Local Government and Communities Committee

The Draft Climate Change Plan (RPP3)

Written Submission from the Scottish Federation of Housing Associations

The SFHA leads, represents and supports Scotland’s housing associations and co-operatives. We want to see a thriving housing association and co-operative sector providing sustainable and affordable homes.

Housing associations and co-operatives have a strong track record in investing in home energy efficiency and have the most energy efficient homes in Scotland by tenure\(^1\). Since housing associations often house people on low incomes, however, their tenants are almost as likely to be in fuel poverty as the average Scottish household\(^2\).

Executive summary

Energy efficiency is a cost effective and proven way to cut carbon emissions. It has the additional benefits of cutting fuel poverty, benefitting public health and creating jobs and training\(^3\).

Housing associations have the most energy efficient homes in Scotland – because of long term investment in their homes and because they have to meet minimum energy standards.

While there have been improvements in home energy efficiency in Scotland in recent years, we believe that more needs to be done. We call for greater investment in home energy efficiency, including zero and low interest loans, and for the introduction of minimum energy efficiency standards across homes of all tenures.

Renewables and district heating also have a role to play in cutting carbon emissions. Many housing associations have been early adopters of these technologies. We look forward to the introduction of a Warm Homes bill and anticipate that it will provide support for the expansion of district heating and an increase in generation of renewable energy.

It will be important, however, as Scotland moves to decarbonise energy supply to ensure that there is a step change in home energy efficiency. At present, heating a

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1 SFHA (April 2015); Housing Associations’ Experience of Energy Efficiency
2 Scottish Government (December 2016); Scottish House Condition Survey 2015 Key Findings
3 Citizens Advice Scotland (March 2014); Economic Impact of Improving the Energy Efficiency of Fuel Poor Households in Scotland
home by electricity is much more expensive than gas, so if we are to move away from gas heating there needs to be real investment in home energy efficiency to avoid further increases in fuel poverty.

**Main Report**

As highlighted in the draft Climate Change Plan, Scotland has made strides in reducing carbon emissions from the residential sector. Housing associations have led the way with the most energy efficient homes.

More can be done, however – only social housing has to meet energy efficiency standards. We believe that the most cost effective way to reduce carbon emissions from homes is to increase home energy efficiency.

This can be achieved by setting minimum energy efficiency standards across all tenures of housing. The SFHA calls for a minimum energy efficiency rating of epc C by 2025, combined with a well-funded programme of grants and loans.

Renewables and low carbon heat have a role to play in reducing carbon emissions and there are numerous examples of housing associations installing domestic renewables, including solar panels and heat pumps and developing communal and district heating schemes.

It is important to remember, however, that low carbon heating generally costs more than natural gas. There is therefore a concern that a move to low carbon heating before there has been a major improvement in the housing stock’s energy efficiency that would insulate residents against the impact of increased process.

To illustrate this concern – paragraph 8.2.1 of the plan describes an ambition to have the majority of homes using low carbon and renewable heating systems, heating homes where homes and walls are insulated to the maximum recommended level, where feasible.

Many homes in Scotland are not suitable for cavity wall insulation as they have solid walls – stone tenements, stone cottages in rural areas and system built homes such as multi-storeys all provide a challenge to improve. They can be technically challenging (stone buildings) or very expensive (non-traditional or system built homes).

If there is to be a rapid transition to low carbon heating by 2032 as proposed, it is essential that there is greater emphasis on significantly increasing home energy efficiency. As suggested above this can be achieved by setting minimum energy efficiency standards across all tenures and providing long term funding to support retrofit programmes.
Low carbon energy does have a significant role to play in Scotland’s transition to a low carbon economy. We would suggest that in order to make this transition without causing fuel poverty, then the Climate Change Plan should

- Prioritise home energy efficiency
- Make the transition to low carbon heat first in rural areas where heating expensive and off the gas grid
- Develop district heating so that can initially use gas, then can transition to low carbon

**Conclusion**

We agree with the ambitions of the Climate Change Plan and welcome them. We believe, however, that there is not enough emphasis on the alleviation of fuel poverty in the plan. The plan should prioritise significantly improving home energy efficiency before the transition to low carbon heating.

Funding programmes to introduce low carbon heating should initially focus on off gas areas, where they can reduce heating costs while also cutting carbon emissions.

**Calls for Action**

Minimum standards for energy efficiency should be set for all tenures of housing, building on standards in the social sector and a proposed standard for the private rented sector, with a minimum standard of epc C for all tenures by 2025.

Funding for low carbon heating should be concentrated in off gas areas, with a target to have renewable and low carbon heating in all off gas areas by 2025.

Funding for energy efficiency and low carbon heating needs to be increased over time to achieve the ambitious targets set out in the Climate Change Plan.