

## Response ID ANON-MKCA-9SNE-U

Submitted to **Consultation on Scotland's Energy Efficiency Programme**

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### About You

#### What is your name?

**Name:**

Mark Hughes

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#### Are you responding as an individual or an organisation?

Organisation

#### What is your organisation?

**Organisation:**

the Building Engineering Services Association

#### The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name

**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

### Situation Report

#### 1 Thinking about current Government schemes and the delivery landscape, we would welcome stakeholders' views on:

##### What currently works well, including aspects of existing schemes that should be retained?:

BESA Response

The development of a coherent, consistent energy efficiency policy in Scotland would have the greatest impact on energy use, energy generation and the reduction of both carbon emissions and fuel poverty. Yet it remains the "Cinderella" sector, toxic within the UK government after the failure of the Green Deal and beset by stop start initiatives that prevent long term objectives being met.

The truth is that domestic energy efficiency is a complex and difficult area that has competing and mutually exclusive forces to overcome. Done properly the work can be disruptive and expensive meaning a long pay back. People rarely value energy efficiency enough to put it above a new kitchen, a holiday or an ultra HD smart TV. Combine this with government policies that change at short notice and customer protection arrangements that do not deter the fraudster, the majority of people will not consider this work without significant encouragement or requirement.

In terms of supply, the Green Deal was a bureaucratic nightmare for many legitimate contractors and they steered clear of involvement. They are already "accredited to death" with gas safe, MCS, REAL, competent person schemes to name a few and this was a scheme and a cost too far.

Many of the solutions and in particular the initial energy survey are far too high level and simplistic. This leads to unrealistic expectations on behalf of the consumer and often does not result in the correct solution.

Any process needs to be long term, consistent, simple and low cost to operate, offer sufficient customer protection (it is almost impossible to protect some customers where fraud is perpetrated) and encourage skilled and competent contractors to participate.

The single most effective energy efficiency measure any government could take would be to implement mandatory assessments post-occupancy of a completed building that demonstrate that any building works requiring Part L compliance actually achieve the calculated efficiency gains. This is already a requirement of Part L but has never been enforced.

This is always described as a victimless crime - but it is not. The average building uses somewhere between 200-400% more energy than design. The bill payer obviously suffers but the tax payer also has to generate more electricity than they should by building, for example, Hinckley C or more wind generation. The shareholders of the developers meanwhile benefit from the savings they made not building to standard.

**What are the main delivery challenges faced at present and how might these be overcome?:**

## **Aims & Objectives of SEEP**

**2 How can Scotland best meet this vision and underpinning objectives in a way that is both socially and economically sustainable and supports long-term inclusive growth?**

**How can Scotland best meet this vision and underpinning objectives in a way that is both socially and economically sustainable and supports long-term inclusive growth?:**

The approach would be most successful if intervention was targeted at the most inefficient buildings/areas to deliver meaningful improvements at the early stage of the scheme. This drives momentum and helps in setting performance benchmarks whilst allowing knowledge to be gained and shared.

This requires real time energy performance data so that buildings with a large performance gap can be identified (measured building efficiency vs intended designed efficiency). Post-occupancy evaluations (POEs) become essential in collecting quality data on actual performance for analysis and as such, should become incentivised for domestic properties and compulsory for non-domestic initially. Energy efficiency of building varies seasonally, with operational use and can degrade over time and so POEs should be conducted at least annually as part of a buildings 'MOT'. The data gained should be shared on a public portal – this will allow developers, owners, and occupants to identify techniques for improving efficiency that have been successful and will also provide the foundation data for companies to innovate and competitively tender for schemes to improve efficiency.

The data becomes the foundation for initiating change and will assist in locating areas of fuel poverty and identifying district heating zones as demand and efficiency will be known.

**3 We would welcome stakeholders' views on how to set appropriate milestones for energy efficiency improvement and heat decarbonisation of buildings to ensure that the level of emissions reduction ambition (i.e. near zero carbon buildings) is achieved.**

**• We would welcome stakeholders' views on how to set appropriate milestones for energy efficiency improvement and heat decarbonisation of buildings to ensure that the level of emissions reduction ambition (i.e. near zero carbon buildings) is achieved. :**

Meaningful milestones require knowledge of how efficient the building stock currently is and how efficient it can practically become with current technology/materials (i.e. exemplary renovations/retro-fits/new-builds with low kgCO<sub>2</sub>/m<sup>2</sup>/year) – see above response. Without this knowledge any milestones are high level targets that will certainly not be met.

