

Scottish Government: Heat in Buildings Consultation

Independent Age response

March 2024

About Independent Age

Independent Age is the only national charity focused on improving the lives of people facing financial hardship in later life.

Our helpline and expert advisors offer free, practical support to older people struggling with their finances. Through our grants programme, we support local organisations working directly with older people across the UK.

We use the knowledge and insight gained from our support services and partnerships to highlight the issues experienced by older people in poverty and campaign for change.

We are determined to make sure older people facing financial hardship:

- have sufficient income and receive the financial support they're entitled to,
- are protected from unfair or avoidable cost,
- have the connections and support they need in their communities,
- live in safe, secure and suitable housing with the care and support they need.

We believe no one should face financial hardship in later life.

1. To what extent do you support our proposal to prohibit the use of polluting heating systems in all buildings after 2045?

- **Neither support nor oppose**

Fuel poverty

Independent Age acknowledge the importance of the transition to net-zero and recognise the positive impact that the measures required, such as energy efficiency in homes, could have on reducing fuel poverty amongst those in later life.

- Currently, one in seven pensioners in Scotland live in poverty – a total of 150,000. ¹
- Older households are the most likely to be living in fuel poverty and extreme fuel poverty compared to other household compositions. ²
- The latest available official statistics show that based on the Scottish Government's own definition, over one third (36%) of older households in Scotland live in fuel poverty, a total of 333,000.³ Going by this definition of fuel poverty, these households spend more than 10% of their income on fuel costs and the remaining income is insufficient to maintain an adequate standard of living.
- Almost one quarter (24%) of older households in Scotland live in extreme fuel poverty – a figure which more than doubled from 11% in 2021.⁴
- Almost half of the older people living on an annual income of less than £15,000 surveyed by Independent Age disagree with the statement "I am able to keep my home warm in the winter". ⁵

¹ DWP, Households Below Average Income

² Scottish House Condition Survey 2022

³ Scottish House Condition Survey 2022

⁴ Scottish House Condition Survey 2022

⁵ Independent Age survey of 1,093 adults aged 65+, December 2023

- Our polling found that almost 6 in 10 (59%) adults aged over 65 living in Scotland on an annual household income of less than £15,000 reduced heating usage in their home during the previous winter to help manage the cost of living and an additional 18% were already doing this before the beginning of winter to save money.⁶

Over recent years, both poverty and fuel poverty have increased amongst older people in Scotland. Older renters are particularly at risk of poverty, and there is clear potential for improvements to the standards of energy efficiency in rented accommodation to reduce fuel poverty.

However, for older homeowners who are living in poverty, careful consideration must be given to ensure the proposed changes are implemented in a way that does not increase financial hardship for older people living in poverty, by providing adequate financial support to install the required measures.

Installation and maintenance costs

At Independent Age, we are concerned there is a risk that the costs of meeting the requirements of the proposals could negatively affect older homeowners who live on a low income if adequate financial support schemes are not put in place. While the cost for the installation of measures such as heat pump are expected to reduce as the market for them grows and may differ depending on the location and type of home, a report by the Energy Systems Catapult showed that the average total cost for installation as part of a pilot across Great Britain in 2021 was £14,800 per property.⁷ This average cost includes additional measures such as new radiators, which according to a UK Parliament briefing paper on heat pumps, most UK housing will need to upgrade for their new heat pump to achieve good performance.⁸

The cost of meeting the proposed requirements will be the responsibility of homeowners. Independent Age knows that many older homeowners live on a low income across the nation. People in this situation may be unable to transition to clean energy, as will be legally required of them, because they cannot afford to do so without adequate, accessible financial support schemes to help achieve this.

Around half of the older people who live in poverty in Scotland live in homes which they own – around 75,000 people.⁹ Many more, who may be just above the official poverty line, are struggling financially and have been cutting back on basics including heating their home, eating a healthy diet and socialising with friends and family to make ends meet.

Polling commissioned by Independent Age in May 2023 showed that 40% of older people in Scotland who own their home outright can normally cover essentials but do not often have money for luxuries, with 9% only just affording essentials and often struggling to make ends meet.¹⁰ Many older homeowners will therefore be unlikely to be able to afford the cost of installing clean heating systems and the other associated measures that will be required of them without practical and effective financial support in place.

