**Energy Efficiency of Owner Occupied Housing**

Scottish Government

April 2020

**Age Scotland responded to the consultation from the Scottish Government on the proposal to introduce mandatory minimum energy efficiency levels for privately owned (known as owner occupier) housing. The consultation asks about introducing EPC band C as the minimum level and for this to come into effect from 2024.**

1. **Do you agree or disagree that there should be a legally-binding energy efficiency standard for owner-occupied housing?**

Agree

A legally binding standard could have many benefits for the health and wellbeing of those who live in homes that have their EPC band improved, as well as the potential for environmental benefits. However, it should be recognised that this policy could have a disproportionately adverse impact on older owner-occupiers in terms of their ability to adapt to the legislative change as this group is most likely to have a fixed income, will be less able to adapt to the additional costs that this will require, may struggle to find trusted traders and to navigate this policy change.

It is extremely important that a significant information campaign (with a significant offline component as many older people do not regularly use the internet) and high levels of support are made available to owner-occupiers to achieve these standards.

1. **Do you agree or disagree that EPC Energy Efficiency Rating band C is the appropriate standard to use? Please explain.**

Agree

It is the appropriate standard to use provided that substantial financial support is provided to those who need it. Only around one-third of owner-occupied dwellings are already EPC band C or above.

1. **What are your views on the "fabric first" approach as described above?**

The fabric first approach of improving the insulation and reducing draughts before any other measures are taken, should be an easily understood first step that brings tangible benefits to the owner-occupiers. It is important that the changes required by this legislation should be as easy to understand and to implement as possible.

1. **In your view, how can we ensure that when EPCs are used to determine compliance with the standard, they are robust and not easily open to misuse?**

We support the introduction of standards and accreditation and the use of trusted trader schemes. It is of particular importance for older people that trusted trader lists are available as they are typically at a higher risk of being targeted for scams and tend to have more concerns about finding trustworthy tradespeople.

1. **Do you think the standard should be fixed, or should it be subject to periodic review and change over time? Please explain your view.**

Subject to review over time.

It appears to be a reasonable standard for homes to be brought to however as the wider economic and environmental repercussions of this requirement are not yet known, it would make sense to review it over time.

1. **Do you agree or disagree that 2024 is the right start date for the mandatory standard to start operating? Please give your reasons, whether you agree or disagree.**

Disagree

Age Scotland is concerned that fewer than 4 years warning for owner-occupiers is not sufficient time for all groups to understand what is required of them or for the trusted traders lists and standards to have been fully put in place.

As this is a significant new requirement for owner-occupiers it is important that there is a substantial information campaign, that is both offline as well as online. This legislative change will require charities and organisations to be ready to signpost or offer support to older owner-occupiers such as Age Scotland’s helpline and Care and Repair Scotland.

While younger groups of people tend to move house every five to ten years, older owner-occupiers are most likely to have lived in their home for over 20 years. Levels of disrepair among owner-occupied housing is also known to be high and older owner-occupiers tend to live in housing with high levels of disrepair.

Older owner-occupiers who bought their home under the Right to Buy scheme during the 1980s should be a group of particular concern because their homes typically have low equity and they may well be on low fixed-incomes. This is likely to be one of the groups that can least afford the energy efficiency measures required.

1. **Do you agree or disagree with point of sale as an appropriate trigger point for a property to meet the legally-binding standard?**

Agree

It makes sense that the point of sale is the most appropriate trigger point. Nevertheless, it is a concerning point to introduce a trigger for those who are on low fixed incomes. Right to Buy home-owners often don’t have much equity in their home and are already reluctant to sell their property, often only doing so once moving home becomes a critical issue for their health and wellbeing. Adding an additional cost to selling properties will have a huge impact on this group of people.

1. **Do you agree or disagree that responsibility for meeting the standard should pass to the buyer if the standard is not already met at point of sale, as described above? Please explain your views and give any evidence you have, whether you agree or disagree.**

Agree

In theory yes, but it would depend on how this would work in practice. There should be safeguarding measures put in place to ensure that this transfer of responsibility is not used as a way of buyers undercutting the market value of the home if the owner is not in the position to afford the improvements required by this legislation.

A measure that ensures tax relief for the buyer as opposed to an extra cost for the owner could be a more beneficial way of ensuring compliance.

