

**EAS SEEP Engagement Seminar
- Report from Discussions on
Scotland's Energy Efficiency Programme**

February 2017

EAS SEEP Engagement Seminar

Introduction

Energy Action Scotland is the national charity working for warm, dry homes and an end to fuel poverty in Scotland. Energy Action Scotland's members across the country are an important source of feedback on what is working well and where the gaps remain in tackling fuel poverty. In February 2017, Energy Action Scotland ran for a fourth year a discussion seminar to gauge the views of members. The topic this year was SEEP – Scotland's Energy Efficiency Programme, which is currently being planned for launch in 2018.

The Scottish Government has designated energy efficiency as a National Infrastructure Priority, the cornerstone of which will be Scotland's Energy Efficiency Programme (SEEP) – a 15 to 20 year programme. SEEP will help local authorities to pilot new and innovative approaches to energy efficiency with community groups and businesses, helping reduce costs and improving warmth in homes, schools, hospitals and businesses.

As SEEP is much wider than a fuel poverty or a domestic energy efficiency programme, Energy Action Scotland wants to ensure that fuel poverty forms a central pillar of SEEP. Energy Action Scotland was therefore keen that members contribute to the development of the new programme and so discussion groups formed a major part of this seminar.

Energy Action Scotland members were joined on the day by members of the current and former advisory groups established by the Scottish Government to examine various aspects of fuel poverty ie the Scottish Fuel Poverty Forum, the Fuel Poverty Strategic Working Group and the Scottish Rural Fuel Poverty Task Force.

It is important to note that no overall consensus on the topics discussed was sought. There was a healthy debate and a range of views were expressed. An attempt to capture a flavour of the discussions is presented here. It is Energy Action Scotland's hope that it is helpful to on-going discussions on the development of SEEP.

The following questions were asked during the seminar, which had been extracted from a longer consultation paper on SEEP:

1. Thinking about current government schemes and the delivery landscape, what are your views on what currently works well, including aspects of existing schemes that should be retained?
2. What are your views on the relative benefits of area-based schemes as against those targeted at particular sectors or tenures in delivering SEEP? What other targeting approaches might be effective?
3. Are the current mechanisms for providing advice sufficient and, if not, what changes do you think are required? How can SEEP be designed and promoted as a 'trusted brand' to build consumer confidence and what are the associated risks and opportunities? What form of consumer redress is needed?
4. What are your views on how to set appropriate milestones for domestic energy efficiency improvement? What milestones should be set and how will we know we are meeting targets?

5. How can local supply chains be expanded and up-skilled to ensure that maximum economic benefit and job creation is secured across all of Scotland? What roles should national and local bodies play in delivering SEEP? [REF chart p12 of consultation – attached]
6. What would a good governance structure to oversee any framework of responsibilities between national and local government look like and are there any examples? What should be included in a monitoring framework to ensure that the programme is effectively monitored and evaluated?

Q1 Thinking about current government schemes and the delivery landscape, what are your views on what currently works well, including aspects of existing schemes that should be retained?

- Area-based schemes (ABS) work well as they give economies of scale (eg for applications of Solid Wall Insulation) and boost public perception.
- Local authority driven approaches are beneficial as they can target assistance better and engage better at the local level.
- A mix of schemes means that often a solution for the householder can be 'designed' ie if they are not eligible for one scheme, they might get support from another.
- The approach of setting standards such as the Scottish Housing Quality Standard and the subsequent Energy Efficiency Standard for Social Housing have helped to focus activity but there needs to be accountability.
- Home Energy Scotland / Warmer Homes Scotland was said by some to work well:
 - knowledgeable call centre staff; good communications; pleasant helpful manner; swift actions; clear options given.
- However, there were also fears about contracts being awarded to the lowest common denominator.
- The Home Energy Scotland Referral Portal was said to be vital as it is very useful for the referrer to know where a referral has gone or which stage that referral is at.
- Important to keep ECO [Energy Company Obligation] but need to iron out glitches such as processes and look at timescales for a smoother journey.
- Don't lose sight of the benefits of local schemes as these are very successful.
- It is essential to spend extra on advice as this helps to justify spend on measures.
- Remember that the Scottish Government are putting money in the pot for various measures – in England there is no financial contribution from the Government – but caps on funding can be a problem.
- While acknowledging that the Scottish Government currently funds programmes, there is a need to continue to push for more investment. This is highlighted by the usefulness of the extra money that has come from recent redress funds – however, it was noted that redress funds were as a result of fines for failing to meet standards and so should not be wished for in principle.
- Master-planning aids procurement/ funding.
- Providing additional support for families having physical works carried out are beneficial such as benefits checks/income maximisation advice, tariff checks etc.

Key points observed:

- ❖ The area based approach works
- ❖ Tailored local schemes are valuable
- ❖ There should be a one-stop-shop approach for the public
- ❖ A significant funding commitment is essential
- ❖ Strategic planning makes a difference
- ❖ Advice on energy use and income maximisation are as important as physical measures
- ❖ A referral portal provides valuable feedback

Q2 What are your views on the relative benefits of area-based schemes as against those targeted at particular sectors or tenures in delivering SEEP? What other targeting approaches might be effective?