While there is mention of financial help to aid households with the adoption of clean heating systems within the consultation document, this information is limited and refers

⁶ YouGov plc survey on behalf of Independent Age. Total sample size was 565. Fieldwork was undertaken between undertaken 28 April - 2 May 2023

⁷ <https://es.catapult.org.uk/wp-content/uploads/2022/12/BEIS-Electrification-of-Heat-Home-Survey-and-Install-Report.pdf>

⁸ [Heat pumps \(parliament.uk\)](https://www.parliament.uk/business/committees/committees-a-z/commons-select/energy-and-climate/committees/energy-and-climate-sub-committee-on-heat-pumps/)

⁹ DWP, Households Below Average Income

¹⁰ YouGov plc survey on behalf of Independent Age. Total sample size was 565. Fieldwork was undertaken between undertaken 28 April - 2 May 2023

to support schemes which are already available. Whilst existing schemes such as Warmer Homes Scotland are welcome, we require a step change in the scale of support available in the transition to net-zero and to prevent the risk of financial hardship that a legal requirement to install energy measures could inadvertently have on older people on low incomes.

Independent Age recommend that the Scottish Government consider the scale of financial support available to low-income households to support the transition, including the potential development of innovative support schemes and grants.

Our research shows there is currently a lack of awareness of energy efficiency funding existing schemes in Scotland. A survey carried out by the Chartered Institute of Building (CIOB) found that over one third (39%) of respondents had never heard of any of the past or current Scottish Government schemes, including Warmer Homes Scotland, Home Energy Scotland Grant and Home Energy Efficiency Programmes for Scotland.¹¹ CIOB said that the awareness of the schemes was lowest in the over 55 age category.¹² Independent Age therefore recommend that the Scottish Government promote financial support to aid the transition to clean energy systems in a targeted way which will reach older people living in poverty.

Access of information

The proposed legislation deals with complex and technical terminology. Independent Age welcome the Scottish Government's plan to develop a tool which will help people understand which type of clean heating system suits their home. However, it is important that this tool and additional information is accessible to older people living in poverty, some of whom can't afford to be online. Choosing to access services and information online should always be a choice and it is imperative the information is delivered through a variety of mechanisms rather than being entirely digitally based.

Our evidence shows that even for older people who want to be online, the current rising cost of living risks further digital exclusion. Our polling found that over a third (37%) of older people living on an annual household income of less than £15,000 were cutting back on internet costs and 35% were worried that they would not be able to meet the cost of their broadband bill when considering their income over the next 6 months.¹³ It's therefore crucial that information which will help households meet the requirements of the Heat in Buildings Bill is available through formats other than digital so that it can be easily accessed by all older people.

2. To what extent do you agree that we should introduce a minimum energy efficiency standard to be met by private sector landlords by the end of 2028 (even if they are already using clean heating)?

- Strongly support

Independent Age welcome the proposed minimum energy efficiency standard for homes in Scotland's private rented sector. This could positively impact older private renters by keeping their homes warmer for longer and for a lower cost.

Independent Age know that while everybody should have the right to live in a warm, safe and secure home, this is not the reality for many, including older people living on a

¹¹ Survey of 2,000 Scottish adults conducted in August 2023 by Opinion Matters for CIOB ([Two in five Scottish residents can't afford energy upgrades says CIOB survey | CIOB](#))

¹² Survey of 2,000 Scottish adults conducted in August 2023 by Opinion Matters for CIOB ([Two in five Scottish residents can't afford energy upgrades says CIOB survey | CIOB](#))

¹³ YouGov plc survey on behalf of Independent Age. Total sample size was 565. Fieldwork was undertaken between undertaken 28 April - 2 May 2023

low income. Currently, over half (52%) of privately rented homes (of all ages) have an EPC rating of D and lower.¹⁴ Our polling found that half of older private renters had cut back spending on heating and almost 4 in 10 (38%) older private renters were worried that they would not be able meet payments for their heating when considering their financial situation over the next 6 months.¹⁵

In response to a survey by Independent Age in August 2023, one older renter told us:

"My home is an old timber bungalow which badly needs the timber replaced and a more suitable coating put on. The house is impossible to heat due to a combination of the heating system (air source heat pump) and the poor condition of the exterior walls where strips of wood have gaps between them. Any heat generated by the ASHP is lost through the walls."

Whilst another older renter told us:

"My home is never warm, the heating system seems ineffective. There is a smell of damp in the winter months. There is a huge opening in the back wall where the boiler is located. The wind whistles into the flat."

By making it a legal requirement for landlords to better insulate their properties to install other measures to improve energy efficiency and by ensuring adequate enforcement, the Scottish Government can make warm homes a reality for more private renters of all ages.

While private landlords will be responsible for meeting the minimum energy efficiency standard, they will also be accountable for the maintenance and upkeep of the energy efficient measures that they install. Worryingly, Independent Age hears from older people who are living in rented homes and waiting on repairs to be carried out which would make their home warmer. One older private renter told us:

"There is damp coming through the walls in the hallway and the ceiling of the utility room which I have reported and mentioned more than once and am waiting for things to be attended to."

