



Glasgow and West of Scotland Forum of Housing Associations

Response to Scottish Government Consultation, “Developing an Energy Efficiency Standard for Social Housing”

1. Introduction

- 1.1 Glasgow and West of Scotland Forum of Housing Associations (GWSF) is a membership organisation for 66 community-controlled housing associations and co-operatives (CCHAs) based in 10 Scottish local authority areas. CCHAs provide decent, affordable housing for nearly 75,000 households in west central Scotland, while also improving the environmental, social and economic well being of their communities.
- 1.2 Our response is in two parts:
- An initial summary of our overall views on the EESSH proposals, and
 - The completed standard questionnaire for the consultation document.
- 1.3 During the consultation period, GWSF held a members’ conference on energy efficiency and fuel poverty issues, including the EESSH proposals. This was attended by more than 60 delegates from almost 40 GWSF member organisations, confirming the high level of interest in the Government’s proposals. Delegates completed a questionnaire summarising their views on the EESSH, and we have referred to the results in our response. Several GWSF members also took part in an information gathering exercise to compare recent EPC ratings with the proposed minimum ratings set out in the EESSH consultation document.

2. Key Issues raised in GWSF’s Response

- 2.1 GWSF supports the Scottish Government’s aims in introducing its EESSH proposals. The proposals provide a framework for continued improvement in the energy efficiency of social housing stock, which already outperforms standards in private rented and owner occupied housing. This remains a key priority for social landlords, given the continued escalation of energy costs and the fuel poverty this perpetuates among our tenants.
- 2.2 Our response raises a number of issues about **the detail of the Standard** as set out in the consultation document. For example:

- The EESSH modelling has been carried out using RdSAP 2005. Ratings produced by our members using more up to date versions have frequently produced reductions in ratings.
- There is concern about applying the same minimum ratings to solid wall tenement properties as to all other types of flats – without clarity about the availability of funding to achieve this, or a framework of standards and regulation that would address the mixed ownership issues frequently encountered with work to tenement buildings.
- The principle of seeking a percentage improvement for non traditional and hard to treat properties is generally accepted, but the 42% target proposed seems to us to be arbitrary and unachievable. Similar issues about where the funding will come from to achieve this level of improvement, as with tenements.
- The Standard should be based on energy efficiency ratings, as well as environmental impact ratings.
- The proposed ratings are in some cases pitched at a level that may be unachievable. For example, a number of our members have provided information about properties that have had a full range of measures fitted and which would not meet the proposed minimum ratings. This has been raised as a particular concern for mid and top floor flats.
- In our recent EESSH member survey, 80% of respondents did not agree with the proposition that exceptions to the Standard would generally not be required. This reflects some of the factors already referred to (tenements and hard to treat properties, lack of co-operation from other owners, no further measures that can be introduced) as well as issues about tenant refusals of measures and the fact that planned improvements such as boiler replacements are already programmed but not affordable by 2020.

2.3 The EESSH proposals also raise a range of **wider strategic and financial issues**.

2.4 We welcome the fact that the Government has sought explicitly to strike a balance between reducing emissions, tackling fuel poverty and financial sustainability. And we support the intention to base the EESSH on individual properties, using the established tool of Energy Performance Certificates. However, we would have strong concerns if the EESSH were to be introduced immediately on a mandatory basis, in isolation from other elements of the Sustainable Housing Strategy which are essential to the EESSH ratings being achievable in many circumstances.

