

WRITTEN SUBMISSION FROM CHANGEWORKS

1. Introduction

This response represents the view of Changeworks, an environmental charity that exists to improve quality of life and to protect the environment. We work with passion, integrity and in collaboration to develop and deliver innovative projects and businesses in energy, waste prevention and transport that inspire and empower people and communities to make a difference.

2. Reason for comment

Scotland's housing stock remains largely energy inefficient despite existing programmes that are attempting to tackle this issue. The residential sector is Scotland's biggest contributor to greenhouse gas emissions, accounting for around a third of all emissions. In addition to contributing to climate change, this inefficiency condemns large swathes of society to fuel poverty. Therefore raising the level of energy efficiency in the home is absolutely critical if Scotland is to meet the greenhouse gas reductions proposed in the Climate Change Bill, and to tackle its statutory commitment to eradicate fuel poverty by 2016. A radical overhaul of existing energy efficiency legislation is needed to achieve this, as the policy emphasis till date has been on low and zero carbon housing for new homes and largely fails to tackle the current housing stock, 85% of which will still be used in 2050.

Changeworks has for many years promoted innovative waste prevention projects aimed at both the public and small businesses. We understand the critical role of efficient resource use in delivering carbon savings. We are therefore keen to see a framework, which rolls out best practice and promotes the zero waste approach. We have chosen not to respond specifically on this and instead would like to lend our support to the response submitted by CRNS ([Community Recycling Network Scotland – click link](#)); this captures the experiences of organizations in the sector.

3.0 Specific comments

3.1 Setting the right context (Questions 1-5)

To be effective the Bill must establish an appropriate framework based on clear targets for reducing carbon emissions. In this respect Changeworks accepts the arguments presented by a wide range of organisations that as a minimum the Bill should:

- A) Require a reduction of greenhouse gas emissions of at least 80% by 2050, reflecting the latest scientific evidence. However, the government should consider a cumulative emissions target as opposed to a point target as the basis for carbon budgeting.
- B) Include annual statutory annual targets of at least 3% year on year reductions. At the moment, the draft Bill proposes delaying annual targets of at least 3% until 2020. There is an urgent need to reduce emissions now, so the Bill must require at least a 3% reduction in emissions per year starting immediately. Delaying this requirement until 2020 will stymie initial progress and require more drastic action in future years. Additionally if the cumulative approach to carbon budgets is adopted then the total emissions ceiling is likely to be breached.
- C) Include emissions from international and domestic aviation and shipping. The Bill currently states emissions from international aviation and shipping will only be included after more consultation and legislation. The Bill should be absolutely clear that all emissions must be included at the outset. Failure to do this will require either punitive or less cost effective reductions in emissions in other areas, such as domestic housing.

3.2 Duties on public bodies (question 8)

Changeworks works closely with local authorities to develop projects that help to tackle fuel poverty and climate change. Although we believe the authorities we work with are also highly committed to tackling these issues, we aware they face a number of challenges in managing competing priorities and allocating resources for climate related projects. Clearly statutory functions are given priority in the overarching strategies of local authorities and this is reflected in current single outcome agreements. Unless local authorities have a statutory remit in relation to reducing climate change emissions, then there will be no greater action than at present. Such a duty would build on current voluntary action but highlight the need for greater urgency. The same case can be made for many other public bodies, especially those delivering services to the public or promoting economic development.

The Bill should therefore contain an immediate overarching duty on public bodies in relation to climate change. Any duty should be positive in nature. It should also be broad and empower local authorities to take action across their entire geographic area not just within their own services and properties. For instance local authorities should promote measures that influence the behavior of the public by rewarding actions that reduce carbon. Delivery of the duty would be taken forward through mechanisms such as community partnerships. The detailed implication requirements relating to the duty should be set out in guidance and regulations established through the Bill.