1. **What, if any, unintended consequences do you think could happen as a result of these proposals? For example, any positive or negative effects on the house sales market.**

Over 70% of people aged 60+ live in owner-occupied housing. These proposals are likely to make older owner-occupiers less willing to sell their homes when this is the trigger point for the energy efficiency measures to have been made. This could cause knock-on effects such as an increase in demand for health and social care provision across Scotland. People who live in unsuitable accommodation tend to suffer adverse health impacts, and this is much more pronounced for older and disabled people. This then leads to a greater need of support from health and social care workers, as the impact of poor housing on the health of older people can mean a higher reliance on the NHS and local authority social care provision.

Age Scotland has conducted research into older people’s housing and their preferences and we have consistently found a general reluctance to move home for a variety of reasons, even when individuals have acknowledged that their home may not be suitable for them into their later life. Adding the barrier of potentially costly energy efficiency measures before they can move is highly likely to make people a lot more reluctant to consider moving.

It is important that assumptions are not made about the affordability of this proposed legislative requirement just because someone is an owner-occupier. The legacy of the Right to Buy (RTB) policy in the 1980s is that many people own their own home that may be on a low fixed income and may not be in a particularly strong financial position.

Those who bought under RTB have typically lived in their current property for over 20 years. Many older people live in homes that no longer allow them to live well and that need extensive repairs or adaptations. In addition to this, low income homeowners and older homeowners are the two groups most likely to live in housing with disrepair.

It is also the case that the group most reluctant to move home are those over 75, with reasons such as attachment to their home and community as well as the difficulty of managing a move as the most common reasons given for this. This group in particular are likely to need significant levels of support to safely and confidently engage with this legislation.

In general, older people are not interested in taking equity loans in order to make improvements or repairs to their homes. This tends to be due to the cultural norm of owning your home outright and a reluctance to take loans. There is also the issue of older people being very wary of tradespeople and needing trusted trader schemes in order to feel safe when getting work done on their homes.

1. **Do you agree or disagree with point of major renovation as an appropriate trigger point for a property to meet the legally-binding standard?**

Age Scotland would agree that this would be an appropriate trigger point provided that there was ample support and advice available, as already mentioned in previous answers.

The point of major renovation would need to be defined clearly. There should be an exemption if the major renovation is linked to accessibility requirements, such as to make the home fully accessible for the owner due to disability or a condition. It could be possible to consider how the Government could help provide funding in this situation, so that the opportunity of a major renovation could still be used to bring a dwelling to the legal minimum standard.

**19. Other than technical feasibility and cost effectiveness, are there any other reasons why a homeowner may not be able to bring their property up to EPC C at point of sale or renovation, and would need to be given an exemption or abeyance? (For example, difficulties of getting permission from other owners for common parts of buildings.) Please explain.**

There are many cases where a person needs to sell their home to pay for the care they will receive in a care home. If an individual is entering a care home then it is reasonable to expect that they will not have the additional capacity to arrange the measures required to bring their home to EPC C, in addition to organising the sale of their home.

**28. In your view, what are the most important considerations for homeowners who are required to meet the legally-binding standard, in relation to skills, supply chain, consumer protection and quality assurance?**

It is incredibly important that trusted trader schemes are put in place and that a clear consumer complaints service is in place. The creation of standards or accreditation to certify quality standards would make it much easier for organisations and charities to sign post people to reputable traders and companies.

Agencies such as Home Energy Scotland will need considerable levels of funding to ensure they have the capacity to provide the information and support required to help owner-occupiers improve the energy efficiency rating of their home, especially in regards to a helpline that people can call for assistance.

**31. Do you agree or disagree that grant funding from the public purse should be focused on households who are vulnerable or in fuel poverty? Please explain if you disagree.**

Agree

Fundamentally, the grant funding should be available based on income. This is a new requirement that older people will not have been budgeting for and there are potentially serious unintended consequences if this change were to make older people even more reluctant to move home to somewhere more suitable to their needs.

**32. In your opinion, what sources of non-government, private sector support are people most likely to want to access? (eg from banks, building societies, credit unions, mortgage providers)**

There is likely to be levels of extreme reluctance to take any form of loan or shared equity scheme in order to improve the fabric of the home.

**Want to find out more?**

As Scotland’s national charity supporting people over the age of 50, Age Scotland works to improve older people’s lives and promote their rights and interests. We aim to help people love later life, whatever their circumstances. We want Scotland to be the best place in the world to grow older.

Our Policy, Communications and Campaigns team research, analyse and comment on a wide range of public policy issues affecting older people in Scotland.

Our work is guided by the views and needs of older people themselves.

**Further information**

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