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1st October 2012

Angus Macleod
Housing Sustainability
Scottish Government
Highlander House
58 Waterloo St
Glasgow
G2 7DA

Dear Angus,

Re: Developing and Energy Efficiency Standard for Social Housing

Please find enclosed our organisation's response to the consultation for the new efficiency standard for social housing. I trust that this will prove of interest and look forward to supporting the further development of the standard in the coming months.

In the meantime, please accept my very best wishes.

Kind regards,



Nicholas Clark,
Business Development Manager

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INVESTORS IN PEOPLE

Ore Valley Housing Association is a Registered Social Landlord with Charitable Status
Financial Services Authority Reg. No. 2382 R(s); Scottish Housing Regulator Reg. No. HCB 236
Registered Office 114-116 Station Road Cardenden Fife KY5 0BW
Scottish Charity Number SC 031773

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 checked="" 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 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

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

OVHA itself has been involved in a number of large energy efficiency projects including the current development of a 4.5MW combined heat and power scheme and community wind turbine project. Further details can be found on our website at <http://www.orevalleyha.org.uk/energy.html>.

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

In OVHA's case it is central heating that is the biggest cause, hence our development of our combined heat and power project.

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

We have had problems in progressing 4-in-a-block flats where a private homeowner has blocked refurbishment works. Fortunately we have a limited number of properties (flats) which would require owner consent before we can proceed with essential works.

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

The Property Factors (Scotland) Act 2011 means that RSLs will need to register as property factors (as defined in Section 2 of the act) and they will be legally required to ensure compliance with a minimum standards of practice. This may have a role to play in helping further development works.

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 – a quality comfortable and efficient home is the primary service social landlords can provide to their tenants. Energy efficient homes contribute considerably to the sustainability of tenancies and, as a by-product, the financial viability of social landlords. However, tenants may not notice that their home is energy efficient per se but would certainly do so if it was not.

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

Raising the awareness amongst tenants of the need for them to heat their homes more effectively to then maximise the efficiency measures within the property has to become a priority for all housing providers. Education will therefore need to be a key element of the Standard.

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

N/A

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.

Obviously those tenants who have specific care needs, large families or require assistance are likely to be deemed as at risk, especially if their homes require the installation of efficiency measures that may cause disruption to their daily lives.

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.

There will always be a minority that will struggle to adjust to new systems such as smart meters. Many prefer the monthly/weekly bill option and controlling their budget directly. Smart meters may be too much of a 'change' for certain groups, especially the elderly. A Government-backed education/awareness campaign would need to align with the installation works.

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

The in-home displays will definitely help and access to online controls and data would also assist. The pervasion of mobile devices is also a medium that should be considered to enable tenants to get better information on their utility usage.

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

Helpful Unhelpful

Yes

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

Yes

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?

N/A

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

SAP is fine.

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.

Yes

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

Yes No

Yes

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

N/A

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?

As stated previously OVHA is developing a community combined heat and power project that will see over two-thirds of our stock benefit from cheaper, greener heating as a result. How the benefits of this would reflect in respect of the EESfSH is unclear as SAP does not capture the broader benefits of such a community CHP scheme, only the heat related element within the

properties themselves. Even micro-CHP within a solitary home is not correctly reflected in SAP.

It is widely accepted that eventually the retrofit installation of efficiency measures will hit a limit where no further carbon savings can be liberated from the building fabric alone and focus will turn to decarbonising the grid rather than the end user's premises.

Such schemes will take many years to come to fruition and there will be little incentive for social housing providers to adopt such advanced approaches if the benefit is not captured in the applicable housing standard that their homes will be assessed by. Future standards may but this current iteration may not. Further consideration of the CHP factor can be found here: <http://carbonlimited.org/2007/11/19/sap-and-chp-a-dangerous-muddle/>.

Argument could be made that the financial benefits of renewable energy schemes could be used to deliver efficiency improvements within RSL properties through more traditional means such as physical measures but schemes such as our own may not deliver significant financial returns, choosing instead to address fuel poverty by keeping costs to tenants lower, thereby reducing available profit levels.

Our suggestion is that it would be prudent to have some element of credit attributed where associations take such a large approach to reducing carbon within their housing stock. One suggested approach may be to permit the equal distribution of the certified annual carbon saving from the project across all of the RSLs stock or at the very least those that will be connected to the CHP scheme.

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.

Agree

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

Agree

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.

No – full stock condition survey completed in June 2012

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

Yes - the standards should reflect the current position on the journey to zero carbon homes and act as a driver towards this ultimate target.

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

Yes – all properties should be targeted to ensure they contribute towards the target. E ratings as targets is not particularly aspirational.

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

This target seems too lax and not challenging enough. It should not be acceptable that socially rented homes can be heated by solid fuel heating systems seventeen years from now.

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.

No – both are acceptable approaches.

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 but an aggregated approach would give landlord's the flexibility to

secure the carbon savings in the most effective way. Ultimately the intention of the standard is to reduce the total amount of carbon emissions from housing stock – therefore an aggregated approach would still have the same net result but would not deliver an equitable benefit to the tenant.

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

Agree

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?

Agree

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

Yes but they should be strictly assessed and adhered to.

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

No comment

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

It remains to be seen how ECO (and its other elements) and Green Deal will apply to social housing and if sufficient financial power can be liberated for Scottish landlords either as a result of competition for funding or the fact

that efficiency measures do not generate a sufficient level of return.

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.

No comment

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

The HEED database has always been a good source of information but perhaps some form of portal whereby EPC data can be uploaded by RSLs themselves on an on-going basis would be useful. With RSLs needing to conduct an EPC assessment each time a property is re-let, there would be a good churn of data to fold in to the database.

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

No comment

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

Yes No

This will depend on the degree of monitoring applied to this approach. Collating data is one thing but site visits to inspect works carried out will be more expensive.

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

Yes No

With EESfSH scheduled to run until 2020, perhaps intermediate targets for 2030 and 2040 would be useful.

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

Yes No !

Yes but it may be too late to achieve the required standard by then.

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.

No comment