Currently councils are designated as Energy Conservation Authorities through the Home Energy Conservation Act 1995. This act must not be repealed unless a broader and stronger duty in relation to climate change and fuel poverty is put in its place first.

3.3 Tackling emissions from domestic housing (question 12)

We welcome the provisions requiring the Scottish Government to produce an action plan setting out current and proposed measures to improve the energy efficiency of buildings in Scotland, as well as measures to encourage behavioural change. We believe the Scottish Government should provide much greater detail on specific action, in some cases this will require legislative changes that should be considered by the committee.

Changeworks has many years expertise working on household emissions. It is clear there are considerable opportunities for improving the energy efficiency of the housing stock to secure substantial carbon savings. However the current institutional framework does not lend itself to achieving this goal, and requires revision to improve the existing rate of progress in the housing stock. The problem is less a technical issue and more of a socio-economic one. The following issues must be addressed as a priority in any action plan that results from part 5 chapter 3 of the Bill. For the topics that require legislative changes by the Scottish Parliament it would seem prudent to do this during the passage of the Bill to create the necessary impetus for action. The issues that must be consider in the context of the Bill, are ensuring:

- A)** Scottish Government sets a clear framework of progressive targets to improve the energy performance of existing housing, reducing emissions by 35% by 2020 and 80% by 2050.
- B)** The Scottish House Quality Standard (SHQS) currently sets a minimum NHER of 5 for efficient central heating and insulation. This target needs to be more exacting to improve energy efficiency and cut emissions in the current housing stock. Furthermore the target should be increased to require a minimum NHER of 8 (or equivalent on the EPC scale) by 2016. This would be aligned with statutory fuel poverty targets. Ministers should be pressed to make this commitment during the passage of the Bill.

- C)** Any policy package is delivered in away that is equitable and progressive, so that those at risk of fuel poverty do not bear further costs. A review of the current UK energy efficiency policies (EU ETS, Renewables Obligation and CERT) is essential as the costs are borne by all gas and electricity consumers through billing. Although the existing schemes are designed to improve energy efficiency and reduce fuel poverty they also have the capacity to increase fuel poverty by reducing the disposable income in low-income households through higher fuel bills. Furthermore those on low incomes are far more likely to have a prepayment meter and consequently pay far higher prices for their energy. At current prices, prepayment meter customers pay £127 a year to £340 a year extra (depending on fuel supplier) compared to those who pay for example by direct debit¹. In essence the poorest members of society are subsidising the environmental costs of direct debit consumers. This practice needs to cease immediately and it is only fair that low income and vulnerable households benefit from climate change policy rather than being penalised by it. This argument is further supported by strong evidence that suggests that low-income households have a smaller carbon footprint than average. To ensure the appropriate balance is achieved specific clauses relating to fuel poverty should be considered, possibly updating the provisions in the Housing (Scotland) Act 2001.
- D)** Over time the roll out of Energy Performance Certificates (EPC) to all households, not just those that have been subject to a recent rental or sale. This will promote the implementation of energy efficiency measures across all the housing stock. Greater adoption of measures would also be likely if council tax reductions were granted for energy efficient properties as established through an EPC rating. Another opportunity to roll out EPCs exists when a property owner is seeking a building warrant for improvements or extensions to the property. Landlords should be required to produce a valid EPC when they register with local authorities. The period of an EPC should be reduced from ten to five years, given the pace that standards in energy efficiency will change at, in coming years. The Bill should ensure that Ministers have the powers to do this after consulting stakeholders.
- E)** A requirement that properties being sold, rented, upgraded or extended meet an accepted energy efficiency standard (for example an E-rating on the EPC scale) before the property can be transferred. Rental income for energy inefficient properties should be capped given the high levels of fuel poverty associated with this sector and the ongoing failure of landlords to invest in their properties. Stricter energy standards should be required for accredited landlords.
- F)** Update the Home Energy Conservation Act (HECA). Firstly integrate reporting and monitoring requirements on energy efficiency in housing with other duties in relation to carbon reduction and fuel poverty. Secondly, retain and reinforce local authorities' responsibilities as energy conservation authorities, empowering them to co-ordinate the improvement of the housing stock across all tenures including the setting of targets.
- G)** Extend local authority powers in relation to Housing Act 2006 to include a range of basic energy efficiency measures (e.g. loft top ups and cavity fill) when enforcing household repairs. Meeting energy efficiency standards should be viewed as an essential repair not an improvement.
- H)** Revising communal repair clauses in the Tenements (Scotland) Act 2004 to include energy efficiency improvements. The barrier to improving flats must be addressed or these buildings will never be upgraded. Presently it is impossible in the majority of cases to secure the agreement of all the tenants to allow such works to proceed. Without this