To tackle this, Independent Age recommend that the Scottish Government establishes a housing ombudsman for the private rented sector, giving tenants the ability to challenge their landlords on issues including poor maintenance or failing to meet energy efficiency standards.

Independent Age research found that there is a worryingly low level of awareness of rights among older private renters in Scotland, with only 30% saying that they feel fully informed.¹⁶ While we welcome the Scottish Government's recently launched campaign on Renters Rights, we encourage the Scottish Government to consider how to target information on rights and energy efficiency to older private renters who live on low incomes.

¹⁴ Scottish House Condition Survey, 2022

¹⁵ YouGov plc survey on behalf of Independent Age. Total sample size was 565. Fieldwork was undertaken between undertaken 28 April - 2 May 2023

¹⁶ Survey of 544 adults aged 65+, Independent Age, August–September 2023

3. To what extent do you agree that we should introduce a minimum energy efficiency standard to be met in owner occupied homes (which still have a polluting heating system) by the end of 2033?

- Somewhat support

Independent Age welcome the introduction of a minimum energy efficiency standard for owner occupied homes as we believe this could help tackle fuel poverty in Scotland. Currently, there are too many older homeowners living in homes which are classed as not having good levels of energy efficiency, of which the Scottish Government consider to be EPC band C and above. Over half (55%) of older households across tenures and 57% of owner occupiers across all ages live in homes which have an EPC band of D or below.¹⁷

We hear from older people managing on a low income, who are living in homes they own which have draughts and are badly insulated. Our survey on older people's experience with housing, carried out in August 2023, found 4 in 10 older homeowners in Scotland are not satisfied with the standard and quality of their home.¹⁸ When we asked respondents about the key problems they faced with their home, many people highlighted energy efficiency issues, including: old, draughty windows and doors, lack of insulation, and ageing roofs which need to be repaired.

Financial challenges

In Scotland, 1 in 10 older homeowners live in poverty, with many more cutting back on basic essentials to make ends meet.¹⁹

One older woman who owns her home told us:

"I would like to be able to afford to insulate and repair my home and I am currently still working at 68 to try to make this possible. The situation would be eased by the local authority or Scottish government offering cheaper repairs for those on low or fixed incomes."

While Independent Age agree with the proposals, we emphasise that in many cases the total costs of meeting the standard will be difficult for those older people living in poverty without significant financial support.

4. Do you agree with our proposal to set a minimum energy efficiency standard that can be met by either installing a straightforward list of measures, or showing a good level of energy efficiency based on a reformed EPC fabric efficiency metric?

- Neither support nor oppose

Independent Age agree in principle with both ways that the minimum energy efficiency standard can be met, however it will be vital to ensure there is a clear and accessible way for people to know exactly what is required of them to meet the standard. We also urge the Scottish Government to make sure that there is financial support available to help older people implement the measures that are applicable to the type of home they reside in.

In response to our survey, carried out in December 2023, we heard from older people who are worried about the energy efficiency of their home. The responses highlight that

¹⁷ Scottish House Condition Survey, 2022

¹⁸ Survey of 544 adults aged 65+, Independent Age, August–September 2023

¹⁹ DWP, Households Below Average Income

there is no one size-fits-all approach to improving energy efficiency due to the different types of homes throughout Scotland. One older man told Independent Age:

"I cannot afford to heat my whole home. My home is a log cabin and lacks insulation. I am trying to get a grant but it is so difficult."

Andy, who is in his late 60s and lives in one of Scotland's Island communities, told us:

"The thing is that you open the doors to go somewhere, and you lose all the heat. It's forever on your mind... It's a flat roof so the insulation isn't going to be that great... It's a lovely flat [but] they've got these huge storage heaters that cost a fortune to run so that's a problem."

While the list of measures is the most straightforward approach to setting the minimum energy efficiency standard, considerations must be paid to homes in rural areas which may require bespoke measures.

5. What is your view on the initial proposed list of measures to meet the minimum energy efficiency standard? (270 mm loft insulation; cavity wall insulation (CWI); draught-proofing; heating controls; 80 mm hot water cylinder insulation; Suspended floor insulation)

- **Don't know**

It is not clear from the consultation document how many of these measures homeowners will be required to install and which they should prioritise for installation to ensure their home reaches the minimum energy efficiency standard. Homeowners will need guidance on which measures they should invest in to suit their property. Information, whether available through the tool proposed in the consultation and other non-digital means, must be tailored, targeted, free and accessible to every homeowner, including older people who live on low and fixed incomes.

6. Do you think that properties for which most or all of the measures on the initial proposed list are not relevant should be required to meet an equivalent minimum energy efficiency standard?

