

# Energy Efficient Scotland Consultation: Making our homes and buildings warmer, greener and more efficient



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## RESPONDENT INFORMATION FORM

**Please Note** this form **must** be completed and returned with your response.

Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name Elmhurst Energy Systems  
Limited

Phone number: 01455 883 250

Address:

Unit 16, St John's Business Park, Lutterworth, Leicestershire

Postcode LE17 4HB

Email: stuart.fairlie@elmhurstenergy.co.uk

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We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes  
 No

## CONSULTATION QUESTIONS

### Question 1

What are your views on our proposal for owner occupied and private rented properties to achieve the Long-Term Domestic Standard EPC Energy Efficiency Rating Band C by 2040 at the latest?

This standard is easily achievable, in fact 22 years to effectively implement the lower hanging fruit recommendations from EPCs lacks a touch of ambition. There needs to be milestones throughout the years to ensure that the whole of the stock remains on target, and incentives to encourage early action. Some homes will find this standard extremely easy, some are already there and some may need to invest more money; however it is an easily achieved standard and will bring up the worst homes to a decent standard. Once the target date is achieved compliance must be enforced, and a significant cost burden applied to those that fail to meet it.

### Question 2

Do you think we should allow for situations where a lower standard is acceptable?

Yes  / No  / Don't know

Please explain your answer, giving examples.

Yes if the home can't be made to the relevant standard and this can be proven, then the option to allow the home to not make the standard is acceptable. However this route must be overseen by competent experts, who are aware of solutions that are available, and then effectively policed. It can't be an 'easy way out' and it can't be that the home can't get from a very low standard to this average standard so the landlord/owner doesn't need to do anything – they must surely go and do what is reasonable and practically sensible. This is essential to get right. A lesson learnt from the implementation of MEES in England & Wales needs to be learnt, where an easy option was given, and taken.

### Question 3

Do you think we should allow for situations where a longer period for improvement is allowed?

Yes  / No  / Don't know

Please explain your answer, giving examples.

No, 22 years is enough time for everyone to understand the requirements, obtain an EPC, take a look at the recommendations, receive some advice on how to obtain the minimum standards. If the 'exception' route is required there is time for that; therefore there is no need to extend, what is already a long term target.

#### Question 4

We are proposing that the definition of a cost-effective measure is that it should pay back over its lifetime. What are your views on this definition?

We 100% back the idea of an asset assessment (EPC) and that the occupancy assessment is also required that tailors the output to the current occupants. This is what Elmhurst have suggested for years.

The requirement for the measure to pay for itself over its lifetime is flawed. Why should it, if it makes a good contribution then this is good. We understand that the measure needs to be reasonable, but to ask that the measure pays for itself within its own lifetime is open to setting a price for the measure and also for predicting the savings to precise amounts. This is where previous policies have fallen notably Green Deal. Elmhurst suggest that no other industry needs to set standards based on 'fail proof' savings, if the home is warmer and uses less energy, which will in turn reduce carbon emissions, then this should be incentive enough. Making financial savings which offset the initial outlay, in full or part, should be seen as just a bonus., Furthermore products change prices quicker than any standard and all that happens is that people start 'arguing' over the calculation and actually lose perspective that there are a number of measures that will help them live in a better home.

Elmhurst also ask who this is for? Is it for the landlord or the tenant, or current owner or future owner? It is vital that policies work and motivate each in the right manner. Policies that add cost to landlords don't seem to work well, yet the tenant, who is normally the bill payer, remains the loser.

Elmhurst also note that this entire section deals with price (£) which is a vital measuring stick. There are a number of other measuring sticks that are carbon, green house gases, clean air, health, as well as fuel poverty. It must be clear and straight forward what the target is and changing focus frequently is not helpful for anyone from consumers, through the entire supply chain. Too many times over the years Government have changed the rules and companies that invest in innovation and people are left with nowhere to go at the change points. This is a vital lesson which certainly seems to be suggested in the documents.

#### Question 5

What are your views on the issue of air quality in relation to the Long-Term Domestic Standard?

