

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

(Tick one only)

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

CONSULTATION QUESTIONS

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

Yes No

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

Many RSLs including ourselves, have gained great experience by running projects providing energy efficiency advice to customers and local residents. These may be in the form of assisting in examination of utility bills, switching suppliers, understanding the benefits of moving to another source of heating or changing their energy use patterns. Although RSLs are leading the way in the installation of green technology systems, these technological advances have not come without their own issues. The level of advice required by an end user of a new heating system such as ground source heat pumps, can be significant, many control systems are complicated and require specialist knowledge to operate for which additional assistance has to be provided to the end user.

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

The greatest number of SHQS exemptions or abeyances which will be required by the Association are due to the construction type of the property and being unable to reach agreement with private owners to carry out structural repairs to multi ownership properties.

The strict adherence to planning requirements within conservation zones and with listed buildings has caused issues regarding the perceived suitability of the most energy efficient windows and types of heating systems which can be installed. If these stringent regulations cannot be relaxed on occasions some properties will never be able to meet the requirements of the SHQS.

The careful specification of heating systems within our properties has significantly increased energy performance to a level where we have been able to achieve SHQS compliance for the Energy Efficiency element but properties are unlikely to reach the Free from Serious Disrepair requirements.

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

We have attempted for a number of years to carry out communal repairs or improvements to multi ownership properties and have led many projects. However where we were unable to reach agreement to carry out even the most urgent of repair works we have resorted to the Statutory Notice system available within Edinburgh. Due to the current withdrawal of the system we are unsure as to how we will now be able to proceed on many projects. The time and cost of managing projects of this type on behalf of private owners is a significant drain on resources. Where private owners do not have funds available to pay their share, agreement is

not forthcoming and the Association has had to resort to enforcing works under The Tenement (Scotland) Act and recover costs through the courts. This adds a significant time delay and drain on resources. When approaching owners regarding the installation of energy performance improvement works such as cavity wall or loft installation they understand the benefit of carrying out such works and are initially interested. Several projects have however come to a standstill as owners are not able to fund parts of the non grant (CERT or CESP) subsidised part of the works such as scaffolding costs and repair work which may have been identified.

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

Over a number of years we have developed a process for the progression of communal repairs with private owners. Whilst this system works well with low value items such as cyclical painterwork and repairs to door entry systems, we have had limited success getting higher cost projects to site. Many owners are horrified at the potential cost of larger repair works and due to the current financial situation are now unable to fund even the most urgent of structural or roofing repairs. Our process currently involves the Association carrying out and funding emergency repairs. Then followed by paying for initial surveys to ascertain the full extent of works required and being able to provide owners with an accurate estimate of the cost of works. The process can be very lengthy, but needs to ensure that the owners are treated as equal partners in the process by receiving accurate information in a form they can easily understand and which is key to achieving a successful outcome. Many of the processes we have used to date apply equally to energy efficiency measures as to communal repairs.

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

Yes No

The forthcoming changes to welfare payments are likely to have a significant impact on the way tenants view their finances. Many tenants in the social rented sector have already had to make the choice between HEAT or EAT. Many tenants feel that the responsibility to improve the energy efficiency of a property should be a landlord's top priority; although change in the way they consume energy is likely to have a much more significant impact on the money spent. On many occasions the installation of a high efficiency gas boiler has led to its increased use at the same cost as before rather than a reduction in overall energy consumption. The reduction of energy consumption within properties is therefore key to reducing the percentage of household income which is spent on energy. RSLs need to be taking a fabric first approach to improving energy efficiency. The Association has a number of new-build properties which have a very high level of insulation and high energy efficiency ratings have been achieved. Within these properties tenants are rarely using their heating systems and their energy consumption is low.

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

The potential benefits suggested are broadly correct. However the cost of introducing new energy efficiency measures are likely to result in an increase in the cost of rent charged for a property rather than money in tenants' pockets. Further high cost improvements to existing properties can only result in a rent increase. RSLs have already carried out as many cost effective measures as possible to meet the energy efficiency elements of the SHQS and many are now installing heating systems way above the quality and efficiency considered by home owners.

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

No comment.

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

As the proposed standard is currently envisaged it is not evident that any particular equality group would be at a significant risk.

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

Tenants who are not in receipt of housing benefit may be placed in greater disadvantage should the cost of improvement measures need to be recovered via increases in rent.

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

The installation of smart meters to as many properties as possible along with the instigation of a comprehensive advertising campaign demonstrating the potential savings available to consumers when carrying out simple energy reduction measures is likely to achieve significant reduction in energy consumption as consumers will be able to see in real time how their spending can be reduced.

