



Energy Strategy Consultation
Energy and Climate Change Directorate
The Scottish Government
4th Floor, 5 Atlantic Quay
150 Broomielaw
Glasgow
G2 8LU

30 May 2017

Dear Sir or Madam

Homes for Scotland Response to Scottish Government Consultation on a Scottish Energy Strategy: The Future of Energy in Scotland

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.

HFS believes that the targets set by the Scottish Government within the Scottish Energy Strategy are highly ambitious and will require collaboration from all industry stakeholders if they are to be successfully met. Whilst the home building industry supports the overall ambition behind energy efficiency and decarbonisation, there are significant concerns that an overly complex and fragmented strategy will make it harder to deliver the expected benefits to end users as well as deliver priorities such as new housing.

We note that this consultation is being undertaken in parallel with a consultation on Scotland's Energy Efficiency Programme and there are obvious interactions 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 Efficiency Programme.

A key area of concern to HFS is the implicit expectations set by the Scottish Government on the home building industry on the basis that these could be "quick wins" and thereby possibly deflect the need for a more difficult and complex approach to decarbonisation of the country's energy demands. The two areas of greatest concern to HFS and its members are:

- The expectation that new homes will include low and zero carbon generation systems; and
- The expectation that district heating systems can be delivered within new residential development schemes.

Fundamentally, HFS's view is that home builders should not be asked to develop or deliver the overall solutions for generating energy (albeit they can play an appropriate and proportionate role as part of a wider agenda). Developing and delivering energy solutions is a role for specialist energy network operators and providers. Having previously highlighted current planning practice issues that represent a premature, unreasonable and non-strategic approach to the delivery of energy efficiency and district heating policy, we are keen that the Scottish Government explores how it can encourage investment by providers to deliver solutions which provide benefits to end users as well as consumer choice of energy supply.

The home building industry is keen to work with local authorities, network operators and energy providers to assess opportunities that deliver decentralised energy systems in a more strategic manner.

It is vital that a strategic approach to the decarbonisation and decentralisation of energy supply is taken, and is developed in a way that is supported by all stakeholders including the home building industry. The views taken from our membership suggest that the Scottish Government should prioritise decarbonisation of energy on a national level first, developing the infrastructure and low carbon energy sources that will benefit all of Scotland's people.

The industry is keen for the Scottish Government to explore how existing infrastructure can be utilised to deliver clean energy and is supportive of the potential opportunity to utilise hydrogen as a natural gas replacement, given this could connect to existing energy generating technologies such as CHP or domestic central heating systems.

However, it is evident that similar carbon reduction outcomes can be achieved by alternative means to low and zero carbon generation systems which the home building industry has successfully deployed over recent years in line with the expectations set through updated building standards. That is the trajectory that

should be fully supported as it will achieve longer-term and ongoing benefits in contrast to the potentially much shorter-term benefits of numerous, increasingly less-efficient, small-scale low and zero-carbon generation systems.

In terms of the Scottish Government's drive to decarbonise heat, which HFS supports in principle, the perceived identification of the home building industry as a soft target is not supported by HFS.

In the conclusion to HFS's response to the recent Scottish Government consultation on Heat & Energy Efficiency Strategies and Regulation of District Heating we stated:

"Whilst we support the long-term, strategic approach being taken to the development of this area of policy and regulation, we are concerned that there has been insufficient detailed engagement with the home building industry to date. This, in combination with the planning practice issues we have listed above, could have a counterproductive impact on the Scottish Government's ability to work positively with the industry on this policy area. HFS is keen to assist the Scottish Government in rectifying this by providing opportunities for engagement with representatives of the home building industry from across Scotland, and large to small developers."

As with the current parallel consultation on Scotland's Energy Efficiency Programme, HFS would fully encourage the Scottish Government to demonstrate its joined-up approach and take full cognisance of that recent consultation exercise and the responses provided to it. However, the limits that arise through the regulation of energy supplies will always hinder the ability of home builders to meet expectations that may be imposed on them with regards to delivering viable district heating systems.

Nevertheless, HFS would reiterate the ability of ongoing research and development to continue to achieve improvements in reducing the energy demands of new homes and that remains the industry's strong preference for how it can best respond to the energy decarbonisation agenda.

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 area of expertise for HFS, what we can provide is an insight into the implications and possible unintended consequences of emerging Scottish Government policy in this area. 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 deliver of sufficient new homes to meet housing need and demands.

Yours faithfully



Tammy Swift-Adams
Director of Planning

