



# SCOTLAND'S SUSTAINABLE HOUSING STRATEGY



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# Scotland's Sustainable Housing Strategy



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Members of the Sustainable Housing Strategy Group have agreed to allow their organisational logos to appear within this strategy on the basis that they have contributed to its development, recognise the importance of the issues raised and the need for debate. However, this does not confer their approval or agreement to all the detailed material in the document.

The Scottish Government, Edinburgh 2013

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## FOREWORD

The Sustainable Housing Strategy sets out our vision for warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland. This paper sets out the significant investment and programmes which will help us achieve that vision and help us meet the demanding targets for fuel poverty and emission reductions we have set.

Last year we consulted with you on how we could achieve our vision and that feedback has helped us develop the actions needed to deliver a long term and lasting transformation in the way we refurbish, build and value our homes.

This paper has been developed with significant input from leading organisations from the housing, fuel poverty, environmental and consumer protection fields as part of the Sustainable Housing Strategy Group. These organisations share with us a recognition of the importance of the issues of fuel poverty and climate change and a desire to ensure that everyone in Scotland has the opportunity to improve their home's energy efficiency. This will primarily be delivered through the Home Energy Efficiency Programmes for Scotland (HEEPS) which, through a number of pilots across the country, has already started improving the stock for the most fuel poor areas, making the homes of the most vulnerable cheaper to heat.

You have helped develop this ambitious strategy and we need your help to make sure the ambitious targets it sets out are achieved. Changing the way we view and value our homes is a key part of this and we are working with our stakeholders to help achieve that transformation as well examining the role for standards.

We do not believe that it is right that our homes should cost the earth to heat and we are going to ensure that homes in Scotland set a benchmark for warmth, quality and affordability whilst leading the way in carbon reduction. We want everyone in Scotland to live in high quality, sustainable homes that they can afford and that meet their needs. This strategy sets out the route map for achieving this but we will need your help to get us there.



**Nicola Sturgeon**  
**Deputy First Minister and**  
**Cabinet Secretary for Infrastructure, Investment and Cities**

## 1. Executive Summary

Since 2007 the Scottish Government has provided substantial investment towards sustainable housing. We invested almost £150m on fuel poverty and energy efficiency programmes between 2009/10 and 2011/12 with an estimated net gain in household income of about £700m and a saving of 3 million tonnes of CO<sub>2</sub> as a result. We are spending around a quarter of a billion pounds over the current spending review period on fuel poverty and energy efficiency. We have shown through our continued investment in difficult economic times that helping people heat their homes for less and reducing our carbon emissions are important priorities for this Government.

Since 2008, more than 540,000 homes received over 629,000 free or subsidised professionally installed cavity wall or loft insulation measures through the Carbon Emission Reduction Target (CERT) scheme and assisted by our home insulation programmes delivered by local councils. By the end of 2011, only 2% of homes had no loft insulation and 86% of lofts in Scotland had at least 100 mm insulation, 45% had 200 mm or more and two thirds of cavity walls had been insulated. The Scottish House Condition Survey showed that 125,000 homes upgraded their boilers in the last year and our boiler scrappage scheme contributed to this achievement.

Although these actions have helped many homes across Scotland there is still a great deal of work to be done to meet our challenging carbon emission and fuel poverty targets. We are working closely with our stakeholders to ensure that Scotland gets its fair share of all available funding and the centrepiece of this will be our Home Energy Efficiency Programmes for Scotland. This strategy builds on the good work we have been achieving and sets out our vision for a future of warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland.

This strategy follows on from the consultation document, 'Homes that don't cost the earth' which was developed with the Sustainable Housing Strategy Group. This group was established by Alex Neil, the former Cabinet Secretary for Infrastructure and Capital Investment and later chaired by the Deputy First Minister, Nicola Sturgeon and whose members include leading housing, fuel poverty, environmental and consumer interests.

'Homes that don't cost the earth'<sup>1</sup> was published on 25 June 2012, and the consultation closed on 28 September. The consultation was supported by a number of events arranged by organisations including SFHA, ALACHO, local councils and the Scottish Government. There were 91 non-campaign responses and 348 campaign responses to the consultation. The responses have now been analysed

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<sup>1</sup> [Homes that don't cost the earth: a consultation on Scotland's Sustainable Housing Strategy](http://www.scotland.gov.uk/Publications/2012/06/8390) (<http://www.scotland.gov.uk/Publications/2012/06/8390>)

and have helped the development of this strategy<sup>2</sup>. Alongside this was a parallel consultation on a new Energy Efficiency Standard for Social Housing<sup>3</sup>.