- 2.5 The Sustainable Housing Strategy recognises that a holistic and strategic approach is needed to improve standards across all tenures. Social landlords will only be able to make significant progress in mixed tenure buildings – a major part of our built environment – when we have the right balance of funding, standards and enforcement across all tenures. Without this, the EESSH risks becoming a repeat of the Scottish Housing Quality Standard which has raised standards in social housing, but not in other tenures and/or has disadvantaged tenants of social landlords who live in mixed ownership buildings.
- 2.6 We welcome the plans for a National Retrofit Programme (NRP), and the proposed enhanced role for local authorities. Since the NRP proposals are still being developed, we think the EESSH should be introduced as an integral part of the NRP, rather than in advance and on a stand alone basis.
- 2.7 Major changes in the funding of energy efficiency programmes are taking place at present, with the introduction of ECO and the NRP. Social landlords facing the greatest challenges in improving their stock need to have far greater understanding and certainty about what levels of funding will be available, before new mandatory standards can reasonably be introduced.
- 2.8 Costing of the overall EESSH policy appears to be very limited at this stage, and focuses on indicative costs for specific types of measures rather than on any sector-wide assessment of investment requirements and how these can be met.
- 2.9 This type of costing assessment should be undertaken at a national level, as well as by individual landlords, before the EESSH is finalised. The introduction of the National Retrofit Programme provides obvious opportunities to:
- Assemble co-ordinated information about standards and costs;
 - Identify action to address key constraints such as mixed tenure and expensive to treat properties;
 - Improve access to energy company funding on a simplified and more strategic basis.
- 2.10 The consultation document suggests that the proposed 2020 minimum ratings will largely be achievable without significant additional investment beyond that planned for meeting the SHQS, and that exceptions should not be required to any significant degree.
- 2.11 We recognise that these assumptions may hold good for some social landlords, depending on the profile of their housing stock. The overall picture will, however, be very mixed. Our member questionnaire indicated that 60%

of respondents anticipate difficulties in meeting the Standard with around 80% anticipating that significant levels of exceptions will be needed.

- 2.12 The underlying reasons for these concerns are uncertainties about funding, as well as long-standing issues about how to improve tenements and non traditional properties in a cost-effective way, and how to carry out common and external works in buildings with mixed ownership.
- 2.13 For example, solid wall Victorian tenements are a major part of the Scottish urban built form. There are known and unresolved difficulties with improving the energy efficiency of tenements, but these are not recognised in the EESSH, nor do we have sustainable financial models in place. Similarly, for non traditional properties, we know that there are significant issues relating to what is technically feasible as well as what is cost-effective and fundable – but the EESSH proposals are simply based on assuming that a 42% emissions reduction target is achievable.

3. Conclusions

- 3.1 GWSF supports the introduction of the EESSH. However, there are substantive strategic and financial issues to be resolved, if the proposals are to become a deliverable set of mandatory standards. Unless EESSH moves ahead in tandem with solutions to address these issues, the value of the Standard may be undermined by a need for high levels of exceptions. Or, if a no/low exceptions approach is taken, the introduction of the EESSH could result in many tenants facing substantial rent increases to pay for improvements. This would potentially compound fuel poverty and would be deeply concerning in the present economic climate and with the onset of welfare reform.
- 3.2 The assumptions currently made that the proposed minimum ratings can be achieved without disproportionate cost are not sufficiently evidenced. These aspects of the Standard need to be examined further by both the Scottish Government and individual social landlords. Accordingly, GWSF believes that the EESSH must be finalised and implemented in conjunction with other elements of the Sustainable Housing Strategy, rather than in isolation. The introduction of new mandatory standards for social housing should:
- Be compatible with the more strategic, cross-tenure approach being proposed under the National Retrofit Programme
 - Be based on a more sophisticated understanding of the costs involved, and how these relate to funding available from the energy companies and other sources

- Be better aligned to sustainable solutions for expensive to improve properties and buildings in mixed ownership, to minimise the need for future rent increases or exceptions.

4. Please indicate which category best describes your organisation, if appropriate.

(Tick one only)

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

CONSULTATION QUESTIONS

Question 1: Do you have experience, or know of, social landlords acting as 'pioneers' in addressing energy efficiency?

Yes No

Question 1(a): If 'yes', please provide details, including any web links/contact details you may have.

Comments

Question 2: For landlords, what is the greatest cause of SHQS abeyances in your stock? Is there anything that the Scottish Government could do to assist in reducing abeyances?

We do not have comprehensive information that would answer this question. However, we think that in relation to the energy efficiency element of SHQS, the most significant factors will include:

- The inherent difficulties in external insulation of solid wall tenements
- Lack of tenant agreement to the installation of energy efficiency measures that are internal to the property
- Securing the agreement of other owners to external improvements, particularly outside areas which have been a priority for CERT/CESP funding

The concurrent consultation on the Sustainable Housing Strategy has raised the issue of standards and regulation applicable to owner occupiers and the private rented sector. This would have a major impact in improving standards, although we are concerned that firm proposals on these matters are some way off. We foresee continued difficulties if social landlords owning properties in mixed tenure blocks have mandatory standards to meet by 2020 (ie the EESSH), without the accompanying measures being in place for properties in other ownership.

