No one in Scotland living in a hard-to-heat, draughty home by 2025

Joint statement of organisations – December 2015
A broad group of organisations is calling for there to be no household in Scotland living in a hard-to-heat, draughty home by 2025. We urge the Scottish Government to achieve this through making home energy efficiency a National Infrastructure Priority in Scotland, with at least 127,000 homes every year having their energy efficiency improved between now and 2025.

No other investment can achieve so much to help the people and households who are living in fuel poverty, whilst stimulating economic growth and creating jobs in every part of Scotland. It will improve people’s health and cut household fuel bills. It will contribute to ensuring that all of Scotland’s children grow up in a warm environment. It is also critical to addressing national challenges of safeguarding energy security and tackling climate change.

What are the benefits?

**Fuel poverty**
With 39% of Scottish households living in fuel poverty it is clear that the statutory target to eradicate fuel poverty by November 2016 will not be achieved. Raising all homes to a high energy performance standard will help lift households out of fuel poverty.

**Household bills**
It would reduce fuel costs by over £400 pa for households.

**Climate emissions reduction**
Annual climate change targets are being missed and the housing sector is not on track to deliver expected emission reductions. This project would make the necessary step change in efforts to make Scotland’s homes low carbon and affordable to heat.

**Jobs and the economy**
The project would provide a net increase in jobs of 8-9000 per year – jobs spread around every part of Scotland, unlike other infrastructure projects. It would be a ‘value for money’ project – creating more jobs and benefits for the wider economy than a fiscally equivalent spending package.

**Health**
The project would provide a practical, preventative approach to addressing ill-health and poor mental health in Scotland, thereby reducing costs to the NHS – between £48m – £80m per annum for Scotland. Spending time in a cold, damp house can aggravate conditions such as heart disease, strokes and flu and increase the risk of mental health problems. And there’s an increased risk of illness and death among older people, young children and those with a disability.

**Energy security**
Scotland’s economy and its households would be less vulnerable to energy price fluctuations, and less dependent on imports and fossil fuels.

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2 Building the Future: The economic and fiscal impacts of making homes energy efficient, Energy Bill Revolution, 2014
3 Economic impact of improving the energy efficiency of fuel poor households in Scotland, 2014, Consumer Futures Scotland
4 Ibid.
5 Ibid.
7 Building the Future: The economic and fiscal impacts of making homes energy efficient, Energy Bill Revolution, 2014
What do we mean by a National Infrastructure Priority?

The National Infrastructure Priority would take a comprehensive approach to reducing energy use. Long-term targets, milestones and budgets would keep the project on track and create supply-chain confidence.

A high level, cross-departmental project team would work with stakeholders to design the project so as to attract private funding from investors and householders and win the numerous returns on public investment.

How much would it cost?

The overall cost would be in the order of £10.7bn over 10 years, of which £4.5bn would be made up of public investment. This investment would represent a benefit cost ratio of over 2:1, which compares favourably in terms of value for money with other infrastructure projects.

These estimates do not include funding from any current or future UK Government obligation on energy providers. However, if it is assumed Scotland receives its pro-rata share and the Energy Company Obligation (ECO) or something similar continues at current levels to 2025, the level of Scottish Government investment required would be reduced by approximately £120m per year. Given proposals to devolve the design and implementation of the supplier obligation in Scotland, there could be even more opportunities to maximise the impact of this spend.

The programme would involve grants, incentives and low interest loans for the able to pay, and private investment from homeowners, landlords, and other sources. We would expect government support for loans to lever in more than twice as much funding from private householders, and in time loans would be paid back, replenishing capital budgets.

While led by the capital budget, innovative funding models should be included to deliver on the overarching objective, leveraging in private sector investment from the Green Investment Bank, private investors, and householders.

£4.5bn of public investment over 10 years would represent a benefit cost ratio of over 2:1 and would:

- reduce fuel poverty
- reduce households’ fuel costs
- reduce climate emissions
- increase jobs
- improve health
- improve energy security

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8 Ibid.

9 Economic impact of improving the energy efficiency of fuel poor households in Scotland, 2014
Supporting organisations

Age Scotland
Association for the Conservation of Energy
Association of Local Authority Chief Housing Officers
Barnardo’s Scotland
BCA Insulation
British Board of Agrément
British Lung Foundation Scotland
Built Environment Forum Scotland
Changeworks
Chartered Institute of Housing
Child Poverty Action Group in Scotland
Children and Young People’s Commissioner Scotland
Church of Scotland
Citizens Advice Scotland
Ecosave Insulation
Edinburgh World Heritage Trust
Energy Action Scotland
Energy Agency
Energy Bill Revolution
Energy Saving Trust
Federation of Master Builders
Friends of the Earth Scotland
GMB
InstaGroup
Institution of Civil Engineers
John Muir Trust
Kingspan
Knauf
MIMA
MP Rendering
National Insulation Association
National Society of Apprentices Scotland
National Union of Students
One Parent Families Scotland
Poverty Alliance
Rawlplug
Rockwool
Royal College of General Practitioners
Royal College of Nursing Scotland
Saint-Gobain UK and Ireland
Scottish and Northern Ireland Plumbing Employers’ Federation
Scottish Building Federation
Scottish Council for Development and Industry
Scottish Council for Voluntary Organisations
Scottish Energy Installers Alliance
Scottish Federation of Housing Associations
Scottish Trades Union Congress
Scottish Youth Parliament
Share
Shelter Scotland
SPS Envirowall
Stop Climate Chaos Scotland
UK Green Building Council
Unison Scotland
Wetherby Building Systems
WWF Scotland

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