There was broad support for the vision and objectives for the strategy, which are to:

- deliver a step-change in provision of energy efficient homes to 2030 through retrofit and new build, as promised in the Infrastructure Investment Plan;
- ensure that no-one in Scotland has to live in fuel poverty, as far as is reasonably practicable, by 2016;
- make a full contribution to the Climate Change Act targets, as set out in the Report on Proposals and Policies; and
- enable the refurbishment and house-building sectors to contribute to and benefit from Scotland's low carbon economy and to drive Scotland's future economic prosperity.

The actions to be taken under each of the themes set out in the consultation are presented in this document. Actions relating to skills and training have been integrated into the relevant theme. In this strategy we focus on the energy efficiency aspects of sustainability, while recognising the wider aspects of this agenda, and in particular the importance of house condition.

These actions include:

- Making available £79m of funding for 2013-14 to establish the Home Energy Efficiency Programmes for Scotland (HEEPS). This will deliver on the Fuel Poverty Forum's recommendations for a shift of focus to Area Based Schemes to tackle fuel poverty but with national schemes to provide for the most vulnerable households wherever they live. Our spending, taken together with energy supplier funding which we aim to lever in under the Energy Company Obligation, should deliver £200 million annual expenditure in Scotland.
- Launching our Affordable Warmth Scheme which aims to ensure that every eligible household in Scotland receives support under the ECO Home Heating Cost Reduction Obligation. We have extended stage 4 of the Energy Assistance Package for a further two years (renamed the Energy Assistance Scheme) focussing assistance on the most vulnerable and poor households which were previously eligible for heating and insulation measures but who would otherwise miss out under the Affordable Warmth Scheme. Taken together, both these national schemes ensure that more than 300,000 poorer

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<sup>2</sup> [Scotland's Sustainable Housing Strategy: Analysis of Responses to 'Homes that Don't Cost the Earth' Consultation](http://www.scotland.gov.uk/Publications/2013/02/4438) (<http://www.scotland.gov.uk/Publications/2013/02/4438>)

<sup>3</sup> [Developing an Energy Efficiency Standard for Social Housing: Analysis of Consultation Responses. Energy Efficiency Standard for Social Housing: Analysis of Consultation Responses - Research Findings](http://www.scotland.gov.uk/Publications/2013/02/9924) (<http://www.scotland.gov.uk/Publications/2013/02/9924>)

households will be eligible for free or heavily discounted insulation and heating from 1 April 2013.

- We will publish a new Energy Efficiency Standard for Social Housing by Autumn 2013, with an expectation that landlords will meet the standard by 2020.
- We have set up a working group to develop proposals for minimum energy efficiency standards in private sector housing, taking account of issues raised in the consultation.
- Building on advice from the former Financial Services Authority, we will actively engage with lenders, consumers and surveyors to evaluate the opportunity of including a valuation premium on energy efficiency measures.
- We will develop proposals in 2013 for a working group/forum to consider developing a single condition standard for all tenures of housing.
- We will continue to provide an extra £4,000 funding through the Affordable Housing Supply Programme (AHSP) for every home meeting the 'silver' sustainability standard for emissions and energy use within section 7 (Sustainability) of building regulations. To encourage greater take-up, from 2013/14 this funding will be available as an addition to the mainstream resources available at council level.

It is intended that this strategy will stimulate action that impacts positively on climate change and hence on the environment. Prior to consultation, consideration was given to whether a full Strategic Environmental Assessment was required and a Screening Report was submitted to the consultation authorities, Scottish Environment Protection Agency, Historic Scotland and Scottish Natural Heritage. Their view was that this strategy sits within a hierarchy of other plans and proposals that have already been undertaken or will undertake full assessments in future, and thus to proceed with an SEA would not be necessary at this stage. The Screening Report and determination are available on the Scottish Government website<sup>4</sup>.

An Equalities Impact Assessment has been carried out for this Strategy and is available on the Scottish Government website.<sup>5</sup> The assessment found no evidence that any direct discrimination will arise from any part of the strategy, although it will be important to avoid any unintended or indirect discrimination.

It is likely that the Home Energy Efficiency Programmes for Scotland will have the greatest positive impact on older people, people with disabilities and single adult households as these are the groups most likely to be in fuel poverty. Over time all households, in both new and existing housing, should see positive benefits from improvements in energy efficiency, comfort and housing quality. Through its

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<sup>4</sup> <http://www.scotland.gov.uk/Topics/Environment/environmental-assessment/sea/SEAG>

<sup>5</sup> <http://www.scotland.gov.uk/Topics/People/Equality/18507/EqualityImpactAssessmentSearch>