Owners' attitudes towards their responsibility for repairs to their properties are a significant obstacle, and probably requires attention at a national level through advice/education.

In framing future measures, it is also important for the Scottish Government to be clear about whether works to improve energy efficiency are treated as repairs or improvements.

Question 3: What has been your experience in improving properties in mixed tenure estates?

This has been one of the greatest obstacles for many housing associations seeking to undertake external improvements to their properties, both in traditional tenement neighbourhoods and in estates where mixed ownership is the result of right to buy sales. In traditional tenement neighbourhoods, the presence of commercial properties at ground floor level presents a further obstacle.

Question 3(a): If you have developed solutions to work with owners and/or private sector tenants, please provide details.

The issues of mixed tenure/ownership underline the need for co-ordinated, area-based approaches. These have been more feasible in areas eligible for CERT/CESP funding, and we think that promoting area-based approaches should figure prominently in the design of the National Retrofit Programme (NRP), as described in the draft Sustainable Housing Strategy.

The strategic role proposed for local authorities in relation to the NRP could be extremely valuable in allowing cross-tenure solutions to be put in place. But we repeat our concern that introducing a mandatory standard for a single tenure only (social renting) in advance of the wider package of measures needed is likely to limit what can be achieved in practice by social landlords, until the gaps in the framework are filled.

We think it is vital for the Scottish Government to make rapid progress towards deciding how it may strike the balance of “carrots and sticks” to enforce higher standards across all tenures. The EESSH proposes mandatory standards for social housing only, but it is not yet clear how similar standards could or would be introduced for other tenures.

Social landlords can also play an important role in co-ordinating works to their own stock and to privately owned properties. The National Retrofit Standard should give explicit consideration to questions of co-ordination and delivery – factoring arrangements will not be sufficient by themselves.

Question 4: The Energy Efficiency Standard for Social Housing will directly affect a diverse group of social sector tenants who have individual needs and experiences. In your view, is improving the energy efficiency of social rented housing a priority for tenants?

Yes No

Yes, but improving the energy efficiency of properties is only one part of a much broader picture. The key priority for tenants is how much it costs to

heat their home and whether they can afford to do this. As proposed, the EESSH places the greatest emphasis on reducing carbon emissions.

Physical property standards are already higher in social rented housing than in other tenures, but levels of fuel poverty are unacceptably high. The root causes are the long-term escalation in energy costs and low incomes among social tenants. In this regard, the proposed focus of the EESSH on reducing emissions – while important – is likely to be a lower priority for most tenants than the cost and affordability of heating their own homes.

Question 4(a): If 'yes', are the suggested 'potential benefits' broadly the right ones? Are there any others you would suggest?

Comments

Question 4(b): If no, why is this? How would you suggest we increase tenant awareness of the importance of energy efficiency?

Tenants need information that is meaningful to them and that will allow them to see the direct impact that energy efficiency measures and energy usage will have on their own financial circumstances.

The consultation document proposes that social landlords should have a duty to encourage tenants to reduce their energy consumption, by providing general basic advice and information about how to use energy efficiency measures that have been installed. We agree that this is good practice, and a large number of social landlords provide such advice to tenants either directly or in conjunction with community-based partners and other specialist agencies.

However, we are not sure if the consultation document is proposing a formal legal duty for social landlords. No such duties are proposed for the private rented sector. The creation of a formal legal duty is not in our view required, because it would imply that social landlords have a lead role – whereas effective energy advice typically involves a range of involve a services/partners.

In our view, a holistic approach is needed so that residents in all tenures have access to free, specialist energy advice.

Access to high quality energy advice delivered in tenants' homes and communities is essential, and needs to be "mainstreamed" in terms of funding and availability.

In the present financial climate, it is unrealistic to expect that social

landlords will be able to provide the full range of advice that is needed. For example, services relating to fuel poverty are no longer an explicit priority under the People and Communities Fund.

Question 5: Do you consider any particular equality groups will be at significant risk as a result of this new policy? If so, please outline what measures you consider appropriate to minimise risk.

Comments

Question 6: Do you think the implementation of the Standard will cause an undue financial burden on any particular equality group? If so, we would welcome your views on what action could be taken to minimise that burden.

