

## ENERGY EFFICIENCY STRATEGY 2020 - 2023

### 2021 UPDATE

(Ref: PS / 2)

**Purpose of Strategy:** To introduce an Energy Efficiency Strategy detailing the main areas of development, the proposed timescales for implementation and the budgetary implications.

Policy Monitoring Details	
<b>Department:</b>	<i>Property Services and Housing Management</i>
<b>Author:</b>	<i>Amanda Hay Property Services Director</i>
<b>Status:</b>	<i>Group Policy</i>
<b>Date Approved by Board:</b>	<b>27 October 2021</b>
<b>Updated:</b>	October 2021
<b>Planned Review Date:</b>	<i>Annual review and update through to 2023</i>
<b>Regulatory Outcomes being achieved:</b>	<b>Regulatory Outcomes</b> 3 Management of resources 4 Good quality information and advice <b>Charter Outcomes</b> 4 Quality of Housing – Meet SHQS when allocated and meet EESSH by December 2020 13 Value for Money
<b>Tenant Consultation Required:</b>	No
<b>Equalities Impact Assessment</b>	<i>Initial/Full/Not Required</i>

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#### **1. Introduction**

**1.1** This document sets out the Association's Energy Efficiency Strategy detailing the main areas for development, the proposed timescales for implementation and the budgetary implications.

**1.2** The Scottish Government introduced the Energy Efficient Standard for Social Housing (EESH) in 2014 and set a minimum energy efficiency rating for specific house and fuel source types to be reached by December 2020. The Energy Efficient Standard for Social Housing post 2020 (EESH 2) was launched in April 2021 and has higher targets set at 2025 and 2032 milestones.

The EESH 2 standard states that no social housing is to be re-let below EPC Band D (Energy Efficiency rating) from December 2025, subject to temporary specified exemptions, and requires that all social housing meets, or can be treated as meeting, EPC Band B, or is as energy efficient as practically possible, by the end of December 2032 and within the limits of cost, technology and necessary consent.

**1.3** This strategy is our route plan to meet both the SHQS target and the EESH 2 2025 and 2032 milestones, where measures are within our control.

**1.4** It is intended that the Association would begin implementing this strategy immediately.

#### **2. Strategy**

**2.1** Our strategy is to target those areas and property types where the Association can attain major potential benefits to its housing stock.

The main areas identified to date are:

- Improve all stock to the same basic energy efficiency level
- Seek out opportunities for funding as they present
- Investigate and research opportunities for new technologies as they present
- Provide Energy Advice services to our customers which will enable them to reduce or better manage the burden of fuel costs.

And through these main areas:

To reduce the susceptibility and vulnerability to fuel poverty for all tenants.

### 3. Target Areas

#### 3.1 Basic Energy Efficiency Level

The Association aims to bring all our stock to the same basic energy efficiency level by improving the external envelope and main heating source of the properties :

- Double glazing
- A rated gas boiler or equivalent rated heating source
- Loft Insulation
- External Wall Insulation
- EESSH Minimum EPC (SAP 2009) ratings
- Enhanced EESSH EPC Band D by 2025 for all properties at re-let
- EESSH 2 EPC Band B, within the limits of cost, technology and necessary consent by 2032.

EPC Band	Minimum	Maximum	Year
A	92+	---	
B	81	91	By 2032
C	69	80	
D	55	68	By 2025
E	39	54	
F	21	38	
G	1	20	

#### 3.2 Opportunities for Funding

The Association will continue to maintain good relations with City of Edinburgh Council, their partner Changeworks, the Energy Savings Trust, Home Energy Scotland and Contractors in the Energy Measure marketplace to ensure it is made aware of funding opportunities either from Utility Suppliers or Scottish Government.

#### 3.3 Investigate, Research and Review

The Association will consider innovative technologies for any property which continues to fall below our basic energy efficiency level for technical reasons, analysing the anticipated success of any energy efficiency measures not regularly specified, researching feedback on fitted examples and undertaking a cost benefit appraisal to clarify funding streams.

#### 3.4 Advice Services

The Association plans to continue working with a specialist Energy Advice partner to directly assist tenants and to signpost tenants to relevant and up to date energy advice, and will participate in advice schemes across the sector, where they fall within our specific areas of operation and / or match our tenant profiles.

## **4. Approaches**

### **4.1 Funding**

The Association will actively pursue funding to assist with the financial burden of improving the energy efficiency of our properties, will report to the Board when funding offers are made available and show the effects of the funding sought on staff resource, finance and the timing of the option through the report.

The Association will hold and maintain data extracts of Energy Efficiency Measure requirements for our stock to enable us to react swiftly to funding announcements.

### **4.2 Future Targets**

The Association will work to the currently published milestones for 2025 and 2032 but where technically and financially possible will work towards the highest targets suggested at the next component upgrade.