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

Helpful Unhelpful

The case studies given are particularly helpful as they show a clear progression from the 1990 baseline. Due to the relatively short timescale from 2015 to 2020, the identification of measures required to meet the 2050 standard will be of a greater use. Most lifecycle and business planning assumptions are based on a 30 year timeframe; RSLs are therefore already making plans to direct their investment priorities to 2042.

Any measures required for the 2020 standard are therefore viewed as short term measures and greater long term impact can be achieved by working towards the 2050 targets.

If you think they are helpful:

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

The 23 property types detailed are a good basis to start from; however these case studies should be increased upon as RSLs reach agreement on potential measures for additional property types.

Guidance should also be provided for properties built after 2007.

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

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

For consistency a ground, mid, upper, detached and semi-detached property within each age band should be modelled. No fines properties should also be modelled.

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

Although there are many limitations and inaccuracies within the SAP/RdSAP methodology there is very little else which is in regular use and can be understood by the majority of industry professionals.

The enhancements which will be introduced in the next version (October 2012) available will go to improve the accuracy and the standard should allow for the latest version to be used at all times without requiring properties to be reassessed continually. As EPCs are currently valid for 10 years the properties which were surveyed as the start of the SHQS programme will be approaching the re-issue period by 2020 and therefore more accurate calculations will be available.

The heavy reliance on the SAP/RdSAP methodology within the proposed standard is creating a specialist industry in property energy modelling which will be well beyond the technical capabilities of many smaller RSLs. This is likely to further increase their reliance on the use of outside agencies to manage their stock from a compliance point of view.

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

Yes No

If not, please provide details.

No comment.

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

Yes No

Although the addition of items such as solar panels and air source heat pumps are technically possible to many properties, it is unlikely this will ever be possible in mixed tenure property due to jointly owned parts of buildings which would be affected such as roofs or back greens.

Further consideration should be given to mutually owned properties and particularly those within conservation zones or listed buildings as many of the potential measures are currently not permitted.

The cost of implementing many of the measures will easily outweigh any potential savings in energy charges over their life cycle and would be impractical for most home owners to install and should therefore not be imposed on the RSL sector.

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

The case studies should not be used as a tick list of measures to work your way through but only treated as a guide as to what may be implemented.

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

No further comment.

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

Yes No

If not, please explain why.

By selecting only the Environmental Impact Rating (EIR) for the standard confusion is likely to occur as consumers are currently used to seeing only the Energy Efficiency Rating (EER).

There is an inherent problem with Energy Performance certificate EIRs and EERs as no allowance is made for the actual energy which is consumed in the property therefore any reduction in carbon is only ever going to be a theoretical one based on an incomplete modelling system.

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

Yes No

Without being an expert in modelling properties with SAP/RdSAP software it is difficult to judge if in all cases a reduction in the EIR will also have corresponding reduction in the EER.

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

Yes No

If yes, please explain why.

The quality of information known about housing stock has increased greatly over recent years following the introduction of the SHQS. The level of information which will be required for the proposed standard will effectively require each RSL to retain a full SAP/RdSAP software system and have staff with sufficient technical knowledge to be able to model potential property improvements on a regular basis. This level of technical skill is not something most RSLs have in house as many currently use contractors to produce EPCs.

There have already been concerns raised as to the number of suitably experienced and qualified Green Deal assessors and the increased level of stock analysis required for the standard is likely to compound the situation. The potential skills shortage will lead to the provision of energy assessment services carrying a cost premium which will add further to the cost of implementing any improvement measures.

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

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

Yes No

It is estimated that improvements in Scotland's social housing stock has already achieved a 36% reduction in carbon when measured against the 1990 baseline so a lot has already been achieved. The proposed ratings for the 2020 standard are not particularly challenging as most properties which are currently meeting the energy efficiency component of the SHQS will be able to achieve these without any further measures required. It is also unlikely that properties failing to meet SHQS by 2015 will be unlikely to meet a slightly higher standard by 2020.

If the 2020 standard is to be regarded the first rung on the ladder towards the 2050 standard it is likely that more significant progress will be achieved in a shorter timescale.

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

Yes No

Many electrically heated detached houses and bungalows are currently located in

off-grid areas where it is unlikely that a gas supply will ever be installed. This is something which was not considered when the energy efficiency components of the SHQS were originally put together. This lower level required in the proposed standard is more a reflection of the reality of the situation than a deliberate undermining of the SHQS.