¹ <http://www.energyhelpline.com> - February 2009

amendment the majority of properties in Scotland's cities will remain untreated, and upgrades will continue to be blocked by a minority of tenants.

- I) Provisions to allow either the Scottish Government to arrange for very low interest loans to households for the purpose of energy efficiency improvements. Costs should be spread over a 10 – 20 year period, or repaid when the property is sold. This should be in addition to concerted promotion of Loan Action Scotland throughout the private rented sector and residents associations. Other schemes such as the Landlords Energy Saving Allowance should also be promoted, given the dire energy efficiency standards across this sector.

3.4 Promoting micro-generation

Changeworks sees merits in the further measures to promote micro-generation. Whilst there has been significant progress in recent years, particularly the SCHRI grants scheme, much more needs to be done to secure the roll out of these technologies. Early adoption of these legislative measures would clearly provide the necessary tools for delivering the targets in the Bill. These include:

- A) Providing incentives, such as reduced business rates or reductions on Council tax, for business premises and domestic households who install new energy efficiency improvements and microgeneration measures.
- B) Require Scottish Government to set targets for energy efficiency and micro-generation and local authorities to consider such technology by setting targets and strategies to take this forward.
- C) Require all new building developments to ensure energy efficiency measures are installed as standard and include capacity for microgeneration (to initially deliver at least 15% reduction in projected emissions building regulations, rising to 100% by 2016).
- D) Require annual reporting to Parliament on progress and implementation of these measures, including progress at a local authority level.
- E) Empower councils or energy advice centres to bulk buy micro-renewables, which drives down costs, and offer extended low interest loans to households that offset the payback periods.

3.4 Zero Waste (question 15)

We are part of the CRNS network and endorse the views already submitted to the committee.

4.0 Conclusion

To be effective the Climate Change Bills must first set a clear and unambiguous framework, which works towards achieving the 2050 goals. To allow these targets to be met a retrofit strategy, including new legislative measures which remove current barriers to action, that addresses the energy efficiency standards of all existing properties, including hard-to-treat properties will be needed. Failure to take bold action will ensure that targets are missed and future generations will continue to suffer fuel poverty and health inequalities. Furthermore, tackling the energy efficiency standards of the current housing stock will create jobs, which is an added bonus in the current economic downturn. Similar benefits will be achieved in relation to concerted action to deliver a zero waste Scotland.

Robust legislation, strong leadership, and a complete package of measures that includes delivery, increased funding and capacity are all needed to ensure that emissions targets are met. Financial support will need to double from current levels to around £500-600 million per year. However this investment is minimal compared to the long-term cost of inertia. Similar costing and increased action to promote zero waste will also be needed if Scotland is to move beyond the status quo.

The Stern Review was explicit in recommending action now, rather than trying to mitigate the consequences of climate change. Failure to take adequate steps at this stage will have far greater costs for the economy and the planet in the future. Such a programme would also deliver social and economic benefits by ensuring that the legacy of substandard housing, and inefficient and wasteful use of resources is tackled. In this respect the Climate Bill points Scotland to the right way forward, but what is also needed are rapid steps along the path to lower emissions.