### **4.3 Householder Refusals**

The Association will analyse reasons given for refusals to participate in schemes of energy efficiency works or advice and formulate plans to deal with these whether mixed tenure blockers or social refusals.

The Association may engage staff or specialist external personnel to support and advise tenants or owners on our requirements to undertake the works

## **5. Measuring Compliance and Monitoring Statistics**

### **5.1 Measuring Compliance**

The Asset database recording

- Property data – property type, fuel type
- Energy Performance Certificate (EPC) data - current rating, date of certification and SAP version
- EESSH compliance – 2020, 2025 and 2032 target ratings, assessment of difference, pass, projecting pass, projecting fail, with reasons / projected improvement dates listed
- and will be updated with all relevant improvement contract works and any stock condition data gathered in void property or during survey exercise.

The database will be utilised to provide the SHQS tolerable standard and the EESSH statistics in the Annual Return on Charter (ARC).

The database records can be reported and analysed to provide :

- a rating for properties currently without Energy Performance Certificates

- an updated rating where energy efficient measures have been undertaken since last Energy Performance Certificate.

## **5.2 Policy Actions and Reporting**

This Strategy links into the **Energy Efficiency Policy** and together with the Strategy Objectives (Appendix1) will illustrate status, performance with the number of properties that don't meet the standard, actions and improvements to cover the works required to bring them to the standard, as the Association progresses through the years to reach the 2025 and 2032 EESSH milestones :

- Listing Energy Improvement Plans for all measures
- Summarising details on areas of poor performance
- Planning tool for proposed budget spends
- Utilising the Energy Improvement Plan information to form the Energy Efficiency Measure Key Performance Indicators for reporting to the Board
- Collating information for the Annual Return on Charter

## **6. Other relevant or related policies**

**6.1 Energy Efficiency Policy**

**6.2 Asset Management Strategy**

**6.3 Property Management Policy**

**6.4 Procurement Strategy**

## **Appendix 1 Energy Efficiency Strategy Objectives**

Listing of the Energy Efficiency Strategy Objectives setting out the progress to date and the overall “direction of travel” and specific actions to achieve our Energy Efficiency target areas:

The journey to reaching the EPC B by 2032 may change, due to both internal and external factors, however the goal of achieving 100% of the enhanced EESSH target December 2025 will be kept in mind at all stages.

2019 / 20	Practice / Initiative	Measurement of Success	Lead	Original Timescale	Status	Progress / Comments
	Seek funding for EWI to 2 Mortgage to Rent properties	Works completed	PSD	March 2020	Complete	EWI Works completed
	Scope out options on marginal fails	Option appraisals and costings	PSD	September 2019	Complete	Internal document – used for work planning
	Scope out electrical heat to gas conversions – 33 properties, prioritise heating 15+ years old	Gas heating installed	PSD	March 2020	Complete	17 electric heating remaining Programme of replacements in place; some tenant refusals
	Scope out gas heating replacements to properties failing EESSH target – 2year programme	Gas heating installed, more EESSH passes	PSD	December 2020	In Progress	Gas replacement programme targets EESSH fails ahead of EESSH passes on boiler component replacements
	Completion of insulation programmes - Future works in estate batches –gain neighbourhood buy in	Lofts insulated and cavities filled, stock improvements	PSD	March 2020	In Progress	Pre-market discussion on funding source, framework and possible Contractor
	Re-try households opted out of upgrades – liaison by Technical Inspector	Successful installs – cavity wall and replacement heating	PSD	March 2020	In Progress	PSM to discuss with each household
	Consider EESSH 2 targets – when standard released, and projections to 2025 review and 2032 targets	Projections on pass and fail, and improvement programme	PSD	March 2020	Complete	Stock appraised with interim 2025 target and full 2032 target. Stock improvements built in to 2025 - 2032
	Undertake stock appraisal and revise Asset Management Strategy, consider disposals	Revised Asset Management Strategy drafted	PSD	March 2020	In Progress	Work progressing in line with Asset Management Strategy action plan

2020 / 21	Practice / Initiative	Measurement of Success	Lead	Original Timescale	Status	Progress / Comments
	EESSH results submitted to Scottish Housing Regulator in	EESSH results submitted and reported with ARC	PSD	May 2020	Complete	Submitted May 2021

