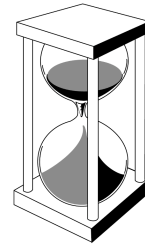




**Friends of
the Earth
Scotland**



**Association for the
Conservation of Energy**

Housing (Scotland) Bill : Stage 1 Debate Briefing

Friends of the Earth Scotland / the Association for the Conservation of Energy welcome the introduction of this Bill, specifically its aim to improve the condition and quality of housing in Scotland. We support its general principles, yet feel that as currently drafted it represents a missed opportunity to improve the energy efficiency of Scotland's housing stock, particularly in the private housing sector.

Private sector housing (owner occupation and private rented housing) accounts for over 70% of Scottish housing (Scottish House Condition Survey 2002), 70% of this housing fails to meet the Scottish Housing Quality Standard, and 27% of houses and 40% of flats have been shown to have one element of urgent disrepair (SHCS 2002). 11% of private sector housing is NHER poor (24% for the private rented sector, and 8% for housing as a whole). 71% of the fuel poor are in owner occupied or private rented housing (SHCS 2002). The proportion of those living in fuel poverty in the private rented sector is double that of any other sector. Incorporating means for improving the energy efficiency of Scotland's housing stock will complement the Scottish Executive's efforts to eradicate fuel poverty by 2016.

Targets : sectoral energy efficiency targets need to be set across the Scottish economy: for residential, commercial, industrial and public sectors. These would provide greater impetus for energy conservation, complement those set for renewable energy development, and provide the certainty necessary for future investment and innovation by the energy efficiency industry. The Northern Irish Office has just set an ambitious target of a 1% per annum reduction in electricity demand between 2007 and 2012. As a first step, a statutory target should be set for domestic energy efficiency: we propose the PIU's recommended target of a 20% improvement in efficiency by 2010 and a further 20% by 2020. This is double the current rate of improvement. Yet the gains in terms of energy savings could reach about 0.25% of GDP by 2020, over and above the cost of the investment needed to unlock these savings. England has recently legislated through their Housing Act for a 20% improvement in residential energy efficiency by 2010 on 2000 base year levels. This Housing Bill is the ideal conduit for introducing statutory domestic energy efficiency targets. The Executive should also be required to write and regularly update a strategy for meeting this target. National targets should be reflected in mandatory local authority targets. Again in England, the Sustainable Energy Act provides the Government with powers to give such "energy efficiency directions" to local authorities (see section on HECA below).

Recommendations :

- **statutory domestic energy efficiency targets should be set through the Bill, and the Executive should be required to write and regularly update a strategy as to how they will achieve this target;**

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- **the Executive should give itself powers to give energy efficiency directions to local authorities.**

Housing renewal areas and local housing strategies : the section on Local Housing Strategies should be augmented in order to ensure progress towards the Scottish Housing Quality Standard (SHQS). Currently local authorities have to include within their local housing strategies a report on how *social housing* will meet the SHQS. They should also be required to formulate a strategy on how they will meet this standard in private sector housing as well by a set target date since the SHQS is supposed to be a cross tenure standard, and if the Scottish Executive is genuinely committed to the improvement of private sector housing, and its energy efficiency, local authorities need to take more a more proactive approach.

Recommendation : local authorities should be required to report in their local housing strategies how they will meet the Scottish Housing Quality Standard in private sector housing.

Tolerable standard : We support the extension of the tolerable standard to include requirements for the basic provision of thermal insulation. Yet how effective this will be will depend on its interpretation. It has been suggested that the standard may be set at an NHER (National Home Energy Rating) of 2. This is an incredibly unambitious level – DEFRA have calculated that SAP 65 (roughly NHER 6.5) is needed to ensure that a house is at minimal risk of fuel poverty. While it is unrealistic to expect all houses to meet this standard immediately, a central purpose of the Bill is to move the Tolerable Standard away from being a condemnatory standard, and assist local authorities to take other measures to improve below tolerable standard housing. If the Scottish Executive is genuinely committed to eradicating fuel poverty and improving the energy efficiency of the Scottish housing stock then it must either set the thermal efficiency levels of the Tolerable Standard higher or introduce some programme for ensuring that existing private sector housing is set on a path to meeting the SHQS, as discussed above.

We would also encourage the addition to the tolerable standard of a certain level of efficient heating, since a house will be expensive to heat, and wasteful of energy, with inefficient heating. The Committee recommended in its Stage 1 Report that the Executive should consider the proposals to change ‘thermal insulation’ to ‘satisfactory thermal performance’.

A target date should be set for local authorities to achieve the thermal efficiency component of the tolerable standard, a target which would complement the Scottish Executive target to reduce the number of NHER poor households by 20% by 2006.

