



EAS Response to Scottish Government Consultation on Scotland's Energy Efficiency Programme

May 2017

Questions

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?:

- o Area-based schemes offer economies of scale (e.g. for applications of Solid Wall Insulation) and boost public perception.
- o Local authority driven approaches can target assistance better and engage better at the local level.
- o Integrated local schemes are valuable. A mix of schemes means that often a solution for most householders can be arranged i.e. if they are not eligible for one scheme; they might get support from another. Having a local supply chain is very important.
- o There should be a one-stop-shop approach for the public which operates independently from all scheme delivery agents with knowledgeable call centre staff, can provide a good first point of contact and who can arrange home visits if necessary. However since a large proportion of those most in need will not make the initial call, those people need to be reached out to.
- o The Home Energy Scotland Referral Portal is a very useful resource in order for the referrer to know the progress and outcome of their referral, any future one-stop-shop should provide a clear and accessible referral status service.
- o A significant funding commitment is essential. It is therefore important to ensure that the energy companies 'supplier obligation' (SO) can effectively integrate with any future scheme and work sympathetically between the delivery expectation of SEEP, and of the SO.
- o It is essential to have sufficient expenditure on face-to-face energy advice as this helps to justify the spend on physical measures by improving their effectiveness.
- o Providing additional support for households having physical works carried out are beneficial, such as benefits checks/income maximisation advice, tariff checks etc.
- o Strategic 'master-planning' aids procurement and funding e.g. the Energy Efficiency, Refurbishment & Consultancy framework provided by the Scottish Procurement Alliance.
- o The approach of setting standards such as the Scottish Housing Quality Standard and the current Energy Efficiency Standard for Social Housing have helped to focus activity but there needs to be a strong visible role for the Scottish Housing Regulator in publicising where failures are occurring in Scotland and enforcement of action plans to remedy these.

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

- o While acknowledging that the Scottish Government currently funds fuel poverty and domestic energy efficiency programmes, there is a need for more investment. This is highlighted by the usefulness of the extra money that has come from recent redress funds

(although it is noted that redress is as a result of some failure and so is not considered a good on-going source of funding). Public programmes to tackle poor energy efficiency and fuel poverty do need to have clear guidelines for eligibility, however there also needs to be a contingency fund for the bespoke situations that cannot be predicted by the criteria set out for the main scheme.

- o Caps on funding can present problems such as the need for client contributions. Caps are also restrictive if trying to deliver multiple measures – especially in rural and island areas where there are already higher costs and so less can be delivered. Some consideration should be given to a weighted cap (if there must be a cap). We need to be careful that caps do not become the de facto minimum cost for all jobs. Whilst flexibility to go above caps are welcome in areas where there are additional cost factors such as those not experienced in rural Scotland, there needs to be focus on ensuring that in more densely populated areas, that value for money is at the heart of the services being delivered.

- o Mapping and identification of areas and households remain a challenge. A range of indicators and proxies are used. However, the Scottish Index of Multiple Deprivation (SIMD) is not always sufficient. There are concerns that rural areas are not currently mapped sufficiently for fuel poverty. SIMD has been criticised for not accounting for different construction types, and the population size of the datazone areas can mask pockets of true deprivation within affluent and less affluent areas in close proximity. In terms of identification of households, links with local trusted intermediaries can be very helpful but timescales need to allow for these partnerships to be established and for local communications and links to be made. In addition, careful use of data-sharing with bodies such as the Department for Work and Pensions is essential.

- o There has been much discussion recently on the role of Energy Performance Certificates (EPCs). While EPCs can be considered as being a useful indicator for the need for energy efficiency improvement at present, there is concern that they do not work well, especially for the Scottish housing stock. The EPC is a modelling tool based on a set of assumptions. The usefulness of this modelling for the purpose of SEEP has to be subject to review. There is a growing view that lifestyle i.e. occupant behaviour, has to be factored in.

- o There are some concerns in the field that contracts could be awarded to the lowest common denominator and that this could result in a low up-front-cost approach that does not in fact result in best value. Cheapest does not mean value for money.

