



Scottish Housing
Regulator

Technical Guidance on EESSH

December 2017

About us

We are the independent regulator of social landlords in Scotland.

Our one **objective is to safeguard and promote the interests of:**



We regulate:



Our **role** is to **monitor, assess** and **report on** social landlords' performance of housing activities and RSLs' financial well-being and standards of governance. We intervene, where we need to, to protect the interests of tenants and service users. Our **Regulatory Framework** explains how we regulate social landlords. It is available on our website www.scottishhousingregulator.gov.uk

Introduction

In December 2017 the Scottish Government updated its Energy Efficiency Standard for Social Housing (EESH) Guidance for Social Landlords.. The standard established a first milestone for landlords to reach by 31 December 2020. When EESH was introduced, a review was proposed for 2017 and this revised Technical Guidance is updated to reflect the changes agreed at the review.

EESH helps to address fuel poverty and will contribute towards the carbon emissions reduction targets set by the Climate Change (Scotland) Act 2009, with more challenging targets proposed in the new [Climate Change Bill](#). The Scottish Housing Regulator (SHR) will monitor and report on social landlords' compliance with the EESH. From 2015/16, we will expect all social landlords to submit data to us on their compliance with the EESH on an annual basis.

The EESH categorises the property and fuel types by which housing stock should be apportioned, and sets out the ratings to be achieved by each property. Full details on the property types, fuel types and ratings which make up the EESH are available in the Scottish Government's guidance for landlords, available online at the [Home Energy and Fuel Poverty](#) webpages. Landlords should review these in conjunction with this guidance.

Social landlords should consider our [Recommended Practice on Strategic Asset Management August 2012](#), [Business Planning Recommended Practice December 2015](#) and our [Regulatory Framework](#) in approaching planning for the EESH and preparation of their annual data returns.

Landlords should read this guidance thoroughly to ensure that the data they supply is as accurate as possible. If different people are completing separate parts of the return, please ensure they are familiar with this guidance.

Reference to year-end means the end of the financial year (31 March). The EESH should contain information based on the year up to this date. If you are using information that relates to a different year-end date, please ensure you let us know.

Accuracy of data

It is important that we, tenants and other service users, have confidence in the performance data produced by landlords. We use the data submitted by landlords to assess risk and decide on our regulatory engagement. It is landlords' responsibility to ensure that the data they give us is accurate and we will check the accuracy and reliability of the EESSH data by including that in our regulatory work with a range of landlords.

Landlords should, as a matter of course for their own internal audit or for their performance management systems, retain the calculations and workings for the EESSH. This should be readily available to provide assurance about the accuracy and reliability of the reported data.

Through time we will compare the results with previous years and against other landlords. We will discuss with you the reasons for any differences. It is important that you give us the data in a consistent manner every year.

The revised SG EESSH guidance acknowledges that new technology is not always well-reflected in SAP assessments and explains that EESSH is not intended to be a barrier to investment in innovative technology. If landlords are satisfied that an innovation provides tangible benefits for energy efficiency and is in the best interests of tenants, they can consider a measure which, on paper, does not meet the minimum standard. Landlords must be satisfied that they have robust evidence to support this decision. This should include:

- Evidence that the technology provides an improvement in the thermal efficiency of a building;
- A reasonable expectation that future improvements in the evaluation of energy efficiency will recognise the benefits of the technology;
- Engagement with tenants to show support for the technology; and
- Ongoing monitoring to demonstrate benefits.

Landlords should seek to act in the best interests of tenants in the selection of appropriate energy efficiency measures. The EESSH should not dictate against appropriate and sensible investment, and innovative and creative approaches are encouraged.

EESSH and SHQS

Social housing should continue to meet the energy efficiency elements of the SHQS until December 2020. Landlords will not be required to demonstrate that they comply with SHQS elements 31-35 from 1 January 2021. For more detail of the SHQS energy efficiency elements, see Annex C of the SHQS guidance: <https://beta.gov.scot/publications/shqs-technical-guidance-for-social-landlords/>.

Further details is set out in the Scottish Government's EESSH guidance.

Please note that the SHQS minimum standard for electrically heated detached houses is higher than the standard required by EESSH. This is because EESSH recognises the difficulties faced in making improvements to this type of property.

RSL Governing Body approval

Before you submit it to us, your full Governing Body (or the delegated sub-committee) must review and approve the information in the EESSH. If it is approved by a sub-committee then you should provide your full Governing Body with a completed copy at its next meeting.

