

Warm Homes and the Scottish Budget 2021/22

Parliamentary Briefing December 2020

Scotland has some of the most ambitious climate change targets in the world, yet at the same time an unacceptable number of Scottish households continue to live in fuel poverty.

The COVID-19 crisis presents us with unprecedented public health and economic challenges, but provides an opportunity to transform our strategies and investment programmes and deliver a wellbeing economy, built on green jobs.

We believe Scotland's energy efficiency and fuel poverty programmes need to double if Scotland is to meet its ambitious targets.

The proposals in this briefing are "shovel ready" and are based on the combined expertise of the ExHAS members, many of whom are at the forefront of delivering regional and national fuel poverty and energy efficiency programmes.

The challenge:

- **1 in 4 Scottish households are living in fuel poverty** (Scottish House Condition Survey 2019)
- Just under **1 million homes need to be upgraded** if they are to meet EPC C by 2030—a key milestone towards achieving net zero emissions by 2040.
- At present, **roughly half of the numbers needed are moving to EPC C each year**, and even this is unlikely to be maintained unless approaches change.
- **If Scotland fails to invest in energy efficiency it will drive up the cost of decarbonisation for everyone**, increasing fuel poverty as well as the overall level of public investment required.

The opportunity:

- **Upgrade and improve 1 million homes** to EPC C by 2030, making them warmer, safer and more affordable to live in.
- **Double investment** to £244.2 million in 2021/22.
- Focus on achieving **high level energy efficiency for all homes to maximise impact for least cost**.
- Part of a £1.35 billion five year programme of **targeted funding for a Just Transition** to net zero carbon emissions from heat.
- **Create and sustain between 16,000 and 17,000*** new energy efficiency and low carbon heat jobs over an intensive 10 year retrofit programme.

This is a summary of a detailed briefing which can be found on the Existing Homes Alliance [website](#)

* ExHAS estimates based on review of published research/Scottish Government publications and potentially an underestimate.

To meet the challenge, we need ambitious but achievable standards, clarity and certainty for home owners, landlords and supply chains and increased public and private investment.

Our Scottish Budget 2021/22 proposals:

National and Local Strategic Approach:

- Support local authorities to develop and implement Local Heat and Energy Efficiency Strategies to maximise the impact of heat networks, heat decarbonisation and energy efficiency work.

Targeted funding for a Just Transition:

- Double funding for Warmer Homes Scotland—the flagship fuel poverty programme
- Double Area Based Schemes so more homes benefit from energy efficiency and low carbon heat.
- Fund a national engagement campaign to build public support and awareness.
- Expand advice and support services to deal with increased demand.
- Expand support for self-funding home owners through a Combined Energy and Heat Fund.
- Create Rural Homes Transition Package to help homeowners and landlords invest in remote and rural areas.

Innovation as part of a Green Recovery:

- Create not for profit companies to deliver retrofit and generate affordable energy for people in fuel poverty.
- Fund a zero carbon retrofit exemplar programme to demonstrate how different house types can be brought close to net zero in one intervention.
- Install 500 hybrid heat pumps in on-gas properties as part of a demonstrator project.
- Support homeowners to understand and track the condition of their home through piloting Digital Home Log-Book.

Programme/Activity	Draft Scottish Budget 2019/20	ExHAS proposed budget 2021/22	ExHAS proposed five year budget
	£m	£m	£m
Resources to develop local strategic approaches		4	20
Targeted Funding for a Just Transition			
Warmer Homes Scotland	24	50	270
Area Based Schemes	49	100	550
Combined energy and heat fund	30	60	330
Comprehensive advice and support service	10.6	22	116
Major engagement campaign		0.2	4.2
Rural Homes Transition Package		1	5
Innovation			
Not for profit affordable energy company pilot		1	5
Zero carbon retrofit exemplar		3	35
Hybrid heat pump demonstrator programme		2	10
Digital Home Log-book		1	3
Total	119.6*	244.2	1,348.2

* Based on published Scottish budget and excludes additional in-year funding announced by Scottish Government.

The Existing Homes Alliance Scotland is a coalition of housing, environmental, fuel poverty and industry organisations who are working together to end fuel poverty and deliver the transformational change needed to address the climate emergency.

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