Our main concern is that the Standard may result in adverse and unequal outcomes for tenants, if their landlords have to significantly increase rent levels to meet the Standard.

This will depend on the profile of each landlord's stock - for example, older tenement properties, non-traditional properties, electrically-heated properties, properties in conservation areas will all involve much higher levels of investment. It will also depend on what levels of funding are available in future from the energy companies, which is a major unknown.

In a recent survey of GWSF members regarding the EESSH proposals, 50% of respondents indicated that their initial view was that real terms rent increases would be needed to achieve the Standard across all of their stock. In introducing the Standard, the Government should be aware that it has the potential to increase rather than alleviate fuel poverty, if landlords have to increase the rents of tenants on low incomes to fund the investment required.

These risks would be reduced by making Government funding available to subsidise more expensive improvements, for example hard to treat properties and pre-1919 tenements.

Question 7: What else would you suggest to help tenants better manage their energy consumption?

Energy consumption, and therefore costs, are extremely difficult for most people to understand. The proposed roll-out of smart meters across the UK has the potential to improve this, but only if it is supported by access to one to one information and advice delivered in tenants' homes and communities.

Question 8: Do you think that example case studies will be helpful or unhelpful in taking forward the Standard?

Helpful Unhelpful

The case studies are a useful starting point in highlighting the measures that are most likely to produce significant savings in energy costs for tenants although as noted the costs and feasibility of different measures will be highly variable in practice.

If you think they are helpful:

Question 8 (a): Are these the right range of dwelling types to be represented as case studies? Yes No

Members have raised a number of questions/concerns around the list of dwelling types:

- Maisonettes are not included
- No distinction is made between ground floor flats with gable ends (three exposed areas) and those without gables
- 4 in a block properties (3 exposed areas) are included in the case studies, but not end terraced properties

Question 8 (b): Are there any other types (including hard to treat) that you would like to be included as a case study? Yes No

Question 8 (c): If yes please state type and say why you think they should be included?

Multi storey flats, no fines construction

Question 9: What are your views on using the SAP/RdSAP methodology for regulating energy performance in the social rented sector?

On balance, we agree that RdSAP is an appropriate methodology, since it is already in use across the housing sector.

However, we think there are a number of caveats that need to be entered in using RdSAP as the basis for an absolute (ie pass/fail) standard:

- As with other tools, RdSAP is theoretical and provides estimates rather than absolute measures of energy consumption, running costs, emissions etc
- It incorporates a range of assumptions
- There is evidence that some particular measures (eg loft and wall insulation, boilers, photovoltaics) score highly in terms of RdSAP

- Conversely, it is extremely difficult for some energy/building characteristics to score highly (eg flats with solid wall construction, flat roof properties, detached properties)

A number of GWSF members have said that the sample ratings stated in the Consultation Document may be too high, because the modeling was carried out using RdSAP 2005. Their experience of using the updated version of RdSAP is that it has resulted in significant reductions in EPC ratings for a range of house types – including mid and top floor flats and 4 in a block cottage flats. These issues have arisen with both new build and refurbished properties, where a full range of energy efficiency improvements have been introduced including cavity fill, loft insulation and replacement heating/boilers.

We note that the Government's peer review process will use the latest version of the RdSAP and we will be interested to learn whether this confirms the experience reported by our members. If so, the effects would mean that the initial assessment landlords have carried out in relation to the proposed 2020 Standard will need to be revisited, it may also require reappraisal of some of the minimum future ratings that are currently proposed.

Following the introduction of the latest RdSAP, landlords may hold EPC data based on three different versions of RdSAP. This will create practical issues in identifying how all properties compare with the proposed standard.

At a practical level, landlords will incur additional costs in having EPCs carried out for all of their individual properties, not just those which become void, for the purposes of the 2020 Standard.

Question 10: Do the 'Baseline: 1990 Measures' accurately reflect the energy efficiency performance of dwellings at that time?

Yes No

If not, please provide details.

It is unlikely that the 1990 baseline will be accurate, since it is based on an assessment of "typical" conditions for a wide range of dwelling types more than 20 years ago. We are not sure how this can be established, since the presence of features such as central heating and double glazing will have been very mixed at that time.

Question 11: Are the suggested improvements in the ‘Further Measures’ and ‘Advanced Measures’ columns of the case studies realistic and feasible?