- The area based approach is good as it is planned and covers everyone in an area. It also allows for economies of scale to be gained in delivery and can target multiple tenures. A lot of work is achieved because of the effect of word-of-mouth as people tend to trust what is said by their neighbours and friends as they spread news of schemes and of energy advice.
- The approach however raises the question about how 'area' is defined eg is it a geographic area or based on housing stock type? This led to discussions about whether the mapping process to identify and define areas is good enough and appropriate.
- A comment was made that HEEPS:ABS [Home Energy Efficiency Programme Scotland: Area Based Scheme] is good if homes in an area are homogenous, leading to the question as to whether SEEP will be flexible enough. A one-size fits all approach was not thought to be effective. Instead a whole house approach is likely to be needed. "If engaging with the household do as much as possible as this will save money in the long run since there will be no need for survey after survey".
- There may be a need to create a 'toolkit' which allows for different measures / assistance to be given depending on needs, the condition of the market place etc. Every house is different.
- The need for flexibility was perhaps reflected in the fact that some local authorities had been successful in delivering all their HEEPS:ABS commitments, while others had been active but had not succeeded in spending all the funding allocated to them and even had to return some of it. Overall, fitting into scheme rules can be challenging.
- Local authorities being the lead partner for ABS was generally supported. The local authority is generally a trusted brand. Every local authority has a different approach and it can sometimes be difficult for others to input. Smaller local authorities in particular can also have difficulty eg where they have no procurement teams.
- There needs to be flexibility for local authorities in defining areas and in designing approaches and solutions.
- Some councils may struggle to find homes that they can work on for various reasons:
 - Insulation work has been carried out already.
 - Problems dove-tailing into other funding pots.
 - Housing stock already meeting 'today's' required standards although this will change several times over the next 15 years.
 - Difficulty in telling tenants that the work that was done previously needs to be upgraded which may give the tenant the impression that work carried out was a waste of money.
 - Difficulty in cross-departmental working – each department needs understanding of how the role of another department fits with its plans, leading to misunderstandings and delays.
 - Difficulty working with other RSLs – some may already have good housing stock; some have already got a programme of work (capital spend) planned and so have no flexibility, particularly in the short-term.
- There was a view that the 'whole area' approach has not really been tested ie involving different house types with different geographies and that this mixed area approach could be tested prior to designing SEEP.
- Some voiced concern that, while local authorities were very active and a lot was going on, they were not fully engaged with the wider community and with different sectors. Housing Associations seemed to be particularly concerned about being left out of the area based approach both in terms of input and of funding and, for example, it was said that Local Housing Strategies do not include Housing Associations.

- There was a strong view that there should be a balance between national and local schemes. There was a plea not to lose sight of local schemes which can be very successful.
- Similarly, there was a strong view that, while the planned element of area based schemes is welcome, there remains a need for a reactive scheme for people who are in immediate need. There was some discussion around national schemes with a reactive link to the area. This combination was likely to require the involvement of a mixture of organisations and funding. Home Energy Scotland as the key route in to schemes and advice on a reactive basis was thought to work well.
- The view was expressed that it is important to retain the Energy Company Obligation (ECO), but that some problems required smoothing out such as its complex processes and long timescales.
- With ECO expected to be devolved to Scotland in some form in 2018, there was a general feeling that the 'Scottish ECO' might provide a scheme more suited to Scotland's needs. It was understood that the amount of expenditure via ECO might drop (to pro-rata rates per population). It was thought desirable that the Scottish ECO should continue to integrate easily with existing plans and schemes.
- Mapping and identification of areas and households was discussed. For some, this remains a challenge. Others believed there were lots of different indicators and proxies to use and not just SIMD [Scottish Index of Multiple Deprivation]. There were views that rural areas are not currently mapped sufficiently for fuel poverty with comments such as "it's a postcode lottery". SIMD was criticised for not accounting for different construction types. Many people who are in the most need do not self-promote for assistance.
- Overall the funding element of schemes was crucial to delivery. For many, sufficient funding levels committed over a period of time were really important. Comment was made on how recent 'redress funding' from fines placed on energy companies had helped fill gaps in scheme funding. However, it was also noted that fines are given out for obligations missed or where practice is left wanting and so was not desirable. It did point though to the need for flexibility and for enabling funding.
- There are issues regarding the condition of homes eg where repairs are required prior to installation. An example might be asbestos checks/removal. This led to questions about whether this will be built into the cost of SEEP. It was also asked if there would be a link made to Repairing Standards.
- Multi-year funding was thought helpful, but so was there a need for longer time to plan the process. Currently timescales do not allow sufficient time to establish effective partnerships. There may also need to be links with other agencies both local and wider eg DWP. There also needs to be time to engage fully with vulnerable households and time to affect behavioural change.
- A cap is restrictive if trying to do multiple measures – especially in rural and island areas where we already have to work with higher costs and so get 'less bang for your buck!'.
- Must find ways to get private investors involved.
- The need and importance of pre- and post-evaluation of works was discussed. This is an extra cost but does give an indication of the impact of the intervention, in particular, how it had affected people's energy costs. It was also important to understand how the various schemes aligned. However, it was queried how often in practice this pre- and post-evaluation in fact took place. It was also said that some householders will drop out of the post-evaluation for a range of reasons eg illness, change of circumstances, they have the measures they expected and want no more contact.
- The lifestyle of the householder should be taken into account – every household is different. The comment was made: "We are good at doing buildings but not people." In terms of engaging with people, it was also stated: "There is a window of opportunity to engage with householders – once it's gone – it's gone."
- There were views that we need to have a better understanding about what motivates people to act and to engage on this particular topic.

