

Coming in from the Cold:

Minimum Standards of Energy Efficiency in Private Sector Housing – The View from Consumers and Bureaux



*based on the evidence of
independent research and
Citizens Advice Bureau
clients across Scotland*

About Citizens Advice Scotland

Citizens Advice Scotland (CAS), our 61 member Citizen Advice Bureaux (CAB), the Citizen Advice consumer helpline, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. We are champions for both citizens and consumers and in 2013/14 the Scottish Citizens Advice service helped over 330,000 clients in Scotland deal with over one million issues overall. In addition, the Scottish section of our self-help website, which provides information on rights, receives approximately 4.2 million unique page views annually. In 2013/2014, our CAB network recorded a financial gain for clients of over £125 million and independent research¹ shows the Scottish CAB service contributes an annual total benefit to the common good in Scotland of nearly £170 million.

In April 2014, the statutory roles and responsibilities of Consumer Futures were transferred to CAS and Citizens Advice, our sister organisation in England and Wales. Together we now represent the interests of citizens and consumers in the essential regulated markets of energy, post and, in Scotland, water. These new functions add to and enhance CAS' existing consumer advice and campaign work, as well as giving us even more opportunity to make a real difference to people's lives. We will continue to engage with government and the energy industry to challenge and shape policy to ensure it meets the needs of consumers now and in the future.

¹ Fraser of Allander Institute (2014) [The continuing financial benefits of advice provision to the common good: the example of the Citizens Advice Service in Scotland](#)

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Introduction

In fulfilling our enhanced roles and responsibilities CAS represents Scottish consumers on the Scottish Government's Regulation of Energy Efficiency in the Private Sector (REEPS) working group². This is a stakeholder advisory group working closely with the Scottish Government to draft regulations for consultation that will improve the energy efficiency of Scotland's existing private sector housing stock.

The membership of the REEPS working group is drawn from a cross section of interest groups in Scotland. This includes consumer groups, environmental groups, private sector landlord representatives, landowner representatives, local authorities and members of the Scottish Fuel Poverty Forum. The working group is currently considering the full range of issues around any potential future regulation ahead of a full public consultation later in 2015. REEPS is one of a series of policy responses from the Scottish Government for meeting statutory targets on reducing Scotland's greenhouse gas emissions, as well as eradicating fuel poverty, as far as reasonably practicable, by November 2016.

As part of CAS' contribution to the REEPS project, we agreed to commission independent research that could help inform the working group's understanding of homeowners' and private rented tenants' attitudes and awareness of energy efficiency measures, including the potential barriers to taking action and consumers' likely response to any future regulation. The full research report is available separately on the CAS website³. This accompanying evidence review complements the commissioned research by summarising the key findings from four focus groups, and brings these findings together with additional evidence collected by the Scottish Citizens Advice service. These further insights have helped identify the everyday realities for many Scottish households unable to adequately heat their homes or who live in poor quality housing, which can often lead to preventable health problems.

The evidence presented in this report highlights the extent of current consumer scepticism about regulating for minimum standards of energy efficiency. Nevertheless, despite potential difficulties, the evidence convinces us that the Scottish Government needs to be ambitious when it comes to setting and enforcing a minimum standard of energy efficiency. In summary, our key conclusions and recommendations are:

- Consumer detriment in private sector housing makes a compelling case for introducing a minimum standard of energy efficiency, but this will need to include a trajectory for improving standards further in the future as ratings improve overall.

² Scottish Government (2013) [REEPS Working Group](#)

³ Rocket Science UK Ltd & Changeworks (2015) [Final Report – Energy Efficiency Focus Groups](#)

- Binding regulations need to be fully supported by a system of enforcement that the public has confidence in and which is perceived to be both fair and reasonable. This should include appropriate protections for tenants in the private rented sector so that rents are not unreasonably increased by landlords who will be obliged to improve their properties' energy efficiency rating.
- Property owners will need adequate support and impartial advice, from trusted sources. In some instances this may need to include financial assistance. The Scottish Government should therefore explore appropriate funding streams to support compliance across the sector.

