
Report To:	Environment and Regeneration Committee	Date:	14 March 2024
Report By:	Head of Physical Assets	Report No:	ENV030/24/EM
Contact Officer:	Eddie Montgomery	Contact No:	01475 712472
Subject:	Energy & Climate Change – Scottish Government Public Consultations		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to provide an update on Energy and Climate Change related consultations and the Council's responses to these included as Appendices 1 and 2.
- 1.3 The report provides a summary of the responses to the two Scottish Government consultations, Heat in Buildings Bill Consultation and the Social Housing Net Zero Standard Consultation. These were launched on the 28th November 2023 and had a submission date of the 8th March 2024.

2.0 RECOMMENDATIONS

- 2.1 That the Committee
- notes the Heat in Buildings Consultation and Inverclyde response as included in Appendix 1.
 - notes the Social Housing Net Zero Standard Consultation and Inverclyde response as included in Appendix 2.

Eddie Montgomery
Head of Physicals Assets

3.0 BACKGROUND AND CONTEXT

Heat in Buildings Bill Consultation

- 3.1 Scotland has a legal target to reach 'net zero' greenhouse gas emissions 2045. The way we heat our homes, workplaces and other buildings is the third-largest cause of greenhouse gas emissions in Scotland. There is no way to meet our legal obligation to reach 'net zero' without changing the heating systems in the vast majority of our buildings.
- 3.2 The Heat in Building Consultation covers all buildings including domestic and non-domestic with the aim to raise awareness of Scottish Government proposals to make new laws around the heating systems that can be used and to invite views on those proposals.
- 3.3 The main proposals include:
- reconfirming that the use of polluting heating systems will be prohibited after 2045; and
 - as a pathway to 2045, require those purchasing a home or business premises to end their use of polluting heating systems within a fixed period following completion of the sale;
 - introduction of a new law that will require homeowners to make sure that their homes meet a reasonable minimum energy efficiency standard by 2033;
 - requirement for private landlords to meet this minimum energy efficiency standard by 2028;
 - requirement for people and businesses to end their use of polluting heating when a heat network becomes available.
- 3.4 The consultation outlines proposals for how home owners and landlords can meet the minimum energy efficiency standard with a recognition that meeting the requirements is a challenge in the current context of an on-going cost of living crisis. The proposals provide exemptions where needed ahead of 2045 to assist in the approach being affordable, fair and feasible. The Consultation paper and summary are available at the following link:

<https://www.gov.scot/publications/delivering-net-zero-scotlands-buildings-consultation-proposals-heat-buildings-bill/>

The Inverclyde response to the consultation is included as Appendix 1.

Social Housing Net Zero Standard Consultation

- 3.5 This consultation seeks views on a new Social Housing Net Zero Standard (SHNZS) in Scotland. This new standard will replace the second Energy Efficiency Standard for Social Housing (ESSH2). The Scottish Government aspiration is that all homes will be warmer, greener and more efficient, with a view to everyone in Scotland, no matter their financial situation, having access to good quality housing that they can afford to heat.
- 3.6 The Scottish Government committed in the Heat in Buildings Strategy to reviewing ESSH2 in 2023 with a view to aligning it with its net zero targets. The independently chaired Zero Emissions Social Housing Taskforce (ZEST) recommended the ESSH2 review be accelerated to ensure alignment with net zero and provide clarity for social landlords. The review of ESSH2 also takes account of the Scottish Government's proposals for the reform of Energy Performance Certificates, the consultation on a domestic heat standard in the Heat in Buildings Strategy, and the recommendations of the Scottish Parliament Climate Change Committee.

3.7 The consultation document is structured as below:

- Section 2 - principles of a new SHNZS, and what is intended to be achieved by the new standard;
- Section 3 - proposals of the new SHNZS including feedback from stakeholders and working groups which helped form the proposals;
- Section 4 - how the proposals apply to mixed tenure housing;
- Section 5 - how the proposals apply to Gypsy/Traveller sites;
- Section 6 - the cost and funding associated with the proposals;
- Section 7 - the timetable for the new SHNZS.

[The Consultation paper and summary are available at the following link.](#) The Inverclyde response to the consultation is included as Appendix 2.

4.0 PROPOSALS

4.1 The outcome of the two consultations will be monitored and any confirmed implications such as the potential increase in costs relating to increased standards, reported to a future Committee.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability	X	
Data Protection		X

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

N/A					
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5.3 Legal/Risk

The Heat in Buildings Bill and the Social Housing Net Zero Strategy place duties on building owners to make energy efficiency improvements by particular dates, and make the switch to “clean heating” by 2045.

5.4 Human Resources

None

5.5 Strategic

The draft Inverclyde Local Heat and Energy Efficiency Strategy and Delivery Plan aligns with the majority of the proposals and, together with Local Housing Strategy Group 4 work, will monitor any requirements for the Council.

5.6 Equalities, Fairer Scotland Duty & Children/Young People

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
x	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report’s recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report’s recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
x	NO – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: Provide reasons why the report has been assessed as not relevant.

(c) Children and Young People

Has a Children’s Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
x	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children’s rights.

5.7 Environmental/Sustainability

The LHEES underpins how Inverclyde area will develop over the next twenty years for energy and carbon efficiency in our own operations, but also how we work with RSL’s, private businesses and private homeowners.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
x	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.8 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
x	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

7.0 CONSULTATION

7.1 Relevant Officers within the Council including those within the Energy & Climate Change Team and the Public Health and Housing Team were consulted.

8.0 BACKGROUND PAPERS

8.1 None.

Changing the way we heat our homes and buildings – A consultation on proposals for a Heat in Buildings Bill



Scottish Government
Riaghaltas na h-Alba
gov.scot

Respondent Information Form

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

To find out how we handle your personal data, please see our privacy policy:
<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

Inverclyde Council

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

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

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

Questionnaire

Question 1

To what extent do you support our proposal to prohibit the use of polluting heating systems in all buildings after 2045?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Inverclyde Council shares the Scottish Government's ambition to meet net zero by 2045 wherein buildings, domestic or non-domestic, regardless of tenure should not have polluting heating systems. Whilst we strongly support this prohibition, we are concerned with how the Scottish Government intends to reach such goals in terms of the differential expectations placed upon tenures in the run up to 2045.