Yes No

Question 11 (a): Please provide further explanation of any measures that you think should not be included within the modelled case studies.

Comments

Question 11 (b): Please provide further explanation of any measures not currently included in the case study modelling that you would like to see included?

Insulation measures for solid wall tenements and non traditional housing

Question 12: Taking into account the factors outlined in paragraphs 6.5 and 6.6 of the consultation document, do you agree that establishing a minimum Environmental Impact rating for the main dwelling types is the most practicable format for the standard?

Yes No

If not, please explain why.

While recognising the importance of reducing carbon reductions, the feedback from our members is that the Standard should cover energy efficiency as well as environmental impact.

In GWSF’s recent member survey on the EESSH, fewer than 10% of respondents supported the Standard being based on the environmental impact rating only, with more than 90% in favour of the energy efficiency rating being an explicit part of the Standard.

The primary concern of tenants is that they should be able to heat their homes at an affordable cost, rather than carbon emissions. Tenants are also likely to find the energy efficiency rating more meaningful.

Question 13: If you think that the standard should be a minimum Environmental Impact rating, do you think that there should also be a safeguard that the dwelling’s *current* Energy Efficiency rating should not reduce?

Yes No

This is an essential safeguard – but as stated in the response to the previous question, we would prefer the energy efficiency rating to be an explicit part of the Standard.

Without this, there is a risk that the selection of energy efficiency measures may be driven primarily by what will improve environmental impact ratings, rather than what will result in the greatest level of savings for tenants or what will prove most cost-effective within the resources available to landlords.

As stated earlier in our response, it is essential that real-terms increases in rent levels to pay for energy efficiency measures are avoided unless absolutely essential.

Question 14: In assessing your stock against the proposal for a new standard for social housing, do you foresee any significant challenges in obtaining individual property details across your stock?

Yes No

If yes, please explain why.

Comments

Question 15: Do you think that the ratings at paragraph 6.7 of the consultation document are suitably challenging?

If not, please give explanations why not and suggest more suitable ratings.

Yes No

The answer to this question will vary depending on the composition of house and heating types in individual landlords' stock and on other factors, notably the ownership pattern within their stock.

Our recent member survey on the EESSH proposals indicated that around 90% of respondents were opposed to ratings being set at more challenging, mandatory levels. Around 60% of the survey respondents felt that meeting the proposed 2020 ratings would give their organisations some or significant difficulty.

The reasons given included the following:

- Mixed tenure and the lack of leverage to secure other owners' participation in common works

- Hard to treat housing
- Unable to meet the proposed ratings for mid floor flats where no further insulation etc can be introduced
- Stock consists mainly of pre-1919 tenement flats
- Installation of A rated boilers across our stock is underway but will not have been completed for all properties by 2020
- Proposed ratings are already achieved for most of our properties – but we have limited options for some property types within our stock
- Around 50% of our stock is of non traditional, no fines construction
- We work in a conservation area – measures to meet the Standard there would not be affordable or cost-effective
- Proposed ratings for mid and top floor flats are too high. Some properties would fail the Standard by only a few points but there is no other work that can be done to further increase ratings (eg they already have cavity wall insulation, full loft insulation, condensing combi boilers and low energy lighting throughout)
- Access issues for fuel switching
- Tenant refusal of measures

A more detailed information gathering exercise completed by 6 GWSF members during the consultation period confirms that the proposed ratings will be extremely challenging to achieve for some landlords.

The exercise involved the landlords providing typical EPC ratings for different house/heating types, for comparison with the proposed EESSH minimum ratings. Conclusions from the exercise include the following:

Properties heated by gas

- Meeting the proposed ratings will be most problematic for flats, particularly pre-1919 flats
- While ratings shortfalls were lower, some landlords also reported that post 1919 flats which have had full modernisation and energy efficiency upgrades also fall short of the ratings in some cases. This also applied to some new build properties
- Lower ratings were also reported for ground floor flats with gables and for mid floor flats

Properties heated by electricity

- Shortfalls between current EPC ratings and the proposed EESSH

ratings were far more pronounced for properties with electric heating

- Overall, 9 out of 14 house types covered by the exercise were below the EESSH minimum ratings for both environmental impact and energy efficiency, and the extent of the shortfalls was generally much higher than for properties with gas heating.
- There was some evidence of fuel switching initiatives for electrically-heated properties, but this was not always a feasible option.