Elmhurst wholeheartedly agree with this, for too long the 'energy efficiency' market has operated in silos where individual measures are installed without sufficient consideration of other measures that may be required or desired and no consideration of the habitability of the home after. It is now very evident that indoor air quality is key to the health of the occupants.

An unintended outcome of improvements in fabric, have resulted in less air leakage and thereby issues with indoor quality of air. It is vital that the whole home is understood when measures are designed to improve them. Elmhurst suggest that energy assessors who become home energy advisors will be able to

undertake EPCs, Occupancy Assessment and advise occupants in an independent manner of what is best moving forward. Where there is a defined risk we advise the requirement for an air permeability test to ensure there is adequate ventilation present in the home after installation.

The department may be aware of the development by BSI of a Publicly Available Specification (PAS 2035) to directly address this issue.

### Question 6

The EPC Rating of a property can be affected by changes to the underlying methodology and to fuel price data. How do you suggest that the Programme takes account of this in setting the Long-Term Domestic Standard?

This is very good question, and one that Elmhurst has had to grapple with since 1998 with the first introduction of the Standard Assessment Procedure into regulations. We always want the most up to date data for the analysis so that it is as accurate as possible for all including consumers and government. But we all must realise that the calculation for any home, may go up or down with better information. The calculation must always be as accurate as possible; it is what everyone does with the result that is important. Every home is different, different technologies and innovations will come along, the fuel mix measured in carbon and cost will change dramatically over 20 years. The methodologies must keep improving, so keeping a relative balance is important between long term targets and good quality and relevant assessments.

In summary attempt to normalise results over time, but not at the expense of accuracy and therefore credibility.

### Question 7

What are your views on the proposal that all PRS properties meet EPC Energy Efficiency Rating Band C by 2030?

We support this target wholeheartedly. Private rental accommodation is often the worst energy efficient homes, as landlords have not been incentivised to improve them in the past. It is essential that the landlords are incentivised to take action, we suggest tax breaks, loans and green mortgages can all help. We must raise awareness of the benefits and they can't see this as just a stick to comply with. Energy Assessors have a massive role to play here; they can educate the tenant, and can discuss strategies with landlords to help them comply. Again as previous question please learn from the E&W MEES policy and don't have an 'easy' opt out process.

We believe that there are many good landlords who will achieve these standards, many already do and they should be praised. Scotland should name and shame landlords who don't and the negative press should help compliance. If Scotland are serious about improving the poorest people's homes, then this is a vital segment of the housing market that needs addressing in a sensible pragmatic way.

A major difference in this sector is that the building owner is not the beneficiary of the improved living condition, and often not the beneficiary in financial savings. For this reason the only effective solution is strictly enforced regulation.

## **Owner Occupiers: Encouraging Action**

### **Question 8**

What are your views on our proposal for an initial period of encouraging action?

We like the concept of 'encouraging' action, especially action taken in advance of upcoming deadlines., but this must be through incentives, it has been proven that most people do not engage with energy efficiency for their homes; as it is often an 'invisible' fabric improvement that makes the most difference, it can be undervalued and not understood. Distress purchases like boilers occur when items are broken. We would therefore implore that many initiatives which involve home owners having an EPC are talking to independent persons about what they can do, and how they may find this route easy to go down. The process must be simple and not full of bureaucratic red tape. Incentives will work well for early adopters, and Government can then focus on the 'stick' approach later for those that do not want to improve their homes. There are 1m homes in Scotland that need to be helped, and incentives must exist that are easy, and fundamentally must contain 'independent' advice, so that measures are not just stuck in the home in isolation, but that a whole house approach with the buy in from the owner. Too many policies become a tick box approach, the home and the occupants must come first.

Once a deadline has been reached then encouragement should be replaced with significant financial penalties.

### **Question 9**

What information would be useful for householders to be able to access on how to achieve EPC Energy Efficiency Rating Band C before 2030?

The home has to be understood from an energy efficiency point of view. An EPC must exist to be able to make good informed choices. As each home and occupants are different, the asset rating should then be added to with an occupational understanding. With these 2 data sets, the journey can commence to ensure that the right measures are going into the right homes in the right order. Energy Assessors can easily be up skilled to undertake the occupancy assessment and then they can become the Independent advisors, this sector requires.