As noted in the accompanying net zero standards for social housing, it is expected that the social housing tenure has a pivotal part in decarbonising fastest where more extensive expectations are placed on the sector. While it is understood that the sector can function as a direct policy lever through the governance of the Scottish Housing Regulator (SHR), reforming already onerous EEESH2 standards to become more intensive, the rationale is based on the premise that technology, skills, and supply chains can be developed through the mobilization of the social rented sector. This, in turn, is designed to reduce overall costs of decarbonisation of homes per housing unit; wherein the benefits of these cost reductions are to be passed over to private sector homes (i.e. both private rented sector and owner-occupied homes). However, mobilising the social rented sector to make decarbonisation more affordable for private sectors could be inconsistent with the principles of a just transition. As is recognised in Scottish Government mandated housing planning documents such as the Housing Need and Demand Assessment (HNDA) practitioners guide, social rented housing is primarily planned for those who cannot afford private rented sector and owner occupation tenures, i.e. those who cannot afford market housing. Given how social housing is understood to function in the housing system, it would be problematic if the financing of decarbonisation impacts on rent inflation in the social rented sector.

This approach to financing transition is also played out in the timings for private tenures also, wherein for private rented sector, who the HNDA practitioner guide identifies is for those unable to afford owner occupation, should be expected to pay higher rent costs in order to enable a lower per unit cost for owner occupiers.

Given how the costs are proposed to be distributed by tenure through the planned timings of regulations (as set out in the Social Housing Net Zero Standard and the Heat in Buildings Bill) suggests a regressive approach to financing transition that could be at odds with the basic IPCC definition of just transition in terms of "sharing the burdens and benefits of climate change and its impacts equitably and fairly".

Question 2

To what extent do you agree that we should introduce a minimum energy efficiency standard to be met by private sector landlords by the end of 2028 (even if they are already using clean heating)?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose.
- Don't know

Please include any additional comments below.

Minimising use of heating while ensuring comfort levels are maintained is essential in regards conserving resources and placing less pressure on infrastructure, e.g. electricity capacity, so emphasis on energy efficiency important. Note, however, there should be some flexibility that takes account of the type or property, costs of upgrading, etc. The deadline may be a difficult one to meet.

As noted in the response to question 1, there is a concern that the differential expectations over extents and timings of standards to tenure is inconsistent with the principles of a just transition. The proposed standards for minimum energy efficiency in the private rented sector are not directly comparable to the Social Housing Net Zero Standard (SHNZS). This will have a detrimental impact on lower income households in the private rented sector tenure, which also is problematic from the standpoint of realising principles of just transition. More work will need to be done between the Scottish Government and partner agencies to develop policies that are more fitting with how decarbonisation of homes can be undertaken in a more just fashion.

Question 3

To what extent do you agree that we should introduce a minimum energy efficiency standard to be met in owner occupied homes (which still have a polluting heating system) by the end of 2033?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

As noted in the response to question 1, there is a concern that the differential expectations over extents and timings of standards to tenure is inconsistent with the principles of a just transition. More work will need to be done between the Scottish Government and partner agencies to develop policies that are more fitting with how decarbonisation of homes can be undertaken in a more just fashion. Question 2, however, notes the importance of minimising energy.

In regard to owner occupation specifically work more work between the Scottish Government and partner agencies to understand how any set of standards can be delivered in the owner-occupied sector. Whilst conveyancing mechanisms may have their utility, there can be many properties that will need to be in abeyance due to justified reasons such as cross tenure whole building issues outwith the control of the owner occupier. Cost will be an issue for homeowners and low-income households will be difficult to impose standards on also, which will also be problematic in terms of the transition being just. As such, there are a number of issues that need resolved before (just) standards can be established.

Question 4

Do you agree with our proposal to set a minimum energy efficiency standard that can be met by either installing a straightforward list of measures, or showing a good level of energy efficiency based on a reformed EPC fabric efficiency metric?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Inverclyde Council support in principle there being a set of conditions to improve energy efficient standards. However, such conditions would have to be cognisant of the differences between house and building types and have flexibility built into their implementation to ensure parity between the different challenges that different buildings present. Inverclyde Council have concerns over the ability of owner occupiers and landlords to be able to respond to these standards at the pace which may be expected due to challenges faced within the local housing system. 54% of all dwellings in Inverclyde are flats, with just 46% houses.

There is also the question of how to implement standards across buildings that have housing units of different tenures. It is here were having a parity of standards across tenures would make minimum standards easier to implement without questions of justice that tenants, owners, and landlords may hold, getting in the way of implementation. In that regard we would expect standards to resemble those proposed in Social Housing Net Zero Standard (SHNZS) consultation. By having a universal standard, would make it easier to implement whole building and place-based regeneration approaches towards mixed tenure buildings/areas.

The Inverclyde LHS states that to achieve the national targets that all homes in Scotland should be net zero by 2045, investment in decarbonising existing homes through housing led regeneration and retrofitting projects will be essential. The national policy mechanism for affordable housing which prioritises funding for new build housing activity over housing regeneration activity does not align entirely with regeneration aspirations locally. The new Local Housing Strategy sets out compelling housing system evidence and partner commitment to make the case that a different approach to affordable housing Investment in Inverclyde should be considered in the next 5 years.

Inverclyde Council noted that attention should be directed towards an increased national acquisition programme focused on stock consolidation for the purposes of retrofitting before standards can be effectively implemented and for this reason believe that introducing new standards are challenging and does not focus on the necessary work (acquisitions) required to provide the foundations to implement this standard. This would be a better deployment of public resources to support improved housing quality in Scotland.

It is for these reasons that Inverclyde Council believe that although it is important that new standards are applied equitably across all tenures there requires to be recognition that the process is likely to be more challenging and time extensive within mixed tenure buildings; this means flexibility needs to be part of any minimum standards system.

There are also questions regarding how compliance with the minimum standard would be established? By what mechanisms? As well as how evidence is gathered there is also the question of who would be doing the data gathering to ensure that what is depicted accurately refers to the listed standards implementation in the home. It is probable that the best mechanism to ensure delivery is via site visits by an appropriately qualified and experienced surveyor who can consider the individual circumstances of the property. This too will have its limitations as it provided only a snapshot in time of conditions. A surveyor would also be in a good position to determine whether abeyances would be required for an individual property.

Issues such as these also prompt questions on which agencies should administer such regulations and how to garner adequate resources to ensure compliance. This is a pressing issue for Inverclyde Council as the Council are at full capacity in administering landlord regulation and would find it difficult to take on other responsibilities without funding.

Question 5

What is your view on the initial proposed list of measures to meet the minimum energy efficiency standard?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

The measures as set out in the consultation document are extremely high level and would need to be made much clearer to guide householders as well as those tasked with measuring compliance. For example, when the document refers to draught proofing what does that mean specifically? Does draft proofing refer to the whole property of every building element? How does draft proofing requirements intersect with ventilation requirements etc?. Should allow for any new technologies being introduced rather than definitive list. For things like controls, should smarter technology be required rather than standard timer?