The proposed minimum ratings appear to be very challenging for flats in particular – the new standard is significantly higher than SHQS.

This leads us to question the statement in the consultation document that “the proposed ratings are achievable without significant additional investment beyond the SHQS”.

Feedback from GWSF members suggests that this will vary greatly between landlords, depending on the composition of their housing stock and what additional measures are cost-effective and practicable, for example for flats of all types, non traditional properties, and pre-1919 tenements.

Taking account of all of the above, it is essential that the application of the Standard should be based on the principles of reasonableness and proportionality – recognising that despite landlords’ best endeavours, there will be circumstances where meeting the minimum ratings may not be cost-effective or feasible.

Question 16: Do you think the suggested energy efficiency rating for electrically heated detached homes and bungalows undermines the SHQS? Please explain your choice.

Yes No

We are not sure why a particular exception should be made for one particular house/heating type when it is clear that other dwelling types such as tenement flats also face significant constraints.

More generally, we would like to see further discussion around the proposed ratings for electrically heated homes.

On the one hand, it seems clear that people on low incomes living in electrically heated homes are more at risk of fuel poverty and that properties are harder to bring up to the minimum ratings. On the other, it is extremely difficult to predict long-term energy costs and whether gas supply will continue to be available at an affordable cost in the long-term.

Question 17: What are your views on whether all social rented dwellings should be heated by gas, electricity or renewable heat sources by 2030?

We think this is a legitimate aspiration for social rented homes in urban areas, although as already noted this needs to be qualified by the uncertainties about long-term trends in energy costs.

We are also aware that that large-scale expansion of electricity generation by renewable sources could change current perceptions that gas heating produces lower levels of emissions than electricity.

Question 18: Do you think that either of the options set aside ('Establish a set of measures that all homes would be required to meet' OR 'Set a minimum percentage reduction in emissions for each of the different dwelling types') should be reconsidered?

Yes No

If yes, please explain which option you prefer and why.

Comments

Question 19: Do you agree that the standard should apply to all individual homes and not be aggregated across a landlord's stock? Is this practicable?

Yes, we agree with this aspect of the proposals since:

- It is likely to be the most equitable and effective in addressing fuel poverty
- The process of measurement through Energy Performance Certificates is already established.

Question 20: Paragraph 6.14 in the consultation document suggests a way of dealing with those more unusual properties that are harder or more expensive to treat. The approach is to use the 1990 base assumptions to record a baseline for each individual dwelling and then to calculate a set percentage reduction to identify a required improvement. Do you agree that this approach to **unusual dwellings could offer a reasonable way forward for applying a standard to these dwellings?**

Yes No

We agree with the principle of seeking a percentage improvement for hard to treat properties, rather than the use of minimum ratings. However, we do not agree that a **set percentage reduction** is appropriate. Identifying technical solutions that are feasible, cost effective, fundable and which

reduce costs to tenants is too complex and too variable an undertaking to lend itself to a set percentage approach that should apply in every case.

Question 20(a): Do you agree that the percentage reduction for **unusual dwellings should correspond to Climate Change targets and be set at 42%?**

Yes No

If not, at what level do you think the reduction for unusual dwelling should be set that will be achievable but provide a meaningful contribution to the improved energy efficiency of social rented housing?

As described in our response to the previous question, we do not think that setting a standard percentage in such cases is feasible or appropriate. Non traditional housing is likely to require individual solutions which will typically be more expensive.

It would be more appropriate for the Standard to require landlords to devise improvement strategies that maximise the percentage reduction that can be achieved. Setting the target reduction at 42% has no reasonable basis, other than the targets set out in the climate change legislation.

Question 21: Do you think that there should be exceptions to the proposed energy efficiency standard? If so, how should they be treated?

Yes No

Around 80% of respondents to our recent member survey on the EESSH expressed the view that allowance will need to be made for exceptions to the minimum ratings proposed in the consultation document.

As already noted, there are many circumstances where despite landlords' best endeavours it may not be possible to meet the minimum ratings, for example:

- Improvement measures have already been introduced
- Lack of co-operation from other owners
- Tenant refusal to co-operate
- Listed buildings/properties in conservation areas
- Funding does not allow planned improvements to be brought forward

Since the Standard is based on ratings for individual properties, it is important that the system for dealing with exceptions does not place undue burdens on either landlords of the Scottish Government.

