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Consultation on Scotland's Energy Efficiency Programme: Analysis of Responses: November 2017



BUSINESS AND ENERGY



Analysis of responses to the Consultation on Scotland's Energy Efficiency Programme (SEEP)

Why Research, November 2017

Acknowledgments

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Executive Summary

Introduction

1. The Scottish Government consultation on Scotland's Energy Efficiency Programme (SEEP) was one of four consultations in relation to the energy sector published by the Scottish Government in January 2017:
 - Consultation on a draft Energy Strategy.
 - Consultation on a draft Onshore Wind Policy Statement.
 - Consultation on Scotland's Energy Efficiency Programme (SEEP).
 - Consultation on Local Heat and Energy Efficiency Strategies and District Heat Regulation (LHEES).
2. This report focuses on Scotland's Energy Efficiency Programme (SEEP) only. Separate reports have been prepared on each of the other consultations. Why Research has produced four of the five reports for the Scottish Government.
3. The consultation document on Scotland's Energy Efficiency Programme (SEEP) set out the long-term vision for Scotland's building stock and looked at different options for programme and policy design to deliver the vision.
4. The consultation asked 27 questions and covered a range of issues including:
 - the vision, aims and objectives of SEEP
 - the role of regulation, standards and financial incentives
 - appropriate levels and sources of funding
 - the provision of advice, information and consumer protection
 - how to establish and sustain local supply chains and trusted delivery agents
 - the balance of local and national responsibilities, and programme delivery
5. The consultation ran from 24 January until 30 May 2017. The findings from analysis of responses to the consultation will be used to inform policy decisions on the overall design and operation of SEEP.
6. The following paragraphs summarise the main points arising at each of the questions posed in relation to the consultation document.

Respondent Profile

- 104 organisations and individuals, from the following respondent sub groups, submitted a response to the consultation:

	Respondent Groups
	Number
Academia / Research / Training	8
Building / Insulation	18
Energy Industry	20
Housing	6
Local Government	18
Public Sector / Delivery Agency / Regulator	6
Third Sector / NGO	14
Other organisations	4
Total organisations	94
Individuals	10
Total respondents	104

Main Findings

- The following paragraphs provide a summary of the main themes and those occurring most frequently in relation to the questions posed in the consultation.

Situation report – the current landscape

- Respondents commented on the importance of local authority involvement, delivery and partnership working. The approach taken in the Home Energy Efficiency Programme: Area-Based Schemes (HEEPS: ABS) was supported by many respondents.
- Funding was another key theme with respondents welcoming schemes providing interest-free loans and grants. Respondents also identified the provision of support, advice and information from some specific schemes such as Home Energy Scotland as working well.
- However, respondents commented that the number and complexity of schemes on offer can create a confusing and challenging delivery landscape, particularly where schemes do not align. Availability and length of funding were seen as issues, with comments that short funding timescales can make both planning and delivery difficult. Respondents also highlighted

potential issues around capacity, especially at local authority level, to deliver SEEP.

4. Respondents also focussed on the need for quality and quality assurance in relation to installations. This included a need for clear quality guidelines and independent quality assurance to ensure quality is not compromised as the number of installations increase.
5. A number of points were raised in relation to consumers, including that there is a need to raise awareness of the aims of SEEP, the schemes and support available as well as a need to ensure consumers are adequately protected.

Aims and objectives of SEEP

6. Overall respondents welcomed the aims, objectives and vision of the programme. In considering how best Scotland can meet these, respondents suggested a focus on energy efficiency, particularly given its importance as a driver in reducing fuel poverty. The need to address fuel poverty was a key and recurring theme throughout responses.
7. In terms of prioritisation respondents suggested targeting of fuel poor households, existing buildings, or the least efficient buildings first.
8. In relation to milestones and targets, respondents commented that final targets need to be long-term to enable planning and allow for market and behaviour change. Respondents also stressed that targets should be realistic and achievable and should take into account, or be aligned with, targets and policies in other areas. Respondents also emphasised the need for local delivery and flexibility to meet national targets.

Scenarios

9. The consultation acknowledges that there are many different routes to achieving the vision and presented a series of potential policy and delivery scenarios.

The role of regulation, standards and financial incentives

10. Looking at regulation, standards and financial incentives, respondents commented on the need to apply the same standards to privately rented and owned homes as apply to the social sector.
11. The need for targets to address fuel poverty also featured strongly. Respondents also wanted to see clear and long term standards and regulations as they felt changes can lead to lack of confidence for both investors and consumers.
12. The main trigger points identified by respondents were: point of sale; the start of a lease; and/or major renovations. Although respondents noted that these would not capture all buildings and suggested that others would need to be identified.

13. In relation to the benefits of using financial and fiscal incentives to support energy efficiency, a main theme in responses was that of the need for a carrot and stick approach that uses both incentives and disincentives. Respondents discussed the use of grants, low cost or interest free loans and tax incentives. Views on the use of council tax and non-domestic rates as an incentive were mixed. Some respondents suggested these are an effective way to incentivise property owners, while others note the challenges of using local taxes.
14. Energy Performance Certificates (EPCs) were identified as a good approach to assessing energy efficiency, although some disagreed noting concerns with the underlying methodologies.

The appropriate levels and sources of funding

15. Funding for the installation of energy efficiency improvements and lower carbon heat supply again attracted comments on the need to ensure that those facing fuel poverty took precedence in receiving grants. Views on how the able-to-pay sector should be supported were mixed, although many respondents suggested they should have access to low cost loans. The need to incentivise the able-to-pay sector was also highlighted, particularly given low-levels of engagement in recent years.
16. Building the market and building confidence in the market was seen as necessary in encouraging private investment in energy efficiency and heat decarbonisation. Respondents suggest that this should be done through the creation of a stable and long-term policy framework. Ensuring quality was also mentioned as was the need for long term funding; clear communication; and robust standards and regulation.

The provision of advice, information and consumer protection

17. Respondents suggested that advice and information needs to be well known, trusted, independent and impartial. Many referred to the good track record that Home Energy Scotland has, suggesting that it should be continued and built upon. Another main theme raised by respondents was the need for advice to be tailored to the individual, rather than generic, and preferably delivered face-to-face. Many also thought that behaviour change should be included in the advice.
18. Smart meters were seen as a good first step in engaging consumers and enabling them to understand their energy usage. Some respondents saw benefits in linking SEEP to smart meter delivery, however others commented that rollout timescales and capacity of the smart meter programme could limit the links that can be made.
19. The need for local authority-led schemes emerged in responses to the question of how SEEP can be designed and promoted to build consumer confidence; respondents said that this should be coupled with national leadership.

20. Another main theme was the need for robust consumer protection measures, including redress. Respondents suggested that robust standards would be needed with quality assurance and accreditation and including quality marks. A small number suggested an independent watchdog or regulatory body would be required.
21. Respondents wanted to see the proposals from Each Home Counts adapted to the Scottish context and built upon, in particular the quality mark, consumer charter, code of conduct and code of practice.

The establishment and sustainability of local supply chains and trusted delivery agents

22. The need for long term programming and funding and for clear targets to provide certainty and market confidence were mentioned as key to expanding and upskilling local supply chains.
23. In addition, respondents noted that companies would want certainty around funding and a clear pipeline of work to encourage them to invest in training.
24. There were calls to involve the appropriate professional bodies in the design and delivery of training courses as well as in the design and oversight of SEEP. Respondents also noted the need to ensure that smaller organisations can participate and cautioned that the cost of accreditation can act as a barrier.
25. The main benefits mentioned in relation to the benefit to communities of the expected job creation were the benefits for local areas, people and businesses and of increased employment and stable jobs.

The nature of programme delivery

26. Looking at the roles that national and local bodies can play, respondents identified the need for a national scheme, with national leadership, promotion, targets, milestones and timescales, but with this delivered locally and tailored to suit local circumstances. Respondents agreed that standards should be set nationally but delivered locally, akin to those seen in HEEPS.
27. While respondents felt that area based schemes have been shown to work successfully, views were mixed on the relative benefits of area-based schemes as against those targeted at particular sectors or tenures. Many respondents shared the view that a programme combining both area- and sector- based delivery would be needed.

The balance between local and national responsibilities

28. In relation to the overall balance between national and local target setting, respondents commented on the need for a national scheme, with national targets, to be delivered locally with local flexibility in order to meet local needs.

29. Respondents felt that a good governance structure is needed to oversee any framework of responsibilities between national and local government. Many respondents suggest that there should be an independent national body with responsibility for strategic oversight and delivery of SEEP.

Monitoring and review

30. Respondents stressed the need for effective and on-going monitoring of SEEP to inform and improve its delivery. Several respondents commented on the need for real, rather than modelled data, to be used as part of a monitoring framework to ensure that the Programme is effectively monitored and evaluated. Respondents suggested outcomes and wider benefits should be monitored as well as outputs, and commented that there should be clear reporting criteria.

Introduction

Background

31. The Scottish Government consultation on Scotland's Energy Efficiency Programme (SEEP) was one of four consultations in relation to the energy sector published by the Scottish Government in January 2017:
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 - Consultation on a draft Onshore Wind Policy Statement.
 - Consultation on Scotland's Energy Efficiency Programme (SEEP).
 - Consultation on Local Heat and Energy Efficiency Strategies and District Heat Regulation (LHEES).
32. This report focuses on Scotland's Energy Efficiency programme (SEEP) only. Separate reports have been prepared on the other consultations. Why Research has produced four of the five reports.
33. The consultation document on Scotland's Energy Efficiency Programme (SEEP) set out the long-vision for Scotland's building stock and looked at different options for programme and policy design to deliver the vision.
34. The consultation asked 27 questions and covered a range of issues including:
 - the vision, aims and objectives of SEEP
 - the role of regulation, standards and financial incentives
 - appropriate levels and sources of funding
 - the provision of advice, information and consumer protection
 - how to establish and sustain local supply chains and trusted delivery agents
 - the balance of local and national responsibilities, and programme delivery
35. The consultation ran from 24 January until 30 May 2017. The findings from analysis of responses to the consultation will be used to inform policy decisions on the overall design and operation of SEEP.

Respondent Profile

36. There were 104 responses to the consultation: 94 from organisations and 10 from individuals. Respondents were assigned to respondent groupings in order to enable analysis of any differences or commonalities across or within the various different types of organisations and individuals that responded.

37. A list of all those organisations that submitted a response to the consultation and agreed to have their name published is included in Appendix 1. The following table shows the numbers of responses in each analysis group.

Respondent Groups	
	Number
Academia / Research / Training	8
Building / Insulation	18
Energy Industry	20
Housing	6
Local Government	18
Public Sector / Delivery Agency / Regulator	6
Third Sector / NGO	14
Other organisations	4
Total organisations	94
Individuals	10
Total respondents	104

Methodology

38. Responses to the consultation were submitted using the Scottish Government consultation platform Citizen Space or by email or hard copy.
39. It should be borne in mind that the number responding at each question is not always the same as the number presented in the respondent group table. This is because not all respondents addressed all questions; some commented only on those questions or sections of relevance to their organisation, sector or field of interest. The report indicates the number that commented at each question.
40. Some respondents did not use the consultation questionnaire and, instead, presented their views in a report or letter format. Wherever possible, researchers assigned relevant sections of these documents to the relevant questions in order that all comments on similar issues could be analysed together.
41. Comments made by respondents were examined and the range of issues mentioned in responses were noted; including reasons for opinions, specific examples or explanations, alternative suggestions or other related comments. Grouping these issues together into similar themes allowed the researchers to identify whether any theme was specific to any respondent sub-group or groups.