The View from Consumers

The independent research consultancy Rocket Science UK Ltd and the environmental charity Changeworks were commissioned by CAS to design and conduct qualitative research with Scottish consumers that could help us to better understand homeowners' and private rented tenants' attitudes and awareness of:

- domestic energy efficiency measures;
- barriers to installing energy efficiency measures; and
- potential future regulation of energy efficiency standards in the private sector.

In total four focus groups were convened: two in an urban setting (Edinburgh), and two in a rural setting (Jedburgh). In each location, one focus group was made up of home owners and the other tenants. The research findings report is available separately on the CAS website³. The key insights for CAS and their possible consequences for the REEPS project are discussed below.

What makes a good home?

The research findings report highlights how across all four focus groups, regardless of location or tenure type, the research participants tended to report a property's location as being the most important aspect when it comes to finding a good home. A view generally held is that quality of life is improved by the provision of high quality and sustainable housing. Indeed improving the quality of life in Scotland's neighbourhoods and communities is one of the Scottish Government's five strategic objectives:

“Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life”⁴.

However, where views within the focus groups diverged was in relation to the specific factors prioritised by individuals. These factors varied depending on whether individuals lived in an urban or rural location. Also, while a property's general condition and its standard of repair was highlighted as important across both the owner occupied and private rented sectors, it was more common for owners to focus on the “condition of the property” compared to tenants, who usually had a lower expectation about what is considered to be an acceptable housing standard.

The importance of energy efficiency to consumers

When it comes to making a decision about whether to buy or rent a particular property, the focus group participants in both sectors often reported that while

⁴ Scottish Government (no date) [Safer and Stronger Scotland](#)

energy efficiency is an important factor, it is rarely a deciding one. As one participant suggested:

“When you first look at a house it [energy efficiency] isn’t in your mind; but after you live in it for 6 months...”

This fits with a broader view that even though many people have become increasingly aware of energy and climate change related issues, there has tended to be weak market ‘push’ and a lack of consumer ‘pull’ for energy efficiency interventions⁵. This goes some way toward explaining, in part at least, the apparent inertia in relation to energy efficiency we see reported here and elsewhere.

The above owner occupier’s quote about energy efficiency not being a priority when looking at property also indicates the way energy efficiency is often considered to be something to be acted upon after a property has been bought. For the tenants in the research it was often the case that because they will accept a lower standard of property quality, the role of energy efficiency on the decision to rent a property is considerably lower. As one individual remarked:

“You can see the physical things like the draught strips but you don’t know [the energy efficiency] until you move in”

Nevertheless, despite this kind of view being expressed, across both tenures and regardless of location, it was common for the participants to emphasise “warmth” and “comfort” as being just as important as the cost of energy, if not more so in some instances.

Awareness and use of Energy Performance Certificates

In keeping with this view that energy efficiency in the home is an important factor, if not a deciding one, awareness of the requirement to have an Energy Performance Certificate (EPC) when selling or renting a property varied considerably amongst the focus group participants. When prompted by the facilitator, using an actual Home Report or EPC, most owner occupiers knew about the requirement to have a Home Report when selling a property. Similarly most of the tenants recognised the EPC and knew there was one somewhere at home. With research elsewhere suggesting that the majority of people consider it important to see the EPC rating for a property⁶, the focus groups we commissioned indicated that – at the very least – there is public knowledge of those documents, which have been designed to help buyers, sellers and renters make informed decisions about energy efficiency.

⁵ Boardman, B. (2004) [New directions for household energy efficiency: evidence from the UK](#). “Energy Policy”. Volume 32, Issue 17, Pages 1921–1933

⁶ Watts, C., Jentsch, M. F. and James, P. A. B. (2011) [Evaluation of domestic Energy Performance Certificates in use](#). “Building Services Engineering Research and Technology”. Vol. 32, No. 4, pp. 361-376

The focus groups with owner occupiers in particular appeared to support other evidence that has shown awareness of EPCs amongst UK homebuyers is relatively high⁷. Though there was less clear evidence of action being taken by owner occupiers in response to any EPC recommendations. Indeed one owner occupier suggested the EPC is just something to be “put straight into a drawer”. When it comes to the private rented sector the literature suggests that awareness of EPCs is lower amongst tenants⁶, though these focus group findings seem to go against this, with renters reporting widespread awareness.