- o The usefulness of the Energy Company Obligation (ECO) has been demonstrated but complex processes and long timescales in final determination must be addressed and it must serve rural and remote areas better.

- o The need and importance of pre- and post-evaluation of works must be addressed. This activity may come at an extra cost but its effect is to give an indication of the impact of the intervention, in particular, how it has affected people's energy costs. It also aids the understanding of how the various schemes or strands of a scheme align. Evaluations like this must be taken forward by institutions that can demonstrate academic rigour and which are wholly independent of the delivery process.

- o The lifestyle of the householder should also be taken into account as every household is different. In recent discussions with EAS members, the comment was made: "We are good

at doing buildings but not people”. In terms of engaging with people, it was also stated: “There is a window of opportunity to engage with householders – once it’s gone – it’s gone.”

o There is a strong view in the domestic energy efficiency/fuel poverty field that lessons must be learned from what has gone before in order to plan ahead. There has not been sufficient public reporting of detailed outputs and outcomes from Scottish Government schemes in recent years. Detailed analysis of the outcomes from previously funded public schemes must be carried out by independent researchers with no vested interest to the delivery process.

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?

We would encourage mechanisms to develop the local supply chain where possible. Poor energy efficiency and fuel poverty is felt within our communities; the solutions to this must involve those same communities. Whilst economies of scale can be brought to bear to help manage the public purse, we should not ignore the true social value of investment in the local economy; this brings benefits beyond the delivery of energy efficiency measures.

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.

o Data on current and past scheme performance, especially from HEEPS and Warmer Homes Scotland, is required in order to plan ahead. Information held within the national EPC register should be thoroughly analysed and if possible, utilised to describe a ‘state of the nation’ report for energy efficiency in Scotland. If this is not possible, mechanisms need to be put in place to ensure that going forward, the information lodged by EPC assessments is validated independently and rigorously quality controlled to allow this valuable resource to become the de facto national monitor of energy efficiency.

o Longer term budget commitments are thought to be helpful to stakeholders/delivery partners in terms of their planning. Short timescales with lots of unknowns make it difficult for bodies to plan ahead, particularly where investment is required.

o When setting longer term plans, there needs to be cognisance of how circumstances can change over time and so flexibility must be built in. Improvement measures being installed today need to be sympathetic to both the potential for technological developments and also the wider strategic goals of the Scottish Energy Strategy.

o There is a potential conflict between carbon reduction targets and fuel poverty targets. Not all focus should be on meeting energy efficiency or carbon targets – another key priority must be on ending fuel poverty and achieving affordable warmth. There needs to be a clear distinction for the SEEP milestones between carbon reduction and fuel poverty.

o An ambitious standard needs to be set and perhaps use incremental improvements to get to that standard. Ambitions should be set high but with interim targets, for example EAS believes that Scotland should adopt the same energy efficiency target as the EU, which is a 30% reduction by 2030 (European Commission - Clean Energy for all Europeans).

- o The Scottish House Condition Survey (SHCS) is a recognised progress measurement tool. It can continue to measure progress regularly over the duration of SEEP. In order to be an effective tool for monitoring SEEP progress, the sample size for the survey may need to be boosted.
- o When setting targets, there needs to be cognisance of factors such as the link between certain medical conditions and the need for heat.

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?

- o There could be links made to the Repairing Standard. There are issues regarding the condition of homes e.g. where repairs are required prior to installation of energy efficiency measures. An example might be asbestos checks/removal or where repairs would be essential in order for the energy efficiency measures to be effective. The cost of this (and other enabling measures) must either be built into SEEP or else SEEP must have formal links to other sources of assistance such as via the Repairing Standard.
- o The approach of setting standards such as the Scottish Housing Quality Standard and the current Energy Efficiency Standard for Social Housing which must be met by 2020 have helped to focus activity. However, there needs to be accountability e.g. there needs to be some 'sticks' as well as 'carrots'. In particular, regulation of energy efficiency of homes in the private rented sector would be a positive step in ensuring that homes for rent meet an acceptable standard.
- o Building Regulation: the majority of energy efficiency improvement work is carried retrospectively as new housing is built at least to today's standards. However, new build should not be forgotten when the new fuel poverty targets are announced as standards must continue to rise. New dwellings need to have a fuel poverty risk assessment carried out along with the building warrant process.
- o There is a strong link between personal medical condition, house condition and the need for heat. Stress over low income and inability to afford life's basic necessities can also affect mental health. The links between housing and health should therefore be considered when setting targets and aligned with the Health & Social Care agendas across Scotland.
- o An energy efficiency scheme which is driven exclusively by carbon targets could expose fuel poor households to unregulated energy markets and less than favourable energy tariffs.