- Carrots and sticks:
 - People like to see something in their pocket – sometimes a reduction in their fuel bills is not enough.
 - There should be some sort of incentive especially for owner occupiers who may have to pay for all improvements required eg a reduction in Council Tax payment.
 - Options: 0% rates of interest for carrying out improvements.
- For some, it's the correct message (nudges) and the message might not be the same for everyone eg buy-in to solid wall insulation is often because of aesthetics and not energy efficiency.
- The topic of messages and incentives versus 'sticks' might be particularly important when considering regulation of energy efficiency in the private sector. There were some views that local authorities would have to have regulatory powers and the capacity if they were to take the lead and be effective if such regulation was brought in.
- Energy advice and in particular when delivered face-to-face is a way of raising awareness of the schemes and possibly increasing participation.

Questions were also raised about how action on domestic and non-domestic properties will sit together in SEEP.

- With local authorities as the lead partner, Local Heat and Energy Efficiency Strategy development [which is currently out for consultation by the Scottish Government] should help for non-domestic properties.
- Warm Zones tackle domestic and non-domestic properties.
- A comment was made that a lot of the discussion about the area based approach assumes that the domestic fuel poor are the target audience. Whilst alleviating fuel poor is important, this concentration is not reaching non-domestic or private owner areas. Mustn't lose sight of target of energy efficiency and carbon emission reduction.
- It was said that there are silos within local authorities. Local authorities have consistently led on housing and have done so in association with other housing bodies but much, much more will need to be done to unite strands within the local authority for domestic and non-domestic collaboration.

Key points observed:

- ❖ The area based approach is good but flexibility is needed to suit the area and house-type and the life-style of householder
- ❖ Do as much improvement as possible on one occasion to avoid multiple visits over time
- ❖ The role of energy advice was emphasised again and again
- ❖ Variations in local authority approaches eg procurement can cause complexity
- ❖ There appears to be real concern on part of housing associations that they will not have a role in SEEP
- ❖ Mapping eg using SIMD and data-sharing eg with DWP as ways of identifying and targeting still require improvement
- ❖ Concern expressed over how the domestic and non-domestic aspects of SEEP will sit together

Q3 Are the current mechanisms for providing advice sufficient and, if not, what changes do you think are required? How can SEEP be designed and promoted as a 'trusted brand' to build consumer confidence and what are the associated risks and opportunities? What form of consumer redress is needed?

Providing advice

- There was a lot of discussion and comment made throughout the day on energy advice and how essential it was. However, it is often seen as the poor relation of energy efficiency.
- Points were made about energy advice delivery being delivered by local partners but possibly becoming funded as a main function of schemes. Funding energy advice is worth it as it can bring far more benefits than the cost of delivering it in the first place.
- Face-to-face and tailored advice is essential to uncover a raft of issues and assist in alleviating fuel poverty. Not enough is invested in face-to-face advice. Face-to-face is a way of raising awareness of the schemes.
- In minority communities, face-to-face advice is absolutely key. These communities often don't know anything about suppliers or area-based schemes so they don't respond to letters or information sent out to them.
- Face-to-face advice is important when advising on fuel switching. There can otherwise be difficulties as this is not something that can always be done over the phone/online due to house circumstances, pre-payment; meter use, debt etc.
- The point was made about on-going advice being more of an advocacy role. Having this as a long term relationship helps keep energy efficiency at the forefront of minds. Need to find out if the work done is still having an effect on people's energy costs. It is also important to establish whether the householder is making the best use of measures installed and can understand how to use them appropriately. For example, people need to understand what comfort levels they should be achieving and not just what they think they should be. Information also needs to be relevant eg most people are not interested in carbon savings but do want to be warm and able to afford their energy bills.
- For the very poor, they're the ones who really need face-to-face advice. Not everyone needs it. Want to make sure that the people who need that face-to-face advice are the ones who actually get it. It is very resource-intensive and therefore it is good to have a link with other agencies.
- There were some discussions about the need to have appropriate heating controls and for advice on using them.
- There has got to be a flexible approach and we also can't make assumptions. Some people need advocacy and hand-holding through the process. But not everyone wants face-to-face advice. Many people are happy with advice by phone or by electronic means. A flexible approach would also be more cost-effective as face-to-face advice is resource-intensive and therefore more expensive.
- Carrying out post-installation visits is a challenge. It's possible that people will drop out of the post-evaluation. There needs to be better timing of this advice.
- Who is best to give that advice? Should it be the contractor who has a responsibility on site to educate people and is part of that customer journey? Or the local authority lead? Can train up local community groups, as trusted intermediaries. Getting that trust takes years and often local advice agencies have limited funding which runs from year to year. This lack of funding and short term nature of funding for local advice agencies undermines ability to make longer term plans.
- The onus is on contractors. However, need to consider the seasonality of the measure [giving advice in summer that applies in winter may well be forgotten]. There is a continuity element – the contractor handing over to the local group - need to leave the legacy behind and that is the local group.