Participants’ views of the usefulness of EPCs also varied. Most renters in the research viewed the EPC as being of most relevance to landlords, rather than tenants. As one focus group participant acknowledged: “[It tells me] you could improve that but it’s not my property, so I don’t really care”. Though there were some exceptions to this view. Rural renters in particular suggested that the EPC is potentially useful for getting landlords to undertake energy efficiency work. Owner occupiers reported considerable distrust of EPCs, questioning whether they could accurately account for how people actually live in properties. Overall the focus groups seemed to suggest that the EPC is a useful resource when it comes to buying or renting a property, but this occurs within limits. Of most significant concern were issues around the trustworthiness of EPCs and the extent to which they will lead to individuals taking any action.

Energy efficiency at home

When it comes to doing energy efficiency in the home, a dominant view across all four focus groups was that energy efficiency is mostly about doing the easy things, such as turning off lights, turning down the heating, etc. While reducing the size of energy bills was seen as generally desirable, as already mentioned, it was more important for the participants to emphasise “comfort” and “warmth”. As one participant remarked:

“Since doing the loft we only have one radiator on downstairs. We put in extra insulation not for heat retention but for noise, but now the house is unbelievably warmer”.

The focus group findings suggest that owner occupiers are more likely than tenants to report that they would be willing to make improvements to their home to make it more comfortable. Renters were less likely to hold this view because they generally expected rental properties to be of lower quality than privately owned ones, and they felt that landlords would only be interested in energy efficiency improvements if: “it was free and the tenant organised it”. This appears to support additional evidence reported elsewhere: a 2012 survey of Scottish consumers found that amongst those who had not taken any action on energy efficiency in the previous two years, the

⁷ Lainé, L. (2011) [Room for improvement: The impact of EPCs on consumer decision-making](#)

most common reason given was that they were renting their property⁸. This helps to explain the lack of action on the part of tenants, who consider the energy efficiency of their homes to ultimately be the responsibility of the property's owner.

Meeting a future minimum standard

With all of the activity going into the REEPS project, there has been less direct public engagement by the Scottish Government on the idea of regulating for a minimum energy efficiency standard in private sector housing. It is therefore of no surprise that the focus group research unveiled scepticism for the idea of regulation, particularly amongst owner occupiers. As one participant suggested:

“It’s a bit Big Brother-ish, isn’t it? If you’re living in a house, you know that you should insulate your loft to keep it warm, to keep your bills down. You don’t need the Government to tell you”

While the wider benefits of regulating in this area were recognised across both sectors, many of the participants considered it to be both unachievable and unrealistic at this time. The main reasons for these views included:

- a general mistrust of EPCs;
- regulation being seen as too much government interference; and
- concern over regulations potentially distorting housing markets.

More preference was given to the idea of empowering and supporting home owners to make energy efficient choices through the provision of advice, information and incentives. Though one might respond to this suggestion by noting that this is already current practice – the Scottish Government funds Home Energy Scotland to provide these kinds of services to the public in Scotland. Nevertheless, it is not possible to take away from the fact that convincing homeowners that regulation is a good thing is going to be a challenge for both government and others who are committed to the introduction of minimum standards.

Within the focus groups there was much more support for regulating minimum standards in the private rented sector. This was seen as more appropriate because rental properties are essentially businesses and landlords already need to meet an array of other statutory standards before letting a property. As one tenant remarked:

“It’s like you’d have to have a gas certificate to say the gas is safe... you’re providing a service for someone else...”

It is worth noting here, however, that the Scottish Citizens Advice service continues to see numerous clients in bureaux highlighting cases when this does not happen. For example, as we will see in more detail in the next section, across the Scottish

⁸ Consumer Focus Scotland (2012) [Changed Lives: The real cost of high fuel bills](#)

CAB network numerous clients present with requests for advice on how to resolve problems related to the standard of privately rented property. These reported problems have included issues with broken heating systems and other essential household appliances, as well as persistent problems with draughts and damp, often aggravating underlying health problems, including asthma. Nevertheless, in the focus groups, the suggestion that landlord duties and responsibilities be extended to include energy efficiency was viewed as reasonable, despite some concern being expressed about potential impacts on rent levels and housing markets being distorted in areas of high demand.