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?"

- o Barriers to integration within local authorities must be avoided and much more will need to be done to unite strands within the local authority for domestic and non-domestic collaboration. There is concern over how the domestic and non-domestic aspects of SEEP will sit together.

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.

o There needs to be a balance between ‘carrots and sticks’. In some cases, householders coming to understand the link between action and a lower fuel bill will be a sufficient incentive. For many, an incentive may provide the necessary push towards action as people like to see a financial benefit. For example, owner occupiers who may have to pay for all improvements required to their property may respond well to the prospect of an incentive in the form of a reduction in Council Tax payment. Some homeowners however may need a form of regulation rather than an incentive in order to make improvements to their property, for example, their property must reach a certain standard before they are able to sell. They are likely to require advice and support to do achieve this satisfactorily.

o For some people, it is the correct messages (e.g. ‘nudges’) that make the difference between taking action and not taking action. The message might not be the same for everyone, e.g. buy-in to solid wall insulation is often because of aesthetics and perceived increases in property value, not energy efficiency.

o The topics of appropriate messages and of incentives versus regulation might be particularly important when considering regulation of energy efficiency in the private rented sector. Local authorities would have to have regulatory powers and the capacity to take action if they were to take the lead and be effective if such regulation were to be brought in.

o A word of caution must be applied, however. It could be said that the variety of house types, geographic areas etc. that exist across Scotland already provide a form of ‘stick’ as they can pose real challenges to energy efficiency improvement.

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?

o The Scottish House Condition Survey (SHCS) is a recognised progress measurement tool. It can continue to measure progress regularly over the duration of SEEP. The SHCS can be made more useful by increasing the sample size to account for variances in the dataset.

o There has been much discussion recently on the role of Energy Performance Certificates (EPCs). While EPCs can be considered as being the best indicator for the need for energy efficiency improvement at present, there is concern that they do not work well, especially for the Scottish housing stock. The EPC is a modelling tool based on a set of assumptions; it is a model only. The usefulness of modelling is still under debate. There is also a growing view that lifestyle i.e. occupant behaviour has to be factored in.

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?

EAS suggests that there is a balance of grants and loans and that where a homeowner can be shown to be living in fuel poverty then a full grant needs to be applied. For other

homeowners, landlords and businesses, a mix of grants and low-interest loans could be applied depending on financial status and/or liquidity.

The interest payments for low interest loans should be financially linked to the enabling funds for fuel poor properties.

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?

For years, grants and loans have been provided and certain sectors of the market have consistently failed to engage and EAS would now recommend the introduction of energy efficiency regulation, for example a minimum energy efficiency standard in the private rented sector.

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?

This is a difficult area to gauge as consistent and accurate reporting has not been a strong feature in many programmes. However the Energy Company Obligation, because of its very focused delivery on carbon reduction, has not worked as well as could be hoped for in rural communities with issues around the cost of access and the low density of the population preventing the take up of funding. SEEP should not simply follow a carbon reduction focus.

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?

- o There needs to be effective national awareness-raising of the scheme at that it is Scottish-Government backed targeted at those that can benefit.

- o Once up and running, case studies will have an important role to play in further awareness-raising as word of mouth is a powerful tool.

- o Information should be available in a range of formats including face-to-face, online and by phone.

- o Face-to-face advice is also essential for some groups e.g. those who are vulnerable, people who do not have a good knowledge of English, those without access to the internet etc. and those who need advocacy and a greater level of assistance.

- o There needs to be a source of advice for householders who find they have more complex requirements and need to discuss options tailored to their needs.

