LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM HOME GROUP

We are Home Group

We have a long and proud history in Scotland, where we manage almost 5,000 homes. We are one of the top five largest developing housing associations in Scotland based on the number of new homes we build each year. Over the next five years we plan to build 1,000 more homes in Scotland. We benefit from the experience and expertise we hold as one of the largest housing associations operating in the UK, with more than 100,000 customers living in our 54,000 homes. We have an annual turnover of over £360 million and assets worth £3.5 billion. As a not for profit organisation, our £51.8 million surplus from 2017–18 is reinvested in our homes, communities and the services we offer our customers.

We aim to provide more energy-efficient housing and services which will mean our customers get lower energy bills. For us its more than pounds in pockets, it’s about the emotional well-being that comes with a warm home, a cooked meal and access to running hot water. Our Gateshead Innovation Village, where we are testing five different types of modular houses and sustainable energy solutions, is one example of our approach to providing more energy efficient homes for our customers.

Our response to the Scottish Government’s Energy Bill is detailed below.

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.

HG supports the principle of minimum energy efficiency standards being introduced across all tenures. However, we believe the target timescales must be linked to the Energy Efficiency Standard for Social Housing which are to be achieved by 2032 (EESSH2). We are aware that the Scottish Government has no control over energy prices and income which are two of the key drivers for fuel poverty. The Bill does not describe in any real detail either in the draft legislation or in the draft Fuel Poverty Strategy what measures the Government use to achieve the targets or what funding might be available.

We support a minimum EPC rating C, where feasible by 2030, and not by 2040 as proposed in the consultation.
2. Do you agree with the Scottish Government's proposals for a revised definition of fuel poverty?

The definition is helpful in that it goes further to try to more effectively target those in fuel poverty. However, it would be helpful to give more consideration to groups such as older people who may have no housing (mortgage) costs but may live in difficult to heat homes and paying high fuel costs. The definition as it currently stands could mean that those without high housing costs might not be classed as fuel poor, despite high heating bills. It would be beneficial to include something relating to vulnerability. We welcome the use of the Minimum Income Standard after deducting the ‘cost of housing’ we recommend that the cost of housing should also be defined. It would also be useful to give consideration to using the Priority Service Register indicators currently used by the energy sector to further clarify those deemed to be ‘vulnerable’ in the definition.

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. The Fuel poverty strategy will be crucial to the Bill’s success or otherwise. The strategy needs to set out clear measures; milestones; tactics and costs for how the targets will be met for the legislation to have any chance of achieving a meaningful reduction in fuel poverty.

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?

Housing associations have some of the most energy efficient homes in Scotland, but our tenants are more likely than the average Scottish household to be in fuel poverty due to low income levels. We believe that education about energy efficiency and new types of energy efficient systems is vital. The importance of face-to-face energy advice and advocacy in supporting our tenants move out of fuel poverty is vital and this is a role that as a social landlords we can play if funding is made available. We also know that those who are digitally excluded will face additional challenges to move out of fuel poverty.

Housing Associations spend to meet EESSH2 will come from our own resources. There is no funding model set out in the Bill or the draft Strategy to achieve the targets and we recommend detailed consideration is given to funding vehicles.

We believe that a Common Housing Quality Standard should be introduced covering minimum energy efficiency standards and the repair of common parts of buildings. A longer term annual fund should be made available to all housing tenures to enable investment to meet the standards.
5. **Do you have any views on the Scottish Government's reporting requirements to the Scottish Parliament, as set out in the Bill?**

We fully support the reporting requirements and would add that milestones or more frequent possibly annual tracking on progress be included.