	Annual Return on Charter (ARC)					
	Maintain relationship with CEC and Changeworks lodging data for future funding bids, solar panels for mixed tenure flatted properties	Relationship maintained / regular contact & meetings	PSD	Ongoing	In Progress	CEC / Changeworks forum superseded by SFHA Changeworks Forums (Bi monthly virtual meetings))
	EPC Database – final tuning of reporting	Reports produced covering projected scores both for properties without EPC record and properties where improvements made since EPC	PSD	Ongoing	Complete	Exercise completed, projected scores allocated
	Completion of insulation programmes - works in estate batches to gain neighbourhood buy in	Stock improvement project - Lofts insulated and cavities filled	PSD	December 2020	In Progress	Pre-market discussion on funding source, framework and possible Contractor
	Complete IWI to properties at Gt Junction Street – during void	Works completed if void	PSD	December 2020	Complete	Only 1 property out of 8 elected to participate in the installation works
	Checking EPC data – results across estates, checking for inconsistencies	Inconsistencies spotted and eradicated	PSD	April 2020 onwards	Complete	Analysis and adjustments completed
	Additional EPC data across stock profile – eliminate gaps	Accurate EPC for all stock types	PSD	April 2020 programme continuing	Complete	Continued programme of target areas now to re-work oldest version EPC (2001 and 2005)
	Feedback and analysis on Energy Advice Service trial	Report successes and refinements for any future service - successful project / good tenant feedback / success stories	HMD	December 2020	Complete	Complete. New scheme under consideration for 2021 – 2022.
	Expected to be fully compliant by 31 December 2020 Minimal properties with exemptions	Full compliance with EESSH where in Association's control /All routes to compliance explored	PSD	December 2020	In Progress	Experienced delays during Covid Response period, continuing to progress



	Inform tenants EESSH status, Pass, Fail, Temporary Exemption	Prepare letter tenants	PSD	December 2020	N/A	No longer a requirement
	Participate in consultation on EESSH 2 indicators	When SHR / Scot Govt consultation sent out for review	PSD	Autumn 2020	Complete	Complete
	Review Scot Govt guidance on EESSH 2 milestones	When published by Scot Govt	PSD	Winter 2020	Complete	Complete
	Funding Review – seek update on tranches available	6 monthly review – Scot govt funding file	PS team	April 2020 and October 2020	In Progress	Funding routes explored
	Review criteria and benefits of smart meters, consider installation in voids	Appraisal made, plan formulated	PS team	September 2020	Pending	

2021 / 22	Practice / Initiative	Measurement of Success	Lead	Original Timescale	Status	Progress / Comments
	Investigate future possibilities for Energy Advice Service	Options available Negotiating further contract term / requirements with same provider May 2019	HD	April 2021	In Progress	Revised programme for 2021 / 22 under consideration
	Investigate Air Source Heat Pumps, cost, reliability, tenant comfort – Mitsubishi promotion	Air Source Heat Pumps Appraised	PSD	April 2021	Pending	Factory ./ trade tour postponed during Covid response
	EESSH 2025 and 2032 results submitted to Scottish Housing Regulator in Annual Return on Charter (ARC)	ARC results submitted	PSD	May 2021	Complete	Complete – only EESSH scores requested. 2025 and 2032 scores held internally.
	Arrange energy modelling for projecting failures, specific	PFH Framework Feedback assessed, works programmed	PSD	December 2021	In Progress	Enhance requirement to include EESSH 2 and Net Zero. Also joint working with EAHP.

	individual properties and option for each stock type					
	EAHP Energy & Sustainability Group		PSD	September 2021	In Progress	Attending virtual meetings / review successes of partners
	Participate in SFHA Energy Forum	Attend sessions and digest reports	PSD/ PSM	August 2021	In Progress	Attending virtual meetings / put forward for trials
	Internal Audit on EESSH 2	Completed audit with action plan	PSD/ PSM	January 2022	Pending	

2022 / 23	Practice / Initiative	Measurement of Success	Lead	Original Timescale	Status	Progress / Comments
	Research funding routes for Solar Panel and battery storage to programme with roof upgrades – discussion with energy partners and installers	Plan costed and included in 30 year plan – funding requests made	PSD	May 2022	Pending	
	EESSH 2 results submitted to Scottish Housing Regulator in Annual Return on Charter (ARC)	EESSH results submitted and reported with ARC	PSD	May 2022	Pending	
	Define / set level for cost effective investment					

## **APPENDIX 2      Budgetary Implications**

### **Budget Outlook at April 2021:**

	<b>2021</b>
Double Glazing	All replaced
Gas Central Heating	£33,774
Electric Heating Upgrades	£16,887
Loft Insulation Upgrades	£60,000
Cavity Wall Insulation	£20,000
Internal Wall Insulation	£6,500 per property Ad hoc at tenancy change
External Wall Insulation	Complete
Additional EPCs	£3,000
Low energy bulbs all voids, electricals, kitchen and bathroom contracts	Incl
Consultancy advice – modelling improvements for projecting fails	Under consideration
Energy Advice Service	TBC

The budget projections will be kept under review and will be amended when detailed work plans for specific measures are fully scoped out, and also if any funding should become available.