42. Wherever a particular comment came from respondents in one or two specific sub-groups, this has been highlighted. Where no sub-groups are mentioned, it can be assumed that the comment was noted in responses from several different groups. When looking at group differences however, it must be also borne in mind that where a specific opinion has been identified in relation to a particular group or groups, this does not indicate that other groups did not share this opinion, but rather that they simply did not comment on that particular point.
43. When referring to respondents who made particular comments, the terms 'a small number', 'several' and so on have been used. While the analysis was qualitative in nature, as the questionnaire did not include any quantifiable questions, as a very general rule of thumb it can be assumed that: 'a small number' indicates fewer than 10 respondents; 'several' indicates around 10 to 20; and 'many' indicates over 20 but fewer than half of those who commented at any question.
44. While the consultation gave all who wished to comment an opportunity to do so, given the self-selecting nature of this type of exercise, any figures quoted here cannot be extrapolated to a wider population outwith the respondent sample.
45. The views presented in this analysis have not been vetted in any way for factual accuracy. The opinions and comments submitted to the consultation may be based on fact or may, indeed, be based on what respondents perceive to be accurate, but which others may interpret differently. It is important for the analysis to represent views from all perspectives. The report may, therefore, contain analysis of responses which may be factually inaccurate or based on misunderstanding or misinformation but nevertheless reflect strongly held views. In some instances, such inaccuracies and misunderstandings will be relevant findings in themselves.
46. A small number of verbatim comments, from those who gave permission for their responses to be made public, have been used in the report to illustrate themes or to provide extra detail for some specific points.

Situation report – the current landscape

47. The consultation document outlines the Scottish Government's (SG) commitment to reducing emissions from across Scotland by 42% by 2020 and at least 80% by 2050. It sets out the background to Scotland's Energy Efficiency Programme (SEEP) and the programme of work to be taken forward in order to ensure that SEEP is effective in supporting a low carbon energy system and also in tackling fuel poverty.
48. Chapter 2 makes clear that SEEP is not starting from scratch and that it will build on and learn from existing schemes. The chapter provides an overview of the state of the building stock at present and outlines the existing policy landscape. It also summarises the findings of a series of pre-consultation stakeholder workshops which considered what currently works and where improvements could be made.

What currently works well

49. In relation to what currently works well, the following schemes, initiatives and approaches were identified by pre-consultation workshop stakeholders as helping support and drive improvement. These were detailed in the consultation document:
 - the provision of free and impartial advice;
 - the Social Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESH), which have helped to raise standards in social housing;
 - publically-funded loan schemes that are helping to provide finance for able-to-pay households and businesses to invest in energy efficiency measures;
 - Energy Performance Certificates (EPCs), which have helped raise awareness of the energy efficiency of buildings since their introduction;
 - the Renewable Heat Incentive (RHI) and associated Scottish support which has helped to support the uptake of renewable heat;
 - area-based schemes backed by appropriate levels of funding, which help to direct investment to where it is most needed, unlock previously stalled improvements, and lever in additional investment; and
 - advice, support and quality assurance, helping to protect households and businesses from high energy bills.

Question 1.1: Thinking about current Government schemes and the delivery landscape, we would welcome stakeholders' views on what currently works well, including aspects of existing schemes that should be retained?

Summary of main themes:

- The importance of local authority involvement, delivery and partnership working was emphasised by many respondents as these are seen as being the most effective approach for delivering energy efficiency improvements and identifying those in fuel poverty.
- The need for flexibility was supported by several respondents, with the need to allow for local approaches designed to suit local areas being commented on.
- The Home Energy Efficiency Programme: Area-Based Schemes (HEEPS: ABS) were supported by a broad range of respondents.
- There was broad support for the funding schemes on offer, including for schemes offering interest-free loans and grants. However, a number of respondents offered views on how they could be improved, including the need for long-term resourcing and simplification of the landscape of support on offer.
- The provision of support, advice and information from some specific schemes such as Home Energy Scotland and Resource Efficient Scotland were identified as working well.

50. Comments on this question came from 78 respondents, across all respondent groups.
51. Many of these respondents mentioned the same schemes, initiatives and approaches that had been identified by pre-consultation workshop stakeholders, as listed in the consultation document and outlined above, as working well.
52. There was particular support for the Home Energy Efficiency Programmes for Scotland: Area-Based Schemes (HEEPS: ABS). Respondents, across most groups but particularly local government respondents, welcomed this approach. One local government respondent, for example, said:

“The current HEEPS:ABS approach has been effective in enabling resources to be targeted at priority areas, across tenure, to tackle harder to treat housing. In particular, HEEPS has funded works to be carried out in multi-tenure blocks, enabling the local authority to address asset condition issues which were challenging due to property ownership.”

53. The importance of local authority involvement, delivery and partnership working was commented on by respondents, who felt that a local approach, with schemes designed to suit local areas, is most effective in both delivering energy efficiency programmes and in identifying those in fuel poverty. Respondents commented that local approaches can help ensure resources are targeted where they are most needed. Several respondents cautioned on [national] programmes being too prescriptive, commenting on the need for flexibility, with particular reference to the need to allow for local

approaches. For example, one local government respondent said: *“Future schemes need to not be too prescriptive but focus on setting the criteria for funding to allow local design of schemes to meet local circumstances”*.

54. Funding was another key theme with respondents, from various groups, welcoming schemes providing grants and interest-free loans. However, a small number commented on the need for guaranteed long term resourcing. For example, a respondent from the building / insulation group commented: *“[...] if allocations are set over a longer period, that will allow delivery partners to have confidence in moving forward with SEEP projects”*.

55. Several respondents commented on the effectiveness of interest free loans, particularly in comparison to schemes with higher interest. A smaller number of respondents commented on interest free loans for Registered Social Landlords (RSL) in particular. The Low Carbon Infrastructure Transition Programme (LCITP) was also cited as effective by a small number of respondents. One energy industry respondent commented:

“We believe that schemes which provide either interest free loans or capital grant funding achieve the most impact with regards to the Scottish Government energy targets. This is evident through schemes such as CEEF (Central Energy Efficiency Fund) and LCITP (Low Carbon Infrastructure Transition Programme). However, schemes such as DHLF (District Heating Loan Fund) and REIF (Renewable Energy Investment Fund) are less advantageous due to their high interest and short payback criteria not aligning with the implementation of innovative, renewable energy technologies.”

56. Whilst there was broad support for funding and loan schemes, there was some concern over the number of schemes in operation as well criteria that may exclude some technologies, consumers or businesses, as well as the complexity of the criteria more generally.

57. A local government respondent gave a specific example:

“Officers consider that SEEF [Salix Energy Efficiency Fund] funding (prior to SALIX) previously worked really well and the funding processes were efficient and effective. SALIX is a little more bureaucratic than SEEF, and there are also quite a few stipulations and criteria – for example it cannot fund Solar Panels due to the RHI ...”

58. The Renewable Heat Incentive scheme (RHI) was one of the schemes identified by several respondents as particularly effective, popular, well supported and well promoted. Comments came from respondents across most groups, but particularly from the energy industry, with the RHI seen as effective in driving investment and encouraging the use of renewable heat technologies.

59. There was a comment, from an energy industry respondent, that the non-domestic RHI needs to be reviewed to accommodate other low carbon technologies such as stationary fuel cells. In addition, a local government

respondent commented that the reductions to the RHI rate now make it a less attractive incentive.

60. In relation to standards, a small number (particularly from local government and the third sector / NGO groups) identified the Energy Efficiency Standard for Social Housing (ESSH) as a programme that works well and wanted to see it retained. There were, however, some suggestions and these included:
 - Reinstatement of a social housing energy efficiency scheme as an alternative mechanism for social landlords to gain direct access to funding rather than having to rely on indirect funding via the Home Energy Efficiency Programme for Scotland (HEEPS) through their local authority.
 - That ESSH should be retained but that targets should be reviewed to align with decarbonisation targets or with *“some emphasis on more renewable technologies or heat storage technologies where feasible”* (local government).
61. A smaller number also cited the Scottish Housing Quality Standard (SHQS) as a key driver in improving the energy efficiency ratings of social rented stock.
62. The provision of support, advice and information from some existing schemes were also cited by several respondents across a range of groups, as valuable. Those mentioned most frequently included:
 - Home Energy Scotland, and specifically its independent and impartial helpline and online resources that help connect people with funding, practical assistance and guidance. Respondents positively commented that it provides a ‘one stop shop’ service, is integrated with local schemes, and includes expertise in dealing with traditional buildings.
 - Warmer Homes Scotland, which was seen as beneficial for vulnerable households with respondents noting its customer satisfaction record.
 - Resource Efficient Scotland and funding from the Local Carbon Infrastructure Transition Programme, including provision of expert advice to the public sector on energy and water conservation, and waste management practices.
63. Several respondents requested that schemes focus on the needs of the user, providing individual, tailored support as well as customer protection. Linked to this, a small number, from various groups, also suggested that a focus on behaviour change with solutions being based on people’s needs rather than being measures-driven.
64. Energy Performance Certificates (EPCs) were seen by respondents as beneficial and a good way to measure progress, although there were a number of suggestions for improvements; comments on EPCs are detailed in the section of this report relating to question 7.

65. There were a small number of comments that there is a lack of data or information on how, for example, pilot schemes are performing and so it is not yet possible to form an opinion. For example, one respondent, from the academic group, suggested there should be: *“an in-depth assessment of the current state of play of investment in energy efficiency (EE) – and how individuals are financing these projects”*, commenting that similar assessments have been undertaken in other European countries.

Main delivery challenges

66. A range of challenges were identified by pre-consultation workshop stakeholders and detailed in the consultation document. These were:
- grant application deadlines are challenging to meet and often do not align with one another; timescales for delivering district heating and energy efficiency projects can differ making it challenging to coordinate works; and short-term budgets constrain programming of longer-term works;
 - lack of long-term certainty of outcome and of the support that is on offer, which creates inertia and impedes social norming;
 - lack of interest among building owners in making improvements and/or lack of understanding of running costs and potential savings, means there is low appetite to take out loans or use their own resources to invest in energy efficiency and low carbon heat improvements;
 - a tendency for grant schemes and caps to dictate the solution and/or offer a limited number of measures, which may not be the best way to achieve the outcomes desired, and can hinder innovation;
 - significant mistrust about the promotion and installation of energy efficiency measures and examples of poor workmanship that are now causing problems. In some instances this now requires replacement and remediation work and has contributed to damaging the reputation of energy efficiency more generally;
 - concerns around EPC-based building assessments, which do not account for building conditions, are based on modelled (rather than actual) values, and do not favour low carbon heat – as well as more general concerns about the quality of the assessment itself;
 - poor building conditions which can prevent energy efficiency and heat supply works;
 - low carbon heat technologies are not a direct replacement for gas boilers, they may require extra space and require works to internal heat distribution systems e.g. radiators; and
 - behaviours can offset any savings by inefficient use of building and heat systems, so also need to provide advice and information to change occupant behaviours.

Question 1.2: Thinking about current Government schemes and the delivery landscape, we would welcome stakeholders' views on what are the main delivery challenges faced at present and how might these be overcome?

Summary of main themes:

- The number and complexity of schemes and programmes available, including different funding routes and eligibility criteria that can create confusion for property owners. Respondents suggested that a single scheme would be less confusing.
- The flexibility of funding schemes and application deadlines were seen as challenging. Local Government respondents noted that short funding timescales can make planning and delivery difficult.
- The use of different acronyms, many containing "EEPS" was seen as confusing.
- Issues around capacity, especially at local authority level, to deliver SEEP.
- Availability and length of funding; that short funding timescales can make both planning and delivery difficult.
- The need for quality and quality assurance was noted by several respondents, with a particular emphasis on the need for clear quality guidelines and independent quality assurance to ensure quality does not decline as installations increase.
- A major theme was consumer-related issues including the need to raise awareness, increase engagement and raise levels of consumer confidence.
- A lack of capacity and skills was highlighted as an area of concern with specific reference to both delivery capacity (to install measures) and in local authorities to develop and deliver schemes.

67. Comments on this question came from 74 respondents, across all respondent groups.
68. Once again, most of the challenges identified by respondents match those detailed in the consultation document and outlined above. In particular, issues around certainty of funding, length of funding and timescales for delivery were identified by respondents.
69. A main theme (which was also mentioned in some responses to the previous question) appeared in responses across most groups, although it was not prevalent in responses from the energy industry or building / insulation groups. This concerned the number and complexity of schemes and programmes available. Comments included:
- The need to not complicate the landscape further by adding new programmes to those already in existence.
 - Confusion caused by different acronyms; especially as many containing the letters 'EEPS'.
 - That having different eligibility or other criteria across different schemes causes confusion. A very small number of respondents did, however,

comment on the need for different schemes for domestic and non-domestic properties.