Local Authority approval

The chief officer responsible for housing in the authority should review and approve the EESSH before you submit it to us.

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The Scottish Government's Energy Efficiency Standard for Social Housing

Indicator	<i>Percentage of properties meeting the EESSH</i>
C33	<p>By dwelling type and fuel type as at the end of the reporting year, please state:</p> <ul style="list-style-type: none"> (i) The number of self contained properties (ii) The number of self contained properties not in scope of the EESSH (iii) The number of self contained properties in scope of the EESSH (iv) (a) The number of properties in scope of the EESSH where compliance is unknown (iv) (b) Where EESSH compliance is unknown for any properties, please explain why (v) The number of properties in scope of the EESSH that do not meet the standard (vi) number of properties in scope of the EESSH that are exempt the standard (vii) The number of properties in scope of the EESSH that meet the standard.
Definition	<p>Dwelling type All properties must be categorised according to the dwelling types set out by the Scottish Government. The categories are based on property characteristics and practicalities associated with installing energy efficiency measures.</p> <p>Scope The scope of EESSH is the same as SHQS: they both apply to self-contained homes, including a full range of facilities for the use of occupiers, provided for the purpose of social rent, and usually subject to tenancy agreements based on the model agreement for secure tenancies. (see SHQS guidance Annex L at: http://www.gov.scot/Topics/Built-Environment/Housing/16342/shqs/guidance/annexl).</p> <p>Fuel type After properties have been categorised by dwelling type, they should be sub-categorised by the fuel types set out by the Scottish Government.</p> <p>For dwellings that do not use gas or electricity for heating, the EESSH target is the same as the SHQS. SHQS element 35 sets an energy efficiency target for “other fuels” at either National Home Energy Rating (NHER) rating of 5 or SAP 2001 rating 60. The equivalent ratings for SAP 2009 and 2012 are shown in Table 2 of SG’s EESSH Guidance 2017.</p> <p>Properties which meet the EESSH All properties must meet the required criteria for their dwelling and fuel type.</p> <p>Landlords should be satisfied that they can calculate or estimate the current SAP rating for their property. They are not required to obtain additional current EPCs for all their housing stock and should model the energy performance of all applicable housing in their stock using the sources of data described in SG guidance (section 5). This can include modelling based on similar properties in stock.</p>

<p>Inclusions/ exclusions</p>	<p>Include only:</p> <ul style="list-style-type: none"> • Self-contained properties. • At (vii), properties which have had all required works carried out and now meet the EESSH in line with Scottish Government guidance. • Properties for which an exemption is anticipated to apply in line with Scottish Government Guidance. <p>Do not include:</p> <ul style="list-style-type: none"> • Non self-contained units within your stock. • Leased properties from other landlords, or properties you do not own, within your total stock.
<p>SHR Calculation</p>	<p>To calculate this indicator we will divide:</p> <p>(i) the total number of properties meeting the EESSH by</p> <p>(ii) the total number of properties in scope of the EESSH. Multiply by 100.</p>

<p>Indicator</p> <p>C34</p>	<p><i>Working towards the EESSH</i></p> <p>By dwelling type and fuel type, please state:</p> <p>(i) The number of properties you estimated to bring up to the EESSH during the reporting year.</p> <p>(ii) The number of properties brought up to the EESSH during the reporting year.</p> <p>(iii) If the figures at (i) and (ii) are different, please explain why.</p> <p>(iv) The number of properties you estimate to bring up to the EESSH in the next reporting year?</p>
<p>Definition</p>	<p>Brought up to the EESSH All properties must meet their required criteria on dwelling and fuel type, as set out by the Scottish Government.</p> <p>Plan to bring up to the EESSH Properties which currently do not meet their required criteria on dwelling and fuel type which the landlord intends to upgrade during the coming year to meet the EESSH.</p>
<p>Inclusions/ exclusions</p>	<p>Include only:</p> <ul style="list-style-type: none"> • Properties in scope of the EESSH; • At (ii), properties which have had all necessary works carried out and now meet the EESSH; and • At (iv), properties that will have all necessary works carried out to meet the EESSH in the next reporting year. <p>Do not include:</p> <ul style="list-style-type: none"> • Properties not in scope of the EESSH; • Non self-contained units within your stock; • Leased properties from other landlords or properties that you do not own, within your total stock; and • Properties for which an exemption is anticipated.
<p>Calculation</p>	