- Advice provision also needs to be monitored and evaluated. Advisors should have training and accreditation eg City and Guilds.
- Education in energy issues is important as it has longer term benefits eg one day people who can afford their energy bills now may have a change of circumstances and they find themselves with no savings and on a pension. In the same way, advice provision could be extended from energy advice to, say, debt management and to wider topics such as money and bill handling eg advice on energy, health and finance.

Trust/Consumer confidence

- Many views felt that the local authority involvement instilled trust in a scheme. Comments were made such as “People always phone the council.” Not everyone agreed, however, and there were some views that owner-occupiers might be less likely to engage with a council scheme.
- There was support in terms of building confidence and brand awareness in a one-stop-shop approach such as with Home Energy Scotland.
- Having a consistent message was suggested as being important, even if that message was delivered by a range of bodies. However, there was a plea for fewer acronyms.
- There were mixed views on the names Home Energy Scotland and Warmer Homes Scotland. Some argued that the names were meaningful and resonated with customers. Others found the names less engaging. People generally disliked acronyms and there was also discussion about whether there was a need to have separate brands for SEEP Domestic and SEEP Non-domestic.
- It was also suggested that the experience of the householder in engaging with the scheme that builds a trusted brand. It was suggested that records of work done should be kept for others to see.
- There was a real worry, particularly among housing providers, that changing priorities would damage reputation and trust eg if in later years of SEEP the requirement to reduce carbon led to the replacement of the gas heating systems being installed now, then tenants/householders could think mistakes had been made and that short-sighted plans had wasted their money ie rents.
- Some proposed that peer-led communities and local champions are models that work well in building awareness and trust.
- The smart meter rollout was viewed by some as an opportunity to engage directly with households.
- People needed to have confidence in claims made eg for energy savings ie real outputs and not just guesstimates – although the point was made about increases in thermal comfort as opposed to there always being a reduction in energy use. This also led to some discussions about the need to have appropriate heating controls and for advice on using them.
- Some views were that given that SEEP was intended to run over many years, then “that’s time enough to get everyone in Scotland to understand it”.

Redress

- There are issues around warranties. Many people don’t understand the warranties or guarantees that they have. Some participants had experience of referrals to CIGA that ‘got nowhere’.
- There was agreement that there were ‘charlatans’ and ‘cowboys’ out there, eg that pose as delivering ‘government grants’, and they have to be weeded out as they gave the accredited companies who were part of the official schemes a bad reputation and customers did not get what they expected.

- It is recognised that there is a need for formal accreditation but the cost and administrative burden of this has to be minimised, especially for smaller companies.
- The recent Bonfield Review is looking at standards in the industry.
- Short timescales for delivery and unrealistic budgets can also drive down standards.
- Time spent with the customer upfront to explain fully can help to match expectations with outputs.
- There needs always to be a clear complaints procedure.

Key points observed:

- ❖ The importance of energy and other advice was very much emphasised but this is often treated as optional or as the poor relation compared with physical measures
- ❖ The funding (and timing of) advice is important and should become a main stream part of programmes
- ❖ Face-to-face advice and advocacy are necessary but also need a variety of options such as phone and online advice
- ❖ The role of local trusted intermediaries is often the key to success of a programme
- ❖ Local authorities are seen as a trusted body overall so good to have them lead on programmes
- ❖ A brand that 'does what it says' is needed rather than an acronym
- ❖ People need to have confidence in claims made eg on energy savings and also in decisions being made eg will a gas system being installed today be replaced soon because carbon savings over-take fuel poverty reduction as a priority?
- ❖ Accreditation and monitoring are needed to ensure quality but must avoid this becoming a barrier to smaller companies
- ❖ Unrealistic delivery timescales can lead to corners being cut
- ❖ An effective complaints procedure is required

Q4 What are your views on how to set appropriate milestones for domestic energy efficiency improvement? What milestones should be set and how will we know we are meeting targets?

