LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL
CALL FOR VIEWS

SUBMISSION FROM GLASGOW CITY COUNCIL

Glasgow City Council welcomes the opportunity to submit written evidence to the Local Government and Communities Committee on the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill.

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?

The Council agrees in principle with the proposal to set a new statutory target to eradicate fuel poverty however we anticipate difficulties with the delivery. Our experience of HEEPS to date is that engagement with private landlords to invest in their property is challenging. To a lesser extent, owner occupiers, simply are not able to afford the cost of work. In particular, owners in some non-traditional properties cannot afford to participate as work is too costly. Where essential repairs are required this adds an additional burden for all concerned. Delivery in mixed tenure blocks could further exacerbate reaching the fuel poverty target by 2040.

The target of 5% represents circa 138,000 households (based on National Records of Scotland projections) this represents a considerable number of households remaining in fuel poverty post 2040.

Notwithstanding, the issues outlined above the Council welcomes the proposal however the non-statutory interim targets and milestones at 2030 and 2040 in the Draft Fuel Poverty Strategy should be strengthened. The Council would prefer statutory interim targets reported every 3/4 years to allow for adjusted shortfalls to be implemented otherwise there is little chance of targets being achieved.

The cost of fuel and household income are both out with the control of the Scottish Government and have a significant impact on the target to reduce fuel poverty. Rising fuel prices, in recent years, reduced the impact of substantial investment in energy efficiency measures. Registered Social Landlords (RSLs) have already been carrying out extensive measures to meet SHQS and EESSH. So the challenge in this sector is likely to be the cost of fuel and low income rather than physical measures.
2. Do you agree with the Scottish Government’s proposals for a revised definition of fuel poverty?

The Council welcomes the use of After Housing Costs (AHT) in the fuel poverty definition but remains concerned about the impact this will have on the city. Our concerns are set out below.

The Equality Impact Assessment accompanying the Bill provides an analysis of the current and proposed definition using 2016 SHCS data. This shows the new definition reduced the number of households in fuel poverty from 649,000 to 584,000. In particular, the number of older households considered fuel poor reduces from 311,000 (40.6%) to 174,000 (22.8%). There is also a noticeable reduction of fuel poor households in the owner occupier sector from 296,000 (37.1%) to 140,000 (17.6%). In contrast there is a significant increase in the number of family households from 66,000 (12.2%) to 118,000 (21.6%) under the new definition.

The Scottish House Condition Survey (2015) estimates that 39% of older households in Glasgow are in fuel poverty compared to 27% of families therefore the change in the demographic profile away from older households to younger households and families in social rented and private rented sectors is a concern in Glasgow. The new definition will impact on HEEPS funding and older households living in inefficient houses. Older households tend to require a higher heating regime to live comfortably in their homes.

The Council is extremely concerned by the change in the vulnerability age threshold from 60 to 75 as the life expectancy for Glasgow residents is much lower despite improvements in life expectancy for men and women in the last 15 years.

Whilst improvements have been made, life expectancy in Glasgow remains significantly lower than in Scotland and the gap between our most deprived and affluent communities persists. The average life expectancy in Glasgow is 71.6 years for men and 78 for women however the Glasgow Centre for Population Health estimated that between 2008 and 2012, some neighbourhoods were as low as 66 years for men. Over 15 of the 56 neighbourhoods have a life expectancy lower than 70 years for men. Most of the communities are in the lowest 5% in the Scottish Index of Deprivation meaning they are some of the poorest communities in the country. We strongly support the age proxy remaining at 60.

The council considers the proposed age of 75 to qualify for the enhanced heating regime will have a detrimental effect on older households in the city.

The council supports broadening the enhanced heating regime to capture households where an occupants' health condition would benefit from a higher temperature regime regardless of age.
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?

The Council welcomes the requirement of the Scottish Government to publish a fuel poverty strategy.