70. Respondents suggested that for households a single scheme would be less confusing and should, therefore, increase uptake. Whereas for industry respondents commented that there is a need for closer alignment of standards or streamlining of the policy landscape (including rules and timescales) in order to reduce complexity and business costs.
71. The following comment, from a third sector / NGO respondent, is a typical example:

“People are really confused by the plethora of different funding schemes, and the short-term nature of most of them. It appears to be a lottery and so a sense of unfairness creeps in ... with the Green Deal Finance Company being just the most prominent of these ... which makes prudent punters wary of even taking first inquiring steps.”

72. Allied to this, there were also a small number of comments on the many different funding streams and timescales in operation. Comments, each from one of two respondents, included:
- That a lack of flexibility in some funding mechanisms can mean projects are not delivered.
 - That grant application deadlines can be demanding (HEEPS and SEEP were mentioned) and can lead to duplication of effort.
 - That funding streams should not be technology-specific.
73. Length of funding was also an issue for some respondents, particularly from local government, with comments that short funding timescales can make both planning and delivery difficult or that one year programmes are not sufficient for all projects. Respondents would welcome longer timescales and advanced commitment to funding.
74. Quality and quality assurance of installations was another key theme, mentioned by several respondents across respondent groups. Respondents noted that as the number of installations increase, care will need to be taken that quality does not decline. Respondents commented that there is a need for independent quality assurance and clear guidelines for quality control. A small number mentioned quality alongside funding timescales, saying that short funding timescales introduce pressures which can lead to lower quality.
75. There were also comments on poor workmanship with a small number of respondents referencing findings in the ‘Each Home Counts’ review that *“there have been too many instances of poor quality installations. These have been made by companies who do not have the skills, quality standards or core values required to operate responsibly in the market”* (energy industry). These respondents recommended that SEEP be aligned with the recommendations of the review.

76. Allied to this, a small number mentioned the need to focus on building maintenance as well as energy efficiency. For example, a respondent from the building / insulation groups said:

“building maintenance and energy efficiency are interconnected, yet there is little offer from Government on the former. Indeed, to install energy efficiency measures in a building may, in some circumstance, cause more harm than good; for example, installing loft installation in a damp roof, can cause more harm than good.”

77. Another theme, from many respondents across most groups, covered consumer related issues, with smaller numbers commenting on a variety of factors. These included the need for awareness raising, with comments suggesting that awareness of existing programmes and of the support available could be improved.
78. Several respondents, from various groups, also commented on the need to improve consumer confidence, including developing consumer confidence in a range of issues such as advice services, delivery schemes and energy ratings, as well as in new technologies.
79. The need for a focus on consumer engagement to help increase the understanding of energy efficiency measures to support increased uptake, featured in a small number of responses, as did the need to understand consumer behaviour in order to support change to ensure a more efficient use of heating systems.
80. Financial issues related to consumer engagement included some concern over the effect on uptake within the ‘able-to-pay’ group as, a small number commented, this group may be hard to engage unless there is specific encouragement and that incentives are available. A small number also commented on issues around the property market, specifically that this group may not see the value of energy efficiency improvements as there is not yet a follow-through to property values.
81. While some responses to the previous question mentioned advice and support as working well, at this question several respondents, across various groups, stressed the need for better access to, and quality, of advice. A small number of these comments related to behaviour change advice. For example, a housing respondent commented:

“After-advice once material changes are made is crucial in order for the new products or potential of the property to be maximised. Advice on switching, advice on controls, advice on use of ventilation, use of curtains and shutters etc, is a low cost effective way to help people out of fuel poverty”.

82. Another theme within responses, mainly from those outwith industry-related respondent groups, related to a lack of capacity and/or skills to deliver programmes. Some commented on a lack of skills or manpower within the industry itself to supply or install modern energy efficiency measures. Others, from various groups, mentioned a lack of capacity within local

authorities to lead, develop and/or deliver schemes, including the capacity to engage with partners and other stakeholders.

83. Other issues raised by small numbers of respondents, included:

- Delivery challenges for remote and rural areas in particular, as well as a lack of local delivery options in general.
- The need for better, more up to date data and information on energy efficiency, and particularly on the outcomes from pilot schemes.
- The need for a holistic approach encompassing both domestic and non-domestic engagement.
- Issues around the costs of retrofitting. For example a lack of funding for social landlords to retrofit their properties or the general high costs to home owners of retrofitting.
- Issues around communal buildings such as stone built tenements, including, for example, ways to find workable and affordable measures to improve their energy efficiency.
- The need for a more progressive planning system and for better planning guidance to support and enable energy efficiency improvements.
- The need to look at new technologies and the need to 'future-proof' any improvements.

84. Several respondents also commented on issues around EPC modelling. These are described in more detail in the section relating to question 7.

Aims and objectives of SEEP

85. The consultation document sets out the vision as:

‘2050 VISION – Scotland’s buildings are near zero carbon by 2050 and this is achieved in a way that is socially and economically sustainable’

86. SEEP aims to reduce the energy demand, and decarbonise the heating of, Scotland’s built environment in a way that is socially and economically sustainable. The consultation set out the following objectives:

- by 2032 94% of non-domestic buildings’ and 80% of domestic buildings’ heat is supplied using low carbon heat technologies.
- improvements to the fabric of Scotland’s non-domestic buildings results in a 10% reduction, and Scotland’s domestic buildings results in a 6% reduction, in their heat demand by 2032.
- SEEP will also support delivery of the Scottish Government’s new Fuel Poverty Strategy as this is developed.

Question 2: How can Scotland best meet this vision and underpinning objectives in a way that is both socially and economically sustainable and supports long-term inclusive growth?

Summary of main themes:

- The need to focus on energy efficiency, particularly given its importance as a driver in reducing fuel poverty was highlighted by several respondent, as well as it being a cost-effective means to decarbonise our heat supply
- The need to address fuel poverty and energy affordability was seen as important priority.
- Other priorities included the need to start with existing buildings or to identify and address the most energy inefficient buildings; while other respondents commented on the need to prioritise off-gas areas.

87. 85 respondents commented. Many of these respondents, across groups, specifically commented that they welcomed the vision, aims and objectives, with several describing the vision as ‘ambitious’.

88. One of the main themes emerging at this question, from across respondent groups, was the need to focus on energy efficiency. Respondents gave a number of reasons for this including the importance of energy efficiency as a driver in reducing fuel poverty. A small number of respondents quoted from the Scottish Fuel Poverty Strategic Working Group: *“The statistics illustrate the important influence of energy efficiency on fuel poverty levels...the incidence of fuel poverty among the income poor rises to 99% among those in the least energy efficient properties, EPC rating E-G”*.

89. Other reasons included the benefits to health and wellbeing, with consequent savings for the NHS and benefits to the economy through jobs in the supply chain. Some also commented that improving energy efficiency is the most cost-effective route to decarbonise heat. One third sector / NGO said:

“Demand side activity can be implemented far more quickly than changes in the supply side and will allow delivery of carbon reductions with lower levels of low carbon supply. In addition, energy efficiency helps improve security of supply by reducing the demand for primary energy and hence dependence on supply side investment and energy imports. Most energy saving options are also more cost effective than investing in any new supply capacity and energy efficiency can meet multiple government objectives (including climate change mitigation, fuel poverty alleviation, improved health and well-being, employment etc.)”.

90. Many respondents, across respondent groups, commented on the need to start with existing buildings or to identify and address the most energy inefficient buildings first. Several respondents also wanted to see priority given to off-gas grid areas
91. Another theme in many responses, again across respondent groups, was that of tackling fuel poverty, for example one housing respondent commented that: *“SEEP should seek to eliminate poor property conditions as a driver for fuel poverty”*:
92. Some of these respondents asked for specific and measurable milestones and targets on fuel poverty to ensure this element is not lost or overshadowed by other objectives. One energy industry respondent commented that the SG will need to be clear *“on whether the objective will be to reach the Scottish Government’s carbon emissions targets or whether the focus will be on alleviating fuel poverty. The design and delivery of the scheme is likely to differ depending on the chosen focus”*.
93. The aim of tackling fuel poverty was also seen, by a respondent from the public sector / delivery agency / regulator group, as a useful way of engaging and raising awareness of SEEP as it is something that people will both understand and support.
94. A small number commented on the need for specific action in relation to fuel poverty in remote and rural areas as this may need more individual, and therefore more costly, measures.
95. In addition to fuel poverty, several respondents, particularly from the housing group, mentioned energy affordability. There were comments on the need for targets for energy affordability and the need for a focus on affordable warmth. A respondent from the academia / research / training mentioned that affordable energy should also encompass businesses as this would contribute to the economy.

96. Comments on the need to raise consumer awareness and bring about behaviour change also featured in many responses, again across most groups. For example: *“The great potential for energy demand reduction by means of behaviour change must not be overlooked as an element of SEEP as it is at present. Well-aimed investment in public awareness/education is not only necessary but cost-effective”* (third sector / NGO).
97. Raising awareness amongst the business industry was mentioned in a response from the public sector / delivery agency / regulator group with the comment: *“Building industry awareness of the key milestones of SEEP will be vital to achieving its vision and objectives”*.
98. The need for local delivery and local supply chains was also a key theme, appearing in many responses across respondent groups. Several of these respondents, particularly from the building / insulation group, commented on the potential benefits to local jobs and economies and a suggestion that using local companies could help to raise awareness among the wider community. There was also a comment that local assessors and advisers would be useful as they would understand the local area and buildings.
99. The need for flexibility to meet the needs of local areas was stressed and a small number commented on the introduction of Local Heat and Energy Efficiency Strategies (LHEES) which, an energy industry respondent commented, *“could provide an effective framework for Scotland to deliver on its objectives in a way that is socially and economically sustainable”*. They also commented that *“it will be for Scottish Government centrally to ensure the combination of these strategies meets national targets, as well as ensuring they are aligned with UK targets”*. There were, however, comments on the need to ensure local authorities are well supported and resourced to enable them to develop and implement LHEES. There were also comments on the need to ensure that issues for remote and rural locations are addressed.
100. Several respondents, particularly from the energy industry, commented on the need for clear, measurable objectives and targets with clear, long term, timescales and associated resources. There were calls for long term national policy support and the need for both national and local authority leadership, for example: *“By setting clear long-term goals with appropriate milestone targets, the Government can help to reinstate confidence in policy, drive investment in innovative, low carbon technologies and encourage the deployment of energy efficiency solutions”* (energy industry).
101. A small number mentioned the need to learn from schemes in other countries. Examples given included the Energiesprong approach which is delivering net zero carbon retrofits in the Netherlands; experience in Denmark where *“those in the market for a new home are provided with greater transparency of running costs (including utility costs) at point of sale/rental”* (energy industry). The municipalisation of energy supply in

Europe was also highlighted as an example of delivering economic and social benefits to local communities.

102. Other themes to emerge, in small numbers of responses, included:

- The need for clear definitions, particularly with regards the phrase 'near zero carbon'.
- The need to learn lessons from previous schemes, particularly issues with the Green Deal.
- The need for cross working across the UK and challenges around devolved and non-devolved issues.
- The need for partnership working, between sectors but also between relevant public sector bodies including the NHS.
- The need for independent advice and assessors to ensure quality.
- The need to ensure private sector engagement.
- The need to attract private sector investment.
- The need to consider other energy sources such as LPG, hydrogen or recycled CO₂.
- The need to future-proof the programme to ensure new technologies can be considered.

Question 3: We would welcome stakeholders' views on how to set appropriate milestones for energy efficiency improvement and heat decarbonisation of buildings to ensure that the level of emissions reduction ambition (i.e. near-zero carbon buildings) is achieved.

Summary of main themes:

- The need for final targets to be long-term was highlighted by a number of respondents, explaining that this will enable planning and allow for market and behaviour change.
- There were requests for targets to be realistic and achievable and to take into account, or be aligned with, targets and policies in other areas. Some respondents commented on the need for targets and milestones for sub-sectors of the building stock or occupant groups, including for fuel poor households or off-gas areas.
- The need for 'real' rather than modelled data to assist in target setting, particularly in relation to Energy Performance Certificates (EPCs).

103. 76 respondents commented on this question.

104. A main theme from responses was that final targets need to be long-term to enable planning and allow for market and behaviour change. Some of these respondents were concerned that any short term targets could be subject to change and that this would harm rather than help to achieve the final goals.