- There was a strong view that milestones cannot yet be set as the overall targets have not yet been set. The overall ambition is needed first. Currently there are many consultations running on various factors that link to fuel poverty/energy efficiency. It was felt by many that there are too many unknowns at present to answer this question now on setting milestones. “It’s a bit like a jigsaw with missing pieces or no picture to follow.”
- There was a view that lessons must be learned from what has gone before in order to plan ahead.
- Need to recognise that we are living in an environment with diminishing budgets.
- The view was expressed that not all focus should be on meeting energy efficiency or carbon targets but should focus primarily on ending fuel poverty and achieving affordable warmth.
- There was concern expressed about potential conflict between carbon reduction targets and fuel poverty targets.
- It was suggested that ambitions be set high but with interim targets. Others stated that the reduction targets are big with the implication that they are rather too big.
- Plans could lead to investment difficulties.
- Several consultations are due out this year which will have an impact on planned work by local authorities and housing associations.
- Short timescales with lots of unknowns making it difficult for people to plan ahead. Need to know now what the target is to allow people to plan accordingly.
- For some, the long time period planned creates its own problems:
 - You would expect a boiler to last 15 years; however, a boiler fitted today may not meet the standard in 15 years and therefore working towards any new standard would be pointless today.
 - There are capital spend cycles within local authorities and housing associations – it is difficult to plan as targets are unknown.
- It may not always be seen as cost effective to upgrade existing systems as the payback is too long.
- Difficulty going back to tenants to explain that even more work needs to be done in their property. Tenants don’t always understand that it is new legislation that means work needs to be done and not a mistake by the housing provider when previous work was carried out.
- Other standards and/or targets that should be considered include:
- Energy Efficiency Standard for Social Housing by 2020: The approach of setting standards such as the Scottish Housing Quality Standard and the subsequent Energy Efficiency Standard for Social Housing have helped to focus activity – but there needs to be accountability eg there needs to be ‘sticks’ rather than ‘carrots’ although some felt that the variety of house types, areas, etc were a form of ‘stick’ as they pose challenges.
 - Smart meter rollout (complete by 2020).
 - Building Regulation: the majority of work is carried retrospectively as new housing is built to at least today’s standards. However, this housing stock should not be forgotten when the new targets are announced.
 - It was stated that this is a big link between medical condition and need for heat and so there was some view that this aspect should be considered when setting targets.
 - Energy efficiency of property has a connection with the carbon reduction of the property.

- Some expressed views that there needs to be an absolute standard rather than stepping stones or incremental improvements. Eg get a model, look at the maximum improvement possible, then set that as a standard for 20 years.
- Others thought there should be tiered funding based on milestones. There could be target bands (tax). Milestones could be based, for example, on an annual percentage increase in C-rated or better energy ratings for homes (*and take into account that achieving C-rating won't necessarily hit the fuel poor*).
- A national target for Scotland should be diverse as different issues/problems in different geographical areas – one size does not fit all.
- Views were expressed on the need to look at real energy use and not a reliance on modelled/expected/assumed energy use. “There is a big disconnect between what we do and what it says.” “It is a model not reality.”
- There were views that consistency is important.
- In some instances it is impossible to improve efficiency as technology not invented yet. Technology is changing all the time. This must be considered when setting plans.
- Need structural surveys on buildings of non-traditional construction to see whether these homes can take measures. Then we need to agree alternatives (in terms of measures and standards).
- There was a lot of discussion on the role for EPCs [Energy Performance Certificates]. Views included: EPCs are the best proxy at present – or best of a bad bunch! EPCs don't work well, especially for the Scottish housing stock. The EPC is a modelling tool based on a set of assumptions; it is a model not a reality. Needs to be about how people live, differing needs, etc.
- The SHCS [Scottish House Condition Survey] was discussed as a progress measurement tool. It can measure regularly over the 20 years.
- There were discussions about changing circumstances over time affecting longer term plans and targets:
 - Income levels may change: “2 years ago it was easier to look at income as well as energy efficiency.” “Today the energy efficiency side is a lot easier to do due to changes in the welfare system.”
 - Fuel price changes: there was some concern that measures fitted equals money saved but with the increase in fuel prices the money saved is not seen by the household.
 - The property remains the same – only occupants change.
- Homeowners need a ‘stick’ ie make improvements to your property or you will not be able to sell – but this may become a real big issue.
- Targets for private landlords must be feasible.

Key points observed:

- ❖ The high level strategy, plan and target must be in place before milestones can be set
- ❖ Data on current and past scheme performance is required in order to plan ahead
- ❖ Longer term plans are thought helpful to stakeholders / delivery partners in terms of their planning
- ❖ When setting longer term plans there needs to be cognisance of how circumstances can change over time and so flexibility must be built in
- ❖ Need greater clarity on use of modelled and actual data and of proxies

Q5 How can local supply chains be expanded and up-skilled to ensure that maximum economic benefit and job creation is secured across all of Scotland? What roles should national and local bodies play in delivering SEEP? [REF chart p12 of consultation – see appendix 1]