## **Scenarios**

**4 How might regulation and standards be used most effectively across the different sectors and when should they be applied across the lifetime of the programme?**

**How might regulation and standards be used most effectively across the different sectors and when should they be applied across the lifetime of the programme? :**

As the programme picks up pace and the market for low carbon heat sources and efficiency improvements grows, manufacturers will enter the sector from a variety of backgrounds and with varying competencies and qualifications eager to capitalise on the growth. It is important to safeguard the consumer against this eagerness by ensuring they are protected from inadequate systems or ideas that can worsen fuel poverty and erode consumer trust in the scheme.

From an M&E perspective, the standards and regulations should be focussed on the delivered performance of building to ensure the final product delivers on the design that was promised and the designers can be held accountable for any shortcomings in performance.

The M&E sector already has standards, knowledge, specifications, contracts and compliance schemes which are published and managed by organisations like BESA. Often the problem is in enforcing compliance and spreading knowledge of best practice rather than creating new publications.

**5 What should be the trigger points for buildings to meet standards? Should this differ between domestic and non-domestic buildings, and if so, how?"**

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Again, meaningful trigger points require knowledge of how efficient the building stock currently is and how efficient it can practically become with current technology/materials (i.e. exemplary renovations/retro-fits/new-builds with low kgCO<sub>2</sub>/m<sup>2</sup>/year) – see above response.

Initially, targets can be implemented for all new build properties (domestic and non-domestic) and a POE shall be mandatory to ensure that the buildings performance/efficiency meets these targets). This will prevent new builds from adding to the existing performance gap problem.

**6 What do you think are the benefits of using financial and fiscal incentives to support energy efficiency in domestic and non-domestic buildings? Please give examples, from Scotland or elsewhere, of where incentives have been used in this way to good effect .**

**What do you think are the benefits of using financial and fiscal incentives to support energy efficiency in domestic and non-domestic buildings? Please give examples, from Scotland or elsewhere, of where incentives have been used in this way to good effect . :**

There is always resistance to change and incentives (when appropriately targeted) can be a good way of encouraging people to engage with the scheme.

The cost of energy to the majority of building owners is either not significant enough or the cost of lowering energy cost is too high to warrant action. They are not charged for carbon emissions, and therefore have little motivation for change.

However with clearly expressed benefits of improving energy efficiency; reduction in operational cost of the building, lower carbon energy for corporate reporting

plus any incentives that the SEEP might incorporate.

**7 What is the best approach to assessing energy efficiency and heat decarbonisation improvements to buildings? How could existing approaches best be used or improved and at what level and scale (e.g. unit, building or area) should assessment be carried out?**

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A buildings performance needs to be evaluated periodically (i.e. annually) – see above answers.

**8 How should the installation of energy efficiency improvements and lower carbon heat supply through SEEP be funded? In particular, where should the balance lie between grant funding and loans for homeowners and businesses?**

**How should the installation of energy efficiency improvements and lower carbon heat supply through SEEP be funded? In particular, where should the balance lie between grant funding and loans for homeowners and businesses? :**

**9 What is needed to encourage private investment in energy efficiency and heat decarbonisation, including the take-up of loans by a wider range of owners and occupiers?**

**What is needed to encourage private investment in energy efficiency and heat decarbonisation, including the take-up of loans by a wider range of owners and occupiers? :**

If the market can be demonstrated through data and the correct incentives are in place then private investment companies will engage.

Private sector must have trust in the contractor's ability/solution and a comeback if design promises are not delivered.

**10 Of the current sources of finance which are currently available for energy efficiency and lower carbon heat supply, which are working well and which are not? Are there successful examples of attracting private sector finance to support energy efficiency improvements that could be explored? Are there any others which should be developed or made available?**

**“Of the current sources of finance which are currently available for energy efficiency and lower carbon heat supply, which are working well and which are not? Are there successful examples of attracting private sector finance to support energy efficiency improvements that could be explored? Are there any others which should be developed or made available?” :**

**11 How do we ensure that householders and owners are well advised and supported in making decisions on how to improve the energy efficiency of their building and install lower carbon heat supply through SEEP?**

**How do we ensure that householders and owners are well advised and supported in making decisions on how to improve the energy efficiency of their building and install lower carbon heat supply through SEEP?:**

Through the collection and distribution of data that clearly highlights where inefficiencies are, how they can be rectified and the benefits of doing so.