105. A small number of respondents noted that there would need to be a long enough lead-in time to communicate and raise awareness of targets, as well as to provide advice and support. A third sector / NGO respondent commented:

“We advise long term milestones are set to provide time for landlords, be they social or private, to plan and set aside resources as well as to inform tenants of the benefits of this work to help overcome any obstacles and for owner occupiers to plan for any financial implications”.

106. Several respondents, across groups, stressed that milestone targets should be realistic and achievable. There was a suggestion that milestones be set with industry to ensure realistic timescales. For example:

“We also believe that the key to the successful implementation of SEEP will be in setting achievable milestones. [The respondent] would recommend that when setting the trajectory for milestones, the level of ambition should gradually be increased over time. This will enable planned growth in the supply chain and hence help to ensure that both sustained, quality employment for local tradespeople and quality installations for consumers are successfully delivered as a result of SEEP.”
(building / insulation)

107. In addition, one energy industry respondent suggested that the trajectory for milestones should increase over time and suggested that this could be phased to coincide with times when major renovations are most likely to be undertaken.

108. A small number commented that milestones need to be set for each of the SEEP objectives.

109. While there was a little difference in opinion as to whether interim milestones should be set, most of the small number who commented on interim milestones felt that these would be useful.

110. The need for specific milestones and standards for domestic and non-domestic were seen as necessary by a small number, particularly from the energy industry group, in order to meet the different targets for reductions in carbon emissions. There was a comment, from the energy industry, that these milestones should reflect the timescales for planned reduction in carbon emissions.

111. A small number of respondents outlined the order in which targets should be set and met with some commenting on the need to begin with ways to reduce demand. However, the need for demand reduction measures and heat decarbonisation measures to work together was also stressed. A small number commented that the targets [on demand reduction] (10% reduction for non-domestic and 6% for domestic sectors) could be more ambitious.

112. Specific targets and milestones for eliminating fuel poverty (as well as carbon emissions) were also seen as a priority, by a number of local

government and third sector / NGO respondents, as was the need to prioritise district heating. A small number, across various groups, called for a milestone of EPC band C by 2025, commenting that EPCs are useful target as they are widely known and readily understood.

113. Another priority identified by several respondents was a focus on off-gas grid areas. A small number suggested a milestone of all homes in these areas being highly insulated and heated by renewable, low carbon and affordable heat sources by 2025.
114. Several respondents, from various groups, commented on the need for any milestones to take into account, or be aligned with, targets and policies in other areas. A building / insulation respondent gave the example that the Draft Climate Change Plan favours the use of timber, however high thermal mass materials could help deliver energy efficiency targets. Furthermore, a small number of respondents commented on the need for policies to be rural-proofed so that they do not discriminate against rural areas.
115. There was a query, from a respondent from the academia / research / training group, as to whether the final goal is eliminating fuel poverty or zero carbon, as these will necessitate different benchmarks. A small number also said that there should be equal priority given to both environmental and socio-economic considerations.
116. The need for more, and more current, data on energy consumption was mentioned by several respondents who suggested that this should be real world rather than modelled data. In addition, respondents wanted to see real world validation of the outcomes from any measures introduced.
117. There were further suggestions, each from one or two respondents, for targets or how they could be set including:
 - Milestones for electrical goods and appliances, pegged to monitored progress of the DEFRA Market Transformation Programme.
 - Solid wall insulation milestones.
 - Building emissions performance targets.
 - Heat waste.
 - Local milestones that align / contribute to national targets.
 - The percentage or numbers of buildings that have been improved.
 - Aligning milestones to carbon budget periods.

Scenarios

118. The consultation acknowledges that there are many different routes to achieving the vision and presented a series of potential policy and delivery scenarios.

The role of regulation, standards and financial incentives

Question 4: How might regulation and standards be used most effectively across the different sectors and when should they be applied across the lifetime of the programme?

Summary of main themes:

- The need to apply the same standards to all domestic buildings was noted in many responses.
- Standards should address fuel poverty, rather than energy efficiency alone.
- Standards and regulations should be clear and long term in order to promote confidence amongst both investors and consumers. Respondents suggested that short-term changes undermine confidence and create the need for retrofitting in future to meet increased standards.
- There were requests that standards and regulations should be complemented by funding and finance, to support action in both the domestic and non-domestic sectors.

119. 83 respondents commented on regulation and standards.

120. The main theme to emerge was the need to apply the same standards to privately rented and owned homes as apply to the social sector. Comments on this subject were noted in many responses across most groups, including in almost all responses from the housing and third sector / NGO respondents who replied to this question. For example:

“Straightforwardly the private rental sector should have the same targets as the social rental sector. Our energy advice service visits homes from all sectors and private sector rents are the highest, whilst affordable warmth outcomes and energy efficiencies are the lowest.” (housing)

121. Other reasons given for this view included:

- That privately owned and rented homes make up the majority of tenure in the country and so standards need to be addressed in order to meet overall targets.
- That properties owned by social landlords should not be subject to more stringent regulations than privately owned properties.

122. Several respondents stressed the need for regulations and standards that focus on eliminating fuel poverty and affordable warmth rather than energy efficiency. A third sector / NGO also suggested that new builds should have

a fuel poverty risk assessment. There was a suggestion, from a building / insulation respondent that Local Authorities should receive enhanced powers to mandate building improvements in designated areas affected by high levels of fuel poverty and deprivation.

123. Several respondents, across respondent groups, wanted to see clear and long term standards and regulations, commenting that changes lead to lack of confidence for both investors and consumers and mean that retrofitting is required as standards change. A respondent from the energy sector said:

“First and foremost, effective regulation and standards need to be underpinned by stable policy. This gives confidence to home owners, landlords, businesses and investors alike and is most conducive to competition and innovation.”

124. Related to this, there were comments from a small number that regulation is required to facilitate change in behaviour or to drive the market for energy efficiency. A respondent from the energy industry gave the example of higher standards for boiler efficiency which led to a mass roll-out of condensing boilers.

125. Additionally, a small number of respondents suggested there was a need for clear communication and long lead-in times. Some responses also noted the need for new standards to align with current standards. A third sector / NGO respondent commented:

“In terms of how regulation and standards might be used most effectively across the different sectors we will note the importance of a long lead-in time to allow regulatory shadow to influence people before they have to be coerced. It will therefore be important to communicate as soon as possible to the private sector that regulation is on its way, what the standards will be, how these will rise over time and when they are likely to apply. As well as influencing people before they have to be coerced this would also help to ensure that people are able to go beyond initial regulated standards should they desire.”

126. There were also comments from several respondents on the need for a carrot and stick approach that complements standards and regulation with financial assistance and funding. A housing respondent commented:
“Imposing regulations and standards must come hand-in-hand with support to meet them. Small grants can greatly incentivise uptake of measures. If loans are to be offered these must be at a very low interest rate in order to be attractive”.

127. Allied to this a small number, mainly from local government, commented on the need for support (funding) when introducing standards for non-domestic buildings, including the need for adequate funding streams including grants and other financial support; as well as funding for local authorities to decarbonise their housing stock.

128. There were also comments from a small number of cross sector respondents on the need to learn from schemes that have worked

successfully in other countries or to look at how other countries have implemented their schemes. Examples included EPC targets in France, the Residential Energy Conservation Ordinance measure in California and district heating schemes in Denmark.

129. A small number of respondents mentioned the need for national standards that allow for local design and delivery. A small number of others made suggestions for standards for specific areas such as technical and skills standards. Some commented that standards should meet the needs of rural areas and that there should be flexibility in delivery to meet these needs.
130. A very small number suggested that changes in planning could help encourage energy efficiency improvements. An energy industry respondent suggested that planning should require new buildings to be energy efficient and incorporate lower carbon heating systems (energy industry respondent). An individual commented on issues around planning in conservation areas that overrides some measures such as solar panels. An energy industry respondent suggested that improving energy efficiency should be a condition of other property improvements or extensions.
131. A small number stressed the need for effective enforcement, both of existing standards and new standards.
132. Other suggestions, from smaller numbers, included:
 - The need for improvements to Scottish Building Standards so that they cover non-standard measures that may be required for some housing stock, as well as removing loopholes.
 - The need for regulations and standards to co-ordinate and support district heating.
 - A small number of respondents from the energy industry commented on the need for consistency between the UK and Scotland to provide clarity and reduce costs for the supply chain.
 - The need to allow standards and regulations to be flexible, as achieving them might unrealistic for some buildings.

Question 5: What should be the trigger points for buildings to meet standards? Should this differ between domestic and non-domestic buildings, and if so, how?

Summary of main themes:

The main trigger points identified by respondents were:

- point of sale;
- the start of a lease;
- and/or major renovations.

Views on whether trigger points should be aligned across sectors were mixed.

133. This question was addressed by 71 respondents.

134. The main trigger points identified were:

- Point of sale.
- Start of a lease.
- Major renovations or any change requiring planning permission.

135. Point of sale was mentioned across most respondent groups and by over half of those who commented. This was seen as a natural trigger point, although a small number commented that there will need to be work done to understand if some properties may not be captured. A small number of respondents suggested linking improvements to inheritance as this would capture some of the properties that may avoid the trigger at point of sale. Respondents also noted that as length of tenure in owned properties is quite long, other triggers (such as major renovation) would also be required.

136. The start of a lease was similarly mentioned by a large number of respondents, across groups, and again the main reason was that this is a natural trigger point for when improvement works are likely to be undertaken. As well as being triggered by a new lease, a small number also suggested lease renewal as a trigger.

137. Major renovations or any change requiring planning permission was mentioned by many respondents, albeit in smaller numbers than the points above but again across most respondent groups. Some respondents commented that using renovation as a trigger would capture houses that remain with a single owner for many years. A very small number, from the third sector / NGO and building / insulation groups, also suggested any renovation involving public funding could act as a trigger.

138. The following are examples of comments on these points:

“For both the domestic and non-domestic markets, the optimum trigger points will be at point of sale, new tenancy agreement (or renewal) and/ or building improvement.” (energy industry)

“For the housing market the trigger point could be sale or lease as this will be the most straight forward point to regulate. One would need to have information on turn over within the housing stock to know if this would be sufficient to meet the SEEP targets.” (local government)

“We think that the key trigger points should be at the point of sale and at the point of rental. These points provide an ideal opportunity to undertake energy efficiency works to a property. However, there are other points when it would also make sense to require buildings to meet standards. These include when properties are extended, when they are renovated and when there is a change of building use.” (third sector / NGO)

139. Small numbers of respondents suggested:

- Targets for all new builds.
- Replacement of a heating system or the introduction of a smart meter.
- Change in usage.
- For non-domestic buildings, changes to standards.

140. Several respondents commented that this will not capture all buildings and so there could be a backstop date applied or a planned timeline.

141. A small number, from various groups, commented on the need for different trigger points for different sectors. A similarly small number, again from various groups, suggested that there may be merit in aligning trigger points across sectors.

142. The issue of affordability was raised by a small number of respondents, across various groups, as they felt this could lead to people being unable to sell or to renovate their homes.

Question 6: What do you think are the benefits of using financial and fiscal incentives to support energy efficiency in domestic and non-domestic buildings? Please give examples, from Scotland or elsewhere, of where incentives have been used in this way to good effect.

Summary of main themes:

- The need for a carrot and stick approach using both incentives and disincentives was emphasised by many respondents.
- The HEEPS: ABS scheme was viewed as successful and a number of respondents highlighted the RHI and Feed-in-Tariff, although noted that changes had reduced their effectiveness
- Views on the use of Council Tax and Non-Domestic Rates as a way to incentivise action were mixed.