Up-skilling and Job Creation

- With a 3 year plan for warm homes scheme projects, people can then upskill, and train apprentices. As a business, can't plan when it is year to year funding.
- SEEP is a long term project so can upskill through the supply chain.
- An exemplar was given of the Warmer Homes Scotland (WHS) scheme which is a longer-term programme. It was discussed if it had created an environment that is more beneficial. There was a view that the longer term commitment has enabled WHS to take on specific contractors and work with them to drive up quality, which was said to be extremely high. "It gives you teeth, clarity, there is a reward and you have to earn it. There is security." However, it was also said that the drivers to procure contractors are different for WHS (which is Scottish Government funded) from a commercial organisation. It was also noted that it's highly unlikely that for the contractors on the Warmworks [Managing Agent for WHS] framework this is their only source of income.
- Warmer Homes Scotland has a 5 year commitment and budget; however HEEPS has year on year funding. Questions were asked about SEEP and whether its funding will be more short term or else longer term with phases eg for engaging with contractors. It was asked if the same contractor would be engaged for the whole term.
- There was a view that multi-year funding is best.
- Long term strategic planning and the involvement of local authorities build a bigger picture to have a master plan. It states 'in year 1 this is what we'll do', 'in year 2 this is what we'll do' etc. This builds up a much stronger picture in order to aid procurement. And in turn allows a build-up of the workforce.
- SEEP is to be in place for a number of years so can local authorities etc plan for that length of time? Everything else is planned, so why can't local authorities be 'ready to go'? Local authorities wait until they've got the budget so they are having to start from the beginning each time.
- The amount of planning that goes into it is huge. All local authorities are different. Some councils have a team, other councils have one person dealing with energy efficiency. Plus they are still having to understand the private sector. There are plans for the low-hanging fruit for the next 5 – 10 years. Multi-year funding will allow councils to 'do fancy stuff' ie to go beyond the basics.
- But in contrast there was also a query about long-term budgetary commitments and whether this is a good thing. There was a view that "year on year funding is good as it sharpens people and keeps them on their toes".
- On getting people into work and longer-term prospects: need to know what funding is there. Are you likely to invest in new posts when you don't know if funding will be there in the next year?
- It was said that when working in deprived areas with skillseekers, year on year they're managing but there is no certainty.
- ECO funding is being cut. "The bottom line is there is no guaranteed funding and it has been more difficult recently."
- It would be good to have long-term master plans, for there to be decent funding and access to other tools such as minimum standards, renewables, district heating – these are also needed. The whole package is needed alongside the funding.
- Development planners need to be involved in order that projects are joined up eg district heating.
- It was said there is a skill shortage regarding solid wall insulation (SWI), but there was a belief that industry could be demand-driven if given longer timescales such as for SEEP.

- A difficulty highlighted was that there is more construction industry activity and so investment in recruiting and training staff is often wasted because they are 'headhunted' for new construction jobs. This can make it challenging and costly especially for smaller companies.
- Additional skills are required but not just in 'trades'. Staff are needed from concept through to delivery and completion and so will need planners, project managers, etc too.
- Expand the local skillset via the tendering process ie tenders must include trainees (local).
- There needs to be local support for small local firms – SEEP must find a way to facilitate this.
- SEEP needs to build an informed client base ie the local authorities/partners who'll implement the scheme.
- There are blockages:
 - Bureaucracy doesn't help.
 - The SEEP pilot requires innovation, decarbonisation, renewable technologies. It's difficult to demonstrate innovation in 1 year. Have to build up a body of evidence that the technology works (eg CARES).
 - Councils are open to innovation, and RSLs work with local authorities in pilot schemes. Eg double glazing units, PVC windows. The gain is in getting the technology bedded in. However in 20 years' time these systems will start to fail.
 - Funding is dependent on results. Feasibility studies are necessary, as otherwise an 18 month investment could be wasted in a programme that runs for 5 years.
 - The problem with annual funding is that it is stop-start. A challenge for SEEP will be how to get other funding streams to align: SEEP - non-domestic projects - innovative projects.
- There was a suggestion of using the Merton Principle ie only build housing if you are going to connect it to low-carbon heating. This would show the best value for money for the public purse.
- This is not just about job creation - it is about keeping people employed in local areas, and not losing the skills.
- Ideas around using Community Benefit and employment apprenticeships might need to be explored.
- Warmworks must offer apprenticeships as a condition of their contract for Warmer Homes Scotland. Could this be part of the SEEP contract? Could this condition also work for ensuring a local workforce is used? Could there be licensing to work in certain areas?
- It was said that while it is good to employ local staff, however, is it legal to restrict recruitment in that way? There was a reply that 'it is written into fuel poverty funding from the National Lottery that people from the local area that had been unemployed for more than 6 months could be hired'.

Accreditation

- It was said that SEEP needs to invest in quality.
- It was asked why we are constantly re-inventing accreditation.
- It was claimed that accreditation in itself doesn't guarantee quality. Sufficient monitoring is also required. An example was given regarding the standard of work for room-in-roof insulation. Where there is 100% technical monitoring by one organisation then contractors now expect this and the standard of work is therefore consistently high.
- Why are organisations like the Royal Institution of Chartered Surveyors (RICS) not involved? If a professional association such as RICS became involved/engaged with SEEP, the benefit would be to have an organisation involved which is highly thought of

eg RICS accreditation. "There would be the organisation behind you looking over your shoulder."