Question 6

Do you think that properties for which most or all of the measures on the initial proposed list are not relevant should be required to meet an equivalent minimum energy efficiency standard?

- No – these properties should be considered compliant once they have installed all the measures that are appropriate for their building type, even if this is few or no measures.
- Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), and they should be required to install all of these where feasible
- Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), but they should only be required to install some of these where feasible and cost effective
- Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), but they should only be required to install some of these where feasible, and they should be allowed additional time to do so

Please include any additional comments below.

Sufficient support should be provided to install measures and there should be some flexibility in terms of the time they would take to install that takes account of the type, nature, etc. of the property.

Question 7

Do you think that an alternative approach to setting the minimum energy efficiency standard is required?

- Yes
- No
- Don't know

Please include any additional comments below.

Being able to demonstrate that a kWh/m² is being achieved, such as an annual declaration using usage from the suppliers. Such as a similar approach to the SHNZS.

Question 8

Do you agree that the use of bioenergy should continue to be permitted in certain circumstances?

- No, it should be prohibited in all cases
- Yes, it should be permitted for those buildings already using it
- Yes, it should be permitted for those buildings who have no other clean heating system available.
- Yes, it should be permitted for those buildings already using it and for those buildings who have no other clean heating system available.
- Yes, it should be used in wider circumstances (please describe these).

Please include any additional comments below.

Consideration could also be given to the type and nature of bioenergy used and measures undertaken to minimise pollution.

Question 9

To what extent do you support the requirement to end the use of polluting heating following a property purchase?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

The proposals to shift the burden of making upgrades to buyers after they purchase homes, instead of requiring sellers to update the property before selling, diverge from how policy objectives are set in other areas, such as fire alarm installation. This approach also differs from how decarbonization goals are established for other types of housing tenures, where reletting between tenants is prohibited in both the social and private rented sectors. By not having a consistent approach towards sellers to realise policy aims in the owner occupier tenure, nor in having a similar approach to owner occupiers in impeding sales of homes versus mobility restrictions in tenancies, suggests a privilege of homeownership over tenancies in how decarbonisation should be implemented. This differential of burden between owner occupation and tenancies is at odds with ensuring that the transition is a just one. Furthermore, Inverclyde's accompanying consultation for the SHNZ was not supportive of the proposal to make housing units reliability contingent on meeting the standard, on the grounds that limiting the mobility of tenancies would potentially put the net zero standard into conflict with other policy priorities such as enabling affordable housing provision. The same is true for owner occupation and private rented sectors, in terms of ensuring the Housing to 2040 priority of right homes in the right places requires not impeding mobility between private or social tenancies and home purchases. It is worth noting therefore that limiting mobility in any of the tenures would be counterproductive to both national and local policy objectives; and mechanisms to support affordable housing throughout the housing system could be compromised.

Question 10

We are proposing to give those purchasing a property a 'grace period' to end their use of polluting heating. Do you agree with this proposal?

- Yes - the grace period should be two years
- Yes – the grace period should be three years
- Yes – the grace period should be four years

- Yes – the grace period should be five years
- No, please provide reasons for your view.

Since this grace period is based on the overarching policy of bringing standards in after sale, rather than before sale in equivalence with rented sector limitations on mobility between tenancies, it is difficult to support this this policy as currently proposed as per our response in Q9. Any grace period would need to take account of the borrowing requirements to make these changes.

Question 11

To what extent do you support our proposal to apply a cost-cap where people are required to end their use of polluting heating following a property purchase?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please provide reasons for your view.

This seems a reasonable way to help prevent installers charging excessively on the basis that installing non-polluting systems is a legal requirement. Robust investigation and analysis should be undertaken to determine cost-cap. Should target support for energy efficiency works for those least able to pay themselves as part of the range of compliance measures.

Question 12

Which of the following methods of applying a cost-cap do you support?

- A flat cost-cap
- A size-based cost-cap
- A purchase price-based cost-cap
- None
- Another, please suggest below

Please provide alternative

Please see 11. above. Robust investigation and analysis of the market and involving discussions with manufacturers, installers, relevant public and third sector organisations to help develop suitable cost-cap thresholds for a range of property types and heating requirements. They should be subject to regular monitoring and review to help determine effectiveness and fairness and that they reflect and are appropriate for existing circumstances.

Regarding targeted support for efficiency works to those least able to pay themselves, a complex methodology would have to be developed to establish costs in the type of property matched the means testing of income to establish ability to fund the works required. As such there will also have to be training programmes and resources established to ensure that there is adequate capacity to implement such methodologies.

Question 13

To what extent do you support the proposal that the Scottish Ministers should be given powers to extend the circumstances in future (beyond a property purchase) in which people could be required to end their use of polluting heating?

This could be, for example, preventing the installation of new fossil fuel boilers when replacing the heating in your home or business premises.

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

There should be flexibility within the legislation that allows for changing circumstances. Note proposed changes to requirements should be subject to sufficient scrutiny to help ensure they are appropriate. Need to consider LHEES and plans for the area in question, but also consider the impact of the running costs of the new installations.

Given the differentials of capacities of households, wherein many households live in conditions of poverty and deprivation, it would be problematic to use statutory powers to compel households to end their use of polluting heating. In most circumstances it would be preferable to offer advice, support and other incentives to households to make transition to green heating, rather than using means of compulsion to delivery policy objectives.

Question 14

To what extent do you support our proposal to provide local authorities (and Scottish Ministers) with powers to require buildings within a Heat Network Zone to end their use of polluting heating systems by a given date?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Note, however, the time it may take to develop heat networks in a Heat Network Zone so the given date should account for this.

Question 15

To what extent do you support our proposal to provide powers to local authorities (or Scottish Ministers) that require developers to connect new buildings within Heat Network Zones to a heat network?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

This should help encourage investment in heat networks by giving greater certainty in potential custom base.

Question 16

To what extent do you support our proposal to require occupiers of non-domestic properties to provide information about unused heat on their premises?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Harnessing waste heat is important in regards the environmental credentials of heat networks so producers of this should be compelled to provide it at a reasonable cost.

Question 17

To what extent do you support our proposal to potentially require buildings with unused heat to provide this to a local heat network?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Please see 16. above.

Question 18

We will need to have a way to monitor if people are meeting the Heat in Buildings Standard, and discussed two options for this. Which do you support?