Recommendations :

- **the thermal efficiency level of the tolerable standard should either be set higher than NHER 2, or the Scottish Executive should put in place means for ensuring that private housing meets the SHQS;**
- **the tolerable standard should be amended to include a certain level of efficient heating;**
- **a target date should be set for local authorities to reach the thermal efficiency component of the tolerable standard.**

Repairing standard : We agree that there is an urgent need to address housing condition in the private rented sector, but have concerns at the introduction of yet another standard. The SHQS is already expected to be a cross tenure standard, and we cannot see why this cannot be used instead. The SHQS includes a thermal efficiency component which the repairing standard would not, otherwise the standards appear very similar.

Recommendation : the Scottish Housing Quality Standard should be the standard used in place of the repairing standard.

Schemes of assistance for housing purposes : it is logical and sensible for a local authority to be able to offer a range of assistance in different circumstances. This should be monitored, however, to ensure that local authorities take the most appropriate route and do not always simply opt for the cheapest option. The Scottish Executive is to retain powers (s91) to direct local authorities in the execution of this element. We would be interested to hear from the Executive how they intend to monitor and direct.

Recommendation : the Scottish Executive must monitor local authorities’ use of the range of assistance to ensure that they go for the most effective option as opposed to the cheapest.

Maintenance : We support the new provisions for local authorities to serve maintenance orders on properties. We would also support the extension of maintenance plans to include having regard for the thermal efficiency of the house and its heating system since it would be appropriate for such factors to be considered where work is being undertaken anyway.

Recommendation : maintenance plans should include having regard to thermal efficiency levels and heating systems.

Provision of information on the sale of a house : We support the introduction of reserve powers for the Scottish Executive to require the provision of information at the sale of a house. We fail to see (and the pilot study supports this) how single surveys will take off if left to the market except in the case of an extremely stagnant property market. Single surveys, by providing greater information on the quality of the housing stock, can only lead to improvements in that housing stock. We have concerns about the time frames involved however. We have been advised that single surveys are unlikely to be put into place before 2007 at the very earliest, and yet it remains unclear how this will integrate with the energy certification requirements of the Energy Performance in Buildings Directive which have to be in place by January 2006. It makes sense for both provisions to be introduced simultaneously. An FoES / ACE research project (“Taking the Temperature : Energy Auditing and the Sellers’ or Independent Survey”, Malcolm Sayers and Richard Dixon, FoES / ACE 2001), suggested that the cost of an energy audit would be minimal (£20-£40) if carried out at the same time as a house survey. However, we would be concerned were energy certification to be held up by the introduction of single surveys and we would be interested to hear from the Executive some indication as to the time frames which they envisage for both of these provisions.

Recommendation : the Executive should be pressed on their timescales for implementation of single surveys and energy certification, and to give some indication how they will integrate their implementation.

Licensing of houses in multiple occupation / other licensing issues : minimum energy efficiency standards should be set for registering as a private landlord. Energy certification would make this possible. This could originally be set at the level of the tolerable standard and gradually increased over the years in order to steadily improve standards on the one hand, and give private landlords time to make improvements without deterring them from the market, on the other hand. Two thirds of respondents supported more stringent licensing standards in the consultation. It is unclear how conditions in the private rented sector will improve without steps such as this.

Recommendation : minimum energy efficiency standards should be introduced as a condition of registering as a private landlord.

Energy certification : Even if the European Directive on Energy Performance in Buildings is not to be implemented through this legislation, it is essential that it is implemented fully, and on time. The Scottish executive plans to derogate energy certification for a year : yet it is highly unlikely that people will undergo or establish training until there is a job for them to do. Training requirements to carry out this work are only approximately one week long. We would also like to see the introduction of sanctions for breach of the energy certification requirements (eg similar with the fines associated with failing to provide a single survey report) and a means of gathering and recording energy certification information on a local authority and national basis. Local authorities working on the Home Energy Conservation Act reported that one of the main problems they experienced with improving energy efficiency in the private sector was a lack of information on housing quality and improvements in the private sector. The recording of energy certificates would provide a comprehensive database of information on the energy efficiency of Scotland’s housing, and thereby a powerful tool for enabling the targeting of energy efficiency programmes.

Recommendations :

- **the Executive must be required to give assurances that the Energy Performance in Buildings Directive will be implemented on time;**
- **sanctions for breaches of the energy certification requirements should be introduced;**
- **energy certification information should be centrally recorded in order to improve knowledge of the energy efficiency of Scotland’s housing.**

HECA : One of the main pieces of legislation relating to domestic energy efficiency is the Home Energy Conservation Act. The most recent progress reports of local authorities show that this legislation is failing. Two thirds of local authorities are failing to even meet their renegotiated (mainly reduced) targets introduced through this Act. In England the Sustainable Energy Act gave the Government powers to make energy efficiency directions. We would like to see the Housing Bill introduce powers for the Scottish Executive to place energy efficiency directions on local authorities, and specifically for the Scottish Executive to change local authority targets and make them mandatory (as opposed to the aspirational targets set at present). It may also be appropriate to require local authorities to appoint specified heca officers.

Recommendation : the Scottish Executive should give itself powers to give energy efficiency directions to local authorities, and local authorities should be required to appoint Home Energy Conservation Officers.