- On upskilling individuals within the industry some expressed the view that at present there are no standards, it is labourer driven.
- It was stated that customers don't care (in general) what accreditations an organisation holds.
- The view was stated that self-regulation 'doesn't work'. However, this was countered by the view that 'Gas Safe self-regulation works'.
- Could use the example of the Gas Installer magazine has a section 'the good, the bad and the ugly' where they name and shame mistakes. This helps the Industry make the standards so high. But it was added - do we have to wait until somebody dies before something gets done?
- The high cost of accreditation may put small businesses out of the running. It was said that these high costs come from the accreditation bodies.
- The cost of accreditation in rural areas is a real concern. Rural areas don't have the level of business to make up those costs, so this is not worthwhile for them.
- Need to find a way of not compromising standards but enabling small companies to be able to participate.
- We shouldn't compromise the level of quality. Who sets the quality? Accreditation bodies enforce that standard but who sets it? By persons who have an evidence-based approach, then the government ratifies that.
- Of the current PAS 2030 quality management system – accreditation bodies certify installers' membership; "It is not in their interest to chuck people off the scheme as they would get less money in fees therefore people stay PAS accredited".
- There is a long history of failed schemes eg The Green Deal. This does not help make the case.
- Persons should be accredited as well as products eg energy advisors.
- A concern was raised that the NHS has no accreditation scheme for contractors working with mental health patients as a group of very vulnerable customers.
- The comment was made that energy advice agencies are always applying for funding but with so many chasing the same money it is difficult to justify the staff time completing the application forms.

Key points observed:

- ❖ Strategic planning and longer term / multi-year funding is best as this allows more certainty for businesses in order that they can invest in their workforce and in skills and training. It avoids the stop-start situation of recent years.
- ❖ Need to be cognisant of the need for flexibility and adaptation as circumstances change over time eg economic, technological etc
- ❖ More is needed to resolve the challenges of building up local employment eg in procurement terms and in understanding of recruitment regulations
- ❖ There needs to be more clarity in the role of existing accreditation bodies
- ❖ There could be benefits in establishing which monitoring models currently exist and that have good outcomes instead of re-inventing the wheel
- ❖ The need for accreditation and quality control is accepted but the cost of this is over-burdensome to small companies and especially in rural areas where economies of scale are unlikely to be attained
- ❖ Professionals dealing with the public and in particular with vulnerable customers must have appropriate training

Q6 What would a good governance structure to oversee any framework of responsibilities between national and local government look like and are there any examples? What should be included in a monitoring framework to ensure that the programme is effectively monitored and evaluated?

- First there is a need to establish what governance is intended to achieve and how success is defined.
- For fuel poverty, it was said that there is a need for a target for eradication and any revised definition first.
- There were views that evaluation should be set by someone independent.
- Scrutiny of projects should be done independently and be obligatory but with ultimate responsibility going back to the Minister.
- Monitoring and evaluation are not ends in themselves: someone needs to act on the results.
- Funding is based on hard outcomes and so evaluation cannot be subjective.
- How to build the technical expertise required for this? Examples included:
 - Clerk of Works or similar role in terms of governance, but there is a resource issue.
 - Trades bodies etc (link to the recent Bonfield Review).
 - Should there be a 'time limited' body overseeing the strategic delivery?
- There was a quite a lot of uncertainty about this this is carried out now. How does Parliament scrutinise this? Who is overseeing all of this? What are the mechanisms for reporting targets?
- It was thought that often evaluation is reported as outputs in terms of numbers. "Outputs are not enough, we need outcomes".
- In addition to knowing the work has been carried out correctly, there must be a way to monitor if the measures have made a difference.
- There is a need to decide what has to be monitored and evaluated. This might include:
 - Quality of the product – but is this the job of a scheme?
 - Quality of the installation and whether the measure was appropriate – but how subjective is this?
 - Quality of advice and information and checking that it has in fact been delivered.
 - Householder behaviour and changes in such.
 - Changes in insulation levels.
 - Energy savings / fuel bill savings / increases in thermal comfort.
 - Amount of carbon saved.
- It was noted that domestic and commercial properties are evaluated differently.
- It was suggested that more attention should be paid to householder feedback.
- There was a view that the question should be 'has the improvement brought people out of fuel poverty?'.
 - The driver should be – does it make a difference to peoples' lives?
 - "Householder's 'sense of wellbeing' after improvements is being overlooked."
- There was a view that evaluation is "overwhelmed by statistics instead of measuring health and wellbeing improvements for individuals".
- It was said that sometimes having a big target output is overbearing on the more important things for people – health and wellbeing etc.
- There is a need to focus on the beneficiaries of schemes, and the softer side such as energy efficiency advice and whether it has succeeded in changing perceptions and in breaking habits. Feedback on the human side is needed. Need to gather the benefits such as effects on health and wellbeing – that is itself a success.
- Need proper evaluation of HEEPS:ABS which looks for better indications of outcomes for people and for the impact of measures locally.
- It was said that, until now, there has only been an interest in the number of outputs per year. "Now, we are going back to customers and saying – can you get your fuel bills

from HEEPS 1 and have you reduced your energy costs? Has the system done what it is supposed to do? It's hard trying to navigate through that information, but getting it is very useful. It's time consuming and it's a challenge".