- o Advice needs to be available on an on-going basis as it is easy to forget information and people require a reminder or as circumstances of the householder or their home change. It is also helpful to keep energy efficiency at the forefront of people's minds on an on-going basis. Need to find out if the work done is still having an effect on people's energy costs. It is

also important to establish whether the householder is making the best use of measures installed and can understand how to use them appropriately. For example, people need to understand what comfort levels they should be achieving and not just what they think they should be. Information also needs to be relevant e.g. most people are not interested in carbon savings but do want to be warm and able to afford their energy bills.

- o Pre- and post-installation visits are essential but the timing of this advice is important in order to gain co-operation of the household and for advice to be meaningful. An obvious example is the correct use of heating controls.

- o Who gives the advice is important and advisors must have training and accreditation. This activity needs to be directed by industry backed national standards.

Scotland needs a clear understanding of what constitutes the delivery of energy advice across the range of communication methods.

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

- o Energy advice is considered essential alongside physical energy efficiency measures. However, it is all too often considered the poor relation of energy efficiency. Energy advice can deliver far more benefits than the cost of delivering it in the first place.

- o There is a need to find out if the work done is having an effect on people's energy costs.

- o Face-to-face and tailored advice are both essential to uncover a raft of under-lying issues and assist in alleviating fuel poverty. Not enough is invested in face-to-face advice. However, it can be very resource-intensive and therefore it is good to have links with other agencies that can also provide support, often more specialist support if required, say for debt management, money and bill handling, health matters, etc.

- o In minority communities, face-to-face advice is absolutely key. Communities often do not know about suppliers or area-based schemes and so they do not respond to letters or other information sent to them. Energy advice and awareness-raising by local partners can bridge this gap.

- o Availability of face-to-face advice is important when advising on fuel switching. There can otherwise be difficulties in some cases due to house circumstances, prepayment meter use, debt, etc. which can be difficult to sort out over the phone or online.

- o Carrying out post-installation visits is a challenge. It's possible that people will drop out of the post-evaluation. There needs to be better timing of this advice. For example, there is a need to consider the seasonality of the measure as giving advice in summer that applies in winter may well be forgotten by the time it is needed.

- o Who is best placed to give that advice may vary. It may be the contractor who has a responsibility on site when making an installation to educate people and is part of that customer journey. In some areas, the local authority can provide such a service. Local community groups can act as trusted intermediaries. However, often local advice agencies have limited funding which runs from year to year. This lack of funding and short term nature of funding for local advice agencies undermines their ability to make longer term plans. One

solution would be to bring them into national/local schemes as formal delivery partners with delivery standards to meet and so they become funded as delivery partners.

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?

o Smart meter rollout: the rollout of smart meters across GB has to be complete by 2020. While this is set by the UK Government, the rollout is being delivered by each retail gas/electricity company to their customers. Acceptance of a smart meter and the accompanying In Home Display requires the co-operation of householders and so engagement with customers is essential. This engagement offers a unique opportunity to provide educational messages and practical advice to consumers on how best to manage their energy and energy bills using the In Home Display.

o An exemplar of our ongoing engagement is that for the past year EAS has been working with Smart Energy GB on the smart meter rollout. In Scotland we have been carrying out smart meter training and briefings for large housing associations, Local Authorities, community groups, community councils, foodbanks and environmental groups. We have deliberately targeted front line staff that have day to day contact with an extensive client base. We currently have 64 organisations recorded on our database with a reach of several thousands. Each person who attends the training commits to cascading the information to their colleagues and service users. This has been monitored and evaluated by an independent company and the training has returned a 92% approval rating. One of the outcomes is to encourage people to engage with their energy usage and to engage with energy efficiency.

o As part of the installation process, the Smart Meter Installation Code of Practice (SMICoP) obliges the installer to offer energy efficiency advice as part of the installation visit. EAS suggests that there may be some merit in SEEP investigating the synergy between themselves and Smart Energy GB in order to highlight the opportunity to address energy efficiency issues with individual householders.