Overall, the findings from the focus group research suggest that Scottish consumers are interested in energy efficiency, but they often do not prioritise this above other everyday concerns when it comes to finding a new home. It is clear from this evidence that beyond 'easy to do' measures, people often find energy efficiency complex. They therefore need sources of trustworthy advice and support if they are to improve their property's energy performance. However, if the Scottish Government is to meaningfully engage the public on the proposal to regulate for minimum standards of energy efficiency in private sector housing, there is much work to be done, beginning with the forthcoming consultation and beyond.

In the next section we use additional evidence collected by the Scottish Citizens Advice service to highlight the everyday realities for those householders living in poor quality housing that can be easily improved. We do this to call for the Scottish Government to be ambitious in setting a minimum standard for improving properties now and in the future, which is properly enforced and where the public are adequately supported.

The View from Bureaux

The Citizens Advice service in Scotland approaches the proposal for regulating minimum energy efficiency standards as an opportunity for improving Scotland's worst condition private sector housing. CAS also believes it will contribute to alleviating persistently high rates of fuel poverty in Scotland and other negative consequences resulting from inadequate housing. These are usually the most energy inefficient homes in Scotland that are often cold and damp, expensive to heat, and can lead to preventable health conditions. In this section we use additional evidence collected by the Scottish CAB service to highlight the reality for many Scots living in poor quality housing that can be easily improved.

Advice on housing issues

Statistics on the issues brought to the Scottish Citizens Advice service reveals the detriment Scottish consumers face in relation to private sector housing⁹. Advice provided by Scottish CAB on issues related to housing increased by 8.9 per cent from 2012/2013 to 2013/2014. In addition, requests for assistance with problems specifically about the private rented sector accounted for nearly a quarter (24.6 per cent) of all housing issues advised on in Scotland in 2013/2014. This represented a percentage increase of 12.1 per cent from the previous year.

However, beyond the statistics, it is clients who come to bureaux that reveal the everyday realities for those households living in homes that are difficult or expensive to heat, often of poor quality and which can further exacerbate underlying health conditions. While it can be difficult to isolate the root cause of the many interwoven issues and problems CAB clients present with, our analysis of the data collected by Scottish bureaux has identified three closely related and overlapping themes relevant to the REEPS project:

- fuel poverty
- housing condition
- health & wellbeing

These three themes are described further in the next sub-sections, alongside Scottish bureaux evidence.

Fuel poverty

Many people across Scotland worry about being able to pay their fuel bills and being able to keep warm, particularly during the winter months. In Scotland fuel poverty is defined as existing if, in order to maintain a satisfactory heating regime, a household

⁹ Citizens Advice Scotland (2014) [Scottish Citizens Advice service statistics 2013-14](#)

would be required to spend more than 10 per cent of its household income on all fuel use¹⁰. If over 20 per cent of a household's income is required to be spent, they are described as being in extreme fuel poverty. A third category has recently been identified for those households, often living in the remotest communities of Scotland, who need to spend more than 30 per cent of their income on heating costs¹¹.

Anyone can be affected by fuel poverty at different times in their life, though there are certain groups of people who are more vulnerable and at risk of being in, or falling into, fuel poverty. These include, but are not limited to:

- low income older people;
- those living with disabilities or long term illnesses; and
- low income families with young children.

Official government statistics on the scale of the problem in Scotland estimate that approximately 39 per cent of Scottish households are currently living in fuel poverty, with around 11 per cent living in extreme fuel poverty¹². Official statistics do not currently estimate the number of Scottish households spending more than 30 per cent of household income on heating costs.

The main causes of fuel poverty are usually attributed to the interaction of three key factors:

- poor energy efficiency of homes;
- low household incomes; and
- high price of domestic fuel.