- Submitting EPCs alone
- Sampling a percentage of buildings

- A combination of the two
- None, there should be no monitoring
- Another method, please suggest below or explain your selected answer

A combination of EPCs and sampling should be reasonably robust in determining compliance. Note EPCs should be reformed to ensure sufficient detail in terms of fabric efficiency, heating system and energy efficiency measures. Also amount of sampling should be sufficient to indicate compliance.

Question 19

We will need to have a way to enforce the Heat in Buildings Standard. We discussed possible options to help achieve compliance. What are your views on these ideas?

- I support relying on market and financial product mechanisms such as mortgages or home/ building insurance
- I support extra Council Tax and Non-domestic Rates charges, in future, for those who don't comply
- I support the introduction of civil penalties, in future, if compliance is not achieved
- I support a mixture of the above options
- I do not support any form of enforcement

Please explain your answer:

This seems to have been reasonably successful for the requirement to produce EPCs. Financial penalties have the potential to generate 'bad press' and, thereby, resistance. Preferable to promote benefits to encourage compliance and bring owners and occupants along.

Question 20

To what extent do you support our proposals to modify the Standard or exempt certain people from the need to meet the Heat in Buildings Standard?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Flexibility should be built into legislation that takes into account individual circumstances, type and nature of properties, etc. Want to encourage improved energy efficiency and the installation of non-polluting heating systems but avoid rigidity that may lead to individuals feeling they are being treated unfairly.

Question 21

Which people, businesses, or types of buildings, if any, should be eligible for a modified standard or exemptions?

People on low or 'squeezed' incomes and businesses that are struggling financially, particularly those affected by recent events, that make affordability of energy efficiency measures and non-polluting heating systems difficult. Note should develop effective methods to assess this to help ensure requests for exemption or modified standards are genuine and reasonable and provide appropriate support. Properties deemed 'hard to treat', e.g. older properties, historic properties, care homes, children's homes, schools, hospitals, charities. etc.

Question 22

To what extent do you support our proposals to give certain people extra time to meet the Heat in Buildings Standard?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Want to give sufficient time to assess most appropriate energy efficiency measures and non-polluting heating systems for properties and implement these. Note, there should be some flexibility to take account of individual circumstances or situations, e.g. issues with implementation resulting in installation taking longer than anticipated.

Question 23

Which people, businesses or types of buildings, if any, should be eligible for extra time?

Please see 21. above.

Question 24

To what extent do you support our proposal to require all buildings owned by a Scottish public authority to be using clean heating systems by 2038?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

The public sector has a responsibility to lead in regards energy efficiency and non-polluting heating systems and it is already particularly engaged in these and in other aspects of climate change and environmental sustainability. A notable example is the Statutory Duty on Local Authorities to develop Local Heat and Energy Efficiency Strategies and Delivery Plans. Many public sector organisations are also likely to have developed strategies with which to achieve 'net zero'. In this regard, the public sector has the impetus and is likely in a stronger position than individuals or non-public sector organisations to implement energy efficiency measures and non-polluting heating systems for its estate, notably including heat networks. However, in order to do this, the capital and money for feasibility studies needs to be more easily accessible and not part of a competitive process with other public sector bodies. There needs to be greater national procurement support for these contracts to quickly make multi-site works happen and ongoing maintenance support for optimisation once installed.

Question 25

We are considering the following further duties on public sector organisations to support planning for the transition by 2038:

- Placing a new duty on public sector organisations which would, from 2025, prevent them from replacing a polluting heating system with another (unless impractical)
- Creating a new duty for each public body to develop and implement a plan to decarbonise their buildings
- Placing a new statutory reporting duty on public sector organisations to demonstrate progress towards their 2038 objective (with the potential for the 2038 then to be non-statutory); and/or
- Placing no further statutory requirements on public sector organisations (instead relying on their ability to plan alongside our delivery and funding programmes to meet the 2038 objective)

[Multiple choice boxes]

Please include any additional comments below.

Polluting heating systems can have a useful life of as much as 20 years so the public sector should seek to avoid further installations of these. However, if heat networks are not available and heat pumps will struggle to heat building fabrics not designed for energy efficiency, then there should be plans on how this can be overcome by the 2038 deadline.

Local Authorities have a Statutory Duty to develop Local Heat and Energy Efficiency Strategies and Delivery Plans but this is not the case for other public sector organisations (or to engage/sign up to the outputs). A new duty for each public body to develop and implement a plan to decarbonise their buildings would further encourage them to engage with Local Authorities in regards Local Heat and Energy Efficiency Strategies and Delivery Plans. Also, currently there is no Statutory Duty for Local Authorities to implement Delivery Plans so this would put this in place although this Plan still needs to be funded for the delivery to occur. The public sector already reports to The Scottish Government in regards climate change so the reporting template for this could be changed to incorporate reporting of energy efficiency measures and non-polluting heating systems. Finally, the additional costs need funded, the replacement heating needs to be planned well in advance with the money available, as gas boilers will continue to be put in for speed and a direct replacement without this. In the context of buildings closing due to costs the additional revenue costs of running zero carbon heating need protection and not just part of the overall block grant to public bodies.

Question 26

Do you agree with our proposals to include powers in the proposed Heat in Buildings Bill to change the current requirement in legislation for a narrowly-defined renewable heat target?

- Yes
- No
- Don't know

Please include any additional comments below

Such powers allow account to be taken of progress in implementing renewable heat and changing circumstances.

Question 27

Do you agree that the Heat Networks (Scotland) Act 2021 should be amended in light of the passage of the Energy Act 2023?

- Yes
- No
- Don't know

Please include any additional comments below

Regulation of heat networks is important, particularly in regards consumer protections.

Question 28

Are there any further amendments to the Heat Networks (Scotland) Act 2021 that the Scottish Government should consider?

The energy efficiency standard should apply to all homes, not excluding those to connect to a heat network or zero emissions heating. By splitting the standard to energy efficiency first by an earlier date, gives the option to have the net zero heating date later when heat network are more developed and there is greater clarity on technologies available, their running costs and any issues.

Not an amendment per se but concerns have been expressed about the time and resource required to provide Building Assessment Reports using the existing template. The Improvement Service and a number of Local Authorities have been engaging with The Scottish Government in regards this.

Consultation on the Social Housing Net Zero Standard

Respondent Information Form

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

To find out how we handle your personal data, please see our privacy policy:

<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

Organisation

Full name or organisation's name

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

- Publish response with name
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Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

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

Questionnaire

Question 1

To what extent do you support the use of a fabric efficiency rating, based on heat demand, in the SHNZS?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

Based on actual heating consumption, this would help clarify how much energy should be used rather than an arbitrary letter assigning the energy usage.