A digital portal could exist, where homeowners can then obtain their asset and occupational data – with a link through to quality installers.

## Owner Occupiers: Mandatory Action

### Question 10

What are your views on our proposal to follow this initial period with mandating action?

If Government are to ensure we all live in decent homes, and meet our international climate change commitments, the standard has to be made mandatory. If it stays voluntary nothing will happen, and the vast majority of Scottish families will continue to live in cold, hard to heat homes.

### Question 11

What are your views on our proposal that 2030 is the right point to start mandating action to achieve EPC Energy Efficiency Rating Band C?

It sounds a long way off, and we at Elmhurst would hope that the incentives through the programme are effective, because if this is only marginal, there will be a massive effort required in 2030s to catch up on the targets. We would suggest that 5 years encouragement is better and then a ramp up to mandatory is required in 2025. There are plenty of low hanging fruit in terms of improving people's homes. To get to 'C' rating is not usually that difficult and so delaying is not helping anyone.

### Question 12

What are your views on our proposal for owner occupied properties to be subject to penalties for non-compliance?

For the proposals to work there must be 'carrot', 'stick' and 'noise'. The carrots to incentivise early adopters, the stick in the form of regulations that can be effectively policed, and positive noise from all in the process (not just Government) to educate and show that warmer, cheaper to run homes are a good thing. Without penalties the process will not succeed. We hope that over the course of the next 20 years, very few people will fall foul of them; but without sanctions, there will be much less incentive to go early.

### Question 13

What are your views on requiring all types of accommodation to meet the Long-Term Domestic Standard over time? Please explain your answer, giving examples of accommodation you think should/should not be required to meet the Long-Term Domestic Standard if relevant.

All these homes need to be more energy efficient the methodology exists to give them an energy assessment. Whilst it is true that 'some' measures may not be suitable to 'some' of the homes, the fact they should all apply the same

standard as everyone else makes sense. For example a listed building can normally have a new boiler, heating controls, hot water cylinder insulation and loft insulation, without 'affecting the heritage' of the building. We need to engage with the specialist who can help these families in these types of homes, not cast them aside to be cold, expensive to run homes.

Park Homes – Yes  
Listed Buildings – Yes  
HMOs – Yes  
Holiday Lets – Yes

Nothing in the EU directive prevents the government from extending the principals to "out of scope" dwellings however with BREXIT approaching there are no excuses; all dwellings should be in scope.

#### **Question 14**

Please provide your views on our proposal that all homes with fuel poor households are to reach EPC Energy Efficiency Rating Band C by 2030, where technically feasible and cost-effective?

100% this is surely what all this is about. Fuel poverty is complicated as it is a mix of 'asset' (home), 'occupants behaviour' and 'income'. All three items need to be understood, and to help all three things can be changed. E.g. to eradicate it, we could give these families lots of money, or we can change their behaviour in the home.

Therefore it is essential that all these people get an EPC (the asset rating) and an occupational assessment, to benchmark what they should use in terms of heating their home. The advice needs to come from an independent source, so that it is not just influencing or pushing one measure/technology.

Elmhurst continue to push for energy assessors to be up skilled to Home Energy Advisors, and help the whole process push through towards good quality installs that are good for that 'family' in that 'asset'. The final piece of the jigsaw is to connect the actual metered usage of energy (via smart meters) then the whole issue can be managed and understood for the benefit of all.

#### **Question 15**

Please provide your views on our proposal that all homes with fuel poor households are to reach EPC Energy Efficiency Rating Band B by 2040, where technically feasible, cost-effective and possible within limits affordable to the public purse.

This standard is good, in fact we are concerned that when arbitrary targets are set, most people will do the minimum necessary e.g. get to C, and then wait. But in a good number of homes it may well be much more cost effective to go to B straight away. This incentive needs to exist, and the independent advisors can help get this message across.

**Question 16**

In addition to what we have set out in paras 46-50, what should the Energy Efficient Scotland Assessment Short Life Working Group also consider? Please explain your answer.

