THE WARREN REPORT

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Scotland can show England the way

Devolution has freed the Scottish government to come up with innovative publicly funded energy-saving schemes. Whitehall should take note of their success

There has been much despondency regarding the short-term, start/stop nature of UK policy regarding promoting energy efficiency investments. Much of this despair is all too well founded. At least regarding England.

But this month let us take a look at a country which has long taken energy saving seriously, that has created and then continued with, some well-thought through policies. Which are practical, tried and trusted. That involve, rather than dictate to local communities (including local government). That listens to those charged with delivering programmes on the ground – and rather than ignoring, actually improves programmes in light of such advice. It is be found north of the border.

Under devolution, the Scottish Government may be given little say on strategic decisions regarding the supply of energy. But it is in charge of delivering much on the demand side of the energy equation. Except when it comes to UK-wide programmes, like the Green Deal or the Energy Company Obligation. How the ECO is funded and operates, what are the criteria for qualification, how much money is to be spent in Scotland: these are all far from devolved matters.

However, what can be controlled from Edinburgh is how the existence of (for instance) ECO funding can best be leveraged. Over the past nine years, the Scottish Government has invested £373m in the creation of a series of area-based schemes for energy efficiency. Designed and delivered by local councils working in conjunction with the ECO-obligated energy companies. Rather than relying on a scattergun approach, these schemes frequently target whole wards in deprived areas. Delivering large numbers of improvements to mixed tenure, multi-occupancy properties in particular. Such projects deliberately prioritise help for "harder to treat" properties requiring solid wall or complex cavity wall insulation.

For the past decade, there has been no publicly funded programme to improve the energy efficiency of English people living in fuel poverty. Conversely, all three devolved administrations have not just retained their dedicated programmes, they have all increased them in size. Through Warmer Homes Scotland, low- and zero-emissions heating systems are still being installed, as part of bespoke packages together with new insulation measures (like the Q-Bot underfloor insulation system installed by a robot), and low energy lighting. The Scottish government has deliberately concentrated such improvements in rural and remote communities not served by the gas grid. And ensured that its supply contracts are specifically supporting skills development and training opportunities.

Free and independent advice

Having initially created the Energy Saving Trust as a mechanism to provide free and independent advice, that role has been permitted to wither south of the border. Instead, it is left largely to overwhelmed non-specialised Citizens Advice Bureaux. Meanwhile, Scotland has long continued to fund the EST to act as a referral scheme for Warmer Homes Scotland and as a portal for accessing a whole variety of support packages practically all of which are now unavailable in England.

One is the Home Energy Scotland loan scheme, now offering owner occupiers 40 per cent cashback on loans for energy efficiency measures, and 75 per cent cashback (capped at £7,500) towards the installation of renewable heating schemes).

In addition, loans are still available to private sector landlords to upgrade the energy performance of their buildings. Up to £15,000 is available to

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cover items like glazing and insulation; £17,500 for up to two renewable systems per property, and £6,000 for energy storage systems.

The Community & Renewable Energy scheme provides advice and funding to community groups and others to explore local renewable energy options - well over 600 projects already have received pump priming over the past 12 years. Loans are also available for district heating systems.

Then there is the much-lauded Business Energy Scheme, since March also administered by the EST. This offers initial free advice and support for any SME to create a comprehensive report on potential savings in their buildings. Following such an assessment, interest-free loans worth up to £100,000 continue to be available (these used to exist, but were also scrapped in England). To encourage even greater take-up in this long-neglected sector, a Scottish SME can also receive up to £20,000 cashback on loans for energy efficiency and renewable energy measures.

Similarly, the Scottish government has been building upon the UK-wide Salix Finance Loan system, designed to improve the energy performance of existing public sector buildings. This has been complemented by a Non-Domestic Public Sector Energy Efficiency Framework, designed to support public sector and non-profits to procure retrofit energy efficiency work. By offering economies of scale and standardised approaches, this initiative (operational since 2016) offers better solutions and better value for money. Obviously, the recent surprise move by the UK Treasury to cease ring fencing for future energy efficiency usage all Salix's loan returns, will require some reassessments in Scotland too.

Last month the Scottish National Investment Bank published an impressive insight paper called "Scotland's transition to net zero heat." It sets out this new bank's role in reducing "greenhouse gas emissions from homes and buildings by more than two thirds by 2030."

No such publication yet exists from the new Leeds-based UK National Infrastructure Bank, despite former chancellor Sunak's instructions. Equally, no such set of activist programmes to stimulate energy efficiency yet exists from the UK Government. My advice to Whitehall is simple. Whether you take the high road or you take the low road, you had best be copying Scotland's initiatives. ■