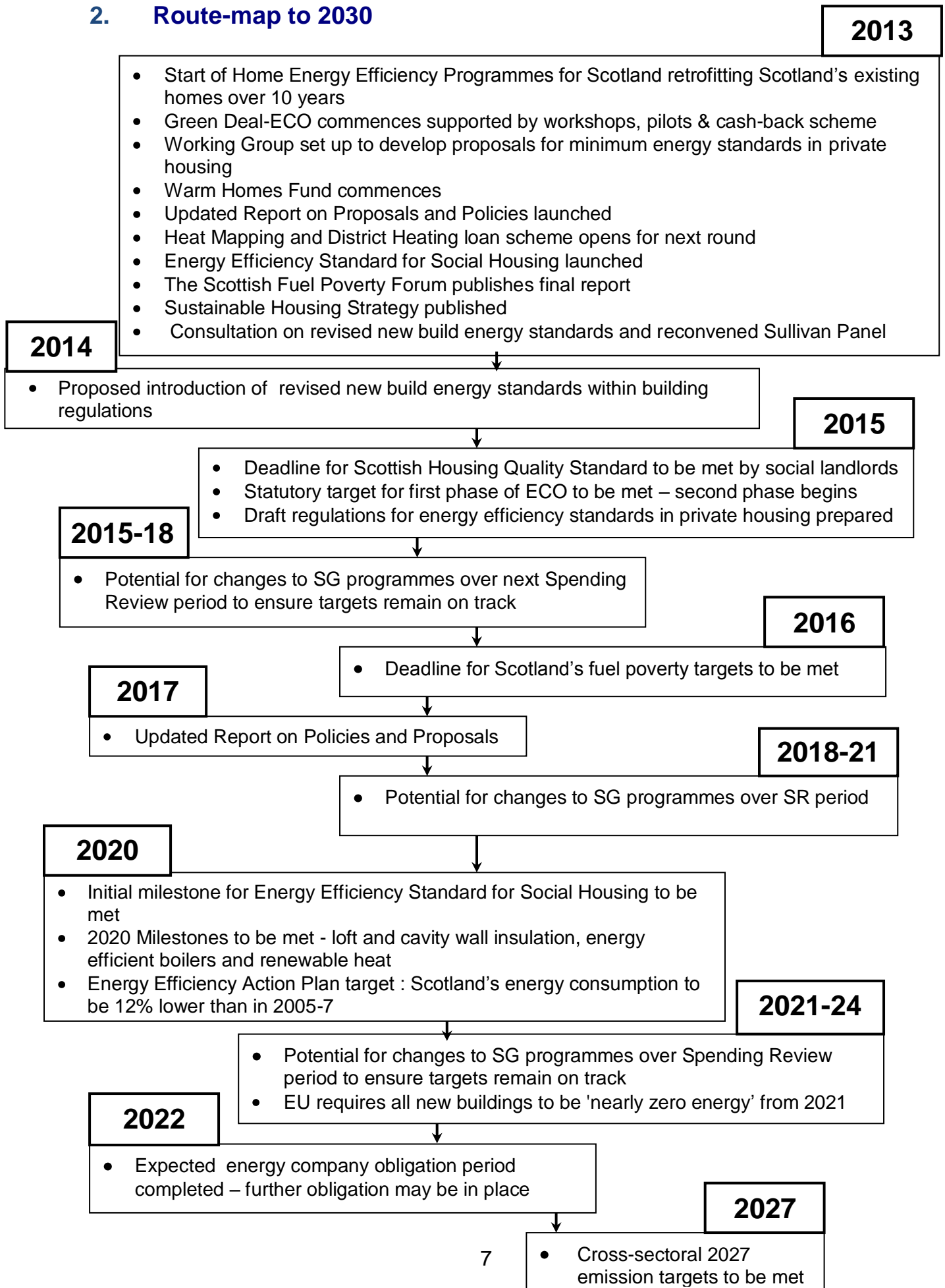


contribution to the low-carbon economy, the strategy could also provide opportunities to promote good relations, advance equality and create a more diverse workforce.

A Regulatory Impact Assessment (RIA) is underway to provide further information on the net cost and benefits of the proposed Energy Efficiency Standard for Social Housing. In due course, an RIA will also be undertaken to underpin development of proposals for minimum energy efficiency standards for private sector housing.



## 2. Route-map to 2030



### 3. Home Energy Efficiency Programmes for Scotland

The outcome we want to see:

**An end to fuel poverty, with lower fuel bills and increased comfort for all households, lower emissions and strong economic growth with Scotland the most attractive place in Great Britain for energy companies to invest in energy efficiency.**

Around 85% of homes in Scotland today should still be in use when our final emission targets are to be met in 2050. That means we must focus on the existing housing stock in order to tackle fuel poverty and achieve the housing milestones needed to meet our emissions targets.

#### 3.1 Consultation position

We called for a national programme which prioritises action to tackle fuel poverty, while maximising the measures and funding opportunities available to all, as part of a planned and co-ordinated approach, backed by standards, where necessary. We want to make Scotland the most attractive place in Great Britain for energy companies to invest to meet their obligations which opens up the prospect of a combined energy efficiency funding pot of at least £200m per annum, in addition to contributions from householders themselves.