Question 2

Of the options presented for the fabric efficiency rating, which one do you support for the new SHNZS?

Inverclyde Council support the approach taken in option 2 for a two-stage target for improving energy efficiency. As highlighted within the consultation document, to achieve a just transition, the costs of working towards meeting climate targets should not fall disproportionately on tenants, in this instance within the social rented sector.

Outcome 4 of the Inverclyde Local Housing Strategy (LHS) 2023-2028 focuses on ensuring that people in Inverclyde live in good quality, carbon friendly and energy efficient homes which reduce fuel poverty. The associated action plan focuses on the delivery of this outcome and is linked to the Council's Local Heat and Energy Efficiency Strategy (LHEES). There are several projects which are in the early stages of planning to research how a just transition can be achieved and to assess the scale of intervention required with regards to the decarbonisation of Inverclyde's social rented housing stock.

Consultation with local Registered Social Landlord (RSL) stakeholders on their future investment priorities has highlighted to the Housing Strategy team the challenges which present themselves in contributing towards wider Net Zero objectives. RSL partners are facing affordable housing pressures and the requirement to develop both specialist and mainstream affordable housing to meet the requirements of Inverclyde. They are constantly weighing this up against the need for physical regeneration of existing stock and improving stock condition to meet ever changing standards. Low demand housing in certain areas due to significant new build affordable investment in the previous five to ten years has left the wider Inverclyde Housing System questioning the efficacy of certain areas. The focus of LHS Outcome 1 is on the physical regeneration of our communities and naturally ties in with decision making in relation to Outcome 4 and achieving Net Zero within Inverclyde's social rented housing stock.

In light of this, it is evident that a phased approach towards increasing affordable housing standards in relation to energy efficiency is required to manage the financial burden placed upon our RSL partners. The housing system in Inverclyde does not naturally align with national housing priorities, this is due to the area having significant economic issues caused by depopulation and deprivation (Greenock Town Centre ranked top of the Scottish Index of Multiple Deprivation), funding support to address national priorities should be cognisant of these factors. The Glasgow City Region Housing Need and Demand Assessment outlines only 180 (18 per annum) new social rented units are required in Inverclyde over the next 10 years yet all funding support for strategic housing investment in the social rented sector in Inverclyde is funnelled through the affordable housing supply programme (more homes division) for new build housing and acquisitions. This approach does not factor in wider housing investment priorities required in peripheral areas such as Inverclyde.

It should be noted that Inverclyde Council believe that the introduction of improved housing standards to achieve Net Zero by 2045 within the social rented housing sector is necessary and important. Improved housing quality within the sector will improve the outcomes of social rented tenants living in Inverclyde, reduce their energy costs and will assist in tackling deprivation and child poverty within our communities.

There are a range of issues and investment considerations which our local social housing providers need to consider due to the associated economic factors attached to the region. It is for these reasons we believe our partners will only be able to contribute towards the decarbonisation of Inverclyde's housing stock in incremental steps. A two-stage target for improving energy efficiency encouraging progress towards a good level of energy efficiency by an initial backstop date, but incremental steps. A two-stage target for improving energy efficiency encouraging progress towards a good level of energy efficiency by an initial backstop date, but with an additional requirement to meet a higher standard at a later date would support our local RSLs to work towards ensuring Inverclyde's social housing supply is Net Zero by 2045.

Question 3

Are there additional options for the fabric efficiency rating that you think should be included? If yes, please describe these here:

A target (or additional option) for domestic hot water should be introduced, so it will not be confused with the fabric efficiency rating. We should encourage general energy conservation while maintaining comfort, health, and well-being.

Question 4

What, if any, are your views on how performance against the fabric efficiency rating should be measured?

For the reasons outlined in the consultation, this method is not accurate, and we need to move away from theoretical modelling to real life performance, where for the same improvements there won't be universal savings.

Inverclyde Council would prefer focus to be on actual consumption but recognise concerns in regards accounting for occupant use. A flexible approach that considers methodology used for SAP11 to ascertain if an accurate reflection and, if so, incorporates some measure of consumption may assist in bridging gap.

Question 5

What are your views, if any, on the proposal for a minimum fabric efficiency standard?

Agree with proposal for minimum fabric efficiency standard and basing it on 'List of Measures'. Note option for temporary exemptions and advise incorporating a level of flexibility, particularly for 'hard to treat' properties and where there might be special circumstances.

As is represented throughout this consultation response, Inverclyde Council have concerns over the ability of its RSL partners to be able to respond to a new Social Housing Net Zero standard at the pace which may be expected due to challenges faced within the local housing system. 54% of all dwellings in Inverclyde are flats, with just 46% houses with many of these properties being low demand housing concentrated in tenemental stock¹. These figures means that Inverclyde has a significantly higher proportion of flats than is the case in Scotland where only 36% of dwellings are flatted. Furthermore, 29.4% of dwellings in Inverclyde predate 1945 construction, in line with national figures.

Inverclyde Council are therefore supportive of a minimum fabric efficiency for RSLs to work towards as there is likely to be circumstances where RSLs are not able to meet this requirement in the immediate future. As noted above, this could be due to costs/funding available linked to barriers such as: dwelling age/house type and higher costs associated to retrofit. It could also be the issues associated in mixed tenure housing where owners/landlords may not initially be willing to accept the costs of retrofitting the building or are able to due to financial pressures. A minimum fabric energy standard would encourage landlords to increase the housing condition of properties for the benefit of their tenants in the interim and revisit these properties to achieve Net Zero standard at a later date when certain barriers have been overcome.

¹ Arneil Johnson, Inverclyde Local Housing Strategy 2023-2028

Question 6

What, if any, are your views on whether homes should not be relet if they cannot meet a minimum fabric efficiency standard?

Whilst Inverclyde Council are supportive of introducing a minimum fabric standard to encourage improved housing quality within the social rented housing sector it appears to be at odds with competing housing policy objectives both locally and nationally. In March 2021, the Scottish Government released its first long-term housing strategy, 'Housing to 2040.' This plan outlines the desired look and feel of housing and communities in Scotland and reaffirms commitment to invest in affordable housing. The 2021/22 Government Program set a target of delivering 110,000 affordable homes by 2032, with at least 70% for social rent.

This strategy clearly advocates for the social rented housing sector to contribute towards increasing the affordable housing supply by delivering on the target set by the Scottish Government to alleviate affordable housing pressures. In Inverclyde there is clear evidence of affordable housing pressure, with roughly 7 registered applicants for every available partner let. Furthermore, 43 applications are made for every property advertised by partners¹. Introducing a minimum fabric efficiency standard which meant that homes could not be relet if they could not meet it appears to be counterproductive in the aim to ensure that everyone to have access to a home that is affordable and choices about where they live, no matter what tenure they live in¹.

