

Local Government and Communities Committee

Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill

Supplementary Written Submission from the Existing Homes Alliance Scotland

Dear James

The Existing Homes Alliance is grateful for the opportunity to supply additional evidence to the Committee at its invitation. We have chosen to do this in a format which is not perhaps the usual one in that we have formulated a list of questions for the Minister. We submit for your interest and we trust these may be of help in your deliberations as to what to ask him during the evidence session planned for 19th December.

We pose these questions as we believe it is unclear what the Scottish Government's intentions are in these areas. We intend to follow up this letter with another early in the New Year which will summarise our position on the issues after we have had the benefit of hearing the Minister's evidence.

We wish to express our appreciation of the courtesy extended to us both during the evidence sessions and by yourself, the clerks and members of the Committee. We offer our congratulations on your progress so far with the Bill.

Please see enclosed document of our questions for your consideration.

Sincerely,

Elizabeth Leighton
Director
Existing Homes Alliance Scotland

Existing Homes Alliance Scotland

Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill

Comments and suggested questions for final Stage 1 evidence session

11 December 2018

Scope:

Comment:

The Bill's scope as it is currently written is very narrow. We do not believe the Bill contains adequate policy measures to ensure the overall target will be met, or that the government's commitment to remove poor energy performance as a driver of fuel poverty will be realised.

While the government has promised¹ to "begin work next year to prepare a suite of legislation to support the delivery of Energy Efficient Scotland" there are no firm commitments regarding its content or timetable for introduction. Furthermore, the government has highlighted the "limited parliamentary time and the additional pressures that are being placed on committees by Brexit". Therefore, we believe it makes sense to make the most of the opportunity posed by the Fuel Poverty Bill to introduce a statutory underpinning for Energy Efficient Scotland.

Question:

- Will the government consider broadening the scope to include a statutory underpinning for Energy Efficiency Scotland, including targets and an oversight body, which will help ensure the fuel poverty targets (overall and interim) can be met and fulfil the promise of a Warm Homes Bill addressing both fuel poverty and energy efficiency?

Target:

Comment:

There have been many strong representations during the evidence sessions stating the 2040 target is not ambitious enough. To inform the debate, it would be useful for the government to present the evidence which underpins their proposed target.

It is critical that this Bill will mean this is the last generation to experience the negative consequences of living in fuel poverty. Therefore, we must be sure the Bill puts in place mechanisms that require corrective action is taken before it is too late and it is inevitable that the target is missed.

¹ Official Report, Meeting of the Parliament 22 November 2018, Scottish Parliament

Questions:

- Why did the Scottish Government choose 2040 as its target date for the ending of fuel poverty when many expert witnesses believe that the earlier date of 2032 is both achievable and desirable?
- What is the evidence base for selecting the particular target percentage and target date?
- Will the Scottish Government explain why the Bill and supporting documentation talks of the eradication of fuel poverty when it also suggests that a 5% residual group of households will still be left in fuel poverty indefinitely?
- What households would the Scottish Government expect to make up this 5% residual group and is there not a significant risk that they will be the 'persistent' fuel poor who are hard to reach, the most vulnerable and those most in need of support?
- What systems will be put in place to ensure targets will be met in terms of taking corrective action and investing sufficient resources if necessary?

Reporting:**Comment:**

The Bill requires reporting against the 2040 target but does not require reporting against the interim targets. We believe it would help progress if the interim targets (for each of the four drivers) were made statutory and there was a requirement to report against them in order to focus effort appropriately across all drivers.

Questions

- Does the government acknowledge the benefit of reporting to the Parliament against interim targets, linked to action on all four drivers?
- Will the Scottish Government reduce reporting periods from five years to annual reports in order to allow regular and timely scrutiny of progress so corrective action can be taken if necessary?
- Why does the Scottish Government not intend to set up a scrutiny mechanism to achieve independent oversight of progress towards achieving the eradication of fuel poverty?

Costs:**Comment:**

The Bill and Strategy are almost silent on the issue of costs and resources, yet practitioners are acutely aware of funding limitations – in terms of outreach, delivery of support programmes, and installation of energy efficiency measures.

Questions

- Has the government estimated the costs of reaching the overall fuel poverty target as well as the interim targets, and how does the current track record of spend and numbers of households taken out of fuel poverty measure up against these estimates?
- Has the government undertaken an assessment of the macroeconomic benefits/impacts of reaching the fuel poverty target?
- Will the Scottish Government make clear what additional funds will be made available to local authorities and other delivery agents to enable their participation as highlighted by witnesses from local Councils?

Rural:

Comment:

We believe the new definition will underplay the extent of fuel poverty in rural areas and there are serious risks that this group – already disproportionately affected by living costs that are up to 25% - 40% higher than elsewhere - will be left behind.

Questions

- Does the Scottish Government agree that without a remote rural MIS, there is a risk, as noted by Professor Hirsch in his oral evidence, that there is no incentive to make progress in sparsely populated areas where interventions do not have the same economies of scale?
- Does the Scottish Government intend to use its newly devolved powers in relation to the warm home discount scheme and ECO to give greater assistance to fuel poor households in rural areas where heating costs are higher?
- How will the Scottish Government ensure the low carbon heat transition is a 'just transition' that does not leave the fuel poor behind, particularly in rural areas?

Targeting resources:

Comment:

We welcome the government's commitment to remove energy performance as a driver of fuel poverty. However, we are not clear from the Bill or the draft strategy how the government intends to achieve this, and how it will measure success.

Questions

- How does the Scottish Government intend to target and address the worst performing properties in terms of energy use?
 - Will the Scottish Government consider the introduction or re-introduction of the designation of certain housing types or localities as hard to heat and direct additional resources to them?
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- What is the Scottish Government's view of the allocation of resources to households in extreme fuel poverty? Is it prepared to target these households first or does it regard reduction of overall numbers of households in fuel poverty as a greater priority? What about those at risk of falling into fuel poverty?

Fuel Poverty Strategy:

Comment:

We recognise the Fuel Poverty Strategy is a draft which will be developed into a final strategy in 2019. Therefore, the Bill's scrutiny process is a welcome opportunity to provide feedback and input on the strategy. We are concerned that it is lacking substance in terms of new policies and proposals (which are fully resourced) that can deliver accelerated progress. We have highlighted a few examples from our area of expertise on energy efficiency.

Questions

Tenements

- Does the Scottish Government recognise the issues that can be created by multi ownership in tenements and flats and will it propose new means or processes to overcome these?

Supply chain

- What is the Scottish Government doing to support and develop a skilled and quality workforce to achieve the fuel poverty targets? What measures is it proposing with regard to standards and training? How will it monitor quality control and who will conduct such monitoring?

Low carbon transition

- How are area-based and fuel poverty schemes adapting to provide healthy, affordable to heat and low carbon homes?
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