The Home Energy Efficiency Programmes for Scotland (HEEPS) scheme will assist in achieving the housing milestones for 2020 that are needed to enable us to achieve our emission targets as set out in our Report on Proposals and Policies. These are :

- Every home to have loft and cavity wall insulation, where this is cost-effective and technically feasible.
- Every home heated with gas central heating to have a highly efficient boiler with appropriate controls.
- At least 100,000 homes to have adopted some form of individual or community renewable heat technology for space and/or water heating.

We are making significant progress against each of these milestones which is shown in Annex A.

### 3.2 Consultation responses

Many representative bodies expressed strong support for the proposed energy efficiency and fuel poverty programme. Some saw additional funding as critical, given that the principal challenges are effective solutions for hard-to-treat homes. Longer-term funding would increase the take-up and effectiveness of programmes. Some respondents advocated whole house solutions as representing better value than piecemeal measures.

There was a clear view that a wealth of skills and experience have been built up over the course of previous initiatives and that these should support the strategy for existing homes. In particular, respondents recommended that the programme include both an area-based approach and a person-centred approach (focussing on the most vulnerable households), making use of the Home Energy Scotland advice centres to provide information and advice services.

### 3.3 Actions

- We have made available £79m of funding for 2013-14 to establish the Home Energy Efficiency Programmes for Scotland (HEEPS). This will deliver on the Fuel Poverty Forum's recommendations for a shift of focus to Area Based Schemes to tackle fuel poverty but with a national Affordable Warmth Scheme and Energy Assistance Scheme to provide for the most vulnerable households wherever they live. Our spending, taken together with energy supplier funding which we aim to lever in under the Energy Company Obligation, should deliver £200 million expenditure in Scotland.
- The Affordable Warmth Scheme aims to ensure that every eligible household in Scotland receives support under the ECO Home Heating Cost Reduction Obligation. We have extended stage 4 of the Energy Assistance Package for a further two years (renamed the Energy Assistance Scheme) focussing assistance on the most vulnerable and poor households which were previously eligible for heating and insulation measures but who would otherwise miss out under the Affordable Warmth Scheme. Taken together, both these national schemes ensure that more than 300,000 poorer households are eligible for free or heavily discounted insulation and heating from 1 April 2013.
- With regard to the Area Based Schemes, in March 2013 we invited councils, to submit proposals for Scottish Government funding and have informed councils of the decision on their proposals.
- We will continue to meet regularly with the obligated utility companies (both bilaterally and as a group) to discuss their experience of ECO and working with Scottish local authorities to deliver area-based energy efficiency schemes and seek to facilitate discussions between the companies and local authorities to ensure Scotland receives its fair share of ECO funding in 2013-14 and going forward.

- We will build on the success of the ECO workshops we have held to ensure that Local Authorities and Registered Social Landlords are fully aware of the opportunities available to them.
- The 2020 Built Environment subgroup has launched *Retrofit Scotland*, a collaboration of organisations that have come together to disseminate best practice information on retrofit in Scotland. Through the 2020 Group, Retrofit Scotland has collated more than 130 case studies on retrofit projects.
- We will build on the 3 year research programme undertaken and published by Historic Scotland on *Fabric Upgrades for Energy Efficiency in Traditional Buildings*<sup>6</sup> through supporting Historic Scotland's training programmes, delivered in partnership with Forth Valley College.
- We will support Historic Scotland through their work with BRE Scotland and Napier University to research *Fabric Upgrades for Energy Efficiency in 1920 – 1945 Housing Stock*. This will be published in 2015.
- We will support the extension of information and advice on housing options to help home owners find reliable trades people to undertake repairs and maintenance, including through the development of trusted traders schemes.
- We will make it easier and safer for older people to access any equity in their homes to meet their own housing needs and maintain independent living.
- We will continue to fund a number of schemes on Renewable Energy, which will contribute to achieving our milestones, including:
  - *Warm Homes Fund* - £50m fund. 8 projects approved to date, with grant funding of £175,000 and loan funding of £2m
  - *District Heating Loans Scheme* - £5 million scheme. 13 projects supported in past 2 years at £2.6m total cost.
  - *Renewable Energy Investment Fund* - £103m fund. Supports big investment projects under District Heating, Communities and Marine.
  - *Home Renewables Loans* - helping individual households to install new green heating systems in their homes
  - *Renewable Heat Incentive* - working with DECC to ensure that the Scottish Government's aim of Registered Social Landlords being included in the Incentive is achieved.

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<sup>6</sup> [Fabric Upgrades for Energy Efficiency in Traditional Buildings](http://www.historic-scotland.gov.uk/fabric_improvements.pdf)  
([http://www.historic-scotland.gov.uk/fabric\\_improvements.pdf](http://www.historic-scotland.gov.uk/fabric_improvements.pdf))

## 4. The role of Standards

The outcome we want to see:

**People value and take responsibility for the condition and energy efficiency of their homes, with an appropriate role for standards.**

For people to live in warm, high quality, affordable, low carbon homes by 2030 we need to act to improve both the physical condition and the energy efficiency of housing, including the use of regulation and enforcement powers.