Of these main causes of fuel poverty, two of them – low household incomes and high energy prices – are policy areas currently reserved to the UK Government, though the Scottish Government is able to use its influence to lobby for changes it would like to see in these areas. The European Union is also able to issue directives to Member States, which can shape government policy. Indeed the current European Commission's energy union priority¹³ designed to deliver "secure, sustainable, competitive and affordable energy" may lead to further direction coming from the EU, thereby impacting domestic energy policy across Europe.

These considerations aside, fuel poverty policy is devolved to the Scottish Parliament, which gives the Scottish Government power to act on the third identified cause of fuel poverty: energy efficiency. Underpinning the Scottish Government's fuel poverty strategy is a statutory target to eradicate fuel poverty in Scotland, as far as is practicable, by November 2016¹⁴. However, based on current estimates CAS

¹⁰ Scottish Executive (2002) [The Scottish Fuel Poverty Statement](#)

¹¹ The Energy Advisory Service (2014) [Fuel Poverty Report 2014](#)

¹² Scottish Government (2014) [Scottish House Condition Survey 2013 – Key Findings](#)

¹³ European Commission (2015) [A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy](#)

¹⁴ Scottish Parliament (2001) [Housing \(Scotland Act\) 2001](#)

remains concerned that the target is unlikely to be met. In this event, we and other stakeholders will be pressing the Scottish Government to urgently revise their fuel poverty strategy and increase their efforts and investment to eradicate fuel poverty from Scotland as soon as possible.

Case studies of recent CAB clients requiring help because of fuel poverty related issues appear in Box 1. Requests to Scottish bureaux for advice and assistance because a client cannot adequately heat their home, either because they have difficulty in meeting fuel costs or because they live in a property that is energy inefficient, are common.

Box 1: Scottish CAB clients experiencing fuel poverty

- A North of Scotland CAB reports of a client who came into bureau as part of the Energy Best Deal+ project to check whether he may be eligible for any savings on his fuel costs and to get information on energy efficiency measures. The client tries to use as little energy as possible because he cannot afford the cost. For example, if he has the computer on, he turns off the room lights and does not use any heating. His energy supplier has told him he is not eligible for the Warm Home Discount because he isn't spending enough money on his fuel bills to be considered to be living in fuel poverty.
- A South of Scotland CAB reports of a single parent client - with a 21 month old child - who needs advice on trying to control the amount of energy she is using. The client is in receipt of state benefits but is in debt to both her gas and electricity suppliers due to the high costs. She has been trying to set up direct debit payments for her utilities but she has had trouble getting these set up due to a history of erratic payments. She is aware of the amounts of energy she is using at home, but as her child is potty training she feels she has no choice but to use the washing machine, even though it is expensive to run.
- A North of Scotland CAB reports of a client who came into her local bureau for advice on her energy costs because she cannot adequately manage to heat her home. The client's income is too high to qualify for any benefits or the Warm Home Discount, but her hours of work are below the threshold to qualify for Working Tax Credit. However, the client's health issues mean she cannot work longer hours so she is left unable to heat her home to an adequate standard.

As we have already seen in this report, fuel poverty is caused by the interaction of three main factors: high fuel costs, low household incomes and the energy efficiency of dwellings. This makes the measurement of fuel poverty complex, as well as making it difficult to accurately pin-point genuine cases of fuel poverty.

Together the cases summarised in Box 1 reveal the misery and worry that can be experienced by households living in homes that are difficult or expensive to heat. In addition to being unpleasant to live in there can also be increased concern over indebtedness. All of this can impact on a person's health and wellbeing. Across our evidence base we see multiple examples of clients self-rationing their energy use

because they find it increasingly difficult to meet the high cost of their fuel bills. The everyday reality of this is clear, consumers are often faced with stark choices between whether to feed their family, heat their home adequately or use the everyday appliances that so many of us take for granted.

Housing condition

The Scottish Government's Sustainable Housing Strategy set out a vision for warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland¹⁵. This is supported by various statements, strategies and programmes covering diverse policy areas including energy, climate change, poverty alleviation and housing.

Just some of the housing condition factors associated with living in a cold home includes:

- efficiency of the heating system;
- insulation of the property;
- affordability of energy costs; and
- residents' vulnerability to the effects of low temperatures.

