



Climate Change Bill Consultation
Scottish Government
3J South Victoria Quay
Edinburgh
EH6 6QQ

By Email to: CCBill@gov.scot

25 September 2017

Dear Sir or Madam

CLIMATE CHANGE BILL CONSULTATION PAPER (JUNE 2017)

Homes for Scotland (HFS) is the voice of the home building industry in Scotland, with a membership of some 200 organisations together providing 95% of all new homes built for sale across the country as well as a significant proportion of affordable housing.

HFS is committed to improving the quality of living in Scotland by providing this and future generations with warm, sustainable homes in places people want to live.

HFS makes submissions on national and local government policy issues affecting the industry. Its views are endorsed by committees and advisory groups utilising the skills and expertise of key representatives drawn from member companies.

The following response outlines some general positions of HFS and our members and we trust that these will assist in progressing the Climate Change Bill such that it can support the delivery of enough new houses of all tenures to meet Scotland's future housing need and demand.

However, in addressing Question 1 of the consultation paper, it is HFS's view that given the advice of the Committee on Climate Change (CCC) that the option to increase the 2050 target to 90% is at the "*very limit of feasibility*", such a move is perhaps an over-ambitious step at this time. These limits do not take into account the impact that Brexit could have on resources, funding and UK-wide policy all of which will introduce further challenges.

The Committee also acknowledges that a 90% target is reliant on other related policy agendas (including housing) being closely aligned to allow the Scottish Government's wider strategic aims to be met.

On that basis, the more flexible option proposed by the CCC (to keep the 80% by 2050 target with review mechanisms built in) would be preferable to HFS. Such a move will also retain a consistent position across the UK for the time being and could help avoid introducing a possible disadvantage to potential investors in Scotland.

The HFS view is also mindful of the current situation where the construction sector in Scotland appears to only be avoiding a decline due to major infrastructure projects. The public-sector investment those major projects represent is without doubt welcomed but maximising private sector investment will be essential to a successful economy. Private sector growth is necessary to be capable of taking over from the current public expenditure.

Therefore, ensuring that the circumstances for private sector investment remain optimum (by ensuring a level playing field across different market zones) will be important in the near future as we all come to understand and respond to the effect and consequences of Brexit and any other constitutional changes that may also arise.

Whilst HFS is fully supportive of the aspiration to continue to cut CO₂ emissions across Scotland, HFS views the key means to achieve this is for any efforts to be done strategically and in partnership with all industry sectors. Success will only be achieved where there is buy-in across all sectors and risks of unintended consequences are avoided or over ambitious expectations are set for a particular sector.

It will however also be essential to avoid circumstances where aspirations cannot be delivered due to the lack of sufficient infrastructure or misplaced expectations.

It is HFS's view that the Scottish Government must balance the need to reduce CO₂ emissions alongside increasing the delivery of enough new homes of all tenures across Scotland and achieving sustainable economic growth that remains at the heart of the Scottish Government.

The very recent debate in the Scottish Parliament on housing demonstrated that there was at least cross-party consensus that delivery of enough new homes was an important target to reach for.

Given that new homes are already achieving more than 70% improvement over baseline CO₂ emissions, HFS would advocate that there is already a well-established trajectory for continued improvement in the performance of new home building.

Whilst achieving further improvement in building performance above the 2015 Building Standards is presently expected to incur significant cost with minimal gains, in time further performance improvements will become less costly as technological advances are made and hence higher targets for new homes may be more appropriate in future years.

On that basis HFS would advocate that the Scottish Government should exercise extreme caution that changes in the Climate Change Bill do not to make new homes (of any tenure) more expensive and complicated to design and construct.

A regular call from HFS and our members is that all elements of the Scottish Government must work more collaboratively and effectively across portfolios to avoid significant effects of unintended consequences. There is also a real need for the Scottish Government to work more closely and more collaboratively with industry stakeholders (i.e. through industry bodies such as HFS) to understand what and when low carbon solutions systems and approaches can be delivered.

