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Scottish Government Consultation on the
new Social Housing Net Zero Standard

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Background



- The ESSH2 Review Group has been considering proposals for a new standard to replace ESSH2 since September 2022.
- The Scottish Government has now opened its consultation on the new standard, which will be called the Social Housing Net Zero Standard (SHNZS).
- The consultation will run from November 2023 until March 2024 (closing date 8th March) and it is anticipated that the SHNZS will be introduced by 2025 at the earliest.

<https://www.gov.scot/publications/consultation-new-social-housing-net-zero-standard-scotland/>

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Funding...



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SHNZS - Dual measure



Fabric

Installation of clean heat

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The consultation offers two Options for a Fabric Efficiency Rating -



Option 1 considers setting the target as a range as either -

- 112 - 162 kWh/m²/year (space heating and domestic hot water [DHW] demand);
- or
- 71 - 120 kWh/m²/year (space heating demand)
 - For this option the minimum point in the range will be what compliance is measured against, with a deadline of 2033.
 - The SG says its preference is to use the measure of space heating demand alone.

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Option 2 suggests the introduction of a two-stage target for improving energy efficiency. [to] ‘encourage progress towards a good level of energy efficiency by an initial backstop date, but with an additional requirement to meet a higher standard at a later date.’

For example:

- All homes to reach an EPC C equivalent level of fabric efficiency rating: 71-120kWh/m²/year by 2033 (which would be consistent with the date for owner-occupied houses) and
- A second, more demanding level: an EPC B equivalent level of fabric efficiency rating (71kWh/m²/year or better), by a second backstop date of 2040.

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Neither option is based on EPC targets



“The metrics currently shown on EPCs do not solely reflect the energy efficiency of the building fabric, and so do not drive the fabric energy efficiency improvements that are key to improving our housing stock. To address this, we propose to introduce a metric to reflect the fabric of the home, namely the fabric efficiency rating. This is primarily intended to support any future fabric energy efficiency standards. This would provide a clear rating of the dwelling’s fabric efficiency.” (Section 3.2.2)

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Measuring performance



- The recommendation in the consultation is that the fabric rating continues to be measured using modelled performance and by use of SAP (Standard Assessment Procedure).
- The SG does acknowledge the limitation of this approach, as opposed to using actual performance, and also acknowledges that SAP is under review.
- We know that the EESSH2 Review Group were made aware of SG-commissioned research on the identification and typology of social housing archetypes. But there is no reference to this in the consultation document.

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Minimum Fabric Efficiency Standard



- This element of the consultation recognizes that *‘the fabric efficiency part of the SHNZS may not be achievable for all parts of the social rented stock.’*
- The proposal here is the retention of a minimum standard ‘which could be met by installing a ‘list of measures’ (including loft insulation, cavity wall insulation, draught proofing). There would be a requirement on landlords to install as many of these as possible, however we need more clarity around the details on all of this.
- Linked to this proposal is the suggestion that social housing cannot be relet if the minimum fabric efficiency standard is not met by 2028 (although some temporary exemptions may still apply).
- However, the SG does recognize the concerns that the Forum and other members of the EESSH2 Review Group voiced about the absolute undesirability of losing any stock from the social rented sector.

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Clean Heating



- **Option 1** - milestones which would require proportions of each landlord's stock to have had clean heating installed by target dates,

For example: 10% by 2030; 70% by 2040; 100% by 2045 (illustrative figures).

- **Option 2** - an interim target for properties off-gas or using other fossil fuels.

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And...



- Applying the SHNZS to Mixed Tenure
- Tackling fuel poverty
- Achieving net zero
- Just transition (not if tenants are paying!)
- Grant subsidy?

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GWSF - next steps



- Feed your views into the consultation via our survey (part of our wider retrofit research) which will go out to members in early Dec.
- Another chance to give feedback when our draft response goes out to members in January 24.

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Thanks - any questions/comments?



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