This is especially pertinent when recently the Scottish Government budget had to cut the affordable housing supply programme for 2024/25. Given the well documented affordable housing pressures in the social rented sector. the priority needs to be that national and local governments and the housing sector ensures people have access to affordable housing first and foremost and build from there towards improving housing quality. If the approach is taken to not relet properties based on a minimum fabric efficiency standard, then this will lead to limited net increases in the affordable housing supply in Scotland despite new build development and create further pressures in the housing system.

Furthermore, the Scottish Housing Quality Standard and Energy Efficiency Standards for Social Housing currently set a housing standard within social rented sector of which is already higher than standards currently used within private sector housing (both private rented sector (PRS) and homeownership). As previously mentioned, the consultation document notes that to achieve a just transition, the costs of working towards meeting climate targets should not fall disproportionately on tenants, in this instance within the social rented sector.

It is understood that enforcement of standards within the social rented sector through the governance of the Scottish Housing Regulator, will ensure properties would not be relet should they not meet a proposed minimum fabric efficiency. However, forcing compliance or designation of lets as not fit to relet within the PRS would be difficult to achieve. The same level of regulation and governance is not established within the private sector. The practical considerations to be undertaken to ensure compliance by a landlord complies to the repairing standard will be to prove they have made a "reasonable effort" to ensure compliance and is determined by the Housing and Property Chamber when changes are introduced in March.

A just transition cannot be considered valid or fair on social rented tenants if standards are expected to be implemented in one sector ahead of another, and enforcement is not governed to the same standards across tenures, particularly given the potential rent increases social landlords may well need to adopt to cover costs to improve housing within the sector. The Housing to 2040 document stated itself that legislation would introduce a housing standard which cover all new and existing homes, not tenure specific.

'We will introduce legislation in the next Parliament to implement a new Housing Standard which will cover all homes new and existing, including agricultural properties, mobile homes and tied accommodation¹.

Inverclyde Council have concerns as to whether differential timings and standards between tenures (presented in the Heat in Buildings Bill) in terms of how these map onto different socio-economic groups, would constitute a just transition. The document stated itself that legislation would introduce a housing standard which would cover all new and existing homes, not tenure specific and as such would expect a fundamental redesign of the standards held across tenures in such a fashion that either gave parity between the tenures, or provided adequate explanation behind how any differentials would be viably defended as just transition.

Question 7

What, if any, are your views on whether ventilation and monitoring strategies should be required where MVHR is not installed?

Inverclyde Council support the requirement for social landlords to implement ventilation and monitoring strategies where mechanical ventilation with heat recovery (MVHR) is not installed to ensure there is no unintended consequences of improved energy efficiency interventions on the health of tenants. The costs associated with monitoring the air quality within properties and how this will be funded should be considered before the requirement for ventilation and monitoring strategies is introduced. Must be noted this can be an issue for cavity wall insulation.

Question 8

To what extent do you support the requirement to install a clean heating system by 2045)?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

Inverclyde Council support the requirement to install a clean heating system by 2045 in line with the national targets to reach net zero carbon emissions by 2045. There does however need to be an appreciation for the scale of investment and work required to achieve this target placing significant burden on the social rented sector who already have other competing investment pressures in increasing the affordable housing supply in Scotland. There needs to be a recognition that there is potential for slippage within this process.

Question 9

Of the options presented for the interim targets, which one do you support for the SHNZS?

Option 1 covers all socially rented properties. Feel an incremental approach over the period can encourage long-term investment and gives time to develop necessary infrastructure, skills, and supply chains.

Inverclyde Council support option 1 which would include milestones for landlords to work towards. As noted within our previous response to question 8, this work will require significant investment on a sector with competing investment pressures and priorities. Landlords are not in a position to immediately tackle this issue with any great emphasis. Setting target dates for landlords to work towards having a proportion of their stock in line with standards allows them to focus on specific areas, house types, learn from the process and build from there towards the next target.

Again, it needs to be recognised that there is likely to be slippage in the process but setting targets at least provides realistic goals for the sector to work towards and allows landlords to self-assess and measure their own performance, understand what their own challenges are and be able to have dialogues on what the barriers are stopping them from where they need to be. Inverclyde Council are supportive of creating interim targets because by encouraging RSLs to work towards making more realistic goals, even if these are not met it will still lead to significant improvements in the efficiency of our housing supply and housing condition will be improved for social rented tenants.

Question 10

What are your views on whether neighbouring landlords could work together to reach such a target on a regional basis?

In 2007, Inverclyde Council transferred ownership and management of the former council housing stock was transferred to River Clyde Homes (RCH) and Cloch Housing Association. Retaining its status as the Strategic Housing Authority, Inverclyde Council is reliant on effective partnership working with its local RSLs to ensure shared objectives of the Local Housing Strategy are achieved. The latest iteration of Inverclyde's LHS was co-produced by Inverclyde Council's Housing Strategy Team, Registered Social Landlord (RSL) partners and Inverclyde Health and Social Care Partnership (HSCP).

Therefore, in Inverclyde, work towards ensuring housing and housing services meet the requirements of Inverclyde and its residents is encapsulated by partnership working between local RSLs and the Council. There are positives to this approach and the Council believes that local RSLs are capable of working together towards this end.

However, the complexity of dealing with professional relationships between organisations and the challenge of managing this as the strategic housing authority should not be overlooked. Inverclyde Council have significant experience of managing competing interests between both local and national RSLs who have a presence within the authority which doesn't always positively support policy implementation. For instance, Inverclyde's Acquisition programme whilst successful in acquiring properties has had teething problems relating to processes and aligning with strategic objectives.

Inverclyde Council would only support neighbouring landlords working with one another to meet national standards if they themselves wished to adopt this approach and any support was managed in an equitable way. Collaboration can help achieve success, e.g. in terms of economies of scale. There could be particular engagement with respect to developing heat networks and engaging on work to identify retrofit approaches to different building typologies.

Question 11

Are there any additional options for interim targets that you think should be included? If yes, please describe these here:

Option 2 – with a specific milestone for different property types.
 Option 3 - where possible if heat networks are available in certain areas these should be utilised as soon as they become available.
 Use LHEES data along with other relevant investigations to determine targets.