Indicator	<i>Anticipated exemptions from the EESSH</i>
C35	<p>(i) By dwelling type and fuel type, the number of properties you anticipate will require an exemption from the first EESSH milestone in 2020.</p> <p>(ii) The reasons you anticipate properties will require an exemption. Please note that the exemption categories have been expanded to include:</p> <ul style="list-style-type: none"> • New technology • Long term voids and • Inability to secure funding <p>If other reason or unknown, please explain. Please include information, if available, where the energy efficiency of a property has been improved but it does not yet meet the EESSH.</p> <p>SG guidance states, “Where landlords decide that an exemption is required, they should still aim to install measures which improve energy efficiency for tenants to the best possible energy efficiency rating in the circumstances, (unless the property is due for demolition) even if these measures will not result in the property achieving the EESSH minimum rating. (See page 3 above for further detail on innovative technology).</p>
Definition	<p>Guidance on exemptions is available in the Scottish Government’s revised Guidance on EESSH here.</p> <p>Properties for which an exemption is anticipated to apply The total number of self-contained properties which do not currently meet the required criteria on dwelling and fuel type, and for which the landlord anticipates an exemption will apply at the first EESSH milestone at 2020, by reason.</p>
Inclusions/ exclusions	<p>Include only:</p> <ul style="list-style-type: none"> • Properties in scope of the EESSH for which you anticipate an exemption will apply. <p>Do not include:</p> <ul style="list-style-type: none"> • Properties not in scope of the EESSH; • Non self-contained units within your stock; and • Leased properties from other landlords or properties that you do not own, within your total stock.
Calculation	

Indicator	<i>Energy Performance Certificates (EPCs)</i>
C36	<p>(i) (a) The number of your properties which have a valid EPC as at the end of the reporting year.</p> <p>(i) (b) The number of EPCs lodged in the reporting year.</p> <p>(ii) Of the properties with a valid EPC, please state which version of the SAP was used for generating the EPCs.</p> <p>(iii) If other procedure or unknown please explain.</p>
Definition	<p>Number of properties for which you have a valid EPC The number of properties within the scope of EESSH which have a valid EPC in line with the legal framework.</p> <p>Number of EPCs lodged during the reporting year Of the number of properties with a valid EPC, above, state the number of these EPCs which were lodged during the reporting year.</p>
Inclusions/exclusions	<p>Include only:</p> <ul style="list-style-type: none"> • Properties in the scope of the EESSH; and • Properties which have a valid EPC which complies with the legal framework for social housing. <p>Do not include:</p> <ul style="list-style-type: none"> • Non self-contained units within your stock; • Leased properties from other landlords or properties that you do not own, within your total stock; and • Properties for which you have extrapolated data.
Calculation	

<p>Indicator</p> <p>C37</p>	<p><i>Investment in the EESSH</i></p> <p>(i) The total number of properties brought up to the EESSH during the reporting year.</p> <p>(ii) Of the total amount invested in bringing properties up to the EESSH, please state how much came from:</p> <p>(a) subsidy;</p> <p>(b) the landlord’s own financial resource;</p> <p>(c) another source;</p> <p>total amount invested.</p> <p>(iii) Please give reasons for any investment which came from another source</p>
<p>Definition</p>	<p>The total amount invested in bringing properties up to the EESSH The total amount landlords have invested in bringing properties up to the EESSH during the reporting year (as distinct from maintaining the Standard or progressing towards any higher locally-agreed Standard on energy efficiency).</p> <p>The total amount which came from subsidy The total amount of the investment, above, which came from subsidy, including HEEPS and ECO. Further information is available in the Scottish Government’s guidance for landlords at: https://beta.gov.scot/policies/home-energy-and-fuel-poverty/energy-efficiency-in-social-housing/</p> <p>The total amount which came from the landlord’s own financial resource The total amount of the investment, above, which was made from the landlord’s own financial resources.</p>
<p>Inclusions/ exclusions</p>	<p>Include only:</p> <ul style="list-style-type: none"> • Investment made to bring properties up to the EESSH. <p>Do not include:</p> <ul style="list-style-type: none"> • Investment made to maintain properties at the EESSH; and • Investment made to bring properties to any higher locally-agreed Standard on energy efficiency.
<p>Calculation</p>	