### 4.1 Consultation position

Key issues on which we sought views included:

- Should there be a single condition standard across all tenures of housing?
- Should existing powers available to local authorities, which allow them to require owners to repair their properties, be enhanced? Should they be extended so that local authorities can require improvements in the same way they can require repairs?
- What should be the role of regulation of energy efficiency in private sector housing and the provision of incentives?
- If, how and when should regulation be introduced?

The consultation also acknowledged parallel work to develop a new energy efficiency standard for social housing (ESSH), beyond that to be achieved as part of the Scottish Housing Quality Standard (SHQS) by 2015 and that energy standards are already part of building regulations for new build houses.

### 4.2 Consultation responses

There was majority support for consideration of a minimum condition standard beyond the tolerable standard, with slightly less support for a minimum energy efficiency standard for private sector housing<sup>7</sup>. Many responding organisations, however, were concerned about the practicalities of enforcement – who would enforce and their capacity to do so. There was also particular concern, in relation to an energy efficiency standard, about its potential effect on the owner-occupied sector where conditions applied at the point of sale might depress house sales.

Rather than mandatory standards, many expressed a preference for incentives such as rebates on council tax and Land and Buildings Transaction Tax (LBTT) allied to promotion of a better appreciation of energy efficiency through information

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<sup>7</sup> 77% of respondents were in favour of mandatory condition standards whilst 57% were in favour of minimum energy efficiency standards

campaigns, improved guidance on technical solutions, and monitoring the success of improvement programmes.

### 4.3 Actions

#### **House Condition**

- We will work with the Scottish Housing Regulator to monitor progress of social landlords to ensure that all their properties meet the SHQS by 2015.
- Scottish Ministers will consider whether it is appropriate to amend local authorities' existing powers, which enable them to require owners to repair their houses, as part of the Housing Bill proposed for introduction around the middle of the current Parliamentary session.
- We will develop proposals by end 2013 for a working group/forum to consider whether a single condition standard should be applied across all tenures.
- We will encourage homeowners in mixed tenure and shared ownership properties to work together to improve and maintain their properties to the set condition standards.
- We will continue to support demand led training through our national training programmes, further and higher education programmes and our Low Carbon Skills Fund to ensure that employers have the skilled and competent workforce needed to meet current and future standards.

#### **Energy efficiency**

- We will publish a new Energy Efficiency Standard for existing Social Housing by Autumn 2013, with an expectation that landlords will meet the standard by 2020.
- We have set up a working group to develop proposals for minimum energy efficiency standards in existing private sector housing, taking account of issues raised in the consultation.
- We will consult on draft regulations for existing private housing by 2015, with a lead in time to the introduction of any regulation. We will seek the working group's views on potential timescales.

## 5. New Build Market Transformation

The outcome we want to see:

**Scottish companies maximise the potential of innovative design and construction techniques to deliver more, greener homes as part of sustainable neighbourhoods, creating export and other economic opportunities.**

More than half a million extra homes are likely to be needed in Scotland to meet demand by 2035, according to National Records of Scotland projections<sup>8</sup>. We want to work with the building industry to maximise the potential of the innovative design and construction techniques being developed here in Scotland, not only to deliver more sustainable homes and neighbourhoods, but also to create export and other economic opportunities. This will help to meet the expected future demand for homes in a more sustainable way that supports the low carbon economy and helps prevent fuel poverty.

### 5.1 Consultation position

Scotland's house-building industry already makes a significant contribution to Scotland's economic prosperity, creating and supporting jobs and enabling labour market mobility. And, as a consequence of our demanding building standards, the energy efficiency of the new homes built today has increased significantly in recent years. However, the Scottish Government believes that more can be done, both to improve further the sustainability of new build housing and to forge new economic opportunities from the sector and its supply chain, including the potential for a "first mover" advantage in the export market in Europe and beyond.

The Scottish Government's ambition for new homes that meet the highest sustainability standards represents a huge opportunity for innovation and investment in the housing sector building on the industry's existing track record. Further enhancement to the delivery of energy performance and carbon abatement through the building standards system will play a vital part in transforming the new build market.

The Scottish Government has a key role to play through the way we incentivise energy efficiency in the new homes that we subsidise. We estimate that the £860 million housing supply budget for the three-year period 2012-15 could generate around £3.5 billion of economic activity and support up to 10,000 jobs each year, directly and indirectly, across the Scottish economy. Through the Affordable Housing Supply Programme (AHSP), we are committed to subsidising 30,000 new affordable homes over the 5 years of this Parliament, mainly through councils and housing associations. The programme includes homes for social rent, intermediate rent and shared equity. While some of these homes will be delivered through rehabilitation or off-the-shelf purchase, at least 80 % will be new build, and a coordinated approach to driving energy efficiency through this Programme can spearhead wider reforms in the industry.