**12 Are the current mechanisms for providing advice sufficient? What changes, if any, do you think are required?**

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**13 What are the opportunities to link SEEP delivery with other initiatives, including the UK Government's Smart Meter rollout, so that we maximise the benefits for the people of Scotland?**

**What are the opportunities to link SEEP delivery with other initiatives, including the UK Government's Smart Meter rollout, so that we maximise the benefits for the people of Scotland?:**

SEEP should aim to manage the data on building efficiency across Scotland – this data can then be used for my targeted roll-out of other energy efficiency or decarbonisation initiatives. For instance, decarbonising the energy used by a very inefficient building will not yield the best improvement in kgCO<sub>2</sub>/m<sup>2</sup>/year obtainable.

**14 How can SEEP be designed and promoted to build consumer confidence (as a trusted 'brand')? What are the risks and opportunities associated with particular approaches?**

**How can SEEP be designed and promoted to build consumer confidence (as a trusted 'brand')? What are the risks and opportunities associated with particular approaches?:**

Brand trust must be earned.

Initially, it is vital that SEEP communicates the objectives, timescales and, most importantly, the potential benefits to consumers if they engage in the scheme (more comfortable living/working conditions, reduced bills and fuel poverty). The scheme must be open and honest to prevent any barriers to building consumer trust.

Then, consumer trust can be built by demonstrating the effectiveness of the scheme. The best way to achieve this is to ensure SEEP can communicate the positive impact the scheme is having by pointing to quantitative data of where interventions have been made (i.e. carbon emissions, efficiency and fuel costs of a building before and after intervention and clearly listing the changes implemented and the benefits and costs of each change.

**15 Is there a tried and trusted form of consumer redress that should be adopted or, if not, what should such a mechanism look like?**

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**16 How should SEEP look to integrate the findings of the Each Home Counts Review – e.g. could it be used a basis for developing a consumer protection framework for SEEP?**

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**17 How can local supply chains be expanded and up-skilled to ensure that maximum economic benefit and job creation is secured across all of Scotland?**

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**18 How can communities best benefit from the expected job creation?**

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**19 What provision could be made at a national level to ensure companies increase the capacity of the supply chain across all of Scotland to support local delivery of SEEP, particularly in the rural and remote areas?**

What provision could be made at a national level to ensure companies increase the capacity of the supply chain across all of Scotland to support local delivery of SEEP, particularly in the rural and remote areas?:

**20 What do companies need to do to increase their skills base to deliver a programme of this nature?**

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**21 What roles should national and local bodies play respectively in delivering SEEP and how can national and local schemes best be designed to work together towards meeting the Programme's objectives?**

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**22 What are your views on the relative benefits of area-based schemes as against those targeted at particular sectors or tenures in delivering SEEP? What other targeting approaches might be effective?**

What are your views on the relative benefits of area-based schemes as against those targeted at particular sectors or tenures in delivering SEEP? What other targeting approaches might be effective?:

**23 How best can we align nationally set standards with local, area-based delivery?**

How best can we align nationally set standards with local, area-based delivery? :

**24 What should the overall balance be between national and local target setting? Should local authorities set local targets with the flexibility to determine whatever methods they want to meet the Programme vision? Or should there be a greater degree of setting the target(s) and delivery methods by national government?**

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**25 What would a good governance structure to oversee any framework of responsibilities between national and local government look like? What examples are you aware of within the UK or elsewhere?**

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**26 What should be included in a monitoring framework to ensure that the Programme is effectively monitored and evaluated?**

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**27 We would welcome feedback and expertise on any other issues in relation to SEEP that aren't covered by the questions above.**

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**Evaluation**

**Please help us improve our consultations by answering the questions below. (Responses to the evaluation will not be published.)**

**Matrix 1 - How satisfied were you with this consultation?:**

Slightly satisfied

**Please enter comments here.:**

**Matrix 1 - How would you rate your satisfaction with using this platform (Citizen Space) to respond to this consultation?:**

**Please enter comments here.:**