

Response ID ANON-JH4Z-5R4T-F

Submitted to **Energy Efficient Scotland: Consultation**

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Pace of Delivery, Impact of pace on supply chain, Impact on Fuel Poverty & Climate Change

1 With regards to achieving an accelerated delivery of the standards proposed, do you think mandatory action for owner occupiers would be required? ? Please provide a rationale for your answer.

No

Comments::

The SPF recognises the potential need for mandatory action for owner-occupied properties as part of wider measures for improving energy efficiency in Scotland's built environment, and as part of the government's net zero ambitions for 2045. It is important, however, that the government focuses its attention on supporting owner-occupied households to improve energy efficiency through education and funding.

While government support is available for certain energy efficiency improvements, this is not available to everyone and the current level of funding may be insufficient to meet the potential demand for assistance.

It should also be borne in mind that, in certain situations, the type of building ownership may make energy efficiency modifications complex and challenging. For example, in flatted accommodation individual owners often have no right to alter walls, windows and doors without the agreement of other owners in the building. Additionally, older city centre housing stock may be subject to special protection or listing due to its cultural or aesthetic significance. This will add complexity and cost to many key energy efficiency improvement solutions, such as insulation and replacement windows.

2 What trigger points, e.g. sale, renovation, etc. could be used to require owner occupiers to undertake energy efficiency improvements?

Comments::

It is difficult to see how these proposals could be enforced at any point other than the sale of a property, as all sellers are required to have an EPC assessment at this stage. Other trigger points, such as a fixed date or renovation, would be administratively complex and inefficient for local authorities to regulate.

However, it should be noted that if done at the point of sale, one of the key benefits to the owner of investing in energy efficiency will be lost as any 'payback' will fall to the buyer. This could disincentivise compliance and could prove to be unpopular with homeowners.

3 If you think mandatory action would be required to achieve an accelerated delivery of the standards, when should mandatory energy efficiency targets be introduced in the owner-occupied sector

After 2030

Comments::

The SPF supported the Scottish government's original proposals contained within the Route Map to begin mandatory targets in 2030, as this gave more time for households to be informed and prepare for the regulations coming into force. We do not agree that mandatory action should begin before 2030 as the potential cost implications of meeting a minimum EPC standard will require homeowners to have time to prepare for mandatory action.

The setting of mandatory energy efficiency targets should follow a gradual and phased approach. The government should continue to aim for EPC C in owner occupied properties by 2040, but, like its strategy for PRS, should allow for a series of milestones.

4 From a supply chain perspective, do you think bringing forward the timescales for the Programme would have a positive or negative effect on quality, skills & capacity and consumer protection?

Negative

Please provide a rationale, and evidence where possible.:

Our members are concerned that bringing the timescales forward could have a negative effect on quality and the capacity to meet the increased demand for energy efficiency improvements. This is because it would reduce the time that the market has to adapt to the new regulations. This is particularly true for PRS, which could see a rapid introduction of multiple minimum standards in the next 5 years.

It is important that there are enough trained people to meet this demand and contingencies are in place for the eventuality that assessments can not be carried out in time because of a national backlog.

5 In your view, how would accelerating Energy Efficient Scotland help, and/or how would it hinder, plans to address fuel poverty?

Comments::

6 With regards to reducing the emissions associated with the supply of heat, what are your views on consideration of energy efficient improvements alongside changes to heating systems?

Comments::

Private Rented Sector

7 What are your views on using change of tenancy as a trigger to require the increased standard?

Comments::

We agree that using change of tenancy as a trigger to require a certain EPC standard would be the most straightforward trigger point. However, we are concerned with the timing of the phased approach proposed by the consultation.

8 What are your views on using 1 April 2025 as the date to start applying the minimum standard of C when there is a change of tenancy?

Comments::

The SPF supports the introduction of a minimum EPC standard; however, we do not agree with the accelerated application of the minimum standard of EPC C. Such a timescale would give landlords less than five years to assess and fund the necessary energy efficiency improvements. We are more content with the original proposals in the Route Map, which suggested enforcing a minimum standard of EPC C from 2030.

