



SEEP Consultation
SEEP Programme Management Office
Scottish Government
1H South Victoria Quay
Edinburgh
EH6 6QQ

30 May 2017

Dear Sir or Madam

Homes for Scotland Response to Scottish Government Consultation on Scotland's Energy Efficiency Programme

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 new homes built for sale each year as well as a significant proportion of affordable housing. We are 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 represents the industry's interests on a wide range of issues affecting their ability to deliver much needed homes. Our views are endorsed by operational committees utilising the skills, experience and expertise of key representatives drawn from member companies.

This consultation relates to a wide range of energy related matters and emerging areas of policy and practice. Whilst HFS (like many other stakeholders) is not in a position to provide comprehensive, expert input on each of the consultation questions, we are keen to provide useful commentary from the perspective of the home building industry that will help shape this strategy, ensuring future policy interventions support the twin aims of the decarbonisation of energy supply and the delivery of much needed new housing in a way that compliment rather than conflict with one another.

We note that this consultation is being undertaken in parallel with a consultation on Scotland's Energy Strategy and there are obvious overlaps between the two that bears greater relevance than is perhaps acknowledged within the consultation process. HFS would therefore urge the Scottish Government to ensure that it fully endorses the principle of joined-up-government and ensure that responses and outcomes of the two separate consultations are fully considered and reflected in respect of both (wherever relevant).

On that basis, this high level response must be read in conjunction with the HFS response on Scotland's Energy Strategy as well as HFS's previous response to the recent consultation on Heat & Energy Efficiency Strategies, and Regulation of District Heating.

With regards to the energy demands of domestic properties, it is important to recognise how far the new build housing industry has come over the past decade. Homes built to 2015 Building Standards are highly energy efficient, representing a 75% reduction in carbon emissions compared to the 1990 baseline.

It is clear when comparing EPC data for estimated annual energy bills (for space heating, lighting, hot water and ventilation) against average monthly energy bills in Scotland¹, that energy demand from new build homes is significantly less than the national average².

On that basis, it is vital that the Scottish Government seeks to address the challenges in reducing the energy demand of existing domestic buildings, given it is estimated that only 31% of housing stock will have been constructed to 2010 Standards, leaving around 2 million existing homes requiring some form of energy efficiency intervention. More detail of how that will be achieved and funded is required in the immediate term.

In terms of what the new build sector could do to help meet these targets, the Scottish Government could consider whether reverting to earlier building standards policy focussed on the fabric efficiency of new buildings might be a beneficial alternative option for achieving its current agenda. There would be merit in having a discussion with the home building industry on whether a 'fabric first' approach to energy demand reduction could have a longer term benefit to Scotland's people compared with low and zero carbon energy generating technologies (LZCEGT). Cost would of course be an important consideration. Recent changes to building standards have had the opposite effect given that the Energy Standards and SAP incentivise use of LZCEGT such as PV.

HFS would also encourage the Scottish Government to take a longer term view as to the production of building standards, publishing changes to standards and calculations well in advance of the introduction of new regulations to enable the industry and sector stakeholders to develop the necessary tools to deliver solutions ahead of their implementation.

Finally, one further particular point that HFS would wish to highlight with this consultation is that the Scottish Government needs to develop a new route map for the industry to deliver 'nearly zero carbon homes'. The Scottish Government needs to define what is expected of or meant by 'low carbon' or 'nearly zero carbon' homes to help build a route map for how the industry is expected to achieve the carbon reductions expected of them over the next 10 to 30 years. A good start would be for the Scottish Government to publish a definition of what this is and, through the

¹ Department for Business, Energy & Industrial Strategy – National Statistics Quarterly Energy Prices: December 2016.

² HFS collected EPC data for a range of homes built to 2010 Building Standards which produced an average EPC Energy Efficiency Rating of B (84). The average annual estimated energy bill for these dwellings equated to £587, around £49 per month. Data collected from DBEIS (footnote 1) indicated that average energy bills in Scotland equated to around £110 per month. Assuming a correlation between energy bills and energy use it would suggest that new homes use less than 50% of the energy demand of the existing housing stock.

Building Standards Division, to lay out a set of changes to energy standards for the next 10-15 years that outline the step changes necessary for industry to meet this target.

It would also be helpful for industry and wider supply chains alike if information on projected changes to building standards was published many years ahead of any change in standards, allowing the sector time to undertake robust research and development and planning and encouraging and enabling the industry to be more proactive in approaching building standards.

These comments have been provided in an attempt to provide a constructive input to the wider debate on the decarbonisation of the country's energy systems. As noted above, whilst this is not a particular expertise of HFS, what can be provided is an insight into the implications and possible unintended consequences of emerging Scottish Government policy. We will always express our and our members' concerns where such implications or consequences could undermine other Scottish Government's policy priorities such as the delivery of sufficient new homes to meet housing need and demands.

Yours faithfully



Tammy Swift-Adams
Director of Planning

