

Item: 14

Education, Leisure and Housing Committee: 7 June 2023.

Energy Efficiency Standard for Social Housing.

Report by Corporate Director for Education, Leisure and Housing.

1. Purpose of Report

To advise on progress with meeting Energy Efficiency Standard for Social Housing during 2022/23.

2. Recommendations

The Committee is invited to note:

2.1.

That progress towards meeting and continuing to meet the Energy Efficiency Standard for Social Housing is inter-related to work to address the Scottish Housing Quality Standard.

2.2.

That, while a second Energy Efficiency Standard for Social Housing is required to be met by 2032, the Scottish Government is currently undertaking a review of that standard and therefore delivery of this standard is temporarily on hold.

2.2.

That the review, referred to at paragraph 2.2 above, is due to be completed by Summer 2023 when it is anticipated that the Scottish Government will publish new guidance.

2.4.

That the Scottish Housing Regulator has requested that the Annual Return on the Charter indicators for 2022/23 should reflect compliance in relation to meeting the initial EESSH target, which was to be met by 30 December 2020, and maintenance of that target thereafter.

The Committee is invited to scrutinise:

2.5.

The level of progress towards meeting the initial EESSH target, as detailed in sections 4 and 5 of this report, in order to obtain assurance that the Council's response to meeting and maintaining that standard is satisfactory.

3. Energy Efficiency Standard for Social Housing

3.1.

The Energy Efficiency Standard for Social Housing (EESH) aims to improve the energy efficiency of social housing in Scotland. It is intended to help reduce energy consumption, fuel poverty and the emission of greenhouse gases.

3.2.

The Standard was based on minimum Energy Performance Certificate Energy Efficiency ratings. As Standard Assessment Procedure software is updated, new ratings are declared. An example of these is shown in the ratings table below and varied depending on the type of property and the fuel used to heat it.

	Energy Efficiency Rating as at 2009.	Energy Efficiency Rating as at 2012.
Dwelling Type.	Electric.	Electric.
Flats.	65.	63.
Four-in-a-block.	65.	62.
Houses (other than detached).	65.	62.
Detached.	60.	57.

4. Current Assessment of Council Housing Stock

4.1.

An assessment of the Council's housing stock had initially been undertaken in order to determine how many properties have energy efficiency scores which do not meet the Energy Efficiency Standard for Social Housing, which required to be met by December 2020. Once properties were identified, works were undertaken to those requiring energy efficiency improvements. Energy efficiency scores are revaluated on the completion of works.

4.2.

The following table represents the current position with respect to EESH as at 31 March 2023. Exempt properties are due to factors like disproportionate cost or those in abeyance because the tenant does not want, or feel able to cope with, any works.

	31 March 2023.	31 March 2022.	31 March 2021.
Total properties.	1,006.	983*.	951*.
Properties achieving EESH1.	937.	902.	838.
Remaining properties.	69.	81.	113.

• Exempt.	49.	61.	34.
• Failed.	20**.	20**.	79.
○ EPC update required following works.	9.	6.	-
○ Scheduled 2023/24.	11.	11.	-

* Figure does not include properties that were out of scope. Properties which are out of scope includes properties which are not self-contained, for instance hostels with common facilities.

** While there is some overlap between these figures, the comparable number is coincidental and the 20 fails shown for 2022/23 are not the same 20 fails for 2023/24.

4.3.

The significant number of Energy Performance Certificate (EPC) surveys undertaken over recent years, coupled with new build programmes, have resulted in a situation where the Council holds individual energy efficiency scores for 98.9% of its stock, which is significant. Many councils use a system of cloning Energy Performance Certificates for properties that are the same build type and layout in this respect. The Council endeavours to avoid this practice wherever possible, preferring to have precise information relating to the individual property.

4.4.

During 2022/23, works were undertaken to 8 of the 11 non-compliant properties identified in 2021/22. Of the remaining 3 properties, works are in progress for one property, with completion by the end of June 2023 and the remaining 2 properties are scheduled in 2023/24.

4.5.

As at 31 March 2023 there were 20 properties failing EESSH:

- 9 properties require an update of their EPC following works. This includes 5 of the properties identified at section 4.4 above which have had works completed in 2022/23.
- 11 have works scheduled this year or works in progress, ranging from loft to underfloor insulation and new heating systems some of these properties have come out of abeyance during 2022/23.

5. Programme of Works for 2023/24

There are currently 11 properties that require works to meet the EESSH and 9 that require an updated EPC carried out, all are being programmed to have the works/surveys carried out in 2023/24.

6. Plans to meet EESSH2

6.1.

The Scottish Government previously announced a requirement to meet a second EESSH target by 2032 with a mid point target of 2025. Guidance issued in March 2021 required the following:

- By 31 December 2025, no social housing is to be re-let below EPC B and D.
- By 31 December 2025, no energy efficiency improvements in social housing should worsen either the environmental impact rating of a home, or the air quality of a home.
- By 31 December 2032, all social housing meets, or can be treated as meeting, EPC Band B, or is as energy efficient as practically possible, within the limits of cost, technology and necessary consent.

6.2.

The Scottish Government is currently reviewing their EESSH2 guidance and targets and are expected to announce the outcome of the review and produce revised guidance during summer 2023.

6.3.

Following publication of the guidance, plans will require to be reviewed to deliver EESSH2 across all of the Council's housing stock within the relevant timeframe.

6.4.

A plan to meet EESSH2 will be reported to Committee in due course. In addition, an annual report regarding the level of compliance will be presented to the June cycle of meetings.

7. Corporate Governance

This report relates to the Council complying with governance and scrutiny and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

8. Financial Implications

The Council House Build Programme has transformed the Council's housing stock, increasing the number of properties that meet the Scottish Housing Quality Standard and the first milestone Energy Efficiency Standard for Social Housing. This has, however, been achieved through the Housing Revenue Account taking on additional loan debt that requires to be serviced out of the rental income before any other revenue expenditure.

9. Legal Aspects

There are no legal implications arising directly from this report.

10. Contact Officers

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