143. 73 respondents addressed this question with many setting out their preferred methods of incentivising energy efficiency.
144. While respondents acknowledged the importance of financial incentives many, across most respondent groups, stressed that a carrot and stick approach is required.
145. Several also commented on the importance of awareness raising (for example of the potential reduction in fuel costs) and engagement amongst both the public and businesses.
146. One of the schemes mentioned by several respondents, and in particular by respondents from local government and the third sector / NGO groups, was the HEEPS: ABS scheme which was seen as having been successful. Some also mentioned the success of linking HEEPS: ABS with the Energy Company Obligation (ECO).
147. While several respondents, many of whom came from the local government group, felt that Renewable Heat Incentive (RHI) and the Feed in Tariff (FiT) had worked, there were also comments that changes to the schemes had reduced their effectiveness. However, a small number felt the RHI had not worked due to its complexity, while a small number suggested that other methods such as scrappage schemes or up-front cost subsidies might increase uptake.
148. Views on the use of Council Tax were mixed. A small number of respondents commented on recent research from the Consumer Futures Unit (CFU) at Citizens Advice Scotland that suggests Council Tax rebates or reductions would be an effective incentive while a small number of others, particularly from the industry groups, simply said that Council Tax rebates or reductions could be used as an incentive.
149. Some respondents gave examples of how Council Tax could be used, including:

- That Council Tax could be adjusted to reflect the energy efficiency of a property.
 - That there could be a link between Council Tax and zero-carbon properties or properties with reduced carbon emissions.
150. A small number, particularly from the government group, suggested that using Council Tax may prove difficult due to the fact that this is managed at a local level and so there may be differences across local delivery agencies. There was also a comment that rates relief through Council Tax could discriminate against those with older more difficult to upgrade accommodation. A housing respondent said that while a Council Tax reduction might prove effective for owner occupied properties it would not be so effective for privately rented homes as the landlord is not incentivised.
151. These respondents also raised similar points in relation to the benefits and drawbacks of using Non-Domestic Rates.
152. A smaller number of respondents from various groups mentioned low cost or interest-free loans, particularly those with a cash-back element, for example the Home Energy Scotland loan scheme. A respondent from the third sector noted that grant funding may increase uptake more than loan funding as households are already financially stretched.
153. Equity release loans were also suggested by a small number of respondents across groups, although there was some concern about equity release loans from a very small number of local government respondents; one commented: *“In other areas of work officers have learned that equity schemes generally don’t work and are not an attractive option for many homeowners. This was noted in the Help to Adapt pilot for example and some Empty Home schemes”*.
154. Encouragement for high street or mortgage lenders to offer preferential rates was also suggested by a small number of respondents, who suggested lenders could offer preferential rates recognising the value of energy efficient homes or that the lower running costs of energy efficient properties could be taken into account when looking at mortgage affordability.
155. Other suggestions, from small numbers, included:
- Tax credits / mentioned by a small number from various groups.
 - Varying the Land and Buildings Transaction Tax according to a building’s EPC (mentioned by a small number from the energy industry as well as a small number of others).
 - Enhanced Capital Allowances.
 - Landlord’s Energy Saving Allowance (LESA).
 - Help to Buy / Lifetime ISAs.
 - Carbon Reduction Commitment (CRC).

156. Once again, several respondents commented on the need to learn lessons from less successful schemes. The Green Deal was mentioned most frequently.
157. The need to also consider the administrative costs of any scheme was raised by a small number of respondents.
158. A number of specific examples were given by respondents, including:
- The Green Additional Borrowing offered by Nationwide Building Society, in the UK.
 - The PACE (Property Assessed Clean Energy) Bond in California.
 - The Eco- Prêt 0% loans scheme in France.
 - Long term fixed rate low interest loans from the KfW development bank in Germany.

Question 7: What is the best approach to assessing energy efficiency and heat decarbonisation improvements to buildings? How could existing approaches best be used or improved and at what level and scale

Summary of main themes:

- Many respondents mentioned EPCs, with several commenting that they are already well known and are a good approach to assessing energy efficiency.
- However, several respondents commented on a range of issues regarding EPCs, including around the underlying methodologies.

159. 65 respondents replied to this question, with many mentioning Energy Performance Certificates (EPCs).
160. Several respondents acknowledged that these are widely known and fairly well understood and allow standardised assessments. These respondents, including third sector / NGO, local government and some industry respondents, suggested that EPCs should be used for assessment, for example an energy industry respondent said:
- “EPCs offer a simple and widely accepted tool to underpin high level policy ambitions to improve the energy performance across the housing stock.”*
161. However, several of these respondents also acknowledged that there are some issues around EPCs. A smaller number felt that EPCs are not suitable, mainly because they are based on modelled, rather than real, data.
162. Several respondents, from various groups and both from those who supported and did not support the use of EPCs, called for ‘real world’, rather than theoretical or modelled data. There were comments that the modelled assumptions currently used misrepresent the distributions of household

energy costs and disadvantage vulnerable households and those in rural and island areas.

163. Allied to this, a small number of respondents suggested that EPCs are a 'blunt tool' as they are based on a 'desk' exercise using pre-defined assumptions about the fabric of property. Some felt that EPCs do not work well for Scottish housing stock as they are based on a set of assumptions.
164. Respondents, from various groups, commented that EPCs are designed to demonstrate compliance and not design, and that these model-based methodologies do not always give an accurate picture. There were suggestions that the methodology needs to extend to include building use and performance as well as occupant behaviour. There was also a request for post-coding the carbon content of electricity.
165. Calls for building energy performance to be included in assessment featured in several responses from various respondent groups.
166. A small number also commented that EPCs do not provide tailored recommendations for improvements, do not value low carbon heat, and are based on energy cost.
167. There were suggestions that the underlying methodologies need to be looked at as they are described as slow to change and so may need updated in line with new technologies. A third sector / NGO respondent commented:

“We encourage further work to improve or replace the EPC calculation methodologies as current SAP and SBEM clearly not sufficiently well calibrated. And if elimination of fuel poverty is a major driving force then energy consumption / energy costs must be a clearly identifiable factor for decision-makers not just the ubiquitous carbon dioxide measure”

168. The need for training and accreditation for assessors (and funding to provide this) also featured in several responses, for example:

“An independent framework of independent assessors for the scheme would support smooth application processes and enable monitoring to be transparent, traceable and repeatable” (energy industry).

169. Other suggestions, from small numbers of respondents, included:
 - The need for both area based and individual property assessments.
 - Aligning energy efficiency and heat decarbonisation improvements with local authority local area heat strategies.
 - The need for post occupancy assessment.

The appropriate levels and sources of funding

Question 8: How should the installation of energy efficiency improvements and lower carbon heat supply through SEEP be funded? In particular, where should the balance lie between grant funding and loans for homeowners, landlords and businesses?

Summary of main themes:

- Respondents suggested that a combination of funding measures and sources will be required, with those in fuel poverty being eligible for grants, whilst those who are able-to-pay should have access to low cost loans.
- The need to “kick start” the able-to-pay sector was noted, with suggestions that incentives or grants may be needed as engagement with this group has been low to date.

170. 76 respondents from all respondent groups addressed this question.

171. Most respondents voiced their agreement with the need for a combination of funding measures and sources.

172. Many, again across groups, felt that those experiencing fuel poverty should have access to grant funding while those more able to pay should have access to zero or low interest loans. This example came from a respondent in the energy industry:

“We agree that targeted support should go to households that are not able to pay for measures themselves. This would include, but not necessarily be limited to, households in fuel poverty as it may be appropriate to extend the support available to other vulnerable groups e.g. those with a health condition caused or exacerbated by living in a cold home. The able to pay sector needs to become more active in energy efficiency. As discussed above, this is likely to require a combination of regulation and financial incentives. It is important to get the balance right between incentivising homeowners to take action and providing incentives that are too generous and which have unintended consequences.”

173. A small number commented on the need to ensure that those ‘able-to-pay’ are protected from falling into fuel poverty, for example pensioners who may be asset rich but cash poor; a third sector / NGO respondent suggested that grants, rather than loans, would be required for this group.

174. The HEEPS approach to funding was again mentioned by several respondents, from various groups, who commented that this could be built upon and/or that it should be coupled with the Energy Company Obligation (ECO) after its devolution. Some commented that the HEEPS approach is easy to understand and consistent.

175. In relation to ECO, respondents commented on or queried how ECO funding will be blended with SEEP funding and on whether the SG could use its

powers to ensure the delivery of ECO reflects local requirements. An energy industry respondent also noted that there is a need for *“the Scottish Government and the UK Government to work together closely with a focus on ensuring that the costs (and therefore the bill impacts) in Scotland do not differ materially from those in England and Wales”*.

176. There were differing views on how those able to pay could be supported. Across groups, respondents commented that the take-up from and engagement with this group is low and so grants or other incentives will be required. For example, one local government respondent was of the opinion that:

“the ‘Able to Pay’ group will need to be incentivised as they will be reluctant participants in SEEP. There has been little or no engagement with this sector of the community as HEEPS is directed to fuel poor areas. Consideration could be given to the use of income levels, SIMD areas and council tax bands to determine the level of grant award, if any”.

177. Others simply mentioned the need for loans to be available for this group. One energy industry respondent suggested that it will be important to gain insight across a number of different demographic groups in order to establish the most effective approach.

178. A small number commented on the need for further research from previous and existing schemes in order to gather data on the best measures to use.

179. Some of the suggestions for loan funding (mentioned mainly by a small number of local government and third sector / NGO respondents), included for example, equity release schemes funding through a ‘green bank’ and deferring payment until a property is sold.

180. A very small number commented that grants should be targeted on the objectives that will be hardest to achieve. A small number also stressed the need for public funding to go to those who need it the most.

181. A small number commented that grants, loans or other financing should be linked to the property and not the lease holder or owner, for example a respondent from the energy industry said: *“We need better options than grants or loans. Low carbon assets added to buildings provide long term benefits for the building. The finance needs to be linked to the building and similarly long term. This will minimise and in many cases avoid altogether the need for grant”*.

182. A small number suggested that the market would need to be ‘kick-started’ in order to attract private investment. Government backed zero interest loans were suggested as a possible measure for this.

183. The need for funding to be sourced at national level with delivery designed to suit local conditions featured in a small number of responses including a local government respondent that said: *“Funding and grants should be*

sourced at the national level, where across the programmes better rates of return can be produced and compensate for areas likely to be harder to treat for example the cities densely populated may provide a better return than the dispersed rural opportunities”.

184. A small number again commented that simplicity will be key to increasing uptake and suggestions included that, if there are various different schemes available, there should be one point of contact or that eligibility criteria should be clear. A respondent from the public sector / delivery agency / regulator group suggested:

“a single point of contact for all relevant grants/loans/support should be provided to help the consumer (public, local authority, private) assess the applicability of these schemes for the project they need, without them needing to know the names, contacts and procedures of all the different schemes. For example a potential applicant could call a number/visit a website where they are required to answer a series of questions that helps the scheme operator identify which fund the applicants are suitable for”.

185. A small number of respondents felt that the amount being committed by the SG would not be sufficient, with calls for more work to establish costs and to identify how best to attract private investment.

Question 9: What is needed to encourage private investment in energy efficiency and heat decarbonisation, including the take-up of loans by a wider range of owners and occupiers?

Summary of main themes:

- Respondents reiterated points made at previous questions, including commenting on the need to build market confidence by creating a long-term and stable policy framework that utilises a carrots and sticks approach to drive action.

186. Most of the 71 respondents, from across groups, who replied to this question reiterated the points mentioned at the previous questions on funding.

187. The main points, reiterated at this question and echoing responses given to previous questions, were:

- The need to build the market and to build confidence in the market by putting in place clear, long term policies and funding. Respondents noted that standards and regulation are key levers in supporting and encouraging private investment: *“The certainty that comes with regulation will undoubtedly boost the market and support the development of more businesses, jobs and skills”* (local government).
- The need for both incentives and disincentives (the carrot and stick approach), including access to affordable loans.

- That the quality of energy efficiency installations is important to building confidence and increasing uptake.
- The need for clear communication, including awareness raising and advice and on educating people about the value of the scheme.

188. Other points made by smaller numbers included that investment would be encouraged by simplicity, a low level of risk for both property owner and investor, and clear and predictable returns.

Question 10: Of the current sources of finance which are currently available for energy efficiency and lower carbon heat supply, which are working well and which are not? Are there successful examples of attracting private sector finance to support energy efficiency improvements that could be explored? Are there any others which should be developed or made available?

Summary of main themes:

- Respondents reiterated points made at previous questions.

189. 47 respondents answered this question and, again, many referred to or reiterated the points that they had made at the previous questions on funding and finance.

190. The main points reiterated by respondents to this question included:

- The need to understand reasons behind the take-up of existing loans and grants.
- The need to consider tax incentives.
- The need for grant funding.
- The need for longer pay-back periods for loans.
- The need for simple, easy to understand and access, funding schemes.
- The need for an area-based approach to encourage private sector investment.

191. Respondents provided the same examples as they had at previous questions with, again, several commenting that HEEPS should be continued or the HEEPS approach built upon.