Elmhurst would like to partake in the Working Group. We believe that the advice tool is definitely required in order to bridge the gap from an EPC to positive action. We suggest that an EPC and an occupational assessment are always undertaken. That this can be used to make the best choices for the occupants in that home. The monitoring and success of this can be done using metered data.

We believe we have all these tools already, and do not need to 're-invent the wheel'.

We would welcome the chance to join these pieces of the jigsaw back together.

Things to consider: SAP data (re-use), Occupancy Assessments, Independent Advice, Digital and boots on the ground, Home Energy Advisors, Metered Data, Digital Home Portal.

Again the department should be aware that British Standards Institute are considering this issue in draft Publicly Available Specification, PAS 2035.

**Question 17**

What are your views on whether the Long-Term Domestic Standard should be enforced at a local or national level? Please explain your answer.

We advocate for whatever is going to be enforceable. We believe that a standard that is set nationally is easier to understand; but do accept that local drivers may mean that certain aspects can be better understood at the local level e.g. highlands and islands (off grid).

Whichever way is chosen enforcement is essential.

Passive enforcement can be achieved by ensuring that other professional in the supply chain (such as mortgage lenders, solicitors, surveyors and agents) are aware of the requirements and obliged to seek evidence of compliance at each stage. For example, in England EPCs are required at time of sale, but a conveyancer will not allow the sale to proceed without one. If a similar professional route can be backed up here, and for example a buy to let mortgage can't be obtained by a lender without the correct band on the EPC. This would really help the front line compliance. We need to get as many professionals involved as possible including but not limited to Surveyors, Lenders, Solicitors, Local Authorities etc.

In some cases "professionals" may not have been involved in the process, or an example has slipped though the crack, in which case active and strict enforcement is essential.

**Question 18**

Are there specific building characteristics you consider should be included in research to ensure that future improvement targets reflect the diverse nature of our non-domestic building stock?

Yes  / No  / Don't know

If so, please set out what these are and why they should be considered.

Heating, cooling, fabric insulation, ventilation, lighting, local mechanical exhaust, hot water systems, renewables, windows and doors (openings), heating controls, lighting controls, heating fuels.

### Question 19

What are your views on the way calculated energy use from building assessments are presented and/or benchmarked? We are particularly interested in what arrangements you favour and how you think they would be useful.

The EPC is an excellent way to calculate energy uses. In E&W within the EPC calculation it uses notional and reference buildings allowing the energy use to be compared to a benchmark. We also like that in Scotland a potential rating is displayed to show the result from improving the building following the recommendations. If benchmarking is required this is one simple way to achieve that goal.

Elmhurst believe that better use could be made of Display Energy Certificates (displayed prominently in the reception of every non domestic building) would allow exemplars to boast of their performance, and poor performers be shamed into action.

To ensure that certificate remain valid we would strongly recommend that the validity period be reduced to either 1 or 3 years but more importantly that a new certificate is required whenever there is a change to the building that would impact on its rating.

### Question 20

What are your views on the proposed planned work to review improvement targets?

Section 63 has already been initiated to the sale of properties to drive energy efficiency improvements but is limited to buildings over 1000m<sup>2</sup>. Nothing similar applies to rented properties at present so this should be where the focus is driven. At present, with 73% of properties being below an E rating in Scotland, the current policies are clearly not sufficient. You can only set back stop dates if there is sufficient funding and assistance in place to assist owners/ landlords in compliance. This was a crucial mistake in the initial MEES legislation for England and Wales for Domestic Properties. The legislation specified that if the improvements to domestic properties could not be wholly financed by incentives/ funding schemes then the owner/ landlord would not be expected to meet compliance and could exempt themselves. The lack of funding available, has meant that very few, if any, domestic landlords are able to

finance the improvements at no cost to themselves, and have therefore registered as exempt - completely defeating the point of the legislation. Therefore, Scotland should first ensure support is in place, and then decide on back stop dates.

### Question 21

What are your views on our proposals for phasing the regulations from 2020?

The sooner the better.

### Question 22

Should advice and support to invest in the energy efficiency of industrial or manufacturing buildings align with wider advice and support on how to reduce energy consumed for productive processes?

Yes  / No  / Don't know

If so, please suggest how improving efficiency in building and 'process' energy could work together, and what opportunities and challenges this might present?

