SUBMISSION FROM THE SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS

1. Introduction

1.1 The Scottish Federation of Housing Associations (SFHA) welcomes the opportunity to respond to the Economy, Energy and Tourism Committee’s call for views on the Scottish Government’s Renewable Energy Targets.

1.2 The SFHA has 121 members, representing around three quarters of our sector. Our members currently manage 230,000 properties, which is around 82% of the 280,000 properties in the housing association and co-operative sector.

1.3 The housing association and co-operative sector are leaders in energy efficiency and in tackling fuel poverty – the Scottish House Condition Survey conducted by the Scottish Government found that the sector has the most energy efficient housing by tenure in Scotland.¹

2. Background and General Context

2.1 The SFHA believes that housing associations and co-operatives have the potential to contribute significantly to the development of renewable energy and heat in Scotland.

2.2 Housing associations and co-operatives have expertise in project management and asset management that put them in an ideal position to install renewable heat and electricity projects. They also have groupings of stock in close proximity to one another, something that would facilitate the introduction of a number of technologies such as Combined Heat and Power and Biomass District Heating schemes.

2.3 While housing associations and co-operatives will not develop renewables on the large scale that some commercial and industrial players will, the SFHA believes that the Scottish Government needs to provide support for both large scale developers and for small to mid-scale schemes developed by housing associations and co-operatives. Renewable heat and electricity has an important role to play in:

- cutting carbon emissions from domestic dwellings and helping the Scottish Government to meet the targets set in the Climate Change (Scotland) Act 2009;
- helping the Scottish Government to meet its target of eradicating Fuel Poverty by 2016.

¹ National Statistics Office (2011), Scottish House Condition Survey 2010 Key Findings
2.4 Housing associations and co-operatives have a key role to play in helping the Scottish Government to meet these targets by developing renewable energy schemes at a community scale. A number of our members have developed or are developing schemes using wind, photo voltaics, biomass and hydro schemes.

2.5 For our sector to be able to help meet the Renewable Energy Targets set by the Scottish Government it is critical that appropriate funding and support is available. Housing associations and co-operatives face a number of competing priorities for their resources with less grant available for new build affordable rented housing. Revenue is also under pressure with the UK Government’s Welfare Benefit reform agenda likely to reduce rental income.

2.6 Housing associations and co-operatives are by definition not for profit businesses, with the majority being registered charities. Those of our members who have developed plans to install renewables will be re-investing any surpluses in:

- increasing the energy efficiency of their existing homes through retrofit programmes;
- investing in much needed new build affordable housing for rent;
- regenerating their communities by funding employment training, youth work and tenancy sustainment schemes

3. Specific Comments

3.1 Targets The SFHA is unable to comment in detail on whether the 2020 renewable targets are achievable, beyond saying that we believe our members are well placed to play a significant role in helping to achieve those targets and cut fuel poverty. It is vital that funding and support is made available to encourage housing associations and co-operatives to make the significant investments required to develop renewable schemes. Short notice alterations to subsidies and tariffs such as those introduced in the recent solar pv review by DECC mitigate against confidence in investing in renewable technologies.

3.2 Costs While the SFHA cannot comment on any estimates of the overall costs to Scotland of meeting the 2020 targets, the Energy Efficiency Action Plan consultation published by the Scottish Government\(^2\) estimated that it would cost an average of £7,000 per property or £16 billion in total.

3.3 Technology While our members have somewhat mixed experience in installing renewable technology, there clearly are certain technologies

---

\(^2\) Scottish Government (October 2009), Conserve and Save; Consultation on the Energy Efficiency Action Plan for Scotland
that we know work. It is our view that if such technologies are to be adopted more widely, then the learning and experience from early adopters of renewable needs to be adopted. We would suggest the following:

- continued support for the Housing Energy Efficiency Learning Network to share experience and information on what works in renewable and energy efficiency;
- funding to support monitoring of renewable installations that provide real time readings and measure the performance of new technologies

Both of the above would provide the necessary confidence to allow investment in renewable technologies.

3.4 Planning and Consents In our view there remain some tensions between the Scottish Government and UK Government’s targets for renewable technology and the approach taken by some planning authorities. If renewables are to become mainstream then clarity needs to be provided by the Scottish Government that all planners will look favourably on reasonable proposals to provide renewable electricity and heat.

3.5 Access to finance As noted above, our sector faces competing financial priorities and pressures. In our view a long term sustainable framework that provides financial incentives is vital if the 2020 targets are to be met and if our sector is to work to reduce fuel poverty and cut carbon emissions.

3.6 Skills and Workforce Development The SFHA believes that to meet both the renewable targets and the carbon reduction targets set out by the Scottish Government it is vital that steps are taken to provide the skills and training to allow Scotland to be a leader in renewable energy. While this submission is focused on Scottish Government targets for generating renewable energy, reducing energy consumption is at least as important. The SFHA believes that retrofitting existing homes to improve their energy efficiency would provide training and employment at a time when youth unemployment presents a significant social problem. The SFHA is a founding member of the Existing Homes Alliance Scotland, which promotes area based retrofit schemes as the most cost effective way to cut fuel poverty and reduce carbon emissions.

4. Conclusion

4.1 Housing associations and co-operatives have the skills and potential to play a leading role in helping the Scottish Government to meet its Renewable Electricity and Heat targets.

---

3 Existing Homes Alliance Scotland (2011), _Existing Homes Alliance Scotland Declaration_
4.2 Helping to meet those targets would also address other Scottish Government goals, i.e. eradicating fuel poverty by 2016 and cutting carbon emissions. Our sector is likely to have to meet a Climate Change Standard for Social Housing by 2020, which will set tough targets on carbon emissions. The widespread installation of renewables will be critical to these targets being met, particularly where houses are either off the mains gas network or are hard to treat.

4.3 In order to enable housing associations and co-operatives to fulfil their potential to lead in the adoption and mainstreaming of renewable technologies, the Scottish Government should provide:

- access to information of the performance of technologies and case studies of installations (through joint work with SFHA and other agencies);
- a funding framework that allows our sector to invest in renewable technology on a significant scale.

Scottish Federation of Housing Associations (SFHA)
29 February 2012