Question 12

To what extent do you support the requirement for mandatory connections to heat networks under certain circumstances?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

Inverclyde Council are supportive of mandatory connections to heat networks and is something which will be explored further within the delivery of both the Inverclyde LHEES and LHS Outcome 4 delivery group. It is understood that heat networks provide efficiency benefits but are expensive to install. Strategic partners have indicated that in Scandinavia and eastern Europe they tend to be owned by local authorities, and provide a service to housing, sports centres, libraries, businesses, industrial premises etc.

This is an approach which will be explored with ongoing discussions with relevant stakeholders and between Council services on this subject within the LHS Outcome 4 delivery group forum. We understand that it will be important for landlords to work together on heat networks to function effectively and because of this there would perhaps need to be a requirement for mandatory connections subject to circumstances with respect to technical and financial viability.

Question 13

To what extent do you support the need for landlords to have an element of discretion to ensure measures are cost effective and in the best interest of tenants?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

Inverclyde Council support the requirement to give landlords an element of discretion to ensure measures are cost effective and in the best interests of tenants.

Emphasise though 'element' of discretion, whereby, it should not be a way for landlords to delay or avoid carrying out measures. Achieving a just transition should be the fundamental principle of this proposed standard, as noted within this consultation 'the costs of working towards meeting climate targets should not fall disproportionately on tenants.' As noted in the response to questions 8 and 9, there are likely to be competing investment pressures on RSLs as well as ongoing cyclical maintenance of properties and rising housing management costs through inflation. RSLs need to manage this process in a fair and appropriate way which does not place significant financial burdens on tenants through rent increases.

Mixed tenure housing is likely to be a significant barrier to achieving the aspirations of this proposed standard. Inverclyde Council notes that attention could potentially be directed towards an increased national acquisition programme focused on stock consolidation for the purposes of retrofitting before standards can be effectively implemented. We therefore believe that exemptions should be allowed to RSLs who are in the process of acquiring properties to secure full ownership of buildings. Finding sustainable ways of transforming existing low demand housing assets to provide housing options that local people aspire to is a clear objective of Inverclyde's LHS. However, demographic projections indicate that Inverclyde as a region is depopulating. Research commissioned by Inverclyde social landlords in 2019 explored the impact of new housing in further reducing demand for stock at risk and noted.

"While the SHIP has an ambitious development programme, it should be recognised that new development is likely to have a negative impact on the demand for 'at risk properties' within the existing stock. Overall, the effect of the new development may be for RSLs to modernise their stock through new build but older lower demand stock will become less popular and may in time be surplus to requirements¹".

There will be instances in Inverclyde where our RSL partners find that obsolete housing stock is surplus to requirements and in an effort to regenerate our communities, demolition will be the necessary course of action. Therefore, Inverclyde Council believe that exemptions should also account for the disposal of existing housing stock.

⁵ Arneil Johnson, Inverclyde Local Housing Strategy 2023-2028

Question 14

What, if any, are your views on whether targets should be varied by guidance from the Scottish Government in specific circumstances?

Inverclyde Council believe the targets should incorporate flexibility on properties which are within mixed tenure buildings and where the RSL does not have full ownership to progress with improvements. Guidance from the Scottish Government should identify when exemptions would be applicable for RSLs and how this affects the targets set upon them.

Agree with circumstances stated other than that of heat networks, committing to joining a heat network by 2045 is too long a timeframe. Landlords should commit to join a heat network when one becomes available subject to technical and financial viability, which should be independently assessed.

Question 15

To what extent do you agree that the new SHNZS should apply to mixed tenure properties?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

Social landlords should still be able to improve the energy efficiency of such properties to at least some extent although exemptions could be considered for the installation of non-polluting heating systems. LHEES may be able assist in establishing such properties.

As noted by the Consultation paper, improving housing condition in mixed tenure buildings is a significant challenge/barrier faced in the social rented housing sector in carrying out necessary improvements to ever changing standards:

*'Major retrofit work for whole blocks of flats and tenements has tended to be led by local authorities and RSLs, as a sole or majority owner...we recognise that further legislative improvements may be required so that flats and tenements in mixed tenure or mixed ownership blocks can be routinely maintained to a good standard and appropriate improvements can be undertaken.'*¹

It is important to highlight to the Scottish Government, at this juncture, that measures taken to increase housing standards in mixed tenure buildings is likely to have more severe adverse impact in Inverclyde's housing stock compared to other authorities. 54% of all dwellings in Inverclyde are flats, with just 46% houses. These figures means that Inverclyde has a significantly higher proportion of flats than is the case in Scotland where only 36% of dwellings are flatted¹.

The Inverclyde LHS states that to achieve the national targets that all homes in Scotland should be net zero by 2045, investment in decarbonising existing homes through housing led regeneration and retrofitting projects will be essential. The national policy mechanism for affordable housing which prioritises funding for new build housing activity over housing regeneration activity is a problem for Inverclyde. The new Local Housing Strategy sets out compelling housing system evidence and partner commitment to make the case that a different approach to affordable housing Investment in Inverclyde must be taken in the next 5 years.

It is for these reasons Inverclyde Council believe that although it is important that new standards are applied equitably across social rented housing stock there requires to be recognition that the process is likely to be more challenging and time extensive within mixed tenure buildings.

Question 16

Do you agree that for some blocks where the local authority or RSL is not a sole or majority owner, then a phased approach to retrofit work should be undertaken?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

Yes, although everyone should be given the same timescale, landlords and owner/occupiers.

To some extent although social landlords may have the capability to improve the energy efficiency of individual properties to at least some extent so should be encouraged to do so as quickly as possible.

As highlighted within the previous questions response, improving housing condition in mixed tenure buildings is a significant challenge/barrier faced in the social rented housing sector and specifically in Inverclyde due to its stock profile. Inverclyde Council believe that mixed tenure housing will create a significant challenge in retrofitting and decarbonising existing homes over the coming years.

In response to this Inverclyde Council and local RSLs have recognised the importance of investing in existing poor-quality housing through a Housing Acquisition Programme negotiated with the Scottish Government in 2021. The Inverclyde LHS 2023-2028 outlines Inverclyde Council and its RSL partners approach towards acquiring properties for the purposes of improving housing quality in Inverclyde, designed to complement affordable housing investment in new build housing to provide additional affordable housing in areas of poor-quality private sector housing. It is intended that purchasing properties from the market will enable RSL partners to repair, renovate and regenerate existing homes and enable them to improve housing quality in Inverclyde.

One of the fundamental principles of the acquisition programme is to acquire properties on the open market to consolidate mixed tenure stock for management and improvement purposes within the social rented sector. The Council's acquisition programme and this approach is viewed to be fundamental in supporting and enabling future intervention in retrofitting multi tenure buildings and improving housing condition.