Significant progress has been made at improving the quality and energy efficiency of Scotland's social housing stock, though there is much work still to do. This has been due to legally-binding quality standards, as well as the setting of targets for energy efficiency performance that local authorities and registered social landlords have been required to comply with¹⁶. Nevertheless, where less progress has been made is in the private sector.

Scottish CAB evidence shows that many people in Scotland continue to live in poor quality private sector housing. This is not to say that significant changes have not taken place. On the contrary, a whole range of activity has ensured that help and support is available to owners and tenants; and local authorities are now empowered to take enforcement action against those responsible for sub-standard properties that have fallen into disrepair.

The Scottish Government's approach to housing policy has been to encourage those who own property, including those in mixed tenure and shared ownership properties, to take responsibility for their assets and work together to improve the condition of their properties. This aside, difficulties remain, with housing complaints to Scottish bureaux on the rise.

¹⁵ Scottish Government (2013) [Scotland's Sustainable Housing Strategy](#)

¹⁶ For example, the [Social Housing Quality Standard](#) and the [Energy Efficiency Standard for Social Housing](#)

Most complaints received in Scottish CAB about housing condition are related to the private rented sector, but not exclusively; private owners also request help. This is not to detract from the good practise of the many landlords in Scotland who take seriously their responsibilities to their tenants and properties. Nevertheless, Box 2 summarises just some of the cases reported by Scottish bureaux of clients experiencing poor quality private sector housing.

Box 2: Scottish CAB clients experiencing poor quality private sector housing

- A West of Scotland CAB reports of a client who lives in a privately rented flat with his wife and three year old daughter. He came into his local bureau for advice on how to get his landlord to fix a number of problems with his flat. There is a leak under the shower, which was allegedly repaired 3 times but still leaks and has caused dampness in the bedroom and ceiling. There are also draughts coming in through the living room and kitchen windows, and there is no extractor fan fitted in the bathroom. The landlord has sent in a worker to decorate the flat but they only painted the walls and took no action on the repairs and energy efficiency work that is required.
- An East of Scotland CAB reports of a client who came into the bureau for advice about problems with a property she recently bought for her son. There is a severe problem with damp affecting the walls and beams, which is made worse when it rains. She bought the flat last October at which time the Home Report made no mention of a damp problem. The client feels let down by the Home Report system, which did not point out all of the problems with the property. She feels she has been taken advantage of by the previous owners and by an inadequate service from her solicitors. It has resulted in a lot of extra expense for her and although she could take legal action, that will also be expensive.
- A West of Scotland CAB reports of a client who came into bureau for advice on her tenancy agreement for a flat she had paid a deposit for, but which is now showing signs of significant defects. These include damp, mould, draughts coming in from gaps in windows, cockroaches and a general lack of cleanliness. The client had contacted the letting agent who didn't seem to be interested and informed her that the property had been checked and deemed to be in satisfactory condition, excluding a hole in the ceiling from a roof leak. The client wishes to know if she can back out of the tenancy agreement and reclaim her deposit.

These cases illustrate the complexity of the private sector housing issues being experienced in Scotland. It also shows how difficult it can be to isolate particular issues as the most important or problematic. So a client presenting with problems with a damp, mouldy and leaky home is just as likely to be living in a cold and draughty one, which is energy inefficient. This is true whether a property is privately rented or owned.

In each of the cases in Box 2 the client clearly feels powerless to act. For private renting tenants this includes the issue of problem landlords or agents often failing to fulfil their legal obligations and responsibilities to rectify inadequate housing to a satisfactory level. This remains a significant issue across Scotland. For private

owners they can feel let down by the very systems and procedures designed to help guide, protect and reassure them through often complex processes. Where these systems do not deliver for clients, trust is eroded; not just in processes and procedures, but also in the professional bodies and individuals associated with a transaction.

What can we surmise about the likely impact on clients who are living in poor quality housing? Just as we saw previously that living in fuel poverty can lead to worry and misery, potentially impacting health and wellbeing, here too we can conclude that the experience of living in damp, cold and draughty housing heightens anxiety, impacts on quality of life and will likely lead to negative health outcomes. We discuss this further in the next sub-section.