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<sup>8</sup> National Records of Scotland (2012) Household Projections for Scotland – 2010-based



## 5.2 Consultation responses

Many responses were heavily influenced by consideration of current economic conditions. It was argued that the current state of the construction industry makes it more difficult to contemplate innovation or speculative investment in training and skills development. It was also argued that both social landlords and builders need the security of long term funding programmes to develop cost-effective planning and procurement in both new build and retrofit.

However, the argument that the recession had limited new build market transformation was challenged by some respondents who cited a lack of evidence of innovative design and approaches in the 'boom' years up to 2008. Others noted that building to high standards of energy efficiency is well established in other countries.

Some respondents considered how the government could support new build market transformation. Suggestions included increased funding for the affordable housing supply programme to enable more sustainable housing, and support for research and development.

## 5.3 Actions

- We are consulting on new build standards for the 2014 building regulations
- We reconvened the Sullivan Report panel to advise on future enhancements to energy performance and carbon abatement through the Building Standards system.
- More than 330 new affordable homes will be built through the Greener Homes Innovation Scheme (GHIS) promoting greener methods of construction in the house building industry and enabling families to save up to £1,000 per year on running costs.
- We will monitor and review GHIS which announced successful projects in March 2013 and update the Greener Homes Prospectus<sup>9</sup> (which showcases case studies and examples of the kind of work which can be done to improve energy efficiency in homes) so that it maintains a current status.
- We will continue to provide an extra £4,000 funding through the Affordable Housing Supply Programme (AHSP) for every home meeting the 'silver' sustainability standard for emissions and energy use within section 7 (Sustainability) of building regulations. To encourage greater take-up, from 2013/14 this funding will be available as an addition to the mainstream resources available at council level.

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<sup>9</sup> Greener Homes Prospectus (<http://www.scotland.gov.uk/Topics/Built-Environment/Housing/sustainable/largescale/GreenerHomesProspectus>)

- We will promote the ability of design and modern methods of construction to help meet future targets on energy use and carbon emissions. This was previously set out in our Architecture and Place Policy.
- We will consider the recommendations of the Review of Procurement in Construction following the publication of its findings in autumn 2013.
- We will ensure modern methods of construction are supported through skills development. This includes:
  - Delivering at least 25,000 Modern Apprenticeship starts in 2013/4. This is a demand led programme but in previous years there have been significant numbers of starts in the construction sector.
  - Maintaining our successful Low Carbon Skills Fund, delivering at least 500 training episodes to Scottish SMEs in 2013/14
  - Continuing to work with industry and relevant sector skills councils to develop demand led skills provision which meets current and future needs of employers.
- We will include Sustainability as a core theme in our National Planning Framework 3 and our Scottish Planning Policy, with consultations on both documents taking place. These documents will ensure that sustainability influences funding decisions over the next 30 years.

## 6. Financial Market Transformation

The outcome we want to see:

**There is a market premium on warm, high quality, low carbon homes with lower running costs because these attributes are valued by lenders, consumers and surveyors.**

### 6.1 Consultation position

Energy efficient homes should be warmer and cheaper to run because of lower energy bills and may even attract feed-in tariff income. However, this is not currently reflected in more favourable lending terms or higher property values<sup>10</sup>. This is due to two inter-linked factors –the current systems, practices and regulatory frameworks for valuing properties and advancing loan finance, and the knock-on effects these have on the priority consumers place on having a sustainable, energy efficient home.

Our vision is to see a housing market where sustainability, for both new and existing housing, is positively valued by consumers and attracts a financial premium. This is needed to drive the market for the action needed to achieve our emission reduction and fuel poverty goals and improve the quality of our homes. Whenever householders or landlords are making choices about improving their homes, we want the default option to be a sustainable one.

The kind of change we want to see will take time to achieve, however we need to start now.

### 6.2 Consultation responses

We sought views on the ability of the market to reflect and value energy efficiency. Respondents pointed out that valuations reflected consumer priorities and energy efficiency was not a top priority for consumers when purchasing a home. However, others argued that better information about the cost-benefits of improving energy efficiency and improved training for professionals could influence valuations.

A consistent theme in responses was the need to provide clear straightforward information for home owners and landlords about energy efficiency and its benefits. It was also stressed that information is required on the need to maintain and repair properties, how to obtain good advice on property maintenance and how to appoint appropriate contractors for repair and maintenance work. There was particular support for greater use of Energy Performance Certificates (EPCs) and their potential role to influence household behaviour and encourage greater take up of energy efficiency measures. The consultation report notes that many of the

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<sup>10</sup> However, new research published in June 2013 provides emerging evidence in England of a positive relationship between energy ratings and dwelling price per square metre. [An investigation of the effect of EPC ratings on house prices](https://www.gov.uk/government/publications/an-investigation-of-the-effect-of-epc-ratings-on-house-prices) (<https://www.gov.uk/government/publications/an-investigation-of-the-effect-of-epc-ratings-on-house-prices>)

recommendations for better EPC information should be satisfied by recent amendments to the Energy Performance of Buildings regulations.