The Inverclyde SHIP 2024 – 2029 currently allocates £10 million of Scottish Government Affordable Housing Supply Programme (AHSP) funding for 40 units per annum (£2 million per annum) towards the acquisition of second-hand properties over the five-year period¹. To address the scale of the issue in Inverclyde, increased funding and emphasis towards market acquisitions will be required before the necessity to meet a proposed Social Housing Net Zero Standard can be factored into investment decisions. Sole ownership of building will be fundamental in unlocking mixed tenure improvements. Therefore, there should be recognition within these standards that mixed tenure housing is likely to lag behind other house types in meeting the proposed standards and a phased approach should factor in the requirement for funding and support to be first taken into consideration.

A further concern for Inverclyde Council is if RSLs withdraw from certain common properties if they feel that depending on the circumstances of the build type and ownership profile, they may struggle to achieve the required standards. This may be in instances where they are a minority owner in a block. The differences in standards between tenures creates that risk and the worry for Inverclyde is that these instances may hamper collective efforts to improve housing condition in both Inverclyde and Scotland.

⁸ Inverclyde Council, Inverclyde Strategic Housing Investment Plan 2024/25-2028/29

Question 17

To what extent do you agree that the new SHNZS should apply to Gypsy/traveller sites?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

There should be parity with standard social housing with respect to energy efficiency and non-polluting heating systems.

Inverclyde Council has a statutory obligation to ensure that all its functions and activities are exercised in full compliance with the requirements of the Equalities Act 2010. Equality is at the heart of the Inverclyde LHS 2023-2028, with a commitment to understanding diversity, central to the achievement of LHS priorities and outcomes. The Council aims to ensure that strategies and services deliver positive outcomes for everyone in Inverclyde by prioritising preventive approaches and tackling persistent inequalities where they exist.

Inverclyde Council retains a statutory duty to assess the housing and support needs of Gypsy/ Travellers and to ensure that appropriate provision is made available. Inverclyde Council does not own or manage any Gypsy Traveller sites. In recent years, on average around 6 roadside encampments were reported to the Council which is a reduction from historic trends and in line with the national profile. Encampments are generally small in scale, typically 3 caravans or less. Improving the lives and outcomes of Gypsy/Traveller communities is an equality outcome for Inverclyde Council.

Typically, Gypsy/ Travellers use of Inverclyde has been as a stopping off point for a few days whilst travelling. Any requirement for a site would be to provide hardstanding water and sewerage facilities for unauthorised encampments rather than sites where houses are provided for the times whilst travellers are off the road. Action 3.12 of the Inverclyde notes that Inverclyde Council and partners will review the requirement for site provision and services for gypsy/ travellers in Inverclyde, this will be ongoing piece of work for Inverclyde's LHS Delivery Group.

Nevertheless, Inverclyde Council firmly believe that the new Social Housing Net Zero Standard should apply to Gypsy/ Traveller sites to ensure all equality groups have equal access to good quality affordable housing and services.

Question 18

What are your views on the timetable for introducing the new SHNZS?

Inverclyde Council welcome the Scottish Government's consultation on a Social Housing Net Zero Standard and believe this will be a necessary first step towards decarbonising our housing supply and achieve Net Zero by 2045. However, the Council does have concerns on both the implementation and timing of not only the Social Housing Net Zero Standard but also proposals for improving housing standards within private sector housing and their alignment.

Inverclyde Council believe this is a short timeframe for commencing the implementation of the proposed standards, given the lack of testing of technologies and a shared agreement within the sector on the best way forward. There is a lack of clarity on alternative heating systems that have been tested, can be produced in scale, and have a well-developed supply chain including those who will be able to supply fit and maintain these technologies.

Furthermore, there is differential extents and timings of proposed standards by tenure. A minimum energy efficiency standard to be met by private sector landlords by the end of 2028 and a minimum energy efficiency standard to be met in owner occupied homes (which still have a polluting heating system) by the end of 2033 is proposed by the Consultation on proposals for a Heat in Buildings Bill.¹ Meanwhile, based on the anticipated timeline, the Scottish Government would expect that the Social Housing Net Zero Standard is introduced in 2025 at the earliest. This means social landlords are expected to work towards meeting a higher standard than those in the private sector at an earlier date.

Whilst the regulated Social Rented sector (via the Scottish Housing Regulator) ensure compliance or designation of lets as not fit to relet, use of this system in the PRS and owner-occupied sector would be difficult to achieve. This is due to the practical considerations to be undertaken to ensure compliance by a landlord or owner. Inverclyde Council would like clarity on what enforcement regime and resources have been considered to ensure compliance if landlords refuse and owners do not engage.

Inverclyde Council consider this to be at odds with the principles of a just transition. If there are not to be parities between the tenures, then there would need to be more explanation from the Scottish Government as to how the regressive approach set out between the tenures can be presented as a just transition.

As previously noted within this response, the recent study on Niddrie Road Tenement Retrofit by UK Collaborative Centre for Housing Evidence (CaCHE) illustrated there are cost (£136k per unit, multiplied by 8 units within one tenement building for a total cost of over £1 million) and coordination challenges (all units had to be bought by Southside housing association) that make scalable deliverable solutions in the present context inapplicable to multi-tenure flatted households.¹

Given the scale of multi tenure buildings not only in Inverclyde but across Scotland, we are concerned that mixed tenure housing is likely to be a significant barrier to achieving the aspirations of this proposed standard. It appears that there is currently limited funding support from the Scottish Government for social landlords to work towards meeting these standards. The Social Housing Net Zero Heat Fund has £200 million available to social landlords until 2026 to support the retrofit of their existing housing stock. Using the Niddrie Road case study, it is evident that the sector is not ready to be able to finance and retrofit existing housing at the scale proposed within this consultation without disproportionately putting social rented tenants at a disadvantage.

Inverclyde Council notes that attention could be directed towards an increased national acquisition programme focused on stock consolidation for the purposes of retrofitting before standards can be effectively implemented and for this reason believe that introducing the new standard in 2025 is challenging and does not focus on the necessary work (acquisitions) required to provide the foundations to implement this standard.

¹ Scottish Government, Delivering Net Zero for Scotland's Buildings. Changing the way we heat our homes and buildings. A Consultation on proposals for a Heat in Buildings Bill, 2023

¹ Gibb et al. (2023). Niddrie Road, Glasgow: Tenement Retrofit Evaluation, <https://housingevidence.ac.uk/wp-content/uploads/2023/09/Niddrie-Road-v4.pdf>