The introduction of a minimum EPC standard of D in PRS (at change of tenancy) in April 2021 is also of concern as it gives landlords less than two years to meet the regulations. We feel that the Scottish government should have a longer period between implementing the minimum standards of EPC E and D to allow for a period of reflection and consultation. This will help to identify and resolve any issues with the initial roll-out before they are magnified by the future tightening of minimum standards.

The Scottish government should consider the effect that such a widespread policy could have on PRS. Many private landlords have small portfolios (often consisting of just a single property) and may not have the resources to implement the modifications required. Even with the introduction of a cap of £5,000 for meeting EPC E and D, the current timescale could dictate that a landlord could potentially face having to pay some £10,000 by 2022. This sum could be considerably less in more modern PRS stock, but for landlords managing older properties, where the construction may have been of poorer quality, the level and speed of investment needed could be prohibitively high.

If even a small percentage of these landlords decide to leave the market because of the regulations, there could be a significant impact on a tenure that is playing an increasingly important part in housing Scotland's people. It is vital that the Scottish government works with landlords to ensure a smooth transition and to make sure that regulations do not force the disposal of much needed rental accommodation.

It is also of concern to our members that the Scottish government has not yet defined the requirements for meeting EPC C – noting only that this will be 'where technically feasible and cost-effective'. It is important to the industry that this requirement is defined promptly and clearly.

As well as regulating for minimum standards, the Scottish government should encourage local authorities to be more accommodating of purpose built 'build-to-rent' in their areas. Build-to-rent is a high quality, institutionally managed PRS product and such buildings are built to high energy efficiency standards.

9 With regards to providing a useful tool to landlords planning and executing improvement works, what are your views on basing any cap of required works on a definition of cost-effectiveness and technical feasibility?

Comments::

It should be recognised that in certain situations the type of ownership of buildings may make energy efficiency modifications complex and challenging. These are not limited to technical issues. For example, in flatted properties landlords may have no right to alter walls, windows and doors without the agreement of the other owners in the building. Additionally, older city centre housing stock may be subject to special protection or listing due to its cultural or aesthetic significance. This will add complexity and cost to many key energy efficiency solutions, such as insulation and replacement windows.

There is also a potential issue around a landlord's ability to access a property should a tenant be unwilling to have energy efficiency improvements in the property. This can potentially delay the ability of the landlord to meet the regulations.

With regard to listed buildings, it would be useful for the government to conduct further research to establish realistic targets and solutions for improving energy efficiency standards. This would allow building owners to focus on those measures that will be most effective. On this issue, we note previous research by Historic Environment Scotland in 2014 on how listed buildings can be improved as well as HES's response to the previous EES consultation.

Impact on Supply chain: skills and capacity

10 The Short Life Working Group have made recommendations which they believe represent the actions required to ensure that Energy Efficient Scotland will achieve consistently high levels of quality, health & safety and consumer protection. do you agree? If not, what more or less should be done?

No

If not, what more or less should be done?:

The recommendations from the Short Life Working Group do not include the enhancement of the methodologies used to produce EPC ratings and prescribe solutions. Our members have noted that EPC ratings for both domestic and non-domestic buildings are often inaccurate and do not always account for changes in technology. We would like to see greater emphasis on ensuring that EPC methodology is improved ahead of the regulations coming into force.

11 Do you have any views on how this can be achieved whilst at the same time ensuring maximum participation from suppliers across Scotland regardless of their size and geographical location?

Comments::

12 What do you think the role of Scottish Government should be in ensuring the quality criteria are consistently met?

Comments::

It is important that the Scottish government ensures the quality of work that is mandated by its regulations. It is also vital that the Scottish government gives local authorities additional resources to support landlords and other property owners, as local authorities have a vital role in the enforcement of Energy Efficient Scotland regulations.

About you

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Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:

Scottish Property Federation

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

Evaluation

Please help us improve our consultations by answering the questions below. (Responses to the evaluation will not be published.)

Matrix 1 - How satisfied were you with this consultation?:

Please enter comments here.:

Matrix 1 - How would you rate your satisfaction with using this platform (Citizen Space) to respond to this consultation?:

Please enter comments here.: