

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

Wednesday 3 October 2007

Session 3

£5.00

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CONTENTS

Wednesday 3 October 2007

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DECISION ON TAKING BUSINESS IN PRIVATE	131
SUBORDINATE LEGISLATION	131
Housing (Scotland) Act 2006 (Repayment Charge and Discharge) Order 2007 (SSI 2007/419)	131
FUEL POVERTY	132

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

6th Meeting 2007, Session 3

CONVENER

*Duncan McNeil (Greenock and Inverclyde) (Lab)

DEPUTY CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

COMMITTEE MEMBERS

*Alasdair Allan (Western Isles) (SNP)

*Bob Doris (Glasgow) (SNP)

*Patricia Ferguson (Glasgow Maryhill) (Lab)

*Johann Lamont (Glasgow Pollok) (Lab)

*David McLetchie (Edinburgh Pentlands) (Con)

*Jim Tolson (Dunfermline West) (LD)

COMMITTEE SUBSTITUTES

Robert Brown (Glasgow) (LD)

Rhoda Grant (Highlands and Islands) (Lab)

Tricia Marwick (Central Fife) (SNP)

Margaret Mitchell (Central Scotland) (Con)

*attended

THE FOLLOWING GAVE EVIDENCE:

Sandy Black (Scottish Borders Council)

Eddy Collier (Scottish Gas)

Eddie Follan (Energywatch)

Roger Harris (Communities Scotland)

Norman Kerr (Energy Action Scotland)

Dr Andrew Scott (Scottish Government Housing and Regeneration Directorate)

Nick Waugh (Help the Aged)

CLERK TO THE COMMITTEE

Martin Verity

SENIOR ASSISTANT CLERK

Jane-Claire Judson

ASSISTANT CLERK

Ian Cowan

LOCATION

Committee Room 5

Scottish Parliament

Local Government and Communities Committee

Wednesday 3 October 2007

[THE CONVENER *opened the meeting at 10:01*]

Decision on Taking Business in Private

The Convener (Duncan McNeil): Welcome to the Local Government and Communities Committee. The first item on the agenda is consideration of whether to take item 4 in private. Are we agreed that item 4 will be taken in private?

Members *indicated agreement.*

Subordinate Legislation

Housing (Scotland) Act 2006 (Repayment Charge and Discharge) Order 2007 (SSI 2007/419)

10:01

The Convener: The second item is consideration of a negative instrument. No members have raised points on the order, and no motions for annulment have been lodged. At its meeting of 25 September, the Subordinate Legislation Committee agreed to draw to the attention of this committee and the Parliament a technical issue with the order. However, no other issues have been raised. Do we confirm that the committee has nothing to report on the order?

Members *indicated agreement.*

Fuel Poverty

10:02

The Convener: We welcome Eddie Follan, who is the public affairs manager for Energywatch; Norman Kerr, who is the director of Energy Action Scotland; and Nick Waugh, who is policy officer for Help the Aged. We have received apologies from David McNeish of Citizens Advice Scotland, although the CAS has submitted written evidence. We appreciate your attendance. I will give you a couple of minutes to make short opening statements, if you wish.

Norman Kerr (Energy Action Scotland): The paper that Energy Action Scotland has submitted sums up our view. I am happy to start with questions.

Nick Waugh (Help the Aged): I am happy with what Norman Kerr has said. We welcome the opportunity to give evidence to the committee, and we welcome the fuel poverty inquiry that you are undertaking.

Eddie Follan (Energywatch): I agree. We recognise that many organisations other than ours were involved in briefing members of the committee, including environmental and anti-poverty organisations. I am happy to take questions.

The Convener: Thanks. The Minister for Communities and Sport recently gave evidence about the future of the central heating programme. Your organisations and others have highlighted the question whether that programme is now fit for purpose with respect to targeting and reaching the right people. Is the programme achieving the overall objective of reducing fuel poverty in Scotland? How important is targeting to the whole debate?

Norman Kerr: There are two issues with targeting. One is actually identifying the group that you want to target: where they are, where they stay and how you give them the information that will bring them forward. The second is whether you want to expand the programme to target other groups within fuel poverty. Through the Scottish house condition survey, Communities Scotland provides a comprehensive picture of where fuel-poor households are. The difficulty is that we do not know the individual addresses, so we cannot go and chap the door.

I understand that the debate in Parliament on Warm Zones last week was successful, and Energy Action Scotland and others are keen that warm zones are introduced in Scotland as a means of effective targeting.

Kenneth Gibson (Cunninghame North) (SNP): I second that.

The Convener: We will hear the witnesses' views first—members will get an opportunity to ask questions later.

Do the other witnesses have any comments?

Nick Waugh: The central heating programme is fit for the purpose that it was originally intended for, which was to provide central heating for people who had none. The question about its future tends to centre on what happens when the majority of installations are replacements. It is clear that the central heating programme by itself can never eliminate fuel poverty, so there are two questions: how do we target the current programme to fuel-poor people and the most vulnerable households, and how do we take it forward so that we can meet the target in 2016?

Eddie Follan: I support what the other witnesses have said. Older people are still more at risk of fuel poverty. The programme has benefited them and successfully lifted a lot of them out of fuel poverty. However, there is a case for looking at what to do with the programme next and at whom it is targeted. A lot of families are on low incomes. Children's organisations estimate that 100,000 children live in fuel poverty and that some 5,000 live without a heating system. If we are going to debate the programme and where it goes next, it is apt that we should consider such groups.

The central heating programme's impact on fuel poverty overall is an important question, although I hope that we can get into a broader debate about the solutions to fuel poverty as well. The house condition survey shows that 419,000 people live in fuel poverty, although organisations such as Energywatch and Energy Action Scotland have estimated that the figure could be higher—around 600,000—given the price rises since 2003. We have a significant problem. The programme has done a lot of good work, but where does it go next? That is the debate that we need to have.

Norman Kerr: I would like to come back on the fit-for-purpose question. When the programme started, it was directed towards people who had no central heating. Along with others, Energy Action Scotland believed that that was a laudable way to press forward. However, we recognised that it was the first step because—we have repeated these figures time and again—around a third of all houses in Scotland are off the gas grid and are unable to access the cheapest form of fuel; around a quarter of houses in Scotland do not have a loft and are not fit for loft insulation; and around 30 per cent of houses do not have a wall cavity or one that can be filled, due to the house construction. There are constraints within the programme, and as the years have passed it has

become more apparent that we need to review the programme to see how it can address the houses that it cannot currently target effectively. We must examine that more closely.

The Convener: What contact have you had with the Minister for Communities and Sport or his officials on the review that is taking place?

Norman Kerr: Energy Action Scotland carries out a programme of work on behalf of the Scottish Government, which is negotiated every year with the minister's officials. We continue to meet those officials regularly, and we are due to meet the minister next week to talk about that and to examine the way forward.

The Convener: What do you mean? Have you met the minister as part of the review, or is next week's meeting your first meeting?

Norman Kerr: Our first meeting with the minister will be next week.

The Convener: I presume that you will raise issues about extending the scheme to include households with children and disabled people. If the current scheme, which includes repair and replacement, remains in place, what will be the cost of extending the programme to such households?

Norman Kerr: I think that children's charities submitted a paper to the committee in which they suggested that around 5,000 households should be targeted initially. If we multiply 5,000 by £3,500, we arrive at the figure.

Eddie Follan: The figure is about £16 million.

Norman Kerr: Yes. There is a debate to be had about whether we can continue with the programme in its current format. In the paper that Energy Action Scotland submitted, I suggest that the Scottish Government could be asked to fit 10,000 heating systems every year for the foreseeable future. We need a wider debate about how we encourage people who have received a new system from the Scottish Government to maintain and care for their system, so that it lasts longer. If a system is not maintained properly, it might break down after a few years. It might not be anyone's fault, but within five years of getting their brand new system from the Scottish Government, a person might ask the Government for a replacement.

Previous ministers put a great deal of pressure on the fuel utilities companies to introduce social tariffs that offer cheaper fuel. We also need to discuss with the utilities the provision of maintenance and insurance programmes that support the central heating programme and extend the life of systems that are installed.

The Convener: Have Help the Aged and Energywatch participated in the review and been asked for their views?

Eddie Follan: Energywatch has not been asked for its view. We have met officials to discuss issues other than the central heating programme, such as social tariffs, and we will meet officials in the next month, but not as part of the review.

Nick Waugh: Help the Aged has not met officials as part of the review.

Jim Tolson (Dunfermline West) (LD): My question is mainly for Norman Kerr. I think that we agree that the central heating programme has made a tremendous difference to many people in Scotland, but we would like it to go further. In your submission, you say that the grant has remained at £500 since the programme's inception, which is a fair comment. What grant do you and other panel members think would be sufficient to take the programme forward in the way that you envisage?

Norman Kerr: About two years ago, we suggested that the grant should be increased to about £750. At the time, we were considering the average cost of loft and cavity wall insulation jobs, if they were brought together. The figure that we arrived at would not be far off the mark today. A grant of £750 would be adequate to fit both main measures to houses that require them.

Jim Tolson: That is interesting. A grant of £750 is not excessively larger than the current grant, and it might allow for the expansion of the programme in certain areas. However, the increase is well above the inflation rate over the past five or six years. Does the revised figure allow for an expansion of the programme to make other people eligible?

Norman Kerr: No, we simply considered the cost of materials. Price rises in loft and cavity wall insulation materials and in copper piping for the central heating programme have well exceeded inflation. I think that cavity wall insulation is 30 per cent dearer than it was three or four years ago. There has been a massive rise in the cost of such materials.

David McLetchie (Edinburgh Pentlands) (Con): You believe that the main, means-tested grant should be increased from £500 to £750. There is a smaller, non-means-tested grant of £125. A pro rata increase would make that grant nearer £200. Is that broadly correct?

10:15

Norman Kerr: Yes. As part of the review, we would be happy to consider the effectiveness of the smaller grant. We have had concerns for some time about households' ability to organise the work

themselves and about the lack of a schedule of rates. People might be at risk from unscrupulous businesses that know that a grant of £125 is available, so they might add £125 to the cost of the job simply to get it.

We are also concerned about the inspection of work. How do we know whether work has been executed to the standards that have been laid down? Both managing agents of the programme since 1999 have been very strict on standards. I know that some people have been unhappy with the standard of work—I am sure that committee members will have had constituents with such concerns—but the overall standard of work under the programme has remained high. We are concerned that standards are not controllable in relation to the smaller do-it-yourself grant.

You are correct to say that the grant would be nearer £200, but we are still worried about how effective the grant is, about how people find qualified tradesmen to do the work, and about the standard of the completed work.

David McLetchie: Has an estimate been made of the administrative cost of handing out grants of £125?

Norman Kerr: Not that I am aware of. The next panel might be able to answer that.

Kenneth Gibson: Recently, I asked a parliamentary question about the number of measures that have been obtained under the warm deal. The answer shows that, although 15,500 dwellings were covered by the warm deal in 2005-06, only 152 received more than the minimum measures. The answer states:

"All dwellings benefiting from the Warm Deal programme received one of the available measures plus energy advice and low energy light bulbs, as a minimum."—[*Official Report, Written Answers*, 21 August 2007; S3W-2641.]

It is clear that more than 99 per cent of households did not get more than the minimum.

One of the reasons for that is explained in the answer to another parliamentary question that I asked, S3W-2640, which shows that, in real terms, the value of the grant has fallen from £500 to £421 since it was introduced in 1999. Do you agree that, whether the grant is set at £750 or another sum, it should be index linked so that its value does not fall year on year until it is either replaced or uplifted in line with inflation?

Norman Kerr: If it is not index linked, it should certainly be reviewed every three to five years.

Kenneth Gibson: David McLetchie mentioned the £125 grant. There is also the social housing warm deal grant of £320. What is your view on that? I understand that you are concerned that it does not represent much of an incentive for local

authorities to carry out more than the minimum of work.

Norman Kerr: We argue that local authorities should be given more than £320, so that they can effectively deliver more measures. There is an expectation that local authorities will match the grant with energy efficiency commitment—EEC—funding or with their own capital grant programme. Our difficulty is that EEC funding does not pay for all the measures that are available through the warm deal or the central heating programme; it focuses on lighting, cavity wall insulation and perhaps loft insulation where there is none. It is difficult for local authorities to tie into the fuel utilities' EEC budgets, because the fuel utilities have already made commitments to a number of local authorities. We are not convinced that Scotland is getting its fair share of the EEC budget in the first place. We are giving local authorities something that is welcome—many authorities welcome it—but we are not giving them adequate funding to do all the necessary work.

Eddie Follan: EEC—which is to be known as CERT, or the carbon emissions reduction target—presents issues for low-income consumers, who pay proportionately more of their bill towards EEC. I reiterate what Norrie Kerr said: we do not know how much EEC money is spent per household in Scotland, although attempts have been made to find that out.

Nick Waugh: I defer to my colleagues' greater wisdom, as the subject is beyond the speciality of Help the Aged.

Johann Lamont (Glasgow Pollok) (Lab): I have a specific point. Energy Action Scotland says in its submission that it is a member of the fuel poverty forum, which Citizens Advice Scotland's submission says

"has met with decreasing frequency".

Has the forum met since the new parliamentary session began? Is a meeting scheduled? Citizens Advice Scotland suggests that reconstituting the body with an independent chair might be worth while. I presume that that would mean that the frequency of meetings would be determined by factors other than the pressures on ministers and Government officials. Will you confirm that the forum has not met recently? Does it plan to meet? What is your view on reconstituting the forum?

Eddie Follan: For more than a year, I have been in post with Energywatch, which is a member of the forum, and the forum has not met in that time. That is the result of various pressures and other factors, as well as changes because of elections.

I think that Citizens Advice Scotland's proposal of an independent chair is based on the fact that

the Fuel Poverty Advisory Group in England has an independent chair and the Government there must respond to the group's recommendations. That group has been a pretty successful forum for developing policy and driving it forward. We support Citizens Advice Scotland's view that we need to work in a policy framework that allows us to report to ministers and to Parliament on progress that is being made to tackle fuel poverty.

Norman Kerr: I support that view. Citizens Advice Scotland notes that the forum last met in June 2006. It is fair to say that that was the forum's last formal meeting. After that, officials constituted a sub-group of the forum to examine whether the forum was fit for purpose and still able to deliver what the then Executive was looking for. Events overtook us and officials could not present the options for a reconstituted forum to ministers.

I know that officials have considered the matter. Part of the sub-group's purpose was to ask how we could make the forum more effective in supporting the Scottish Government to meet its targets. Unfortunately, we have not yet had the opportunity to hear ministers' views on the outcome of the sub-group. Energy Action Scotland, Citizens Advice Scotland, Energywatch and other members of the forum believe that the forum can support the Scottish Government and be an independent group that gives independent advice. The Executive underused and undervalued the forum at one point, and we would like to think that a minister will rejuvenate it and create a group that is fit for purpose.

Johann Lamont: Are you concerned about any implications of the changes that are beginning to be made as a result of the review of the programme that was completed in December 2006? I do not know whether that date is right, but I think that that is when changes were introduced.

Energy Action Scotland has raised a concern. Setting a cap on the grant is one way of managing replacement systems. Energy Action Scotland suggests that an unintended consequence of that is that people are being directed to systems that are not necessarily the most appropriate for them. That means that a counterintuitive approach is being taken—although the aim is to address energy efficiency, what is being provided is not as efficient as it should be. Do you have any comments on that or examples to give? Perhaps the issue could not have been foreseen, but it is a concern. How can the programme be managed while that problem is addressed?

I ask you to reflect on a second issue. It has been said that there are issues to do with how small grants are managed and with people having to do things themselves. One reason why managing agents were introduced was that a significant number of people on the programme

would be vulnerable, and we did not want to leave them at the mercy of whoever was coming down the road looking for a grant and giving a poor-quality installation. Is there a case for arguing that, in certain circumstances, it would be more efficient simply to give people the grant and let them be responsible for the installation, which would be checked later? Some folk would argue that the managing agent process is cumbersome and is part of the cause of delays.

Norman Kerr: Several issues have been raised. On the quality of work, Energy Action Scotland would be concerned if grants for central heating or insulation were simply given to tenants, who would then be left to arrange work themselves. Both managing agents have gone through a scrupulous process to bring in quality contractors. All members will have heard of occasions on which things have not necessarily gone right, but the managing agent can put things right. If a tenant has a job done, pays for it and is not satisfied, I do not see how they can retrieve the situation once they have parted with the cash. Who should say whether the job has been done satisfactorily—the tenant or people using the technical standard that needs to be adhered to? People who adhere to the technical standard would already be participants in the scheme. The programme manager would have them as a contractor, because they could control their work. I would worry about the quality of work of anyone who was operating outwith the scheme, which could lead to the scheme being brought into disrepute.

On the consequences of moving from an average grant to a capped grant, Citizens Advice Scotland has had several cases in which people have been asked to pay additional money on top of the cap, which is unfortunate. I think that we will see that happening in rural areas in particular, where people are off the gas grid and are looking at oil systems. We have been told by members that people are now being directed towards electric systems that are cheaper to install but which may not meet the client's needs. That is an unintentional consequence of the programme.

Johann Lamont: How should we deal with people who say that the quality of the service that they were given was affected by the people who installed the system perceiving it to be free to the person receiving it? People have said that if they were paying for the system themselves, they would be able to say when something was unacceptable, but they have just been told, "This is the programme." I accept the point that has been made about vulnerable people, but how can that be dealt with? It might be thought that a gulag of people who receive a free service do not get treated in the same way as people who pay for it.

In relation to quality installers, which you mentioned earlier, there were fears that, during the transition from one managing agent to another, social enterprise organisations would lose out. Do you have any figures on that?

10:30

Norman Kerr: There have been some casualties. During the transition, four organisations withdrew: two closed completely, with the loss of some jobs; one sold on to a bigger organisation; and another withdrew from the insulation part of the new programme but continued to provide training, which was its core business. Earlier in the year, Energy Action Scotland calculated that 200 jobs had been lost throughout the industry.

On your point about the perception that the work was being done for free, as it were, the managing agent would be best placed to address that issue through the way in which they managed the contractors in the programme. I do not see how the situation would be addressed simply by giving someone a grant and telling them to organise everything themselves. The person who did the work in that circumstance would know that the money was a grant and would be aware that the work was, effectively, being done for free.

If members know of examples of individual contractors not performing to the expected standards, I am sure that the managing agent would be concerned about that and would be in the best position to manage the situation. Previously, when it has been found that companies have not been working properly, the managing agent has reduced the amount of work that those companies have been given until the standards have been raised or has removed them from the programme altogether. I am not aware of any company being removed from the current programme but, in previous years, companies were removed due to their failure to comply with standards, particularly standards of customer care, in relation to which a failure is completely unacceptable.

The Convener: I call Patricia Ferguson to ask the next question. The committee will be aware that we have received texts and e-mails containing questions from the public. Accordingly, Patricia Ferguson will ask a question that was submitted by a Miss Wallace from Glasgow.

Patricia Ferguson (Glasgow Maryhill) (Lab): I have no more information on Miss Wallace than that she is from Glasgow. She asks:

"How will the cost of wind farms reduce fuel poverty?"

Perhaps I could widen out her question a little. I was interested in what you were saying about properties that are hard to treat because they do

not have cavity walls or lofts that can be insulated. I am conscious that Energy Action Scotland mentioned the on-going pilot scheme for renewables and microrenewables. Could you cite a few examples of how you envisage that working? That will take you away from Miss Wallace's question, but you might want just to roll the two elements together.

Norman Kerr: I am very glad that we have been taken away from Miss Wallace's question. She asks how wind farms will reduce fuel poverty. Our view has always been that the cheapest unit of energy is the unit that you do not use or generate in the first place. We need to keep firmly focused on the fact that increasing the energy efficiency of our houses reduces our reliance on any type of fuel.

Energy Action Scotland is delighted about the microrenewables trial as we have been asking for such a trial for a number of years. As you suggest, we need to focus on the houses that are hard to heat or hard to treat. It would be uneconomical to go for a full extension of the gas grid across Scotland. Further, on the issue of security of supply, we have to ask whether it is right that we should expand the gas network when we are reliant on gas coming from less stable economies than our own.

Microrenewables will have a role to play in relation to people's heating systems. For example, if someone lives in a solid-walled cottage in the Western Isles, a solar panel to heat their water may well be the most effective means of supplementing their heating. Alternatively, a heat pump—whether a ground-source or an air-source heat pump—may well be the solution for someone who already has an electric heating system but wants to replace it.

Unfortunately, the report on the trial will come out after the spending review. Whatever the results of the trial, we are unlikely to be able to incorporate the technologies that have been on trial into the programme.

It is important that the Scottish Government continues to fund initiatives such as the Scottish community and householder renewables initiative. That initiative is not aimed at fuel-poor households but at more affluent households, but it will help to build a knowledge base of contractors who are able to install particular technologies. That will allow the technologies to become more mainstream. There has been debate over whether mainstreaming has pulled down the overall costs of such technologies; the costs have not been pulled down as far as people would have hoped. However, the technologies are not yet in the mainstream; we are not yet fitting thousands upon thousands of them every year.

Eddie Follan: That brings up a bigger question about sustainability. Energywatch works in Scotland and across the United Kingdom, and we very much welcome the pilots and await the results. The sooner we can mainstream the technologies, the better.

The Government has said that every home in Britain will have a smart meter within 10 years. We are pushing the Government to ensure that that happens, because smart metering is about reducing consumption. However, if we are putting new technologies into people's houses, we need to link that to measures to help them to reduce consumption. We have to think of the bigger picture.

Patricia Ferguson: I want to follow up on those answers. I was going to ask Mr Waugh a question on a different issue, but I will come back to that.

Because the spending review will have taken place before the report on the pilot comes out, you presume that there will be a problem. When will the report be available? Is there already evidence from the pilot that can be passed on to the Government and therefore factored into spending review commitments?

The spending review has been known about for a long time now. If the Government was genuinely interested in the issue, I would have thought that it would have taken account of any evidence with a view to the longer term. Is there early evidence? What is the timeframe, or have you been told that evidence cannot be factored in?

Norman Kerr: Energy Action Scotland is a member of the steering group, but I do not think that we are in a position to say when the report, or other information, will be available to Parliament. The question would be better put to the officials you will be hearing from. They may be able to give you the timelines.

The evidence that Energy Action Scotland has seen during the trial has been heartening and pleasing. We are delighted with the results so far. I do not know whether it would be for this committee, but a presentation on the interim results may well be useful for parliamentarians.

To answer the question on the spending review, I would be pleasantly shocked if money were set aside. Everything we are being told informally suggests that it is unlikely that the budget for energy efficiency measures will grow. If we continue with the schemes as they stand just now, I do not see how we can make way for renewables. As I said, I would be pleasantly surprised if that were to be the case.

David McLetchie: I want to follow up the comments about the smart meters, which pick up on a point from one of our text correspondents,

Pete Mowat, who is a housing officer with a social landlord, Prospect Housing Association, in my Edinburgh Pentlands constituency. He has asked how Parliament and the Scottish Government can help to push the fitting of smart meters in all homes to help reduce bills and energy use and to enable accurate billing. What are your views of smart meters as a policy instrument for tackling fuel poverty? How will the target of every home having a smart meter by—did you say 2011?

Eddie Follan: In 10 years' time.

David McLetchie: Sorry. How will that be achieved? Who will pay for that? Is it the energy suppliers, the householder, or the social landlords? Will it require some kind of funding support from the Government, particularly in relation to getting the social landlord sector going?

Eddie Follan: First things first; I will give a bit of background. The energy white paper sets a target of 10 years, and the Government has said that it should be on course to achieve that, but there is also the added complication of something called real-time displays.

Smart meters would allow two-way communication between the customer and the supplier and allow the customer to monitor how much they are spending and how much carbon they are emitting. It would also give them a good idea of how much energy they were using at any particular time. It would do away with the need for estimated billing and back billing, which is one of the biggest sources of complaints to Energywatch from consumers.

The Government has recognised that there are benefits to smart meters and, although that is a reserved issue, that does not mean that in Scotland we should not push strongly for them in relation to our fuel poverty agenda. The issues are whether smart meters will be rolled out in the time stated and whether Government should set a timetable for that, which is what we are seeking.

Who pays for smart metering has not yet been decided. The average cost of a smart meter has been set at around £30, although I would have to double check that. It has not been decided whether there would be no cost to the consumer or whether there would be some cost to the consumer—that level of detail has not been worked out. Obviously, Energywatch would like the smart meter to be free to the consumer, so that people have them. At the end of the day, it is a display on the wall—not under the stairs or behind the coats—and the consumer can tell what it says.

Other decisions have also not yet been made. We still need a timetable for a roll out, and we need Government to mandate it. We would like to see that in the legislation that follows the energy

white paper. Again, it is a reserved issue but any views that the committee takes in relation to the broader fuel poverty agenda on something like smart meters, which encourage energy efficiency and reduce bills, would be more than helpful.

David McLetchie: Is it likely that the Government will have to drive the energy suppliers to fit meters in their customers' homes?

Eddie Follan: The energy suppliers are fully on board with the agenda, and Energywatch is working with the Energy Retail Association to push the Government to ensure that the industry gets the mandate that it is calling for to allow that to happen. I am sorry—I missed the second part of your question.

David McLetchie: Essentially, the roll out will be directed by the UK Government through the supply companies rather than being something that social landlords will be able to opt in to by saying that they want a programme for their housing stock. It will be driven by the supply companies rather than by householders electing to fit smart meters in their homes.

Eddie Follan: That is likely to be the case—the roll out will be supplier led. One or two smart meter pilots are being conducted in England and social housing providers are involved in some of those, but I would say that the roll out will be supplier led.

10:45

David McLetchie: The issue of pilots has been raised with me. I understand that there are no pilots in Scotland, but that there are pilots with social landlords in England.

Eddie Follan: Yes, that is the case, as far as I am aware.

Norman Kerr: I have a point of information, convener.

The Convener: You will need to be brief, Norman. I have three or four indications from others who want to come in.

Norman Kerr: Scottish and Southern Energy is in the throes of putting together a trial. In the next three to six months, there will be a trial of smart metering in Scotland. Committee members might like to take the opportunity of speaking to the company, either individually or through the committee. I am sure that it would be delighted to give you information on the trial.

The Convener: Thank you. That was useful.

Alasdair Allan (Western Isles) (SNP): Panel members, including Mr Kerr, have raised the issue of the areas that the existing central heating scheme and the warm deal find it difficult to reach,

perhaps due to the housing type involved, the age of the property, or the type of tenure.

I have two questions relating to that issue. The first is about oil. As we have heard, mains gas is not an option for people in many parts of Scotland. In a sense, provision for such people can be said to be rationed, given that only a certain proportion of the cost of installing an oil central heating system is provided. Do panel members have any observations on the limitations of the current scheme?

The second issue is that of care and repair—the maintenance of houses where a central heating system has been installed. I am sure that other members know of people whose house now has a state of the art central heating system and insulation, but also has a hole in the roof. At present, there is no obvious means by which any existing agency can fix the hole in the roof. There is also the issue of the number of people who are waiting for care and repair grants. Certainly, that is my experience. Are the various forms of assistance that keep people's homes wind and watertight and heated working together?

Norman Kerr: In many cases, they are quite separate. I understand the issues for care and repair in this regard. If someone has a hole in their roof, it is difficult to determine whether that constitutes fuel poverty. That said, one could argue that, if all the heat is simply going out of a hole in the roof, the person is living in fuel poverty. I am not sure how the scheme could be amended to tackle such issues, given that we would also be talking about the state of windows, doors and so forth. I would not be so bold as to venture to suggest how the scheme could tackle all that. There are also the issues of care and repair funding and the scheme's access to local authority support. The committee might want to consider those issues in greater depth.

The grant for oil central heating is capped, with an upper limit of £5,000. We need to recognise that, unlike gas and electricity—which are heavily regulated—oil is an unregulated industry. I am not suggesting that oil is a panacea or that everybody should be given an oil central heating system. I am saying that we need to be sure that the £5,000 grant will cover the full cost of installing an oil central heating system and the associated energy efficiency works.

The Convener: Bob?

Bob Doris (Glasgow) (SNP): I am sorry, convener, you caught me out there. I think that I am putting questions at the start of our next session.

The Convener: I am sorry. I did not mean to mislead you. Kenny?

Kenneth Gibson: No problem, convener. I am always ready.

My question is for Norman Kerr. Earlier in the session, you touched briefly on warm zones. As you are well aware, last Thursday I had a members' business debate on that subject. Will you elaborate further on the impact that warm zones could have in reducing fuel poverty in Scotland?

Norman Kerr: Earlier, we talked about targeting. The warm zones approach is to tackle an area ward by ward, street by street and door by door. If that is done in a coherent and co-ordinated way, warm zones can provide assistance of one form or another to every household in an area.

We have had some activity in Scotland similar to warm zones. For example, in Greenock in the convener's constituency, Solas Scotland and Inverclyde Council are working to try to bring forward a type of warm zone, in which Solas will provide help in a targeted and focused fashion.

The Energy Saving Trust carried out an evaluation of warm zone activity in England. I do not have the facts and figures at my fingertips, but it showed that a number of the zones were very successful. They tackle not only fuel-poor households but all households within an area. In other words, they future-proof, or fuel poverty-proof, homes by giving them insulation. Irrespective of the tenant or resident, the home is of a particular standard. In Scotland, that will be welcomed by social housing providers in particular, which have the task of meeting the Scottish housing quality standard by 2015. Warm zones are a good way of assisting social housing providers to reach that target.

Kenneth Gibson: Referring to the central heating programme, your paper stated:

"this programme could become unsustainable and not necessarily targeted at those who need it most ... this needs to be done in a managed way and targeted at those in need."

I would like each member of the panel to say who they feel should be prioritised. We have talked about families with young children, for example, which comprise some 5,000 households. Are there other groups—disabled people, for example—who you feel should be prioritised if the Scottish Government decides to go down this route at any point?

Norman Kerr: The Scottish house condition survey clearly shows the groups of people who are at most risk of fuel poverty. They are young single adults, families with children under five and people with a disability. One of the reasons why we have called for the fuel poverty forum to be reinstigated is so that it can examine in depth the number of households that are affected. That is a moveable

feast because, every year, a report from Communities Scotland shows the progress that is being made. We should use the information. I understand that Communities Scotland has been drawn back in as a Government function. We should use the Scottish house condition survey to direct where programmes go. There are single-parent households and households with children under five that do not have a central heating system. There is already an element of means testing within the current programme. I am conscious that we are running out of time, but there is perhaps a debate that needs to be had in the fuel poverty forum so that it can advise ministers and others on targeting.

Nick Waugh: Older people, who make up the majority of people in fuel poverty, will always be one of the main priorities, if not the top priority. They are more at risk, partly because they have a fixed income. Along with unemployed people and families with young children, they are in a vulnerable situation. They are subject also to excess winter deaths, which fuel poverty programmes have not directly addressed. The figure for excess winter deaths is at an all-time low in Scotland. Whether that is connected to the free central heating programme is a matter for debate. However, an extra risk exists.

The average income of households which are recipients under the central heating programme is just over £10,000 a year. It is therefore hitting vulnerable and deprived people. For the mean income to be £10,000 a year on an income distribution from £2,000 to £50,000 a year shows that it is hitting the poorest people most.

Eddie Follan: I can only agree with my colleagues. It was interesting to look at the figures that showed who had central heating, what impact it had and their chances of living in fuel poverty. I imagine that a lot of low-income families in private sector housing have a partial central heating system. Some 15 per cent of them live in severe fuel poverty and are spending more than 20 per cent of their total income on energy bills.

Norrie Kerr is right: we have to revisit this issue in a more focused way through, for example, a forum or advisory group. It might be said that fuel poverty is a moveable feast in that different numbers of people are affected by it; however, we have to remember that energy prices have an impact. It is very clear that the numbers of those affected in Scotland have increased because of the 91 per cent rise in gas prices and the 60 per cent in electricity prices and, in that respect, I support my colleagues' views that we need to look very closely at the issue.

The Convener: We appear to have come full circle. With regard to the schemes, the Minister for Communities and Sport, Stewart Maxwell, said:

"We often talk about targeting resources on the needy—we should ensure that we do so in this regard."—[*Official Report, Local Government and Communities Committee*, 19 September 2007; c 84.]

Can we do that through, for example, means testing? If we have to identify people who need these measures more and who require more urgent action, it brings various matters into question. For example, is the replacement programme—of which you and the minister have spoken negatively—meeting any of the fuel poverty objectives? Does it represent value for money? Is it sustainable—or, indeed, desirable? Surely something has to go, has it not?

Norman Kerr: You make a very good point. I wondered earlier whether we could continue along this route, given that it could be said that the programme has experienced a bit of mission drift. When it was introduced in September 2000, it was for older people who did not have central heating; however, it has been expanded several times since then. We could debate whether those expansions were managed or whether they were the result of political pressure from other groups. However, the programme has changed from its initial concept.

Moreover, we now have the fuel poverty map of Scotland, which was commissioned by the Energy Saving Trust from Energy Action Scotland and Alembic Research and shows very clearly the highest incidence of fuel poverty at ward level in every local authority area. Given that we now have a lot of information, we should encourage social housing providers to target the areas for which they are responsible. Again, such an approach is perhaps best served through something like warm zones. Vulnerable groups should also be allowed to access—as an emergency, if you like—programmes such as the central heating programme if, for example, they do not have such systems. However, it is very difficult to say in a couple of minutes what should be left in and what should be taken out.

The Convener: I know that the question is difficult to answer, but it has emerged as a consequence of evidence from the minister and other organisations. Help the Aged has just said that age should be the trigger for replacement systems; however, some of the older people who might receive a new system might not necessarily be in fuel poverty.

Norman Kerr: That is correct. As Alasdair Allan pointed out with regard to care and repair, the question is how we support elderly people in the management and maintenance of their homes. Of course, that is not simply a case of ensuring that homes are wind and watertight; we must consider, for example, whether they are healthy for people; whether they will keep them warm and dry;

whether they will prevent them going into fuel poverty; and, indeed, whether they will prevent them from becoming excess winter death statistics. People should be encouraged to go into maintenance programmes or to take out insurance to ensure that they look after their asset.

Older persons' charities talk about people being asset rich but capital poor. The fact is that many who bought their council houses over the past few years have been unable to maintain them adequately. Similarly, the systems installed as a result of the central heating programme need to be maintained, but we are not giving people the wherewithal to do so. We really need to discuss how to support them in that respect.

The Convener: I will put the question to Eddie Follan: is the current replacement programme sustainable or, indeed, desirable?

Eddie Follan: There are difficulties associated with it and I have a lot of sympathy with those who represent the interests of children and young people on this matter. After all, people who do not have central heating suffer as a result. Like Norrie Kerr, however, I do not think that we can sit round the table and decide who should get a central heating system and who should not. We must be more strategic than that and have more discussion with Government and other stakeholders. The disability charities would say that people who receive disability living allowance should get a central heating system. It is difficult for me to say whether the present system is working, but I know that problems exist for people who have heating systems that are not adequate to heat their homes.

11:00

The Convener: I will ask two complementary questions that have come in by text. I may have some opinions on the answers. The first text asks:

"When is the free central heating programme going to be extended to apply to people under 65 who receive disability living allowance?"

That is from Catherine of Edinburgh.

The second text says:

"I am confused why fuel grants are only available to the elderly and not poor young".

Perhaps that issue has been addressed. The text continues:

"Also why fuel = heating. What about cooking?"

Norman Kerr: The second question is about the winter fuel payments of £200 or £300 toward heating, which are not available to young people. Although the winter fuel allowance is often described as being for heating, it is used for a variety of things. That answers the question.

The Convener: Does the question not get to the heart of the studies that have shown that a large number of adults who live on their own are in fuel poverty? What are we doing for those people?

Norman Kerr: We give them access to measures such as the warm deal and the energy efficiency commitment, but we do not give them access to the central heating programme.

To answer the first question, Energy Action Scotland does not believe that the current situation is sustainable, so we must reconsider it. The programme as it stands could be accused of mission drift. It was never designed to give people replacement systems, although the intention was perhaps to upgrade systems. We are calling for continued support for vulnerable households. We can debate further whether that should be means tested, but we need to have a definition of "vulnerable". As with smart meters, if we ask 10 people about the issue, we will get 10 different answers.

The Convener: Do other witnesses have answers for the people who have texted us? When will the free central heating programme be extended to people under 65 who receive disability living allowance?

Eddie Follan: I do not have the answer to that.

The Convener: There are no answers. Perhaps it is unfair to ask the question—it might be one for the minister.

Eddie Follan: People are listening and watching. The Government has a role in making grants, but the energy suppliers also have a role in supporting vulnerable people who live in fuel poverty. We would like a minimum standard social tariff, mandated by the Government. We are pushing for that and many suppliers are moving in that direction by making support products available to low-income and vulnerable consumers.

The Convener: We have received differing evidence about the health benefits of the programme: the minister said that he is disappointed about the extent of the programme's health benefits, but Eddie Follan's submission states that it has clear health benefits.

Kenny Gibson has a question about an issue that was raised earlier.

Kenneth Gibson: My question is related to that point, convener. Several eyebrows were raised when Mr Waugh seemed to suggest that the central heating programme and warm deal appear to have had no impact on the number of deaths from hypothermia among the elderly. Perhaps I picked him up wrongly, but my understanding is that the number of such deaths has reduced significantly since the programme was introduced.

Mr Waugh may want to expand on that, because I believe that the programme has had a major impact in helping elderly people who have received systems since it was introduced.

Nick Waugh: The programme has had a major impact—that is what I was trying to say, but it may have come out wrongly. The fuel poverty programmes have certainly had an effect on the number of excess winter deaths, which is the lowest it has ever been.

Kenneth Gibson: Eddie Follan made a point about the fuel poverty forum, and Johann Lamont mentioned that it has not met since the SNP Government came into power.

Johann Lamont: It has been a lot longer than that.

Kenneth Gibson: Well, it is disappointing that the group did not meet during the last 11 months of her party's tenure in Government. What should the focus of the fuel poverty forum be? How often should it meet?

Eddie Follan: How often it meets is a matter for forum members to address when they get together. We can have it one of two ways: we could have the minister chair the forum, which would dictate how often the forum would meet—as Johann Lamont pointed out—or the forum could have an independent chair. I am going by what I see happening at the fuel poverty advisory group, which seems to have teeth in terms of the recommendations that it makes to Government.

I would not want to be too prescriptive, but the forum should provide an opportunity for all the stakeholders who are involved in the eradication of fuel poverty and in meeting the 2016 target to get together and consider how they are going to do that. A lot of questions are arising here about the adequacy of the schemes and whether we are going in the right direction with respect to the sustainability agenda. How are we linking with that agenda? How can we get microgeneration set up and how do we mainstream it? All those questions relate to fuel poverty, so the fuel poverty forum—or advisory group or whatever you want to call it—should have a key role in advising Government on developing the policy agenda.

Kenneth Gibson: That is a pretty good start. Would Norrie Kerr like to add anything to that?

Norman Kerr: Unlike Nick Waugh, I am not convinced that the central heating programme and the warm deal have contributed significantly to the reduction in excess winter deaths; I do not know that we have evidence to support that.

We do have evidence about winter temperatures, however, which have been kind to us of late. If we track excess winter deaths, we find that a normal winter will have 2,000 excess

winter deaths, a mild winter will have 1,200 to 1,500 and an exceptionally cold winter will have 5,000. We are trying to add two and two to make five. I do not think that we have any evidence to support the notion regarding the contribution of the central heating programme and the warm deal, and it would be dangerous to draw such a conclusion, particularly if we have a hard winter this year and if the number of excess winter deaths increases. I advise caution.

On the reported health benefits, the studies that have been made have generally been self-reported and describe how people genuinely feel about their health. Aside from that, the only study that is around just now has come from the University of Strathclyde—Dr Sterling Howison has, in a seven-year study, examined an asthma project and considered energy efficiency and warm housing in relation to asthma. Dr Howison has shown a clear link: by improving energy efficiency and the overall warmth in the home, the incidence of asthma has been greatly reduced. That clinical study was carried out in conjunction with Law hospital. Dr Howison is about to report on the final outcome of the study. Members might wish to look at that because it is the sort of health study that is not self-reported or about how people feel: rather, it is a clinical trial that has been backed by clinicians and people who work in hospital asthma units. There is a clear link in relation to asthma to show that energy efficiency work will help. We believe that there are also additional benefits in other areas of health.

In 1986, Help the Aged carried out a number of research projects that showed the negative impacts of living in cold and damp homes. That research is still widely used by campaigning organisations such as ours.

Kenneth Gibson: In terms of excess winter deaths—

The Convener: Excuse me, Kenny. Eddie Follan wishes to add to that.

Kenneth Gibson: Sorry, convener.

Eddie Follan: The committee will have heard evidence on this—we need to think outside the box a wee bit when it comes to the impact on the life chances and education of children and young people. I remember sitting in the house in the 1960s and 1970s doing my homework, and there being just one fire on. The point about the impact of cold, damp conditions on children and their performance at school has been well made.

Kenneth Gibson: Do panel members think that if we are properly to evaluate the impact of the central heating programme and warm deal there should be an independent study that specifically considers excess winter deaths?

Norman Kerr: The Scottish Executive undertook a study over three years. As the programme continues, it becomes harder and harder to find a control group of people who do not have central heating. The asthma study also had difficulty finding a control group of people who had asthma but who were not going to be treated. We cannot say, "There's free central heating, but we're not gonnae give you it; we're gonnae see the impact on your health of not having it." That ties a study's hands. It is unfortunate, but we must rely on self-reporting.

We could study people who did not have heating in the past if they gave us permission to look through their doctors' records. However, many other factors, such as smoking, diet and the length of time a person has lived in their house make it difficult to undertake such a study. The committee might consider taking evidence on how a study of the medical evidence might be conducted.

The Convener: I must bring this part of the meeting to a close, because we must hear from our second panel of witnesses. I appreciate the time that you have taken to give evidence. We will continue to take an interest in the issue and to progress our work through short evidence-taking meetings. I look forward to working with you in the future and I thank you for coming.

I welcome our second panel of witnesses. Sandy Black is home energy adviser at Scottish Borders Council, Eddy Collier is director of Scottish Gas, Roger Harris is head of private sector policy delivery in Communities Scotland and Dr Andrew Scott is head of the social housing division of the Scottish Government. We are pleased to see you here this morning.