- It was asked if local authorities can get information on an individual's energy use [in order to establish energy use pre- and post-intervention] and the answer was no, but customers can get this information individually. This raised the issue of data sharing between agencies/bodies.
- It was highlighted that evaluation can take the form of energy monitors being put into the property to measure heat etc. There are lots of obstacles, however. Making comparisons month to month and year to year in order to show if there has been a reduction in energy use in individual properties is difficult to do because the customer needs to keep individual records. Where customers are on prepayment meters then historic data can be obtained from these.
- It was raised that procurement is an issue for such monitoring of changes in energy use – procurement processes in councils are restrictive for obtaining these monitors.
- The timing of evaluation in terms of making a difference is important: sometimes seasonal factors are present and sometimes householders need time to adjust eg to a new heating system.
- Post-evaluation is often the most important as it can show if there have been any improvements. However, keeping the customer engaged until this point can be a challenge eg some customers are no longer willing to participate once they have the measures they wanted. Further engagement may be seen by some customers as being too intrusive.
- It was noted that the value of monitoring and evaluation must be balanced against the cost of carrying it out. Views ranged from "The monitoring framework must be robust" to "Current schemes are quite heavily monitored – contractors are not having an easy job".
- The importance of learning about what does and does not work and information sharing and dissemination was raised eg the SHEEN Forum plays a part in how local authorities learn from each other.
- There was a lot of discussion about measurements and in particular the value of EPCs.
- There needs to be a realistic picture of measures – installing measures does not always mean that the householder has more money to spend depending on how bad the house was pre-measure and the lifestyle of the householder.
- Money saved could be because the householder has:
 - Switched supplier.
 - Reduced the amount of time they have heating on.
 - Change in lifestyle – employed/not employed; healthy/sick.
- Should we be measuring the difference a measure makes using the 'units' used pre-measure against 'units' used post-measure?
- EPC does not reflect the actual use/savings of a measure as it is based on a 'model' and not the lifestyle of a household
- EPC has many flaws.
- What can be used instead of EPC?
- Given the cross-cutting nature of fuel poverty, there were also some suggestions that the impact of interventions on other areas, eg health and children's attainment levels (in education), could be measured. However, the complexities of doing this were also acknowledged.

Key points observed:

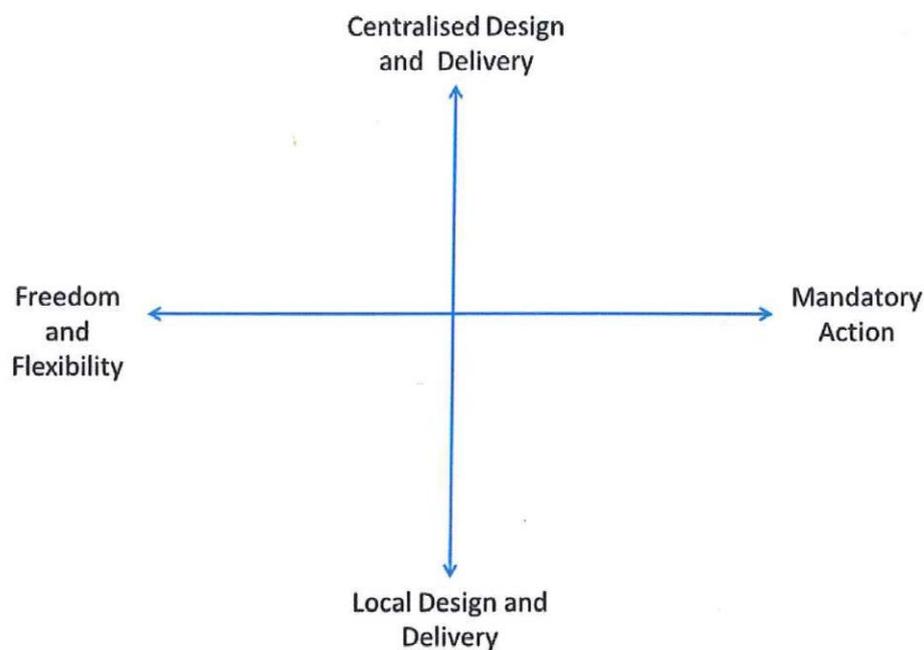
- ❖ Customer satisfaction and improvement to quality of life is as important to establish as the quality control surrounding the measures installed/delivered

- ❖ There appears to be a lack of knowledge among stakeholders about who currently has responsibility for monitoring and evaluation and for acting upon its results
- ❖ The impact of interventions on health and wellbeing seems to be an area that has support for further investigation
- ❖ A balance must be struck between monitoring and the onus on the client to co-operate, especially as post-job evaluation can see a high level of drop-out. Other methods such as data-sharing need more exploration.
- ❖ The value of the contribution made by EPCs as a tool appears to be a topic that raises very mixed views

4. SCENARIOS

Scenarios for policy objectives and how to deliver them

31. The Scottish Government recognises that in designing a programme of this scale and nature, there are many different routes to achieving our vision and underpinning objectives. We have already worked with stakeholders and partners through workshops to scope out a series of initial potential policy and delivery scenarios for the Programme. During workshops, participants were asked to consider a range of issues relating to the different aspects of the Programme and particularly how these may operate differently across a spectrum of choice (freedom of choice vs. mandatory action) and balance between local and central delivery and governance, as shown in the diagram below.



Source: Page 12 of the Energy Strategy – Scotland’s Energy Efficiency Programme (SEEP) consultation document issues by the Scottish Government

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