An example of this is in terms of the push for District Heating, Photovoltaic Cells etc. HFS would advise that rather than impose solutions upon industry, a better dialogue would signpost more effective approaches to achieve the same desired outcome of an ongoing reduction in CO₂ emissions.

This is, perhaps, an unintended (or unnecessary) consequence of an approach advocated within the Climate Change (Scotland) Act 2009 and the transposition of relevant elements of this into the Planning Act.

In having to respond to Section 72 of the Climate Change (Scotland Act) 2009, Section 3F of the Planning Act currently requires that new buildings “*avoid a specified and rising proportion of the projected greenhouse gas emissions from their use*”. Home builders have then been working towards this goal driven by the changes in Building Standards and significant improvements have already been achieved in the overall energy efficiency of buildings as noted above.

This is the “fabric first” approach and such gains will be permanent improvements to a building. In contrast then, adding new installations (i.e. low and zero-carbon generating technologies) as is explicitly expected of by Section 72 of the Climate Change (Scotland Act) 2009 has the potential to result in relatively temporary features which bring with them maintenance and user operation implications that could result in these being switched off.

There is also a real risk that because low and zero-carbon generating technologies are required to be fitted, the further gains in overall building energy efficiency that are possible will not be pursued given the arithmetic advantage that such technologies deliver within the SAP calculations undertaken as part of the Building Warrant process.

The net effect of a focus on “fabric first” is ultimately an inherent and permanent reduction in energy demand which then directly delivers cheaper energy bills for households.

HFS members fully expect and accept that the Scottish Building Standards will be continually reviewed and new standards to reduce greenhouse gas emissions will be progressed. It is then deeply unfortunate that Section 3F of the Planning Act is required to encourage the duplication of the activity of Building Standards in reducing emissions and in turn this makes the whole approach more confusing and bureaucratic for those demonstrating compliance and those assessing that demonstration.

HFS also strongly agrees with the view that the duplication of legislation is contrary to the aims of the Regulatory Reform Bill, which seeks to simplify regulation and Section 3F of the Planning Act may yet be refined through the current Planning Review but the review of the Climate Change (Scotland) Act 2009 also allows for Section 72 of that Act to also be made fitter for purpose.

It nevertheless remains relevant that the planning system, through which Scotland’s new homes will be able to be delivered, continues to promote the pursuit of more energy efficient buildings and developments to take forward the current aspirations and expectations set by the Climate Change (Scotland) Act 2009 (i.e. new buildings are to “*avoid a specified and rising proportion of the projected greenhouse gas emissions from their use*”) but in so doing, a more pragmatic and proportionate approach must also be allowed to be adopted.

For those reasons HFS would advocate that any policy response is able to encourage the prioritisation of a “fabric first” approach with the use of low and zero-carbon generating technologies then only a secondary requirement where further efforts are necessary to meet targets.

This would be easily achieved through removal of the explicit need for low and zero-carbon generating technologies within Section 72 of the Climate Change (Scotland) Act 2009.

HFS is unashamedly focussed on how we can best effect the delivery of enough new homes across Scotland and this response is naturally biased in that regard. However, the evidence shows that the new build home sector has made significant strides forward in meeting its obligations to reduced CO₂ emissions and remains committed to maintaining that trend.

What HFS members then need the Scottish Government to do is ensure the same successes achieved by home builders in Scotland is replaced across all other sectors. Only by doing this can the ambitions of the Scottish Government be achieved.

An example of this other action was outlined HFS's Written Evidence to the Local Government and Communities Committee on the Draft Climate Change Plan in February of this year. In that HFS highlighted that by 2050 around 30% of homes would have been built to 2010 Building Standards or higher. This would then leave around 2 million homes to have been built to lesser standards. That then suggests efforts to retro-fit energy efficiency measures to existing homes must become a higher priority.

I trust that the above is of assistance in taking forward the review of the Climate Change (Scotland) Act 2009 but if there are any queries regarding HFS's comments, or you would wish to discuss any aspect of our response further, please do not hesitate to contact my colleague Michael Barton-Maynard or myself.

Yours sincerely

A handwritten signature in black ink that reads "Neil Martin". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Neil Martin
Principal Planning Advisor

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