LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

CALL FOR VIEWS

SUBMISSION FROM ASSOCIATION OF LOCAL AUTHORITY CHIEF HOUSING OFFICERS

1. **Do you agree with the Scottish Government’s proposal to provide for a statutory target to reduce fuel poverty to no more than 5 per cent of Scottish Households by 2040.**

We agree that the Scottish Government should set a clear and unambiguous target that is both challenging and achievable.

How such a target is expressed is a matter of judgment, we are of the view that “no more than 5” by a target date is as good a way as any. However, we are concerned that the target date chosen by the Scottish Government isn’t sufficient ambitious. We also believe that it is important to avoid giving the impression that 5% is an acceptable level of fuel poverty particularly where some households are in fuel poverty long term. Our view is that every household known to be in fuel poverty should be on a journey, to improve their income or reduce their fuel costs, that will end their fuel poverty in a reasonable period. We are also not convinced that 2040 is sufficiently challenging given the significant health and other impacts that fuel poverty can have particularly on the very young and older people. In the light of this we would support the call made by the Existing Homes Alliance and others that the target date should be 2032.

2. **Do you agree with the Scottish Government’s proposals for a revised definition of fuel poverty?**

Yes. ALACHO participated in the work of the Scottish Fuel Poverty Strategic Working Group that made the recommendation for a new definition of fuel poverty and we support the approach the Scottish Government has taken to developing this definition. However, our view is that the Scottish Government should accept the approach recommended by both the Strategic Working group, the Rural Fuel Poverty Task Force and the Expert Panel appointed by the Scottish Government that developed the proposed definition. In particular we are of the view that a separate and higher minimum income standard should be used to measure fuel poverty in remote rural areas.

3. **Do you agree with provisions in the Bill requiring the Scottish Government to publish a fuel poverty strategy? Do you also agree with the consultation requirements set out in relation to the strategy?**

Yes, we strongly support the proposal for a statutory obligation on the Scottish Government to publish a Fuel Poverty Strategy. Our view is that this approach
demonstrates both the significance of the issue and the level of priority to be placed on addressing it. It provides an important platform for the Scottish Government to show leadership and to adopt evidence-based approaches that have the widest possible support.

We also support the requirements in relation to consultation, and in particular the involvement of those experiencing fuel poverty. Our view is that this should be used as the basis for developing a “co-production” approach that goes beyond consultation and actively involves those facing fuel poverty and the organisations active in delivering the strategy in designing programmes, setting targets and measuring and reporting progress.

4. A draft fuel poverty strategy was published alongside the Bill on 27 June. Do you have any views on the extent to which the measures set out in the draft Fuel Poverty Strategy for Scotland 2018 will contribute to meeting the Government’s new target? Have lessons been learned from previous initiatives?

The draft fuel poverty strategy has, for the most part, been well drafted with a number of clear lessons being learned from past programmes. However, there are two key areas where we think further thought and in particular clarity around resources is required. These are:

The delivery of EESSH2- the Scottish Government set ambitious targets for the improvement of energy efficiency in the Social Rented Sector through the original Energy Efficiency Standard for Social Housing. This has, for the most part been met but at significant cost directly to tenants. Investment levels have been high, with estimates of spending of over £100m a year in 2016/17 and 2017/18. Public subsidy for this work or contributions from the energy supply companies through the ECO scheme has been limited. Meeting the EESSH has put pressure on rents in social housing. EESSH 2 represents a significant further challenge. And whilst we welcome the fact that representatives from a number of social landlords in both the Local Authority and RSL sectors were heavily involved in agreeing the technical details of EESSH2 we are concerned that the Scottish Government has yet to consider the impact of the investment required on rent levels and poverty more generally. Whilst the analysis is necessarily at an early stage we are aware of a number of local authorities reporting that the delivery of EESSH2 without significant additional support from the Scottish Government will result in rent rises significantly higher than the maximum energy cost savings experienced by tenants.

There is a significant risk that EESSH2 will result in a programme that improves energy efficiency but fails to reduce fuel poverty and exacerbates child poverty by driving up housing costs. In such circumstances it is possible that some social landlords will be reluctant to invest to meet the full EESSH2 standard. Improving the energy efficiency of the social rented stock has been one of the most significant areas of success in recent years. The lack of funding to support EESSH2 risks undermining this and the overall effort to eliminate energy efficiency as a driver of fuel poverty. In the light of this it is our view that the

---

1 Scotland’s Housing Network- EESSH update 2016-17.
Scottish Government needs to reconsider how and to what extent it is supporting energy efficiency work in the social rented sector.

**Action to improve the energy efficiency of owner occupied housing**—despite previous commitments to move to a single cross tenure standard the proposals set out in the strategy set lower standards or longer timescales and weaker enforcement for the owner-occupied sector. The approach lacks both ambition and conviction and marks a sharp contrast with the very significant demands that have been made on the social rented sector, largely paid for, as we have seen, from rents. We believe the Scottish Government should reconsider its approach to owner occupation and be much clearer with home owners about their obligations in relation to carbon reduction and the importance of improving the energy efficiency of the housing stock as a whole.

5. **Do you have any views on the Scottish Government’s reporting requirements to the Scottish Parliament, as set out in the Bill?**

It is for the Parliament itself to consider how best to report progress in the delivery of the statutory targets it sets. However, we would offer the following observations based on our experience of good practice:

- It can be difficult to assess how deliverable a strategy is without a clear action plan and milestones associated with it;
- Reporting progress every five years leave relatively few opportunities to respond should problems arise in delivery, even in 20-year programme;
- Annual progress reports are likely to assist MSPs by providing early warnings of problems and better oversight of progress; and
- It may help to set out clear trigger points for corrective action or enhanced scrutiny of progress in the event of problems in achieving milestones or interim targets.

We would suggest that some consideration should be given to including some or all of these options as part of the reporting and oversight arrangements.

**Tony Cain**  
ALACHO Policy Manager  
November 2018