We would like to see the Scottish Government setting broad criteria for

exceptions, which allow social landlords flexibility to decide what is reasonable in their own particular circumstances.

Question 22: Are there any other relevant sources of funding that can help social landlords improve the energy efficiency of their stock?

There are a multiplicity of funding sources for energy efficiency works, which complicates and confuses access. We would hope that the role of local authorities under the proposed National Retrofit Programme can simplify the funding landscape and improve co-ordination.

We support the case made by the Existing Homes Alliance that current programmes promoted by the UK and Scottish Governments leave a significant funding gap in relation to meeting the proposed 2020 targets. Addressing this issue is a vital part of making the EESSH achievable, as well as the wider Sustainable Housing Strategy.

Question 23: Given the range of financial assistance available to landlords, do you agree that the standard can be achieved without disproportionate cost? If not, please explain why.

Yes No

We welcome the fact that the Scottish Government has placed affordability/fundability at the heart of its thinking. But we do not think conclusions are possible on this issue, based on the available evidence. Given the concerns and uncertainties that exist in relation to funding, we think it is essential that the EESSH policy needs to be costed, both by individual landlords and by the Scottish Government at an overall level. This must surely be a key priority for the development of a credible National Retrofit Programme.

Feedback from our member survey indicated that the majority of respondents foresee some or significant difficulties in meeting the proposed minimum ratings. And that around half think that real terms rent increases would be needed to meet the Standard. This is a deeply worrying prospect in the present economic climate and with the onset of the UK Government's welfare reform measures.

In reality, much will depend on what levels of funding social landlords are able to achieve in practice from the new Energy Company Obligation, but this is currently at a very early stage.

Much will also depend on how the Government chooses to apply the

Standard, in relation to property types which can only reach the Standard at disproportionate cost.

In terms of what action can be taken directly in Scotland, we think the Scottish Government has a vital leadership and funding role to play in ensuring that access to personalised energy advice services is maximised.

Question 24: We see an opportunity to advance gender equality in the creation of jobs to undertake the retrofitting works in industries that have traditionally been male-dominated. Your views on how we can maximise gender equality in job creation would be welcome.

We support this aim, and suggest that methods such as modern apprenticeships, community benefits clauses and direct working with the construction industry on issues such as employment contract conditions could all contribute to the desired outcome.

Community organisations, including housing associations, also have the potential to promote employment opportunities, for example through the work they carry out in schools and through social enterprise activities.

Question 25: Are there any other data sources you could suggest to monitor the proposed energy efficiency standard?

No response

Question 26: Would you welcome the Scottish Housing Regulator (SHR) monitoring the proposed standard both in the interim period and longer-term or would you prefer an alternative body to carry out this role? If so, who and how?

Yes No

We agree that high level reporting on EESSH progress could usefully be carried out as part of landlords' annual reports to SHR. Beyond this, we are not sure that the SHR has either the resources or the specialist expertise to assess the results reported by landlords or the need for exceptions or abeyances.

Question 27: Are there any other costs associated with monitoring landlords' progress towards the energy efficiency standard?

Yes No

Currently, landlords are only required to produce an EPC following a change of tenancy. The introduction of the Standard would mean that

EPCs need to be produced for every individual property by 2020, and that this would need to be repeated after new energy efficiency measures are carried out.

Landlords will also incur a range of other costs – for example, in seeking energy company funding and in developing systems for recording and reporting against the EESSH targets.

Question 28: Should there be regular milestones to measure progress towards 2050? If so, what dates would you suggest?

Yes No

Given the challenges involved in meeting the proposed 2020 targets, we suggest that the Scottish Government's focus should be on those targets initially.

Question 29: Do you agree that setting the longer-term milestones should be deferred until progress towards 2020 can be reviewed?

Yes No

Comments

Question 30: Do you consider there to be any further opportunities within the Energy Efficiency Standard for Social Housing to promote equality issues. If so, please outline what action you would like us to take.

Social housing is occupied to a high degree by households on low incomes and by older people. It would be appropriate for the Government to give more explicit consideration to the impacts that the proposed EESSH policy will have on these population groups.