



Association for the Conservation of Energy



## Joint Parliamentary Briefing Energy Efficiency Targets in Housing

### Introduction

This joint briefing from environmental and social justice organisations explains the importance of setting energy efficiency targets in housing. Amendment 1 to the Housing (Scotland) Bill in the name of Patrick Harvie MSP aims to set a statutory target for the improvement of domestic energy efficiency. We urge MSPs to support this amendment.

### Why are we supporting targets?

In considering the Housing Bill at stage 1, the Communities Committee noted the “strengths of arguments presented in evidence to promote energy efficiency by including a target on the face of the Bill to improve energy efficiency by a specified date” and urged the “Executive to consider whether there is scope to include such a target in the Bill”. Although amendment 85 in the name of Karen Whitefield MSP is a welcome first step, we believe it does not go far enough, as this briefing explains.

The arguments in favour of statutory energy efficiency targets are:

#### 1) Targets would bring Scotland up to the standard in England

The Housing Act (2004) gave England a target to improve energy efficiency

standards in domestic accommodation by 20% on 2000 levels by 2010. Amendment 1 would give Scotland the same targets.

#### 2) Statutory targets are essential to allow industry to deliver Executive policies

The insulation and energy efficiency industry can only deliver the Executive’s ambitious targets for the abolition of fuel poverty by 2016 if they have the confidence to plan ahead and invest. In the words of Brian Roberts, Managing Director of Rockwool Ltd, “Having firm and binding commitments in place from the government gives us real confidence that the demand lights are firmly on green for our products.”

#### 3) Statutory targets get results

Evidence in other policy areas proves that setting statutory targets is one of the most effective means of ensuring improvements. The recent boost in renewable energy investment can largely be attributed to the Executive’s ambitious statutory targets. The same is true in the significant increases in recycling that came from statutory targets on the face of the EC Landfill Directive. A statutory target on the face of the housing bill will deliver results.

**4) Energy efficiency is the only fuel poverty ‘lever’ which the Executive controls**

Of the three factors which influence fuel poverty (incomes, fuel prices & energy efficiency), the Executive only has direct control over the last. In order to reach the Executive’s target of abolishing fuel poverty in Scotland by 2016, firm action is needed.

**5) Energy efficiency investment can help reduce excess winter deaths and improve conditions for Scots children**

In an average Scottish winter, 2,500 Scots over the age of 65 die of a cold-related illness. Meanwhile 46,000 Scots children are estimated to live in fuel poverty. Improving energy efficiency standards can help to reduce these numbers, through providing more warm, dry homes.

**6) Energy efficiency investment can ‘future proof’ reductions in fuel poverty**

Communities Scotland estimates that for every 5% increase in fuel prices, an additional 30,000 households are pushed back into fuel poverty. In the current era of high fuel prices (Energywatch report that gas prices have risen by 40% and electricity prices by 27% since 2003), the best way to ensure that households do not slip back into fuel poverty when fuel prices rise, is to invest in energy efficiency.

**7) Energy efficiency improvements will complement other Executive policies**

Improving energy efficiency can reduce the incidence of circulatory and respiratory diseases. It will also deliver reductions in greenhouse gases: the 2003 Energy White Paper estimated that half the target 60% reduction in CO2 emissions by 2050 would

be achieved through energy efficiency improvements.

**The arguments against setting statutory targets are ill-founded**

A number of practical objections have been raised to the setting of targets in this bill.

These include the following:

**a) Targets would pre-empt the Executive’s Energy Efficiency Strategy, due to be released in Spring 2006**

We strongly reject this argument. Any targets contained in the Energy Efficiency Strategy will be non-statutory and therefore non-binding. While a welcome step in the right direction, they will not give industry the confidence that is needed. Scotland already has non-statutory domestic energy efficiency targets in the form of the Home Energy Conservation Act (1995), and only 3 of Scotland’s 32 local authorities are on track to hit their targets (Communities Scotland, 2005).

**b) Targets should not be contained in primary legislation**

We do not accept this argument. The Housing Act 2004 (covering England) contains targets for energy efficiency improvement. The EC Landfill Directive 1999/31/EC contains statutory targets for a reduction in the percentage of waste going to landfills. There are numerous other examples.

**Conclusion**

Energy efficiency targets are achievable, affordable and are vital if the Executive is to tackle the twin scourges of excess winter deaths and fuel poverty. We urge MSPs to support this amendment.

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