LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL

CALL FOR VIEWS

SUBMISSION FROM NORTH LANARKSHIRE COUNCIL

Services across North Lanarkshire have a shared ambition for the area - we aspire to make North Lanarkshire the place to live, learn, work, invest and visit. As part of our ambitious plans for inclusive growth and regeneration we are committed to tackling fuel and all types of poverty affecting our residents. In partnership with our Community Planning Partners and our residents we are currently developing the North Lanarkshire Tackling Poverty Strategy which will include a commitment to reduce fuel poverty for residents across all tenures. This includes by providing income maximisation and employability services and by investing in new and existing homes, through our capital programmes and our Scheme of Assistance. The Strategy will also respond to and implement recommendations made by the North Lanarkshire Fairness Commission, which is due to report later this year.

North Lanarkshire Council therefore welcomes the introduction of the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and strongly supports its aims of redefining and eradicating fuel poverty.

The proposed new definition, which creates a clearer link between income and fuel poverty, will allow for resources to be better targeted at those most in need. Clear mechanisms will however need to be developed to ensure we can effectively identify fuel poor households under the more complex new definition. The Fuel Poverty Strategy for Scotland 2018 identifies ‘consider[ing] the development of a fuel poverty assessment tool’ as a key action; we would like to see a stronger commitment to doing so.

The Bill aims to eradicate (or reduce) fuel poverty to 5% of households by 2040. This is an ambitious but achievable aim and aligns with the Energy Efficient Scotland ‘route map’ for improving the energy efficiency of Scotland’s homes and built environment. It will however require continuous investment in improving Scotland’s existing homes and the development of cost-effective low carbon heating. Through Local Heat and Energy Efficiency Strategies, councils will consider how best to deliver affordable renewable technologies in their areas, but will need resources and access to expertise to enable them to do so.

As Scotland’s largest local authority landlord managing more than 36,000 homes we are committed to improving the energy efficiency of our stock and lifting as many of our tenants out of fuel poverty as we can. This will however require significant investment, including in mixed tenure estates where energy efficiency improvements rely on the support of private sector owners, who may find it difficult to fund the improvements required in these areas, where valuations are generally low. Consideration should be given to potential solutions, including extending the tenement management scheme to include works required to meet the energy performance standards set out in Energy Efficient Scotland.
Under the new definition of fuel poverty, the proportion of private rented households in fuel poverty is expected to increase from 13% to 35%.\(^1\) Rents in North Lanarkshire’s private rented sector (PRS) are among the lowest in Scotland and landlords may find it difficult to fund the works required, or may choose to exit the sector. We share the national vision for a high-quality, energy efficient PRS but an appropriate balance may need to be struck between engagement and enforcement. To support this vision, the Scottish Government may wish to consider how it can support ambitious authorities like North Lanarkshire to enable investment in new privately rented homes in their areas. It may also wish to consider a long-term grant programme to support social landlords to purchase and improve energy efficient private sector homes for affordable rent.

North Lanarkshire Council also supports the requirement for the Scottish Government to publish a long-term Fuel Poverty Strategy for Scotland and to report on progress to the Scottish Parliament on a periodic basis. However, consideration should be given to more regular reporting (for example, twice during a Parliamentary term) to ensure that Parliament remains focused on eradicating fuel poverty and that it has an opportunity to shape Scotland’s response to it.

Finally, the Fuel Poverty Strategy for Scotland 2018 highlights 18 key actions the Scottish Government will take to deliver on its ambition of eradicating fuel poverty. Only one of these (Action 12 – ‘We will maximise incomes, through increasing the availability of low carbon jobs in local communities and addressing poverty and inequalities through actions set out in our Fairer Scotland Action Plan’) concerns household income, which is arguably the primary driver of fuel poverty, particularly under the proposed new definition. To deliver on the ambitions set out in the Bill, any subsequent Strategy must much more clearly align its approach to tackling fuel poverty with Scotland’s plans for delivering new jobs across all sectors and inclusive growth across all of our communities.

In summary, North Lanarkshire Council shares the Bill’s ambitions of eradicating fuel poverty and agrees with the redefinition of fuel poverty set out in the draft legislation. We are committed to supporting residents out of poverty, and we will continue to support investment in new and existing homes in North Lanarkshire. The Scottish Government’s continued support will however be required to ensure that local authorities and others can effectively eradicate fuel poverty.

\(^1\) Scottish Government (2018, August 28), Personal correspondence between Scottish Government officials and North Lanarkshire Council.