Health and wellbeing

The impact of low indoor temperatures on public health has been long recognised¹⁷. As already mentioned, those living in or at risk of falling into fuel poverty are also more likely to self-ration their domestic energy needs to levels that may fall below what is required to maintain good health and wellbeing. This explains, in part at least, the increases in UK winter deaths usually reported each year¹⁸. Though, importantly, the health problems associated with cold homes can be experienced in 'normal' winter just as much as it can in an extremely cold one¹⁹.

Fuel poor households are also more likely to live in the most energy inefficient homes. These are the properties which are the most poorly insulated and prone to dampness. By retrofitting people's homes with modern heating systems, installing energy efficiency measures and educating consumers of how to be more energy aware, the Scottish Government anticipates that domestic energy bills will be lower, thereby lifting many households out of fuel poverty.

It is important to remember however that improving the energy efficiency of a dwelling has no impact on the other two causes of fuel poverty: low incomes and high energy costs. Furthermore, there is some evidence that fuel poor households living in cold homes may increase their fuel use after their property's energy efficiency is improved²⁰. This 'rebound effect' may impact on any assumed carbon emission savings being fully realised. Though it is not clear to us how significant this 'comfort taking' from better-quality heating systems or improved energy efficiency of a dwelling might actually be. But either way, it should not detract from the fact that these were fuel poor households, now no longer living in fuel poverty.

¹⁷ World Health Organisation (1985) [Health Impact of Low Indoor Temperatures](#)

¹⁸ Wilkinson et al. (2001) [Cold Comfort](#). Report for the Joseph Rowntree Foundation

¹⁹ NICE (2015) [Excess winter deaths and morbidity and the health risks associated with cold homes](#)

²⁰ Cambridge Econometrics (2010) [Modelling Price Elasticity of Demand, Direct Rebound Effects and Recent Government Policy Initiatives in DEMScot](#)

In addition to improving the warmth and comfort of a dwelling, the wider health and wellbeing benefits from reducing cold and damp homes, which are difficult or expensive to heat, includes:

- reducing preventable deaths;
- improving public health and wellbeing; and
- reducing pressure on health services.

The case studies summarised in Box 3 illustrate how these problems can impact, at least in part, on health and wellbeing. As we have already seen elsewhere in this evidence review, it is common for Scottish CAB to report of clients looking for advice or assistance on how they can affordably heat their home.

Box 3: Scottish CAB clients experiencing poor health and wellbeing

- A West of Scotland CAB reports of a client who came in to bureau for advice and assistance regarding the privately rented property she lives in with her son. The landlord of the property has not maintained the property to an adequate standard and she has terrible problems with cold and draughts because the doors and windows don't fit properly and there are large gaps. The property also has problems with heating and issues with exposed wires. The client and her son both suffer from ongoing health problems and have recently obtained medical evidence to support their claim that their housing conditions are exacerbating their existing health complaints.
- An East of Scotland CAB came into her local bureau for advice on the privately rented flat she lives in with her 8 year old daughter. The roof was recently leaking, which has been repaired, but there is still a problem with damp and a smell in the bedroom. Both the client and her daughter suffer from asthma. The central heating has now broken down and the engineer was unable to repair it. The letting agents dealt with this by giving her 3 heaters for the house. The client's heating bill has gone up from £15 a week to £40 a week, which she is now struggling to pay and which is causing her other problems, such as paying for food and her mobile phone credit.
- A West of Scotland CAB client called into her local bureau for assistance because she has no money to pay for her gas meter and she is on her emergency allowance. The client has chronic asthma and this increases the cost of her fuel because she needs to keep the heating on. She enquired about whether she could receive a crisis grant for some short-term assistance. The CAB adviser explained the application procedure for the Scottish Welfare Fund and referred her for a food parcel.

This evidence highlights the negative health consequences for clients and their families from living in poor quality and energy inefficient housing. The case studies show that these health problems can exacerbate pre-existing health conditions, such as respiratory diseases. But there is also worry and anxiety, potentially impacting clients' mental health. This is not just about living in an unpleasant environment, but is also about enhanced anxiety about how to meet increased heating costs.