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

It is not realistic to impose a costly requirement that all socially rented properties should be heated by gas, electricity or renewable heat sources by 2030 when it is not possible to impose the same requirements upon the private rented or privately owned sectors. The only way gas connections can be provided cost effectively to many areas which are currently off grid is to get buy in from other private home owners to agree to switch. This provides a potentially more attractive customer base for the utility companies than grant funding the installation of Green Deal or ECO measures.

Scotland is geographically a long way from the ideal location for installing many solar systems and the potential energy which can be generated in many areas will always have to be supplemented by an electricity supply. Working with electricity generators and suppliers to develop more economical off-peak methods of supply is likely to have a greater impact on both energy consumption and cost to consumers.

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

Yes No

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

The two alternate proposals which were considered are both particularly complicated in their own ways. The use of EPCs provide a format which is now familiar to RSLs and is starting to become more familiar to tenants.

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

An aggregated standard could lead RSLs towards cherry picking the easier to treat stock and creating super efficient 'A Rated' properties to balance out poorer performing stock. It would also put at a disadvantage stock transfer associations and those who are no longer building new properties.

A standard which applies to all properties allows for a greater improvement in the poorer performing properties which in turn will have a greater impact on the energy consumption and costs to the tenants.

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

Yes No

The proposed approach represents a sensible way to measure the baseline for unusual properties. However the range of measures listed represent all the items which an RSL is likely to have carried out as part of SHQS and therefore do not demonstrate how the proposed 42% carbon saving can be achieved.

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

Yes No

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

Yes, there is a clear connection from the Scottish Government's climate change targets to the proposed standard.

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

Yes No

Exemptions should be available in a limited number of circumstances such as tenant refusal and ownership issues. It is unrealistic for an RSL to seek to evict a tenant for the refusal of entry to carry out energy efficiency improvement works. Significant time and legal costs will be incurred in trying to gain agreement with other owners and landlords to carry out works they do not wish to have done or cannot afford.

RSLs should have a plan in place for when agreement or access is granted and the progress towards achieving the improvements should be regularly reported on.

If exemptions are not allowed it is likely that RSLs will look towards disposing of stock into the unregulated sectors of private rent, home ownership or market rent. This will further reduce the likelihood of these properties ever achieving the energy efficiency standards.

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

Until Green Deal and ECO become operational it is difficult to judge what level of funding will be available to RSLs. The relaxation of the very tight Indices of

Multiple Deprivation areas which were a requirement of CESP funding should allow many potential projects to be taken forwards. The provision of additional assistance to private home owners would also allow greater levels of funding to be brought into some projects which are currently on hold.

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

Yes No

The properties which currently are able to achieve good environmental performance and will continue to do so are those which have not cost a disproportionate amount to improve. For many harder to treat properties such as listed buildings the only option to improving their efficiency is to internally insulate which is very costly, disruptive and needs to be planned a significant length of time in advance. Typical costs for such work will represent 10 years of rental income on top on the current lifecycle replacement requirements. It is likely that many RSLs will now be faced with many difficult decisions regarding the retention of poorly performing stock.

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

The Association would strongly support initiatives to encourage women into the construction industry. Any additional assistance the government can bring to removing the significant obstacles including the support of appropriate childcare arrangements will be greatly welcomed.

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

Many RSLs have comprehensive asset management systems which they are already using to record independently conducted stock condition surveys to inform future investment decisions.

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

Yes No

We understand that the Scottish Housing Regulator is currently moving to operating a more risk based approach to regulation therefore they may not be best placed to monitor the proposed standard into the future. However there does still need to be a consistent approach take to monitoring and accountability for reporting on the performance of both the social rented and private rented sectors along with private home ownership.

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

Yes No

Many of the costs associated with the delivery of the proposed standard are hidden in the management costs of RSLs. These are likely to include staff time taken to bid for Green Deal or ECO funding, internal recruitment of additional specialist energy assessors or the further training of current staff. Additionally the preliminary costs of works which are grant funded such as dilapidation surveys, scaffolding and reinstatement works are often not covered and will need to be covered from RSLs resources.

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

Yes No

Yes, ideally milestones should be set every 10 years.

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

Yes No

RSLs need to be aware of the step changes likely as the proposed standard moves towards the 2050 target. From a long term business planning point of view we need to be aware of the long term target standard. Many organisations may chose to carry out the costly measures required to improve the energy performance of their hard to treat properties sooner rather than later as this will give the greatest benefit to the resident in the long term rather than carrying out a few measures on a regular basis.

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

The proposed Energy Efficiency Standard for Social Housing starts to recognise that fuel poverty impacts upon lower income and older households in a disproportionate manner and programmes of information and assistance should be tailored towards encouraging take up from these groups.