The Council welcomes the inclusion of household lived experience however accepts there will undoubtedly be complex issues including income, health issues and disability that may contribute to, or exacerbate, an individual's lived experience of fuel poverty. This will highlight the need to build on existing partnerships across all agencies to tackle fuel poverty.

The Council has worked with a number of partners including Macmillan Improving the Cancer Journey, the Wise Group, HES, Energy Action Scotland and contractors to deliver measures to vulnerable people and households who have long term health condition occupants. The strategy will allow a sharing of best practice across practitioners and schemes to be replicated in other areas of need.

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 details actions which the Scottish Government hopes will contribute to meeting the new target, but there is no indication of the cost to deliver and the level of funding required to support these actions. The Fuel Poverty Strategy in 2019 should include a delivery plan, cost profile and funding sources that will deliver the 2040 fuel poverty target. There should be a monitoring and evaluation framework based on outcomes to inform future years of the programme.

The Council would welcome multi year funding award to deliver to area-based HEEPS programme similar to the position with respect to the Scottish Government’s 3 year Affordable Housing Supply Programme.

The delivery of the HEEPS programme tends to focus on a single energy efficiency measure as part of a project area. Previously Warmer Homes Scotland complimented HEEPS by installing an additional measure. For example, HEEPS projects deliver external wall insulation (EWI) however if the property could benefit from a new heating system this was permitted. The installation of EWI as a single measure may not always lift households out of fuel poverty where a whole house approach would.
The fuel poverty strategy focuses primarily on removing poor energy efficiency as a driver for fuel poverty. There is little indication of how high fuel costs and low income levels will be addressed.

In tackling the fourth driver, behavioural change, the council works with HES to ensure participants in HEEPS projects benefit from a HES intervention including a free benefit check to maximise householder income. In addition, the council offers a face to face energy advice service, through the Wise Group’s G-Heat, to ensure households receive behavioural change and energy advice, fuel switching, and advocacy services with fuel providers. In certain circumstances, householders could be lifted out of fuel poverty by receiving a face to face intervention without the installation of an energy efficiency measure.

The lack of continuity of funding to deliver an advice service creates uncertainty for business continuity and staff security which has a direct impact on the quality of service to householders. The benefit of an advice service is often underestimated; the Council strongly supports the provision of a face to face advice service embedded in the fuel poverty strategy and resourced in recognition of the pivotal role advice plays in the challenge to eradicate fuel poverty.

Glasgow City Council has engaged in a number of initiatives to tackle disrepair, energy efficiency and regeneration in areas such as London Road and Priesthill. The projects address flatted properties in the most deprived areas of the city with high instances of private landlord ownership. Projects of this nature involve multi funding streams and require longer lead in times to deliver. The introduction of ECO3 has made the funding landscape even more complex. The Council would welcome flexibility within the Fuel Poverty Strategy to allow delivery of more projects of this nature as they regenerate and revitalise communities whilst eradicating fuel poverty and contributing to climate change targets. This also requires flexibility in dealing with the private rented sector to remove barriers to participation.

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

The council is concerned with the time scales associated with the interim non-statutory monitoring requirements. There is little time for implemented changes to take effect from 2031, if required, to reach the final target by 2040. The council also has concerns about what would happen in the intervening 2 years from 2040 whilst the final analysis is underway to confirm compliance in 2042. Reporting timescales, to assess compliance, should be at shorter intervals perhaps every 3/4 years to allow for adjusted actions to mitigate against shortfalls in previous years delivery against set targets.
The annuality of HEEPS funding and the SEEP bidding process causes difficulties with the delivery of Energy Efficient Scotland programmes. This is detrimental to the aspiration of developing certainty in the supply chain as demand is uncertain. A multi-year funding allocation, with more flexibility for delivery across the years, similar to the More Homes Affordable Housing Supply Programme would be desirable. In addition, the HEEPS Loan scheme requires continuity of funding to seamlessly transition across financial years.