ESOS would be the best option for improving efficiency in non-domestic process energy. However ESOS requires only a certain proportion of larger companies to comply so maybe a similar pro- rated scheme could be developed to widen the scope. Further a similar scheme to MEES could be implemented to ensure the areas for improvement highlighted through ESOS are actually implemented rather than only having to report awareness. DEC's and EPC's would be best for improving efficiency in buildings- their fabric and conditioning.

### Question 23

What more could the Scottish Government do to encourage the public sector to accelerate energy efficiency across their building stock?

Adopt Display Energy Certificates and Energy Performance Certificates in all public sector buildings.

Prominently displayed DEC's assess a building using the energy use against a benchmark and provides a recommendation report on how to improve energy efficiency. Public buildings should be leading by example or at least contributing to ensure the private sector does not bear the burden of meeting all of the targets.

### Question 24

What more could the Scottish Government do to encourage the public sector to accelerate heat decarbonisation across their building stock?

Incentives such as FIT and funding/grants for improvement measures such as heat pumps and heating systems. League tables to name and shame poorly performing buildings.

### **Question 25**

What additional data would help building owners in the delivery of the Energy Efficient Scotland Programme? How would this be used?

A digital portal for owners/landlords/owners to log into to obtain all the data held on that building. To be able to play around with potential improvement measures/packages of measures. The portal can link off to independent advisors to get good advice, to energy assessors to obtain assessments, to link off to approved 'quality assured' installers. The data needs to be updated on the asset when measures are installed, so that the success is managed.

### **Question 26**

What additional data would be helpful to others in the delivery of the Energy Efficient Scotland Programme? How would this be used?

Elmhurst suggest that asset data is required (RdSAP, SAP or SBEM), Occupational data, and finally metered data. The first 2 allow an estimate to be used for the asset and occupant and the actual energy use can then allow a good understanding of what is going on within the building. All 3 bits of data are extremely useful, but combined is the way for Scotland to really get to the heart of energy efficient buildings and drive change.

### **Question 27**

We will investigate the benefit in providing new online resources or tools to support building owners to access and use data to help them improve their properties. What particular types of resources or tools would you find useful and why?

As per Q25. Lots of this work has been undertaken in the Each Home Counts implementation which may benefit Scotland. Elmhurst can facilitate an introduction if required.

### **Question 28**

In addition to the above, we welcome any specific comments or observations you may have on the future use of the data that is gathered from energy assessments.

The data needs to be available to the owners/landlords, and it needs to be used to make informed choices. The data is only useful if interpreted correctly and therefore the energy assessors who collect it, must be freed up to give

independent advice. Pushing the owner/landlord to the new portal, to go to the next steps is the bit that is missing. We need to move away from the data is used to create an Energy Certificate to 'tick a box' for one regulation, to be a central point to build upon sensible decisions moving forward for the building and the occupants.

### **Question 29**

What are your views on the implementation and enforcement of existing legislation relating to energy efficiency and heating of buildings in Scotland?

Enforcement needs to be seen to be quick and significant, and ideally a mix of passive (use of professionals in the supply chain) and active (central and local government).

### **Question 30**

What changes may be needed (if any) to this existing legislation to ensure that the Scottish Government, local authorities, and any other relevant bodies or persons, have the powers and duties necessary to support the Energy Efficient Scotland Programme?

All points covered in previous questions

### **Question 31**

What other elements of the Programme may require new or amended legislation to enable the Energy Efficient Scotland Programme to operate?

Ideas to investigate are potentially linking council tax to the rating on the EPC. Giving tax incentives e.g. less VAT on energy efficient measures.  
Council tax reductions for better owner occupied homes, and supplements for poor performing homes  
Tax breaks for landlords to invest and improve the energy efficiency of buildings before the deadline.  
Change the focus of ECO policy in Scotland to giving the funds to the worst homes first, therefore focussing on E, F and G rated buildings first (simply add an inflator the deemed scores to incentivise this). Look at EHC and implement in Scotland.

### **Question 32**

Which organisation(s) should be responsible for delivering any new legal requirements?

No strong opinion