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?

o Local authority involvement instils trust in a scheme. However owner-occupiers might be less likely to engage with a council scheme in the belief that it is not aimed at them. A good example of an independent consumer scheme would be the one set up for the renewables industry. RECC <https://www.recc.org.uk/>

o Having a consistent message is important, even if that message is delivered by a range of bodies.

o Fewer acronyms would be an improvement. The names such as Home Energy Scotland and Warmer Homes Scotland are, on the most part, meaningful and resonate with customers, although there is still work to be done to ensure that frontline workers in particular are aware of them.

- o It would possibly be helpful to have a SEEP: Domestic and a SEEP: Non-domestic brand.
- o Consumer confidence often comes down to how a householder experienced their engagement with a scheme. Peer-led communities and local champions are models that work well in building awareness and trust.
- o People need to have confidence in claims made by a scheme e.g. for energy savings, i.e. real outputs and not just guesstimates.
- o Changing priorities could damage reputation and trust in a scheme e.g. if in later years of SEEP the requirement to reduce carbon leads to the replacement of the gas central heating systems that are being installed now, then tenants/householders could think mistakes had been made and that short-sighted plans had wasted their money i.e. rents or taxes.

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?

- o SEEP needs to prioritise best value, however best value does not always equal lower price.
- o Accreditation in itself does not guarantee quality. Sufficient monitoring is also required. An example is the standard of work for room-in-roof insulation where there is 100% technical monitoring carried out by one organisation and contractors have now come to expect this and so the standard of work is therefore consistently high. The benefits of existing monitoring models need to be established.
- o There needs to be more clarity on the role of existing professional accreditation bodies. Organisations such as the Royal Institution of Chartered Surveyors (RICS) could become involved in order to avoid re-inventing accreditation.
- o It is recognised that there is a need for formal accreditation but the cost and administrative burden of this has to be minimised, especially for smaller companies and for companies in rural areas where economies of scale are unlikely to be attained. It is noted that the recent report Each Home Counts, also known as the Bonfield Review, looked at standards in the industry.
- o Time spent with the customer upfront to explain fully what will happen can help to match expectations with outputs and so assist in reducing complaints.
- o There needs always to be a clear complaints procedure (see comment above re: RECC for the energy efficiency industry.)
- o Many members of the public do not understand the warranties or guarantees that they have and this ought to be addressed.
- o Short timescales for delivery and unrealistic budgets can also drive down standards.
- o Persons should be accredited as well as products e.g. energy advisors. Professionals dealing with the public and in particular with vulnerable customers must have appropriate training. A concern is that the NHS has no accreditation scheme for contractors working with mental health patients as a group of very vulnerable customers.

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?

The quality assurance framework that underpins SEEP needs to learn lessons from the operation of national programmes such as the EPC protocols and the wealth of experience contained within the administration of the SO. These are mass market mechanisms have the scope appropriate to the scale of ambition within SEEP. The Scottish Government needs to work with the administrators and the obligated suppliers to learn lessons and avoid repeating operational challenges already hard learned within the delivery of these policies.

The 'Bonfield Review' discusses the impact of unintended consequences of energy efficiency improvements; SEEP needs to be sympathetic to these. There is a wealth of experience in practice from programmes administered and delivered by housing associations and local authorities in Scotland. This represents the kind of detail that can't be generalised in process standards like PAS 20:30. The Scottish Government again needs to open a candid dialogue with procurement managers and capital programme leaders from across Scotland's housing sector to ensure that these lessons learned in practice can become the mandated in future delivery across all sectors.

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?

o As SEEP is a long term project, there is scope to upskill and train apprentices through the supply chain. Businesses generally cannot plan when there is only year to year funding.

o Accreditation of skills needs to be independently assessed, there is a clear role and value for 'on-the-job' training; however the assessment of competence must be linked to independent evaluation from audited institutions e.g. technical colleges.

o It is important to know upfront whether SEEP's funding will be longer term or shorter term with phase. This is important for example for engaging with contractors. It would be useful to know if the same contractor would be engaged for the whole term or if there would be contract breaks.

o Multi-year funding is expected to allow local authorities to go beyond the basics.

o It would be advantageous to have longer term master plans and for there to be sufficient funding and access to other tools such as minimum standards, renewables, district heating to facilitate investment in skills and staff.

o It is important to recognise that job creation is not the sole aim. As important is the retention of the people currently employed and skilled. It is also essential to boost local employment. Employment standards such as 'the Accredited Living Wage' should be integral to procurement for services under SEEP.