192. A small number commented on the need to ensure that findings from the SEEP pilot are used to ensure the scheme can be rolled out without need for any amendment.

Advice and information

Question 11: How do we ensure that householders and owners are well advised and supported in making decisions on how to improve the energy efficiency of their building and install lower carbon heat supply through SEEP?

Summary of main themes:

- Many respondents mentioned Home Energy Scotland, commenting that it is well known and trusted; and that it already provides independent and impartial advice. Respondents thought that it has a good track record and therefore should be continued and built upon.
- The need for advice to be tailored to the individual, rather than generic, and preferably delivered face to face was emphasised. Respondents also commented on the need for advice on behaviours to be included.

193. 74 respondents, across respondent groups, addressed this question.

194. One main theme related to Home Energy Scotland. Many respondents mentioned this source of advice noting that it is well known and trusted and that it already provides independent and impartial advice. Its good track record was noted and many respondents commented that it should be continued and built upon. A third sector / NGO respondent commented: *“We believe it is important for householders to have a free, impartial and trusted source of advice, Home Energy Scotland and other local advice providers should continue to play this role”*.

195. Another main theme, from across respondent groups, was the need for advice to be tailored to the individual rather than being generic, with several respondents saying this needs to be provided face to face. For example, a local government respondent commented: *“Face-to-face and tailored advice is essential to uncover a range of issues and assist in alleviating fuel poverty. In current schemes generally we feel not enough is invested in face-to-face advice”*.

196. However, some respondents, from the third sector / NGO group, also wanted to see the use of other delivery methods, including online, social media, hard copy and telephone.

197. Several respondents commented on the need for advice to be tailored to individual financial circumstances as well as energy use, behaviour, and building type and quality (of maintenance / fabric). Some of these respondents suggested that the use of smart meter data will be very useful in this regard.

198. Several respondents, from various groups, stressed that advice should be provided by expert, independent or impartial advisers.

199. There were calls, from across various groups, for quality standards or accreditations, for both installers and those providing advice, to provide confidence to customers. A small number of respondents, particularly industry respondents, suggested that recommendations from the Each Home Counts review on improved training and quality standards should be considered as they felt this would help ensure consistency across the UK.
200. Other themes, mentioned in small numbers of responses, included:
- The need for a national campaign delivered locally by trusted sources.
 - The need to utilise all involved in the supply chain in providing advice.
 - The need to ensure plain English is used.
 - The need for follow-up to ensure any new technology is understood and being utilised correctly.
 - The need for schemes to be simple, easy to understand and easy to access.
 - The need to also provide advocacy, particularly for the most vulnerable.
 - The need to build on the existing network of advice providers.
 - The need to ensure advisers are well trained and that they supply advice relevant to each building or person.
 - The need for up to date, relevant data to help with advice provision.

Question 12: Are the current mechanisms for providing advice sufficient? What changes, if any, do you think are required?

Summary of main themes:

- Respondents reiterated and referred to comments made at previous questions.
- There were comments on the need to build on existing, trusted, impartial sources.
- The need to raise awareness of, and promote, sources of advice was suggested, as respondents felt that the reach of advice provision could be improved.

201. 61 respondents commented and again many referred to or reiterated comments made at the previous question.
202. Building on existing, trusted, impartial sources was seen by several respondents, across various groups, as the best way forward. Again, Home Energy Scotland was identified as a successful example.
203. There were several comments, from within most respondent groups, that there is a lack of awareness about the sources of advice currently available and that these need to be better promoted, for example: *“The current mechanisms are very good however public awareness of the mechanisms*

needs to be improved - better communication is required” (academia / research / training).

204. This was echoed by a respondent who requested an increase in the capacity and reach of advice provision.
205. Several respondents again commented on the need for a greater focus on behaviour change.
206. A small number commented on the need for adequate funding, both to train advisers and to support, train or accredit those local groups currently offering advice.
207. Pulling together all the different strands of advice (including health, money, energy etc.) under one umbrella was also suggested by a small number.
208. While face to face advice was seen as important, particularly for vulnerable or hard to reach audience, ensuring the availability of other delivery methods, to suit all needs, was also suggested.
209. A small number called for a Code of Practice and/or monitoring of advice provision.

Question 13: What are the opportunities to link SEEP delivery with other initiatives, including the UK Government’s smart meter rollout, so that we maximise the benefits for the people of Scotland?

Summary of main themes:

- That smart meters are a good first step in engaging consumers and enabling them to understand their energy usage.
- Views were mixed on the opportunities for linking SEEP to smart meter delivery. Some respondents commented on the benefits of linking SEEP with the smart meter rollout. Others, however, noted a range of issues including timescales, coverage and the risk of overloading the smart meter programme.

210. 61 respondents across groups commented, mainly in relation to the smart meter rollout.
211. Smart meters were seen by several respondents as a good first step in engaging consumers and enabling them to understand their energy usage. Several respondents felt that there could be benefits in linking SEEP to smart meter delivery, especially since the Smart Meter Installation Code of Practice already obliges installers to offer energy efficiency advice.
212. Access to the data that will be provided via smart meters was seen by several respondents, across groups, as potentially beneficial for the development of both SEEP and district heating schemes. A small number commented that the availability of smart meter data would help to provide

more detailed and tailored advice for consumers or that that this could be used for monitoring energy consumption.

213. A small number of respondents, from various groups, commented on the need for consumers to be fully aware of how to make effective use of the data provided by their smart meter and that this information could then be a driver for behaviour change.
214. While several respondents saw some benefits in linking SEEP with the smart meter rollout, a small number identified issues including:
- That SEEP and smart meter timescales are different and so making a link may prove problematic. An energy industry respondent commented that smart meter timescales are already under pressure so joining with SEEP could place the 2020 target at risk.
 - The short time that smart meter installers spend in each home and that this is not sufficient to be able to deliver tailored advice without putting smart meter delivery costs and timescales at risk. Some respondents noted that consumers may be overburdened if SEEP is linked to the smart meter rollout.
 - The coverage of SEEP and smart meters is likely to differ as smart meters are intended for everyone while SEEP may have a more targeted audience. Some respondents were concerned that not everyone will receive a smart meter. Rural areas, areas with poor internet access and parts of the population with lower internet use, such as older people, were mentioned.

Consumer protection

Question 14: How can SEEP be designed and promoted to build consumer confidence (as a trusted 'brand')? What are the risks and opportunities associated with particular approaches?

Summary of main themes:

- The need for local authority-led schemes coupled with national leadership, to demonstrate firm, long-term commitment to the scheme, helping to build confidence.
- The need to build consumer confidence by demonstrating effectiveness.
- The need for robust standards, quality assurance and accreditation was suggested by respondents, with a smaller number suggesting that an independent watchdog would be needed.

215. 66 respondents, across groups, commented on this question.

216. Several respondents again stressed the need for national leadership linked to local delivery.

217. Many respondents, from various groups and particularly local government, commented that local authority-led schemes will be trusted, for example: *“Using a local delivery model should help to build consumer confidence as local authorities are seen as trustworthy”* (energy industry). There were some calls for co-branding with the Scottish Government and local authorities and several respondents said there should be a national scheme with local delivery.
218. There were also several comments, from various groups, on the need for national leadership, for the Scottish Government to show a firm, long-term commitment to the scheme, and that it should have clear messages and goals as well as funding. National promotion was also seen as a good way to instil confidence. The need for a national, single point of contact or information was mentioned by a small number.
219. Another main theme, again seen in responses from various groups, was that of the need for robust consumer protection measures, including redress. The need for quality assurance and accreditation, including quality marks and standards, also featured in several responses. A small number, across groups, suggested an independent watchdog or regulatory body such as Ofgem. In addition, across various respondent groups there were some comments on the need to build trust or address a negative perception of, the energy efficiency industry.
220. The other main theme in responses, particularly from the energy industry and building / insulation sectors, was on the need to build consumer confidence by demonstrating effectiveness, particularly by using case studies or other ‘real’ information or data to show the benefits of the scheme, and demonstrating progress against targets.
221. Other suggestions, from small numbers of respondents, included:
- The need for a friendlier name than SEEP (not using an acronym).
 - Involving major, trusted organisations such as Citizens Advice.
 - The need to streamline existing schemes to remove any confusion.
 - The need for effective communication.
222. Once again, there were a small number of comments, particularly from energy industry respondents, that it would be beneficial for SEEP to align with the outcomes of the ‘Each Home Counts’ review.

Question 15: Is there a tried and trusted form of consumer redress that should be adopted or, if not, what should such a mechanism look like?

Summary of main themes:

- Respondents commented that a consumer protection mechanism should be free, easy to access and widely publicised, as well as being independent and having a clear complaints procedure.
- The Each Home Counts Review was mentioned most frequently as a good form of consumer redress.

223. This question was answered by 42 respondents.

224. While most of the respondents voiced their support for some form of redress, few were able to suggest a tried and tested form. Those that did mentioned the following:

- The Each Home Counts approach was mentioned most frequently by respondents across various groups.
- Ofgem was mentioned by a respondent from each of the energy industry, local government and other respondent groups.
- Professional and accreditation bodies should be involved *“in order to avoid re-inventing accreditation”* (third sector / NGO).
- Heat Pump Court from Sweden.
- Energiesprong UK.
- Chartered Trading Standards Institute (CTSI) Consumer Codes Approval Scheme.
- Financial Conduct Authority (FCA) Renewable Energy Consumer Code (RECC).
- HEAT Trust.
- Scottish Public Services Ombudsman (SPSO).
- Existing industry processes and guarantees.

225. Other, more general, points that respondents felt should be included in any consumer redress included:

- A single point of contact; an oversight body.
- That it should be widely publicised.
- That it should be free and easily accessible.
- That it should be easy to use.
- That it should be independent.
- That there should be a clear complaints procedure.

226. The need for clear codes of practice, certification, guarantees and quality marks were also mentioned by small numbers across respondent groups.
227. A small number of respondents again mentioned the need to learn from the experience of the Green Deal scheme.

Question 16: How should SEEP look to integrate the findings of the Each Home Counts Review – e.g. could it be used a basis for developing a consumer protection framework for SEEP?

Summary of main themes:

- Most respondents supported the use of findings from the Each Home Counts Review as a basis for developing SEEP.
- Respondents suggested that the proposals from Each Home Counts should be adapted to the Scottish context and built upon, in particular the quality mark, consumer charter, code of conduct and code of practice.

228. 31 respondents, from all respondent groups, replied.
229. Almost all said they supported using findings from the review although some commented that as implementation has not yet started it is difficult to be specific.
230. A small number of respondents said they wanted to see the proposals from Each Home Counts adapted to the Scottish context and built upon, as they are seen as providing opportunities to enforce best practice through SEEP.
231. Particular aspects welcomed by respondents were the quality mark, consumer charter, code of conduct and code of practice. In relation to the development and introduction of a quality mark and consumer charter, there were calls, from industry respondents, to ensure that industry is involved in the development or to link to existing industry processes.
232. There was also a call, from a housing respondent, to ensure that the costs or training arrangements involved in gaining a quality mark do not discourage small, local firms. A small number commented that the codes would encourage good business practice or help to minimise the risk of poor quality installation.
233. There was a suggestion, from the energy industry group, that the SG should work with the Department for Business, Energy and Industrial Strategy and the Welsh Government to develop a UK wide consumer protection framework, as the energy efficiency industry works across borders.
234. A small number suggested looking at outcomes from Scotland-specific work. The Warmer Homes Scotland Programme was mentioned, with a comment that this is seen as leading the way in consumer protection, and a suggestion to draw on the experience from this programme.

235. A third sector / NGO respondent also felt it important that “in developing a consumer protection framework it will be important to draw on the experience and views of the supply chain and understand the implications for them of different options”.

The establishment and sustainability of local supply chains and trusted delivery agents

Question 17: How can local supply chains be expanded and up-skilled to ensure that maximum economic benefit and job creation is secured across all of Scotland?

Summary of main themes:

- The need for long term programming and funding was recommended by respondents suggesting that this is needed to give certainty to businesses to recruit and upskill.
- Some respondents commented on the need to ensure that bureaucracy does not stifle local supply chains, noting that the costs of accreditation can be prohibitive for smaller operators, and that they are also often not aware of the procurement frameworks.
- The need for clear training pathways was suggested and that delivery and training should be done locally.

