q4 Before installing your energy efficiency/low emissions heating solutions, in winter, were you staying warm?
a) Always
b) Only sometimes
c) Never

Q5 Since installing your energy efficiency measures, in winter, are you staying warm?
a) Always
b) Only sometimes
c) Never

Q6 Since installing your low emissions heating solutions, in winter, are you staying warm?
a) Always
b) Only sometimes
c) Never

Q7 Since installing the energy efficiency measures, in winter, has your heating Bill reduced in cost?
a) A lot
b) A little
c) Not at all
d) It's more expensive

Q8 Since installing your low emissions heating solutions, in winter, has your heating Bill reduced in cost?
a) A lot
b) A little
c) Not at all
d) It's more expensive

Q9 Do you have any further information that you would like to add?

Q10	Before installing your energy efficiency/low emissions heating solutions, in winter, were you monitoring your home energy use for heat? a) Always b) Only sometimes c) Never
Q11	Since installing your energy efficiency measures, in winter, are you monitoring your home energy use for heat? a) Always b) Only sometimes c) Never
Q12	Since installing your low emissions heating solution, in winter, are you monitoring your home energy use for heat? a) Always b) Only sometimes c) Never
Q13	Do you have any further information that you would like to add?
Section 3: Wellbeing	
Q14	Has your sense of wellbeing increased since you installed your energy efficiency/low emission heating solutions?
Q15	Do you have any further information that you would like to add?
Section 4: Energy Efficiency and Carbon Emission Ratings	
Q16	What were your energy efficiency and carbon emission ratings before the new measures were put in place?
Q17	What were your energy efficiency and carbon emission ratings after the new measures were put in place?
Section 5: Housing Fabric Repairs	
Q18	With the Equity loan, did you perform housing repairs as well as energy efficient/low emission heating measures?
Q19	If yes, what impact have these repairs had on your everyday life?
Section 6: Process	
Q20	How did you find out about the scheme?
Q21	What do you like about the Equity Loan offer?
Q22	What would you improve about the Equity Loan offer?
Q23	What did you think about the applicant journey, from applying to measures installed, what worked well and would could be improved?
Q24	Please provide comments on the Equity loan offer period of 3 months – in general, is this period long enough?
Q25	Do you agree with the percentage split between energy efficiency/low carbon and repairs? Please explain your position.

Q26 How satisfied were you with the support provided by the Home Energy Service? Please explain your position.

Q27 How satisfied were you with the support provided by your Care & Repair officer (if used)? Please explain your position.

Q28 Please provide any further comments you may have your experience of the Equity Loan Pilot Scheme.

Appendix 3: Responses to quantitative questions in the feedback questionnaire

Q1. Please confirm what measures you installed with the funds from the Equity Loans (n=38)

Energy efficiency purposes	29 (76%)
Low emissions heating solution	18 (47%)
Other	4 (11%)

Q4a. Before installing your energy efficiency measures, in winter, were you staying warm? (n=29)

Always	5 (17%)
Only sometimes	13 (45%)
Never	8 (28%)
Don't know	3 (10%)

Q4b. Before installing your low emissions heating solutions, in winter, were you staying warm? (n=18)

Always	4 (22%)
Only sometimes	8 (44%)
Never	6 (33%)

Q5. Since installing your energy efficiency measures, in winter, are you staying warm? (n=29)

Always	21 (72%)
Only sometimes	4 (14%)
Never	1 (3%)
Don't know	3 (10%)

Q6. Since installing your low emissions heating solutions, in winter, are you staying warm? (n=18)

Always	15 (83%)
Only sometimes	2 (11%)
Never	1 (6%)

Q7. Since installing your energy efficiency measures, in winter, has your heating Bill reduced in cost? (n=29)

A lot	6 (21%)
A little	6 (21%)
Not at all	11 (39%)
It's more expensive	0 (0%)
Don't know	6 (21%)

Q8. Since installing your low emissions heating solutions, in winter, has your heating Bill reduced in cost? (n=18)

A lot	6 (33%)
A little	5 (28%)
Not at all	5 (38%)
It's more expensive	0 (0%)
Don't know	2 (11%)

Q10a. Before installing your energy efficiency measures, in winter, were you monitoring your home energy use for heat? (n=29)

Always	9 (31%)
Only sometimes	7 (24%)
Never	12 (41%)
Don't know	1 (3%)

Q10b. Before installing your low emissions heating solutions, in winter, were you monitoring your home energy use for heat? (n=18)

Always	7 (39%)
Only sometimes	4 (22%)
Never	7 (39%)

Q11. Since installing your energy efficiency measures, in winter, are you monitoring your home energy use for heat? (n=29)

Always	8 (28%)
Only sometimes	10 (34%)
Never	10 (34%)
Don't know	1 (3%)

Q12. Since installing your low emissions heating solutions, in winter, are you monitoring your home energy use for heat? (n=18)

Always	7 (39%)
Only sometimes	7 (39%)
Never	4 (22%)



© Crown copyright 2022



This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This report was prepared by The Lines Between Ltd and commissioned by the Energy and Climate Change Directorate.

This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-80435-104-8 (web only)

Published by The Scottish Government, March 2022

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS1032750 (03/22)

W W W . g o v . s c o t