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

Ideas around using Community Benefit and employment apprenticeships need to be explored, however the opportunities for reskilling/retraining also need to be examined.

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?

o The high cost of accreditation may put small businesses out of the running. The cost of accreditation in rural areas is a particular concern as rural areas do not have the level of business to make up those costs and so this avenue becomes not worthwhile for them. A way must be found that does not compromise standards but which enables small companies to participate.

o The Scottish Government already invests in the Low Carbon Skills programme for SME's; this programme is a valuable source of funding for increasing the skill base of Scotland's labour market. We need to ensure that the mandatory nature of qualifications brought in to support quality assurance in the market does not exclude SME's from taking advantage of this funding route for skills development. We would also like to see a specific funding route for the development of skills in energy efficiency being established for SEEP i.e. a SEEP Modern Apprenticeship.

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

Companies need financial signals that show consistent levels of funding over longer periods of time. Companies cannot operate on a "boom or bust" taking on and laying off staff. Many companies already have a strong skill base and are willing to expand this but need the surety of a longer term commitment to energy efficiency.

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?

o Local authorities being the lead partner is appealing. The local authority is generally a trusted brand and has an overview of housing stock in its area.

o However every local authority has a different approach. This may be an advantage if local plans are allowed flexibility to meet local needs. There needs to be flexibility for local authorities in defining areas and in designing approaches and solutions e.g. through the Local Heat & Energy Efficiency Strategies. The need for flexibility was perhaps reflected in the fact that some local authorities had been successful in delivering all their HEEPS: ABS commitments, while others had been active but had not succeeded in spending all the funding allocated to them and even had to return some of it. Overall, fitting into scheme rules can be challenging.

o Smaller local authorities in particular can also have difficulty e.g. where they have no specific expertise on procurement for energy efficiency services.

o It is also important to include other bodies in the area, especially those with strong community roots who are well-known locally and are trusted and so can act as intermediaries to schemes. Moreover and crucially, these local bodies can be brought into schemes as partners to deliver advice and advocacy services, particularly where clients require additional support.

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?

o The area-based approach is effective; engagement across a defined area can be planned ensuring that everyone in the area is made aware of the scheme. It also allows for economies of scale to be gained in delivery and can target multiple tenures. A lot of work is achieved because of the effect of word-of-mouth as people tend to trust what is said by their neighbours and friends as they spread news of schemes and of energy advice.

o This approach however raises the question about how 'area' is defined e.g. by geographic area or based on housing stock type. A mapping process to identify and define areas may therefore be required.

o The current Home Energy Efficiency Programme Scotland: Area Based Scheme (HEEPS: ABS) works well where homes in an area are homogenous. A one-size fits all approach is not thought to be effective. Instead a whole house approach is likely to be needed. This then leads to the question as to whether SEEP will be flexible enough. There is a view that if engagement with a household can lead to achieving as much as possible, then this will likely save money in the long run and avoid the need for multiple surveys and client visits.

o As there are many variations in house types, there may be a need to create a 'toolkit' which allows for different measures / assistance to be delivered depending on need, the condition of the house, the market place etc. There is also a need for SEEP to trial the 'mixed area' approach involving different house types and different geographies

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

National standards, for example, require a contractor to have PAS 20:30 accreditation, which can often disadvantage small local contractors. While national standards are important, we should carefully consider a range of equivalents. Simply holding a national standard does not automatically ensure a quality delivery of workmanship on a project. There is also the need to increase the role of local building standards officers.

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?

o There should be a balance between national and local schemes. Local schemes ought to be encouraged and supported as they can be very successful. This is likely to require a mixture of organisations, funding and most importantly, co-ordination from an independent advisory body.

o Similarly, while the planned element of area-based schemes is welcome, there remains a need for a reactive scheme for people in or at risk of fuel poverty and who are in immediate need of assistance.

o With ECO expected to be devolved to Scotland in some form in 2018, the 'Scottish ECO' should provide a scheme more suited to Scotland's needs and in particular the rural and remote areas of Scotland that have generally not been served well by ECO to date. The 'Scottish ECO' should continue to integrate easily with existing plans and schemes.