The current economic climate and state of the housing market were seen as important contextual factors, creating concerns about the availability of investment and funding needed to support change and the potential for a damaging impact on the housing market if higher condition and/or energy standards were enforced.

### 6.3 Actions

To successfully transform the market for sustainable housing it is clear that we must look at it in conjunction with wider behaviour change policies. We must show the people of Scotland the real benefits of improving the energy efficiency of their homes. These benefits can be seen in reduced energy bills and improved home comfort which will also help us combat climate change through reduced carbon emissions. The actions we have developed under this theme will help us achieve a nationwide consensus on the benefits of more sustainable housing which will also help transform the housing market.

- Building on advice received from the former Financial Services Authority, we will actively engage with lenders, consumers and surveyors to evaluate the opportunity of including a valuation premium on energy efficiency measures. There is considerable international evidence<sup>11</sup> emerging that green homes are increasingly attractive to homebuyers, and evidence from the UK that people are concerned about energy bills and thinking about saving energy in the home<sup>12</sup>. We will work with stakeholders to review evidence on energy performance, market conditions and how to accelerate the potential for sustainability to be reflected in valuations.
- The 2020 Built Environment sub group will work with the Glasgow Solicitors Property Centre and Glasgow University on tracking home buyers appetite towards energy efficiency.
- We will ensure that the review into Home Reports, scheduled to coincide with 5 years of their operation in December 2013, considers their role in supporting behaviour change to encourage home owners to value the sustainability, both in terms of condition and energy efficiency, of their houses.
- We will work with stakeholders to develop guidance to homeowners on what to think about when considering investment in their homes.
- We will work with Historic Scotland on their pilot for a Traditional Building Health Check, which will look at an opt-in programme which provides a maintenance log book for homeowners.

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<sup>11</sup> [World Green Building Council: The Business Case for Green Buildings](http://worldgbc.org/activities/business-case)  
(<http://worldgbc.org/activities/business-case>)

<sup>12</sup> [Summary of Wave 5 findings of Public Attitudes Tracker](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/198722/Summary_of_Wave_5_findings_of_Public_Attitudes_Tracker.pdf)  
([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/198722/Summary\\_of\\_Wave\\_5\\_findings\\_of\\_Public\\_Attitudes\\_Tracker.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/198722/Summary_of_Wave_5_findings_of_Public_Attitudes_Tracker.pdf))

- We will continue to fund and expand the Energy Saving Trust's Home Energy Advice Centres to deliver impartial independent advice on Green Deal and the Energy Company Obligation helping households make decisions on the benefits and cost effectiveness of energy efficiency improvements in their homes. The following figures for 2012/13 exceed the targets we had set:
  - 312,051 customer advice contacts
  - 847 Small and Medium Enterprises receiving in depth energy reviews by consultants.
  - 1.26M lifetime tonnes CO2 and 5.3 TWh lifetime energy
  - 44,300 tonnes of CO2 and 186,000 MWh saved annually
  
- Through our sponsorship of the Energy Saving Trust we will continue to fund the Green Homes Network. The Network currently boasts over 600 members who have volunteered to share their experiences of energy efficiency upgrades in their homes. We will also look to expand the Network's membership and to include video case studies for Green Deal / ECO measures such as solid wall insulation on the Green Homes Network webpage<sup>13</sup>.
  
- We will encourage the uptake of Green Deal in Scotland through the Green Deal cashback scheme which will offer grants totalling £14.5 million for the installation of measures.
  
- We will build on the work set out in *Low Carbon Scotland: A Behaviours Framework*<sup>14</sup> which includes a user guide and a series of workshops on the Individual, Social and Material (ISM) tool.
  
- We will continue to provide advice on how to make homes warmer and more energy efficient through the Greener Scotland website<sup>15</sup>.
  
- We will work with Skills Development Scotland and other partners to deliver training supported by the Low Carbon Skills Fund, helping small and medium sized employers train their staff to become certified Green Deal assessors and installers.

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<sup>13</sup> [Green Homes Network \(http://www.energysavingtrust.org.uk/scotland/Generating-energy/Green-Homes-Network\)](http://www.energysavingtrust.org.uk/scotland/Generating-energy/Green-Homes-Network)

<sup>14</sup> [Low Carbon Scotland: A Behaviours Framework \(http://www.scotland.gov.uk/Publications/2013/03/8172\)](http://www.scotland.gov.uk/Publications/2013/03/8172)

<sup>15</sup> [Greener Scotland \(http://www.greenerScotland.org/saving-energy\)](http://www.greenerScotland.org/saving-energy)

## 7. Monitoring

The Sustainable Housing Strategy Group has played an important role in developing this strategy and will monitor its early implementation during 2013-14, while key policies continue to become embedded. The intention is to build up a relationship with the Housing Policy Advisory Group (HPAG) over this period to enable HPAG to take on the role of monitoring the implementation of the strategy after that point.

