



Briefing for the Ministerial Fuel Poverty Statement and the Scottish Parliament debate on Housing – October 2011

The Existing Homes Alliance Scotland is a coalition of organisations calling for urgent action to transform Scotland's existing housing stock and make it fit for the 21st century. It includes representatives from WWF Scotland, Energy Action Scotland, the Scottish Building Federation, Scottish Federation of Housing Associations, the Energy Saving Trust, Chartered Institute of Housing, Association for the Conservation of Energy, Consumer Focus Scotland and Camco.

Summary

- *Scotland's housing is responsible for a quarter of our climate emissions - significant reductions in this sector are essential to deliver Scotland's leading Climate Change Act targets of a 42% cut in emissions by 2020 and 80% by 2050.*
- *A third of Scottish households are in fuel poverty and the latest fuel bill price rises are set to put almost a million Scottish households into fuel poverty.*
- *It is estimated that nearly 10,000 job opportunities could be created through improving the energy efficiency of our existing building stock.*
- *To address these serious challenges the **Existing Homes Alliance Scotland (ExHAS)** calls for three actions from the Scottish Government to improve Scotland's housing:*
 - *A commitment to a National Retrofit Programme*
 - *Investment of at least £100m per year over the next decade in improving the energy performance of housing*
 - *The implementation of minimum standards of energy efficiency for existing private housing by 2015.*
- *The Draft Scottish Budget and Spending Review falls short of providing the step change in investment necessary to deliver the climate savings attributed to domestic energy efficiency as set out in Climate Act Report on Proposals and Policies (RPP) or ensuring that Scotland is on track to meet our commitment to eradicate fuel poverty by 2016.*
- *Investment to cut fuel poverty and emissions would have huge economic, social and environmental benefits and are an important preventative spend opportunity.*

Introduction

With home energy use accounting for around a quarter of climate emissions in Scotland, cutting emissions from existing housing must have a central place in the Scottish Government's plans to meet the Climate Change Scotland Act's emission reduction targets of 42% by 2020 and 80% by 2050. The Report on Proposals and Policies to deliver Scotland's Climate Act highlights that emissions savings from domestic energy efficiency measures must double between 2011 and 2012. 770,000 households in Scotland are currently in fuel poverty, and the latest fuel price rises are set to push a further 170,000 households into fuel poverty. The Scottish Government is required under section 88 of the Housing (Scotland) Act 2001, to eradicate fuel poverty by 2016. Energy Action Scotland estimate that meeting this target will require a total investment of around £200 million per annum in each year of this Parliament.



What we are calling for:

1. A National Retrofit Programme

A National Retrofit Programme, delivered strategically, is required to improve the energy performance of Scottish housing. Current programmes aimed at improving existing housing stock are a good start, but cannot achieve the scale of change required to meet ambitious targets on climate change, energy demand reduction and fuel poverty.

A National Retrofit Programme will support and where necessary dovetail with current policy and practice as set out in Low Carbon Scotland, the Government's Report on Proposals and Policies (RPP) and Conserve and Save. In addition it would underpin the Low Carbon Economy Strategy and the planned Sustainable Housing Strategy.

Such a programme would co-ordinate activity with existing energy efficiency and fuel poverty programmes such as the Energy Assistance Package (EAP) and the Universal Home Insulation Scheme (UHIS). It could also provide a reference point and inform the development of new schemes such as the Warm Homes Fund and Green Deal.

2. Scottish Government investment of at least £100m per year over the next decade in improving the energy performance of housing

Government spending on energy efficiency was reduced from £70.9 million in 2010-2011 to £48 million in 2011-2012. The draft Scottish Budget and Spending Review 2012-13 to 2014/15 allocates £200 million investment on domestic energy and fuel poverty over three years but it is not clear how this is to be allocated between energy efficiency and fuel poverty programmes or how this is to be broken down per year.

While the Warm Homes Fund is set to provide an additional £50m over the term of the Parliament it appears that just £6.5m is to be split between the Warm Homes Fund and Future Transport Fund in 2012/13. The draft Budget and Spending Review commitments fall short of delivering the scale of emissions saving in homes set out in the RPP and the 2016 fuel poverty eradication target.

Improving residential energy efficiency is one of the most cost-effective ways of reducing carbon emissions, while at the same time addressing fuel poverty. Applying a 'preventative spend' approach would offer huge long term savings by avoiding the costs associated with impacts of climate change and fuel poverty in Scotland whilst stimulating green job opportunities and cutting fuel bills. According to the Fuel Poverty Advisory Group for England, for every £1 spent on fuel poverty, 42p is saved by the NHS.

3. A clear timetable to regulate on minimum standards by 2015 and subsequently 2020 for all homes

The success of the Scottish Housing Quality Standard in driving up standards in the social rented sector shows that minimum energy performance standards can cut fuel poverty and transform cold, damp houses into warm, dry homes. We believe a minimum standard should now be set for private homes at a minimum energy performance certificate (EPC) score of E from 2015 onwards, and raised to a minimum EPC score C from 2020.



Minimum standards should be introduced as part of a package of incentives and support which include:

- 1) Affordable finance: To ensure that all Scots, no matter what their income or financial circumstances, can afford to improve their home to meet the new standard. This may take the form of the UK Government's Green Deal in some cases, or the Scottish Government's Energy Assistance Package grants for those eligible, or some other package yet to be introduced.
- 2) A whole house area-based energy efficiency scheme: All households must be offered a whole house energy efficiency programme, such as the current Universal Home Insulation Scheme (UHIS) before the minimum standard is introduced.
- 3) Extended high-quality information and support e.g. through the Energy Saving Scotland Advice Centres. This support must be continued and extended.
- 4) Comprehensive skills strategy: There will be a need to support the industry in terms of skills and quality assurance to ensure there is enough capacity to meet the expected increase in demand from the introduction of minimum standards

Contact

For clarification or to discuss any of the information in this evidence contact the secretariat for the Existing Homes Alliance:

Eddie Follan Tel: 07810854165

Email: eddie@cambiumadvocacy.co.uk

<http://www.existinghomesalliance.org.uk/scotland/index.php>