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?

o First there is a need to establish what governance is intended to achieve and how success is defined. Governance in every area need to be open, accountable and totally independent of any scheme delivery, reporting to a Governance body which has clearly defined role in relation to the protection of the public good.

o For fuel poverty, there is a need for a target for eradication and any revised definition first.

o Examples for technical expertise may include:

- Clerk of Works or similar role in terms of governance, but there could be a resource issue.
- Professional and trades bodies etc. and the recent report Each Home Counts i.e. the Bonfield Review.
- There could be a 'time limited' body to oversee the strategic delivery.

o There has been much discussion about measurements and in particular the value of Energy Performance Certificates (EPCs) in the context of SEEP which requires further consideration.

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

o There is a strong view in the domestic energy efficiency/fuel poverty field that lessons must be learned from what has gone before in order to plan ahead. There has not been sufficient public reporting of outcomes from Scottish Government schemes in recent years.

o There is uncertainty about how monitoring and evaluation is carried out for current schemes. Again, proper evaluation of these is necessary in order to set up future evaluation and monitoring of SEEP. It would be useful to know how the Scottish Parliament is to scrutinise SEEP, who oversees it all and what the mechanisms are for reporting targets.

o Evaluation with better indications of outcomes for people and for the impact of measures locally is required. The importance of learning about what does and does not work and information sharing and dissemination cannot be dismissed. There appears to be a lack of knowledge in the field about who currently has responsibility for monitoring and evaluation and for acting upon its results.

o Evaluation is often reported as outputs in terms of numbers. There has not been enough reporting of the type of measures delivered per household. For example, many measures might have been installed but were they of the type that would have a real impact on energy bills, domestic energy efficiency levels or comfort levels? Outputs are not enough, outcomes are also essential.

o In addition to knowing the work has been carried out correctly, there must also be a way to monitor if the measures have made a difference. More attention should be paid to householder feedback. One key question should be 'has the improvement brought people out of fuel poverty?' The driver should be asking if actions have it made a difference to peoples' lives. Householders' 'sense of wellbeing' after improvements is being overlooked. Evaluation is often overwhelmed by statistics on physical measures instead of measuring health and wellbeing improvements for individuals, which in itself is a success. The impact of interventions on health and wellbeing is an area that has support for further investigation. Customer satisfaction and improvement to quality of life is as important to establish as the quality control surrounding the measures installed/delivered. There is a need to focus on the beneficiaries of schemes, and the softer side such as energy efficiency advice and whether it has succeeded in changing perceptions and in changing habits. Feedback on the human side is needed.

o Evaluation could be set by an independent body. Scrutiny of projects should be done independently and be obligatory but with ultimate responsibility going back to the Minister because monitoring and evaluation are not ends in themselves: someone needs to act on the results.

o There is a need to decide what has to be monitored and evaluated. This might include:

- Quality of the product
- Quality of the installation and whether the measure was appropriate.
- Quality of advice and information and checking that it has in fact been delivered.
- Householder behaviour and subsequent changes in such.
- Changes in insulation levels.
- Energy savings / fuel bill savings / increases in thermal comfort.
- Amount of carbon saved.

o How domestic and commercial properties are evaluated may vary and this must be taken into account.

o There are possibilities around data-sharing between agencies/bodies in order to establish energy use and other factors pre- and post-intervention.

o The timing of evaluation in terms of making a difference is important: sometimes seasonal factors are present and sometimes householders need time to adjust eg to a new heating system.

o Post-evaluation is often the most important as it can show if there have been any improvements. However, keeping the customer engaged until this point can be a challenge e.g. some customers are no longer willing to participate once they have the measures they wanted. Further engagement may be seen by some customers as being too intrusive.

o The value of monitoring and evaluation must be balanced against the cost of carrying it out.

o The Energy Performance Certificate (EPC) may not be sufficient to monitor and evaluate improvement as it does not reflect the actual use/savings of a measure as it is based on a 'model' and not the lifestyle of a household. Alternatives or additions to the EPC should be identified.

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

EAS has no other comments to make.