236. 68 respondents, from across respondents groups, commented on this question.

237. Once again the need for long term programming and funding and for clear targets to provide certainty and market confidence were mentioned as key, as respondents felt these would give businesses the confidence to invest in recruiting and in upskilling.

238. Several respondents commented on the need for a stable framework or policy certainty. A small number of energy industry respondents commented on the need for the Scottish Government to create momentum both in new build and retrofit and suggested that SEEP could help build this momentum and drive demand.

239. A small number of respondents, mainly from the building / insulation and third Sector / NGO groups, felt that a guaranteed level of work would be necessary for businesses to allow them to invest in training. There was a suggestion that a large scale programme of maintenance and repair of existing buildings could help provide this. Several respondents again commented on the need for funding both for training and to provide investment.

240. Comments on training included the need for clear training paths and accreditation standards. Respondents noted the need for local delivery and to work with education, local businesses, industry, enterprise agencies and

skills partners. One respondent, from the academia / research / training group, made a number of recommendations in relation to SEEP; three of these related to skills, training and skills demand:

“The Scottish Government should, in conjunction with industry, undertake an initial assessment of the skills requirements to meet the delivery objectives of the strategy. SEEP milestones should reflect anticipated capacity in the workforce and be informed by plans to raise skill levels and training infrastructure for increasing demand. The SEEP Strategy should encourage industry to embed core knowledge, including basic building physics, design stage, consumer interaction and building performance into all relevant vocational and professional pathways. Local energy efficiency programmes should be set against skills provision to ensure that training is maximised to meet need”.

241. There were a number of comments on the need to ensure that bureaucracy does not stifle the expansion of local supply chains. Issues related to the cost of accreditation for installers which can be prohibitive, particularly for small businesses or charities. This was seen as a particular problem in rural areas. For example, an energy sector respondent said they:

“would also encourage the Scottish Government to give consideration to the number of requirements placed upon the supply chain – for example, the number of accreditations they need to have and the number of different standards they need to follow. A large number of requirements can put financial pressure on the supply chain, particularly the smaller installers, and those operating in more remote areas”.

242. A third sector / NGO respondent also mentioned this issue, from a charity point of view:

“We run a handyman service at South Seeds. Our handymen are skilled joiners and would be able to satisfy most accreditations for home improvement jobs. However where accreditation is costly or involves paperwork which has been developed only for private businesses, these schemes such as ECO, are prohibitive for a small charity”.

243. There were also a small number of comments, from across most respondent groups, on the procurement system noting concern that many in the supply chain may not be on, or even aware of, Public Contracts Scotland. There was a suggestion that public procurement should give priority to local businesses and include requirements for training and for payment of the Living Wage.

244. There was also a suggestion that SEEP’s impact on local economies should be measured and reported.

Question 18: How can communities best benefit from the expected job creation?

Summary of main themes:

- Respondents identified benefits for local areas, people and businesses as increased employment and stable jobs. Particular benefits for young people were also noted, including increased apprenticeship opportunities.
- Respondents also commented on the knock-on effects from these benefits for the local community, including increased spending power and increased tax revenues.

245. 52 respondents, across most respondent groups, commented at this question.

246. The main theme to emerge, in several responses across most groups, related to the benefits for local areas, people and businesses of increased employment and stable jobs. Respondents suggested that this would include not only installation jobs but also adviser roles and on-going jobs in maintenance. This example came from the energy industry:

“A number of studies have shown that investing in energy efficiency has created jobs and, where schemes are designed to include quality training, this has also led to increased skill levels for the worker. This creates new opportunities for employment by giving people transferrable skills that are desirable both within and across communities. This is a valuable benefit, especially in areas of high unemployment that have seen traditional employment opportunities decline”.

247. Allied to this, smaller numbers commented on economic benefits including increased spending power and increased tax revenues that would result from an increase in local jobs and the use of local businesses. One local government respondent also commented that the use of local businesses would also lead to lower costs. One respondent, from the building / installation group, also highlighted the increased economic benefits that would arise from the use of locally sourced or produced materials such as masonry, cement, concrete or aggregate.

248. Respondents from the building / insulations, local government and third sector groups commented on benefits for the local workforce, and in particular for young people that would arise through increased apprenticeships and work opportunities. A third sector respondent further commented that increased work opportunities would result in people who might otherwise have to leave to seek work, being able to stay in their own community.

249. A number of respondents, from various groups, pointed out that the use of local companies would help to develop a local skills base. There were, however, several comments on the need for adequate support and funding to enable and support local businesses to retrain or upskill their workers.

250. There were also some comments on the need to ensure that SEEP maximises the involvement of community groups. Respondents mentioned the benefits of providing advice and support locally. A small number gave examples of existing community groups that have been providing energy

advice and energy efficiency advice including Greener Kirkcaldy and the South Seeds community group in Glasgow. There were also references to findings in the Scottish Fuel Poverty Strategic Working Group report on the wider benefits provided by locally-based services.

251. Respondents from several respondent groups said that SEEP should include community benefit clauses and that SEEP should have a clear objective to create and sustain local jobs. A small number of respondents suggested that SEEP should specify the use of local labour through procurement contracts and that there should be a requirement to pay the Living Wage.

Question 19: What provision could be made at a national level to ensure companies increase the capacity of the supply chain across all of Scotland to support local delivery of SEEP, particularly in the rural and remote areas?

Summary of main themes:

- The need for long term programming and funding was suggested as being required to provide certainty and market confidence to invest in training and skills.
- The need for clear targets to provide certainty and market confidence.
- The challenge of gaining accreditation, particularly for small companies, was highlighted by respondents.

252. 45 respondents, from across respondent groups, commented.

253. Several respondents reiterated or expanded on their answers to question 17, in particular the need for long term programming and funding and for clear targets to provide certainty and market confidence. For example; *“Longer term funding will provide local companies with the confidence to invest in training, skills, and resources to deliver energy efficiency measures”* (local government).

254. Particular concerns for remote and rural areas, raised by small numbers of respondents, included:

- The availability of skills, both in relation to installation but also procurement.
- The need for local training and apprenticeships.
- The need for funding to be targeted directly at remote and rural areas.
- The cost of transporting materials to remote and rural areas.

255. There were also comments, again from a small number of respondents, about the limited size of most local companies, which means they find it more difficult to afford the accreditations required or to be able to deal with the administrative requirements or accreditation. One housing respondent suggested:

“If the administrative burden associated with achieving the accreditation currently being required to carry out work within existing national energy efficiency programmes could be lifted/done away with entirely, the type of one-man/two-man operations that operate in the islands could sign up. The creation of an 'umbrella' organisation to sign off works and ensure standards would seem to be a logical solution, freeing up workers to work.”

256. Respondents from the third sector / NGO and building / installation groups called for a skills development strategy which would include training and apprenticeships.

Question 20: What do companies need to do to increase their skills base to deliver a programme of this nature?

Summary of main themes:

- The need for certainty was reiterated by respondents, noting that companies may not be keen to invest in training without it.
- Respondents noted the need to involve the appropriate professional bodies in the design and delivery of training courses as well as in the design and oversight of SEEP.

257. 44 respondents, from across respondent groups, commented on this question.

258. Several respondents reiterated factors mentioned at the previous questions, in particular certainty and funding, with comments that companies may not be keen to invest in training without the certainty of work.

259. One theme emerging at this question, from a small number of respondents, involved the need to ensure that the appropriate professional bodies are involved in the design and delivery of training courses as well as the design and oversight of SEEP.

260. Specific requirements for companies, mentioned by small numbers, included:

- Support to identify skills gaps and to access appropriate accredited training.
- Local training, including upskilling courses.
- Mentoring / opportunities to share skills and knowledge.
- Access to apprenticeships.
- The need to increase awareness of the funding available for skills and training.

261. A small number raised a concern over system-specific training, including:

“concerns have been raised about the amount of training that is being supplied by system manufacturers. The main issue here is that the training is systems based and not house based. In other words installers are trained on how to install a product without sufficient attention being given to the suitability of that product to particular building types” (third sector / NGO).

The nature of programme delivery

Question 21: What roles should national and local bodies play respectively in delivering SEEP and how can national and local schemes best be designed to work together towards meeting the Programme’s objectives?

Summary of main themes:

- The need for a national scheme, with national leadership, promotion, targets, milestones and timescales, to be delivered locally.
- Potential resource implications for local authorities were noted by respondents, who suggested there may be a need to support in terms of resources and capacity building.

262. 64 respondents, across groups, commented and many of the comments reflect those seen at previous questions.

263. The main theme, seen in many responses, was the need for a national scheme, with national leadership, promotion, targets, milestones and timescales, to be delivered locally. Several respondents stressed the need for local schemes to reflect local needs, while delivering overall SEEP targets. An energy industry respondent commented that: *“The implementation and enforcement of the LHEES framework will provide a suitable vehicle to coordinate local action”*.

264. There were again comments, from the building / insulation and energy industry, that national policy and commitment is required to provide long term certainty and so instil confidence and attract investment.

265. Smaller numbers commented on the need for collaboration, close working and sharing best practice, both between national bodies, local authorities and local bodies.

266. There were also comments, again from smaller numbers across various groups, on resource implications for local authorities in delivering SEEP. Respondents suggested that support for local authorities in terms of funding, resources and capacity building would be needed. This might include ring-fenced financial support for delivering SEEP, support for upskilling or the pooling of expertise to support smaller local authorities that may not have expertise in procurement for energy efficiency services. This could be facilitated by joint working.

267. Targets were also mentioned and comments included the need for targets and milestones to be realistic and achievable. There were also comments on the need for consistency across the UK, in terms of timescales for meeting targets. Another comment in relation to cross-border issues, from a respondent in the energy sector, was the need to minimise differences between the schemes in Scotland, England and Wales, particularly in relation to administration and reporting arrangements, in order to minimise the costs to suppliers and not impact on their competitiveness.

268. Other themes, each from small numbers of responses, included:

- The need to build on local initiatives that are already working successfully, a partnership between a housing association and Warmworks was given as an example.
- The need to build on the experiences and successes of the HEEPS: ABS.
- The need to gather and use data on the difference that measures have made, rather than simply numbers or modelled data.
- The need to ensure that SEEP is integrated with other strategies.

Question 22: What are your views on the relative benefits of area-based schemes as against those targeted at particular sectors or tenures in delivering SEEP? What other targeting approaches might be effective?

Summary of main themes:

- That area based schemes have been shown to work successfully. The success of the Home Energy Efficiency Programmes for Scotland: Area Based Schemes has been noted by respondents in comments on a number of questions.
- However, there were mixed views on the relative benefits of area-based schemes versus targeted schemes, with several respondents suggesting that a combined approach would be needed.

269. 62 respondents across groups commented.

270. The main view expressed was that area based schemes have been shown to work successfully.

271. Many respondents, across groups, supported the use of area based schemes; however there were several others, again from various groups, who felt that a combined approach would be needed. Typical comments included:

“[The respondent] would strongly support a move to concentrate SEEP on area based capital projects which can have a greater accumulative impact on the local community and local economy. Area Base Scheme delivers against a number of Scottish Government priorities, including tackling poverty and fuel poverty, reaching vulnerable groups such as the elderly and those in poorly performing private rented accommodation” (building / insulation).

“Again a good mix of area and tenures is essential. As carrots and sticks tend to work differently for these sectors e.g. what motivates a landlord will be different to what motivates a tenant, or a home owner or business owner. So it is right to identify them all into the correct pots, and have the correct drivers to enable Scotland to get energy efficiency on the agenda for all of them” (academia / research / training).

272. Comments on area based schemes, each from fairly small numbers, included:

- That these have been relatively small scale and often focused on a single type of property; however, some respondents felt that these could be expanded to suit other tenures and sectors.
- That area based schemes are cost effective and allow for economies of scale.
- That any expanded area based scheme would need to include a degree of flexibility in the funding model to allow for any different approaches required for different types of property.
- That any area based scheme must focus on households where there is greatest need; some suggested that present schemes have allowed suppliers to target the ‘low hanging fruit’.
- There were also comments on the need to consider remote and rural areas; with concerns that some remote areas are being left out.
- The need for better data sharing between all relevant sectors (including health and the third sector) to ensure all relevant data on the needs of vulnerable households are included.

