



UNISON Scotland response: Energy Efficient Scotland: Improving energy efficiency in owner occupied homes – April 2020

Introduction

UNISON is Scotland's largest trade union with members across the public, private and voluntary sectors. We are the largest trade union in the gas and electricity sectors, as well as in local government and other sectors with a specific interest in this issue. All our members have an interest in the wider citizenship impact of Scotland's energy strategy. UNISON Scotland is a member of the Just Transition Partnership, established by Friends of the Earth Scotland and the STUC in 2016.

UNISON Scotland welcomes the Scottish Government's consultation paper and the opportunity to respond.

Introducing a mandatory standard

UNISON supports a mandatory EPC 'C' energy efficiency rating for all owner occupied homes. We think this would go some way to tackling fuel poverty and climate change. Together with the Existing Homes Alliance and Stop Climate Chaos Scotland we previously campaigned for all homes to have reached this by 2025.

UNISON's 2014 report, 'Warm Homes',¹ presented a costed programme for achieving EPC 'C' energy efficiency rating in all UK homes within a 15 year time frame through a national domestic energy efficiency programme. We made the case for low income households receiving remedial works free at the point of delivery but capped at a maximum of £10,000 (2014 prices), and those not classed as low income should be able to access an interest free loan repayable over a maximum time of 10 years. The scheme of grants and financial incentives available must be based on the principle of ensuring that a just transition to low carbon heat is guaranteed for everyone.

We agree that the pace of change in energy efficiency has been far too slow. To achieve the rate and scale of transformation needed to Scotland's housing stock requires a significant increase in the level of public funding available. When considering the extent to which energy efficiency measures should be publicly funded, the Scottish Government should look at the example of Germany. The net impact in Germany was that the public purse ended up being a net beneficiary from a fairly substantial energy efficiency programme that had required significant public funding.² In fact 3 times more public revenue was generated than the subsidised loan programme cost.

¹ <https://www.unison.org.uk/content/uploads/2014/07/On-line-Catalogue225542.pdf>

² STE Research Report 2011– Impact on public budgets of the KfW promotional programmes. Forschungszentrum Julich.

Supporting householders: workforce implications

While we support the need for the regulation of mandatory standards we believe that, in advance of its introduction, a huge universal drive is needed to win the hearts and minds of householders and to support them in planning and implementing the necessary changes. The aim should be to limit enforcement to the very minimum. This drive has to be people powered, and we believe the planned Publicly Owned Energy Company (POEC) has a key role to play. The government needs to think not just of the policy needed but of the expanded and skilled workforce needed to deliver this: to assess, persuade, organise and deliver the in-home improvements required to address decarbonisation, from basic insulation to smart meters and solar panels. In 2014 we estimated that getting UK homes up to an EPC rating of C would require more than 100,000 extra workers over a 15 year period.

A key reason for adopting a universalist approach is because of the proven difficulties in identifying and therefore targeting 'fuel poor' households.³ A door to door, street by street, neighbourhood approach has already been proven to be most effective.⁴ To maximise uptake this should be carried out by a credible and trusted authority by staff trained to carry out assessments. Involving local authorities, energy companies and small/medium size energy efficiency businesses working together is more likely to succeed. UNISON has argued for free door to door assessments to be conducted, providing low income householders with remedial works free at the point of delivery, and giving access to interest free loans for those householders who are able to pay.

Unfortunately the proactive approach most householders are familiar with is cold selling over the phone by poorly paid staff on temporary or zero hours contracts drafted in by small companies looking for business, on the back of government grants and loans being available.

We would like to see an energy efficiency programme of this type viewed as part of a Just Transition and used as an opportunity to generate local employment and apprenticeships, ensuring the quality of the jobs created by ensuring these are in line with the Fair Work Framework, while supporting the development of cooperatively owned community companies and social enterprises to carry out the work. The social and economic value of a local supply chain is especially high in areas of deprivation and in rural and island economies.

In our 2019 report, 'Power to the people'⁵, we explained the potential role for a publicly owned energy company within an energy efficiency programme for owner occupiers, through deploying the workers in its retail activity to achieve zero emissions. UNISON believes the most effective and efficient way to achieve this UK-wide is through public ownership of the 'big six' energy retail companies. However a Scottish POEC could apply the same approach, if the Scottish Government set it up with an energy efficiency programme as part of its mission.

³ Institute for Public Policy Research (IPPR) Help To Heat – Nov 2013 p.3

⁴ Institute for Public Policy Research, November 2013: Help to Heat – A solution to the affordability crisis in energy; Reg Platt, Jimmy Aldridge and Pratima Washan

⁵ <https://www.unison.org.uk/content/uploads/2019/06/UNISONenergypublicownershipreport0619.pdf>

Thousands of workers spend their time talking to energy customers about bills, debts, new products, new tariffs, and changing accounts. If the nature of this work was switched to supporting customers through decarbonisation, we could harness the skills of these workers and the systems already in place. The staff would be in the unique position of having each householder's energy usage data so could build up a picture of the steps required to decarbonise and deliver the remedies in a smooth and consistent way. Customers would be more willing to engage knowing this was not some commercial drive but a public interest matter in which they could save the planet and cut their costs.

Conclusion

UNISON favours mandatory standards supported by a regulatory system, but believes the emphasis should be on proactively encouraging and supporting householders and minimising punitive action. There are important questions to be addressed in this process around a Just Transition and employment: the importance of seizing the opportunity for communities to benefit from quality employment generation, the importance of making use of the skills and experience of existing workers within the energy sector, and the importance of harnessing the advantages of public ownership for achieving goals of climate and social justice.

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