In addition to highlighting some of the health and wellbeing consequences of living in poor quality, cold and energy inefficient accommodation, the bureaux cases reported above also indicate just some of the assistance Scottish CAB clients have sought not only from the Scottish Citizens Advice service, but also elsewhere. These include GPs, letting agents, food banks and the Scottish Welfare Fund.

In the next and final section we conclude this report, outlining CAS' recommendations and key asks in relation to the proposal for regulating for minimum standards of energy efficiency in existing private sector housing.

Conclusion & Recommendations

The evidence presented in this report has led CAS to a conclusion that no one in 21st century Scotland should be living in such intolerable or difficult situations, particularly when they are preventable. Individuals should not be reliant upon short-term help and guidance, though this is clearly welcomed in moments of crisis. All of the situations described in this report are preventable. By improving the quality and energy efficiency of the private sector housing stock it is clear to us that at least some of the issues and conditions being experienced by many Scots could be lessened, if not avoided altogether.

We welcome the Scottish Government's intention to improve the energy efficiency of Scotland's existing private sector housing. Indeed, the evidence convinces us that the Scottish Government should be ambitious when it comes to setting a minimum standard of energy efficiency. In this respect CAS has identified a number of key asks in relation to the REEPS project:

1. CAS believes that the case for introducing a minimum standard of energy efficiency has been well made. The negative consequences on people's lives from energy inefficiency, whether considered in relation to fuel poverty, housing condition or people's health and wellbeing, makes the case for improving both the quality and energy efficiency of Scotland's private sector housing stock compelling. However, it is also clear that Scottish consumers have some way to go to support regulation in this area. For reasons like these we accept that – at least initially – any minimum standard should not be set so high that it acts as a deterrent to action. That said we believe that the regulations should include a trajectory for increasing the minimum standard over time as improvements are made to the entire private sector housing stock. It is only by aiming for higher minimum standards in the future that real progress will be made on improving life chances and eliminating fuel poverty in Scotland once and for all.
2. CAS also believes that any energy efficiency regulations need to be underpinned by a system of enforcement that the public perceives as fair and reasonable. Whilst we acknowledge the great many landlords in Scotland who take their responsibilities seriously, the case studies presented in this briefing have shown that the issue of problem landlords remains a significant problem in Scotland. This is despite all of the effort that has gone into improving the standard and quality of Scotland's private rented housing. It is important therefore that any future regulations are adequately enforced, but they should be robust enough to allow for a degree of flexibility, so that no one becomes trapped in a property they are not able to improve either by circumstance or for practical reasons. In addition, the Scottish Government should ensure that appropriate protections for tenants in the private rented sector are in place so

that rents are not unreasonably increased by landlords, who will be legally obliged to improve their properties' energy efficiency rating.

3. Finally, CAS believes that Scottish consumers will need to be provided with adequate support, including impartial advice from trusted sources, and financial assistance where this is warranted. If the proposed minimum standard is to apply to everyone across Scotland's private sector housing, it is obvious to us that not everyone will be in a position to finance all of the changes expected of them. We are firmly of the view that it will not be sufficient for the Scottish Government to assume that the resources provided under the fuel poverty programmes will be adequate for helping everyone comply with a REEPS standard. So we call on the Scottish Government to explore alternative and innovative funding streams that can adequately support everyone in Scotland to meet the costs of complying with the regulations.

What next?

The Scottish Government's consultation on draft regulations for introducing a minimum standard of energy efficiency in private sector housing will be launched later in 2015. CAS is working closely with other third sector organisations, including other supporters of the Existing Homes Alliance, to press the Scottish Government to be ambitious when setting and enforcing a minimum standard of energy efficiency so that statutory targets on carbon emissions and fuel poverty rates are reduced.

We invite others to join the debate and participate in events that will take place in the coming months. We would also encourage anyone with an interest in the proposal for introducing regulations in this area to respond to the consultation when it opens so that Scottish Ministers are able to consider the full range of evidence and opinions before agreeing final regulations to be laid before the Scottish Parliament.

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