

Briefing, Scottish Climate Bill, July 2017

A warm, energy-efficient home for everyone in Scotland



Our homes are leaking carbon and our precious cash

Fuel poverty in Scotland still stands at around three-quarters of a million homes and around half of Scotland's emissions come from heating our buildings. Without better insulation, we're wasting our precious resources heating the air outside our leaky homes and generating carbon emissions in the process.

That's why we want the Scottish Government to improve the energy efficiency of our homes through the new Climate Change Bill, ensuring everyone has a cosy, lower carbon home to live in and affordable heating bills.

What can the new Climate Change Bill do about it?

The Scottish Government already took the welcome step of making energy efficiency investment a National Infrastructure Priority in 2015. But there's still not enough detail about its implementation plans or its overall goals on energy efficiency.

That's why we want the Scottish Government to commit to bringing all homes up to a good energy performance standard of C by 2025 and to enshrine that target in law through the new Climate Change Bill. The Government should also set out further milestones and targets towards zero carbon homes.

The new legislation should also create an independent public body to coordinate the delivery of this huge infrastructure transformation so that taxpayers and consumers get value for money and homes are insulated in an efficient, streamlined way. We've seen these kinds of effective public bodies created before to deliver major projects, such as the Olympic Delivery Authority for the 2012 Games.

Reducing ill-health, slashing emissions and creating 1000s of jobs

Energy efficiency is one of the cheapest, cleanest and most beneficial ways of reducing emissions. Bringing all homes up to a C standard would help reduce the risks of fuel poverty, reduce ill-health from cold homes and consequently help NHS budgets in Scotland to the tune of 48-80m/year.¹ The National Institute for Healthcare and Excellence (NICE)

¹ Consumer Futures Scotland (2014) Economic impact of improving the energy efficiency of fuel poor households in Scotland

recommends that as a minimum, properties should be raised to an EPC band C and ideally to a band B to avoid the risk of death and ill health associated with living in a cold home². It will require a multi-billion pound investment programme, but the societal and economic benefits are huge, creating up to 9,000 net jobs a year across Scotland.³

We recommend that the forthcoming new Climate Change Bill sets should set a statutory target of bringing all existing homes in Scotland up to at least an Energy Performance Certificate rating of 'C' by 2025. This target should be enshrined in law.

The Scottish Government already took the welcome step of making energy efficiency investment a National Infrastructure Priority in 2015. But with energy efficiency is one of the cheapest, greenest approaches to decarbonisation lowering our emissions and – it is able to deliver multiple social and economic benefits like savings on bills and avoidance of health issues, so the Scottish Parliament should now set out a scale of ambition that is in line with our climate change ambitions and wider social and health objectives be even more ambitious. The Scottish Government has set out that Scotland's Energy Efficiency Programme (SEEP) will be the main vehicle for the delivery of the National Infrastructure Priority, and the Climate Change Bill could put some key elements onto a statutory basis:

Targets and milestones for the delivery of Scotland's Energy Efficient Programme (SEEP)

The Climate Change Bill should set out targets and milestones for the delivery of SEEP, including a milestone of supporting all existing domestic homes to reach at least an Energy Performance Certificate rating of 'C' by 2025. A regular reporting cycle, perhaps linked to the wider annual climate change reporting cycle, should keep the Parliament updated with progress in delivery of this infrastructure priority.

A new independent body responsible for the delivery of SEEP should be created

The Climate Change Bill should create a new independent public body responsible for co-ordinating the delivery of SEEP by programme partners. The independent body would report to Ministers and Parliament and be charged with ensuring value for public sector investment. This could be disbanded on completion of the SEEP programme.

This independent body could be modelled on the Olympic Delivery Authority, which was responsible for delivering the new infrastructure for the London Olympics and was established by the London Olympic Games and Paralympic Games Act 2006. Following the delivery of the Games infrastructure, the ODA was dissolved by the UK Parliament at the end of 2014.

² <http://www.nice.org.uk/guidance/ng6/resources/excess-winter-deaths-and-morbidity-and-the-health-risks-associated-with-cold-homes-51043484869>

³ Verco (2014) Building the Future

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Cross-sectoral benefits

There are significant additional benefits of investing in energy efficiency:

Carbon savings

Upgrading fuel- poor homes to EPC C by 2025 would save an estimated 1 MtCO₂ a year by 2025. This is double the rate of carbon savings anticipated from all of the government's other policies in the homes sector by 2027.

Financial costs/ benefits

The estimated cost of upgrading the housing stock homes to EPC band C or above are is £7bn over 10 years, requiring a funding increase of approximately £3.2bn (or £320m per year) on current funding levels⁴. This funding would come from a mix of private investment (particularly the natural replacement of old gas boilers with more efficient condensing models) and additional public funds. A project of this scope could generate a net increase in jobs of 8000-9000 per year. It would also be a 'value for money' project – creating more jobs and benefits for the wider economy than a fiscally equivalent spending package of the same amount.

Whilst an independent body for delivering SEEP would of course have additional running costs, we would expect these to be outweighed by savings in capacity within the Scottish Government civil service, and through the greater likelihood of securing value for money from capital expenditure into the Programme.

Through a major national programme to improve the energy efficiency of homes, the Scottish Government can make itself a world leader on climate change and provide everyone with a warm home to live in.

But we need your help to make it happen. Ask the Scottish Government to make a warm, energy efficient home for all #OorFuture. You can read more about the other things we'd like to see in the new Climate Change Bill [here](#).