HPAG was set up to help Ministers to achieve the housing priorities set out in [Homes Fit for the 21st Century](#). With a focus on outcomes, the group works in partnership with the Scottish Government to identify barriers to delivery and ways to overcome these. This makes it an ideal group to oversee implementation of the Sustainable Housing Strategy and integrate it with other plans for housing.

The Fuel Poverty Forum will continue to lead on monitoring progress on fuel poverty. Scottish Ministers are required to report progress towards the 2016 target of eradicating fuel poverty, as far as is reasonably practicable, every four years. The last progress report was published in November 2010. The Scottish Fuel Poverty Forum published its interim report of the Government's Fuel Poverty Strategy in June 2012. The final report is expected to be published in Summer 2013.

This strategy's plans for sustainable housing include the housing policies on climate change set out in the second Report on Proposals and Policies (RPP). Ministers have set annual targets to reduce carbon emissions in Scotland – the current targets are for each year to 2027. Although there are no statutory targets for housing the information about residential emissions from the Scottish Greenhouse Gas Inventory is a useful indicator of trends in the residential sector, and we will continue to use this information to monitor progress.

We will also continue to monitor progress towards the 2020 'milestones' set in the Report on Proposals and Policies – see Annex A.

The annual Scottish House Condition Survey is a useful source of information about progress towards the milestones and a wide range of other information including:

- house condition,
- energy efficiency and other elements of the Scottish Housing Quality Standard, and
- the percentage of households who monitor their energy use (an indicator in the Low Carbon Scotland: Behaviours Framework)

This information will help in monitoring the success of actions in the different parts of this strategy.

We will also:

- continue to monitor Scottish Government-funded programmes and publish this information on the Energy Saving Trust's website, and
- use information provided by Ofgem and the UK Government to monitor delivery of ECO in Scotland.

The second Report on Proposals and Policies will be published shortly, following Parliament's consideration of the draft RPP2 document. A third RPP is due to be published in 2016/17. We will carry out further analysis in the intervening period to develop a proposal to support further technical abatement through improvements to the carbon efficiency of the housing stock, if these are still needed to meet the statutory climate change targets.



**ANNEX A : Table – Report on Proposals and Policies : 2020 milestones and progress**

<b>Milestone</b>	<b>Measures needed by 2020</b>	<b>Progress to 2010</b>	<b>Progress to 2011</b>
1. Every home to have loft and cavity wall insulation (where cost effective/ technically feasible) and draught proofing measures such as pipe lagging.	Every home to have loft insulation of at least 100 mm by 2020.  Every home to have cavity walls insulated, where appropriate and technically feasible.	Figures from the Scottish House Condition Survey show that by the end of 2010 around 82% of lofts had at least 100 mm insulation and 36% had 200 mm or more.  Nearly two-thirds (62%) of cavity walls had been insulated.	Latest figures from the Scottish House Condition Survey show that by the end of 2011 around <b>86%</b> of lofts had at least 100 mm insulation and <b>45%</b> had 200 mm or more. Two-thirds ( <b>66%</b> ) of cavity walls had been insulated.
2. Every home heated with gas central heating to have a highly efficient boiler with appropriate controls.	The RPP assumes over 1,000,000 boiler replacements over the period from 2008-2020.	The Energy Saving Trust estimates that more than 128,000 new gas boilers were installed in Scottish homes between April 2010-March 2011 and around 120,000 between April 2011-March 2012. If this replacement rate continues until 2020 well over a million homes will have highly efficient new boilers.	The SHCS <b>confirms</b> this rate of gas boiler installations and upgrades; <b>125,000 homes</b> reported having gas central heating installed or upgraded in the last year (SHCS 2011).
3. At least 100,000 homes to have adopted some form of individual or community renewable heat technology for space and/or water heating.	The RPP assumes large scale uptake of solar thermal panels; biomass boilers; and heat pumps by 2020.	Around 13,000 homes had some form of renewable heat by the end of 2010 (Scottish House Condition Survey).	Energy Saving Trust (EST) estimates that 10,800 micro-heat technologies had been installed by 2012. Space and/or water heating can also be provided by renewable electricity such as solar PV and the SHCS estimated that around 20,000 homes used solar thermal panels, biomass fuel or heat pumps by the end of 2011.

			Provisional estimates from EST are that around 2,000 homes are connected to renewable district heating out of around 6,000 homes connected to community heating schemes.
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