

Energy Action Scotland

Context

At a time when the latest Scottish House Condition Survey (published 5th December 2017) shows a further decrease in the number of fuel poor households across Scotland, Energy Action Scotland believes that the proposed draft budget to address fuel poverty need to be substantially increased.

Figures released by Scottish Government on 5th December 2017 show that in 2016, 26.5% (or around 649,000) households were fuel poor and 7.5% (or 183,000 households) were living in extreme fuel poverty. This is a fall of 99,000 since the previous year when 748,000 households (30.7%) were fuel poor. This figure was last recorded in 2007.

Approximately one third of the drop in the annual fuel poverty level to 2016 is due to making homes in Scotland more energy efficient, while around two thirds is due to lower domestic energy prices. To Energy Action Scotland this underlines how important it is that the energy efficiency of homes should continue to be improved, particularly as it is unlikely that energy prices will remain relatively low, as recent increases in electricity prices demonstrate.

Current and historic spend on energy efficiency

The Programme for Government states that the Scottish Government “will make available more than £0.5 billion over the next four years for energy efficiency and combating fuel poverty through the new Scotland’s Energy Efficiency Programme (SEEP).”

This commitment to multi-year funding is welcome, though it falls well short of what is required for a National Infrastructure Priority, and to meet climate change and fuel poverty targets. This is especially true as the new SEEP programme will not only focus on fuel poverty but now include the provision of energy efficiency measures for business premises and other buildings.

This inclusion could well have a very serious and detrimental effect on the levels of support given to fuel poor households particularly as the budget is not set to increase with the level of ambition of the SEEP programme.

The current spend of £114.5m is a small but significant move backwards, a reduction on spend in 2015/16 even though the energy efficiency of buildings now has the status of a national infrastructure priority.

The Scottish Government has made a commitment for £0.5bn over four years, from this it could reasonably be expected that this would equate to an annual spend of £125m per year. The spend for 2017/18 was £10.5m less than this average. In order to meet the minimum commitment of £0.5bn over the course of this Parliament, an average of £128.5m per year must be allocated to energy efficiency going forward, and in Energy Action Scotland’s view, this amount should be increased.

Energy Action Scotland is a member of the Existing Homes Alliance (the coalition of energy efficiency and fuel poverty groups) and as part of the work

Energy Action Scotland

of that group we support the call they made that the energy efficiency and fuel poverty budget should have been increased to £190m per year in 2017/18ⁱ. With the shortfall in funding in 2017/18, the funding requirement for 2018/19 is even greater.

[Research](#) undertaken by the Existing Homes Alliance demonstrates that more than £0.5bn must be found – the current budget must be gradually scaled up to at least £450m of total public funding per year by the end of this Parliament to achieve a good energy performance for all homes. Energy Action Scotland supports the Existing Homes Alliance recommendation of an EPC band C by 2025 (where technically appropriate).

Tackling fuel poverty

Energy Action Scotland welcomes the Scottish Government's commitment to remove poor energy performance as a driver of fuel poverty. This commitment is to be delivered by 2040 which is more than a generation away and in our view a commitment that could be and should be far more ambitious.

Energy Action Scotland believes that the 2018/19 budget should reflect the proposals to eradicate fuel poverty.

Poorly heated, damp and cold homes can pose significant health risks to their occupants, and there continues to be a significant health cost to fuel poverty in Scotland. Last winter (2016/17), an additional 2,720 people died during the winter months when compared to the average for the rest of the year. It is likely that some of these mortalities could have been avoided if all homes in Scotland were adequately insulated and heated; the World Health Organisation has in the past estimated that 30% of such deaths are attributable to cold homes.

At an NHSScotland level the numbers are stark

- 9% of hypertension in Scotland could be prevented by maintaining indoor temperatures above 18 degrees
- For every 1 degrees drop in temperature below degrees centigrade, GP consultations for respiratory illness in older people increases by 19%

Recommendations

Energy Action Scotland believes that the budget should reflect not only the need to address fuel poverty but support the ambition of removing poor energy efficiency of the housing stock as a factor in the fuel poverty equation well before the proposed target date of 2040. In addition, this budget could be an opportunity to improve the health of people living in these cold, damp conditions and thus eliminate unnecessary winter deaths.

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ⁱ ExHA press release "Draft Scottish Budget 'still not the bold investment required' for homes and fuel poverty" December 2016 <http://existinghomesalliancescotland.co.uk/news/draft-scottish-budget-still-not-the-bold-investment-required-for-homes-and-fuel-poverty/>