Scottish Parliament Net Zero, Energy and Transport Committee

Inquiry into the role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland

Supplementary evidence from Professor Janette Webb, UK Energy Research Centre (UKERC)

17 May 2022

Domestic retrofit costs and benefits

1. Major energy price rises, likely to continue for foreseeable future, have made the conventional economic case for thermal retrofit significantly stronger, because the classic 'pay back period' calculation has reduced, due to increased scale of savings on bills. We do of course need to plan beyond the immediate economic case to encompass, or internalise into the cost-benefit equation, the societal need to upgrade building stock – for health and local employment benefits, as well as climate proofing.

2. We focused more on costs in the session, but our research evidence from Energy Efficient Scotland Pilots also shows the benefits of area-based schemes, not just for comfort and lower bills, but also 'pride in place' – householders commented in open-ended feedback on social surveys how much better the neighbourhood looked and how much they appreciated that aspect of the upgrade work. Those mental health benefits are also consistent findings in systematic reviews of housing retrofit programmes (such as the Kirklees one which was briefly mentioned). (Physical health benefits, measured by indicators such as number of visits to GP in a year, hospital admissions, chronic health conditions, are likely to take longer to accrue, and were less consistently found in research which was taking place fairly soon (within a year or so) after the retrofit. (See for example Jan Gilbertson, Michael Grimsley, Geoff Green, 2012, 'Psychosocial routes from housing investment to health: Evidence from England's home energy efficiency scheme' *Energy Policy*, 49, p.122-133; also UK Climate Change Committee 2019, *UK Housing: Fit for the Future?* https://www.theccc.org.uk/publication/uk-housing-fit-for-the-future/