273. Comments from those who felt a mix would be more effective, again each given by small numbers, included:

- That solutions should be based on needs and circumstances.
- That a sector led approach would be more suitable for non-domestic buildings.
- That area based schemes may not be best suited for all technologies, with some being better delivered through targeting sectors or tenures. Others thought guidance should be technology neutral.

274. There was also a comment that as neither a full area based scheme nor a sector based scheme has been tried, it may be best to undertake a pilot and base the approach on the findings.

Question 23: How best can we align nationally set standards with local, area-based delivery?

Summary of main themes:

- Respondents agree that standards should be set nationally but delivered locally, akin to those seen in HEEPS.
- National oversight across a range of areas including guidance, targets etc. was suggested as a means of achieving consistency, but there should be some flexibility to design schemes to suit local areas.

275. 46 respondents answered this question.

276. Most respondents, across groups, agreed that standards should be set nationally but delivered locally, akin to those seen in HEEPS.

277. Several of these respondents made specific suggestions and the main themes to emerge from these, each from small numbers, included:

- The need for a nationally agreed framework and timetable; a third sector / NGO respondent said: *"We believe the best approach is for small-scale solutions within a large-scale framework"*.
- The need for nationally agreed standards, but local authorities should have responsibility for ensuring buildings within each of their own areas meet these standards. This would provide consistency for all homes but allow for flexibility to design programmes suited to regions.
- The need for nationally agreed standards and accreditations for installers
- The need for guidance and resources and support for local authorities for target setting.
- That local targets should be expressed in the same terms and format as national targets.
- That local targets should be evidence-based and robust and should align with national targets and priorities.
- The need for guidance and standards to ensure local strategies and programmes are consistent in format across all local authorities.
- The need for national oversight to ensure that local contributions deliver the national targets.

The balance between local and national responsibilities

Question 24: What should the overall balance be between national and local target setting? Should local authorities set local targets with the flexibility to determine whatever methods they want to meet the Programme vision? Or should there be a greater degree of setting the target(s) and delivery methods by national government?

Summary of main themes:

- Respondents commented on the need for a national scheme, with national targets, but for it to be delivered locally with local flexibility in order to meet local needs.
- Respondents also commented on the need for measures suitable to each area, although there was some concern that this could lead to a confusing, inconsistent landscape.

278. 55 respondents, across groups, commented with many reiterating points already seen at previous questions.

279. The main theme to emerge, in many responses across most groups, was the need for a national scheme, with national targets, to be delivered locally with local flexibility in order to meet local needs, for example:

“Responsibility for target setting should be shared between national and local government. Climate change targets may be set nationally but local targets need to be achievable and recognise local differences, such as rural areas etc.” (local government).

280. Respondents said that allowing local authorities this flexibility would enable them to deliver in a way best suited to the local conditions, building stock and residents.

281. The following example of this type of comment comes from an energy industry respondent: “There needs to be some local flexibility to be able to adapt delivery targets and methods, which gives local authorities some control over their own projects, but these programmes must fit in with the national strategic aims and targets”.

282. The need for measures suitable to each area was mentioned in several responses. However, respondents also wanted to ensure that this did not lead to a confusing, inconsistent landscape. There were comments on the need for national oversight to ensure that each local authority is delivering in a way that both meets its own targets and the national targets:

“we agree that SEEP should have an overarching vision underpinned by targets and milestones. Local authorities should have the flexibility to set their own targets to contribute to the national target. The performance of local authorities will need to

be monitored by the Scottish Government or through a dedicated body established to oversee SEEP.” (housing)

283. A smaller number of respondents commented on the need for national co-ordination, funding and opportunities for sharing good practice.

Question 25: What would a good governance structure to oversee any framework of responsibilities between national and local government look like? What examples are you aware of within the UK or elsewhere?

Summary of main themes:

- Many respondents agreed that there is a need for an independent national body with responsibility for strategic oversight and delivery.
- Respondents wanted to see better systems or methods of review introduced in order to support governance, with comments that these should be based on outcomes rather than outputs.

284. 32 respondents, across groups, commented.

285. There were several calls, from respondents in various groups, for an independent national body with responsibility for strategic oversight and delivery. Smaller numbers suggested ministerial oversight, or joint ministerial / COSLA oversight.

286. Other, single, suggestions included:

- A national energy agency, such as exists in Denmark.
- A governance structure such as that which exists in education.
- The Regeneration Capital Grant Fund (RCGF) was cited as an example of good governance in the distribution of a large capital funding.
- The Energy Start suite delivered by the US Environmental Protection Agency.

287. A small number, from housing and the third sector / NGO groups, wanted to see “a new strategic group should oversee the development of schemes but give equal emphasis to the delivery of positive affordable warmth and health outcomes over carbon and energy saving priorities”.

288. In order to support governance, respondents wanted to see better systems or methods of review introduced, commenting that these should be based on outcomes rather than outputs.

289. Other suggestions to support governance, from small numbers, included the need for :

- The process to begin by defining what the governance is intended to achieve and how this will be monitored and measured.
- Strategic partnerships established at an early stage.

- Clear lines of accountability, both nationally and locally.
- Capacity and expertise at both national and local level.
- Clear guidance, methodologies, standards and enforcement.
- Sharing best practice.
- Engagement with appropriate professional bodies; that the governance structure should include representation from industry.

290. A small number, from local government, again suggested that experiences from HEEPS, where there are good links between local authorities and the SG, should be built upon.

Monitoring and review

Question 26: What should be included in a monitoring framework to ensure that the Programme is effectively monitored and evaluated?

Summary of main themes:

- The need for real, rather than modelled data, to be used as part of a monitoring framework to ensure that the Programme is effectively monitored and evaluated.
- Respondents noted that in the past schemes have not been evaluated and that on-going monitoring should be a part of SEEP to inform and improve its delivery.

291. 52 respondents, again from across respondent groups, commented.

292. A number of respondents commented that previous or current schemes have not been evaluated, or not evaluated effectively, and some stressed the need for effective and on-going monitoring of SEEP to inform and improve its delivery.

293. Several respondents, across groups, commented on the need for current data and for data collection and that this should be ‘real world’ rather than modelled data. A small number suggested that a baseline would need to be established against which to monitor. Examples of comments included the following, from local government:

“A baseline for each local authority would be required, using currently available EPC data and acknowledging where data is missing. A form of benchmarking would be useful, to evaluate performance fairly”.

“Having before-and-after data would be ideal and a standard kit for collecting this information could be made available in order to accomplish this (such as the BRE/SU monitor) and if procurement arrangements were made for this a level of consistency could be applied to the data that can then be gathered on a web portal with local pages for reporting”.

294. Suggestions, from small numbers, included:

- The need to monitor progress against targets at national and local level.

- The need for the framework to be structured to allow for comparisons across local authority areas, as well as within areas so that remote and rural areas can be monitored.
 - That measurement should be based on outcomes and not just outputs.
 - That monitoring should also seek to understand the impact of interventions, including health and local economies.
 - That the provision of evidence will help secure future investment.
 - That there should be clear reporting criteria.
295. There were many different suggestions for factors that should be included. These included: improvements to building stock; the number of advice enquires received; saving on fuel bills; quality; progress towards elimination of fuel poverty; and the impact on carbon emissions, amongst many others.

Additional Comments

Other comments

Question 27: We would welcome feedback and expertise on any other issues in relation to SEEP that aren't covered by the questions above.

296. 67 respondents provided other comments.
297. A number of respondents offered to provide further assistance, advice or asked to be involved in the next stages. There was an acknowledgement of the scale of the task in successfully delivering SEEP.
298. Other respondents provided additional information, such as background information or added their thanks for the opportunity to comment. A number of respondents provided industry-specific or business-specific information in support of their responses.
299. Additional points, that have not been addressed elsewhere, that emerged from the other comments provided by respondents included:
- The need for more detail on budget allocation, timeframe, total budget, forecast costs and benefits to consumers.
 - The need for more assessment and detail on the legislative provisions that will be required to meet SEEP objectives.
 - The need for ongoing stakeholder involvement in the development of SEEP.
 - The need for SEEP to work closely with existing community organisations.
 - The need for an affordable energy policy.

Consultation

300. At the end of the questions, respondents were asked if they would like to provide feedback in order to help improve future consultations and this section outlines the findings from these responses.

How satisfied were you with this consultation?

301. Of those providing an answer, more respondents (38) were satisfied with the consultation than were dissatisfied (7):

- 21 said they were 'Very satisfied'
- 17 said they were 'Slightly satisfied'
- 13 said they were 'Neither satisfied nor dissatisfied'
- 4 said they were 'Slightly dissatisfied'
- 3 (2 of whom were individuals) said they were 'Very dissatisfied'

302. Only 18 respondents provided any additional commentary and the main theme, from various respondents, was that the consultation questions should have been numbered and/or that a separate, numbered, word document should have been made available so that questions could be considered outwith Citizen Space.

How would you rate your satisfaction with using this platform (Citizen Space) to respond to this consultation?

303. Of those providing an answer, more respondents (42) were satisfied with the consultation than were dissatisfied (7):

- 24 said they were 'Very satisfied'
- 18 said they were 'Slightly satisfied'
- 6 said they were 'Neither satisfied nor dissatisfied'
- 5 said they were 'Slightly dissatisfied'
- 4 (3 of whom were individuals) said they were 'Very dissatisfied'

304. Only 18 respondents provided any additional commentary. While there were comments that Citizen Space is easy to use, there were also comments on issues and restrictions such as: inflexibility, for those who wish to respond to groups of questions rather than questions individually; lack of a function allowing respondents to upload supporting documentation; that tables and figures cannot be submitted; and issues with saving when using a Mac.

Appendix: Respondent organisations

Respondent organisations
A.C.Whyte & Co Ltd
Aberdeen City Council
Aberdeen Heat & Power Co. Ltd
Age Scotland
Aldersgate Group
ALLenergy
Argyll And Bute Council
Association for Decentralised Energy
Association for the Conservation of Energy (ACE)
Building Engineering Services Association
Calor Gas Ltd
Centre for Energy Policy, University of Strathclyde
Centrica Plc
Changeworks
Chartered Institute of Housing Scotland
Construction Industry Training Board (CITB) – Scotland
Consumer Futures Unit, Citizens Advice Scotland
Convention of Scottish Local Authorities (COSLA)
Council of Mortgage Lenders
Doosan Babcock Energy Limited
Dundee City Council
E.ON UK plc
EDF Energy

Elmhurst Energy

Energiesprong UK Ltd

Energy Action Scotland

Energy Saving Trust

Energy Skills Partnership

Energy UK

Existing Homes Alliance Scotland

Falkirk Council

Glasgow City Council

Glass and Glazing Federation

Highlands & Islands Housing Associations Affordable Warmth Group (H&IHAAW)

Historic Environment Scotland

Hitachi Zosen Corporation

Homes for Scotland

Insulated Render and Cladding Association (INCA)

Integrated Environmental Solutions Ltd

iPower Energy Ltd

Local Energy Action Plan (LEAP)

Lochalsh & Skye Housing Association Energy Advice Service

Mackintosh Environmental Architecture Research Unit (MEARU), The Glasgow

Mineral Products Association

Mineral Wool Insulation Manufacturers Association (MIMA)

Modern Masonry Alliance

North Ayrshire Council

npower Ltd

OnGen Limited

Orkney Housing Association Ltd

Orkney Islands Council

Pale Blue Dot Energy Ltd

Perth and Kinross Council Property Services

Rockwool Ltd

Royal Institution of Chartered Surveyors

RTPI Scotland

Scarf

Scottish Borders Council

Scottish Communities Climate Action Network (SCCAN)

Scottish Enterprise

Scottish Federation of Housing Associations (SFHA)

Scottish Land & Estates

Scottish Power

Scottish Property Federation

Scottish Renewables

Scottish Rural Action

Scottish Traditional Building Forum

SEPA (Scottish Environment Protection Agency)

Shelter Scotland

Solar Trade Association

South Lanarkshire Council

South Seeds

SSE Plc

Stop Climate Chaos Scotland

Sustainable Energy Association

Tarmac

The Highland Council

The Scotch Whisky Association

The Wise Group

Tighean Innse Gall

Trading Standards Scotland (hosted by COSLA)

UKLPG

West Lothian Council

WWF Scotland

10 organisations - name withheld

10 individuals



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