- a. **No – these properties should be considered compliant once they have installed all the measures that are appropriate for their building type, even if this is few or no measures.**
- b. **Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), and they should be required to install all of these where feasible.**
- c. **Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), but they should only be required to install some of these where feasible and cost effective.**
- d. **Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), but they should only be required to install some of these where feasible, and they should be allowed additional time to do so.**

[c]

To ensure that older private tenants live in homes which are of a good energy efficient standard, private landlords must be required to meet the minimum energy efficiency standard which suit the building they own. If the measures on the approved list are not feasible for their building, they must be required to install other measures to ensure maximum energy efficiency for tenants.

Homeowners who may be required to make more bespoke and specialist changes to their home may require additional time and support to meet these costs, particularly those who live in rural areas and those living on low incomes.

18. We will need to have a way to monitor if people are meeting the Heat in Buildings Standard, and discussed two options for this.

Which do you support?

- a. Submitting EPCs alone.**
- b. Sampling a percentage of buildings.**
- c. A combination of the two.**
- d. None, there should be no monitoring.**
- e. Another method, please suggest below or explain your selected answer.**

[e]

Independent Age does not hold a strong view on the most appropriate monitoring option but notes while there are many benefits to using EPCs the onus of arranging and paying for these would be on the homeowner, which could create financial implications for older people living in poverty. As stated in the consultation document, costs for arranging EPCs can be even more expensive in remote or rural areas.²⁰ The sampling of buildings to monitor whether people are meeting the Heat in Buildings Standard would mean the cost burden is removed from homeowners.

The situation is slightly different for privately rented properties, where landlords are already required to have a valid EPC available for tenants.

19. We will need to have a way to enforce the Heat in Buildings Standard. We discussed possible options to help achieve compliance. What are your views on these ideas?

- a. I support relying on market and financial product mechanisms such as mortgages or home/ building insurance.**
- b. I support extra Council Tax and Non-domestic Rates charges, in future, for those who don't comply.**
- c. I support the introduction of civil penalties, in future, if compliance is not achieved.**
- d. I support a mixture of the above options.**
- e. I do not support the suggested enforcement tools, but have another suggestion (please provide below).**
- f. I do not support any form of enforcement.**

[e]

²⁰ [Delivering Net Zero for Scotland's Buildings - A Consultation on proposals for a Heat in Buildings Bill \(www.gov.scot\)](http://www.gov.scot), p.51

Independent Age urge the Scottish Government to consider the potential unintended consequences that some forms of enforcement suggested within the consultation document could have, particularly financial penalties for individuals. Older people living on low incomes in Scotland are already struggling to pay their bills, including Council Tax and home insurance. YouGov polling commissioned by Independent Age in May 2023 found that over one third (36%) of older people in Scotland living on an annual household income of less than £15,000 were worried about not being able to meet payments for their Council Tax bill.²¹ The same polling found that one in five older people (20%) were worried that they would not be able to meet payments for their insurance.²²

If the Scottish Government was to proceed with individual financial penalties there would need to be safeguards in place to ensure that older people in poverty, who have not been able to access support with funding or have been unsure of what they need to do, are not financially punished. Independent Age do not think there should be any punishment issued to owner occupiers who fail to meet the Heat in Buildings Standard due to financial constraints.

While we do not support financial penalties for individual homeowners who are facing financial hardship, we believe private landlords have a duty to their tenants to ensure their properties meet the standards and to provide warm and suitable homes.

Independent Age recommend the creation of a Housing Ombudsman for the private rented sector, which would be one mechanism where tenants themselves can hold landlords to account on issues of poor energy efficiency or polluting heating systems.

Q20-23

20. To what extent do you support our proposals to modify the Standard or exempt certain people from the need to meet the Heat in Buildings Standard?

21. Which people, businesses, or types of buildings, if any, should be eligible for a modified standard or exemptions?

22. To what extent do you support our proposals to give certain people extra time to meet the Heat in Buildings Standard?

23. Which people, businesses or types of buildings, if any, should be eligible for extra time?

Older people living on low and fixed incomes should be given additional time to meet the Heat in Building standard, if they require it due to funding constraints. Additionally, people who live in remote and rural areas where there may be delays out with the control of the homeowner due to limited access to the specialised labour force required to make the changes proposed by the Heat in Buildings Bill, must be eligible for extra time to meet the Standards.

²¹ YouGov plc survey on behalf of Independent Age. Total sample size was 565. Fieldwork was undertaken between undertaken 28 April - 2 May 2023

²² YouGov plc survey on behalf of Independent Age. Total sample size was 565. Fieldwork was undertaken between undertaken 28 April - 2 May 2023