Bob Doris: I thank the panel members for coming to the meeting. Much political heat has been generated recently by the central heating programme, but there seems to be growing consensus that the scheme needs to be reviewed so that it can be improved.

I have been told that people can wait for five to six months for installation of a heating system, but I think that waiting times have been reduced to four or five months. There seem to be huge regional variations in the time it takes to get a central heating system installed. In Glasgow, 45 per cent of eligible clients wait more than three months for installation, and in some areas the figure is 80 per cent. Any measure that reduced those waiting times would be significant.

When a person applies for a system, a Confederation for the Registration of Gas Installers registered engineer must make two visits to their house: first to determine eligibility and secondly to conduct a technical survey of the house, to see how the system could be installed.

Perhaps two visits are not needed. I would appreciate your opinions on that. In particular, does someone from Scottish Gas need to be involved to determine eligibility or could that task be given to a third-party voluntary organisation? Scottish Gas would then have to come out, look around the house and do the technical stuff only after eligibility was established, thereby truncating the delivery time.

The huge majority of systems that have been installed are replacement systems. Assuming that the programme runs for any length of time, around 2016, we could be replacing the systems that we installed in 2001. We chatted earlier about care and maintenance of the central heating systems that have been installed, and I would be interested in the panel's views on whether there should be an element of compulsion on care and maintenance in certain circumstances. Should the state step in, provide care and maintenance and pick up the bill? Would there have to be means testing in any such system or would everybody get free care and maintenance of their central heating?

11:15

Eddy Collier (Scottish Gas): Thank you for the question. I think the first point concerned the waiting list. Regional variation was also mentioned. There is regional variation and some people have been waiting a significant time. In three areas—Shetland, Orkney and the Western Isles—people have been waiting a considerable time, which Scottish Gas deeply regrets. We have ensured that we have served the many and have therefore pushed through a high volume of installations since we took over the programme on 1 October 2006. The consequence of that is that we did not focus sufficiently on the outer islands, but I have now made a commitment that anyone who has been waiting more than six months in those islands will have their heating system fitted before Christmas. I hope that that will address a number of questions. We regret that it has taken us some time to get the right arrangements in place with the contractors to fit those systems.

Bob Doris also raised a point about the two visits. That was interesting—it could be argued that a single visit would be enough. One has to do not only an eligibility survey but a technical survey on what type of system to install. It is difficult to find people who do the eligibility survey and who are also qualified to assess what type of system the household should have. We did that initially, but we changed to two visits because the contractors like to do the second visit. They will fit the system, so they want to see exactly what they will be fitting next. That is why we split the eligibility and technical surveys. That leads to

some problems but it also has advantages, so we keep it constantly under review.

Sandy Black (Scottish Borders Council): From a rural local authority perspective, I can only back up what Bob Doris said. If gas systems have been installed, there seems to have been no problem, but we have had a great deal of trouble with oil installations—I can certainly pass on a few names to Eddy Collier.

I was led to believe that there would be only one visit. I was previously involved with the central heating programme because I used to work in the technical section of the Eaga Partnership and did inspection work as well. Having dealt with contractors, I can understand the problems and I can understand that they want to go in to see what needs to be done before they start the job. There is certainly a problem with oil installations.

Bob Doris: I am still not clear why the two visits are necessary. Is there a technical aspect to the first visit or is it only about assessing the client against eligibility criteria?

The guarantee that systems will be fitted by Christmas is welcome, but it does not fix the problem. It focuses the mind for this year but, next year, we could have a similar problem again. It is a sticking plaster, but I am grateful at least for the assurances.

I did not get the panel's views regarding the care and maintenance of central heating systems.

Eddy Collier: I will address those questions, and Mr Black might want to comment as well.

There is a technical element to the eligibility survey, because it looks at type of fuel. I suppose that one could argue that, if one knows that a household is on the gas main, the survey is unnecessary. However, those are not the visits that tend to take more time and I am not sure that combining the visits would benefit us in dealing with bottlenecks on the electricity and oil side. I take the point, but there is a technical element to the eligibility survey.

On maintenance, I could not agree more with what was said earlier—Mr Kerr's comments were absolutely spot-on. It is silly to put in a great system and then not to maintain it. Such systems degrade and there are risks of carbon monoxide poisoning and so on. I think that maintenance should be part of the programme—that is a personal view, and I am sure that there will be comments from others. I would rather not get into the debate about whether it should be means tested, but maintenance should certainly be part of the programme.

Sandy Black: I have always found that, no matter how good the eligibility survey is, the contractor still wants to go into houses to see what

to do. Even though he receives a form with the plan of what is going to happen, he wants to see the place, even if it is just a half-hour check of what needs to be done. I do not think that there is a way round that.

I fully support most of what Mr Kerr said, especially on care and maintenance of heating systems.

Jim Tolson: As the convener said at the start of today's meeting, unfortunately—I am sure it is for good reason—Citizens Advice Scotland cannot be with us today. However, it will be helpful to highlight one of the points that it made. I will ask the panel's view on it and on another point from one of the texters who has contacted the committee today. They relate principally to waiting times and uptake.

First, Citizens Advice Scotland has highlighted the fact that it is difficult to get hold of promotional material about the scheme. What does the panel feel about that situation and how could it be improved? Secondly, our texter, who unfortunately is anonymous, asks:

"The government is doing stuff to help fuel poverty but what does Scottish gas do themselves? Do they offer any services to help people in fuel poverty?"

Eddy Collier: I guess that I need to take the second question.

What does Scottish Gas do to help to tackle fuel poverty? We have about 140,000 fuel contract holders on our essentials tariff. That is an extension to what the committee might remember as the winter rebate scheme that we implemented some time ago when energy prices were going up. I was on the energy side at the time and was partly responsible for that.

I do not think that there is an energy company that takes fuel poverty as seriously as Scottish Gas does. We have spent £80 million in the past 12 months on fuel poverty measures across the United Kingdom and, as I said, we have 140,000 people in Scotland on a fuel poverty tariff. That deals with the question from your texter.

Mr Tolson, could you repeat the specific question on waiting times?

Jim Tolson: What are the various organisations doing on access to promotional material, which brings people into the scheme, and what effect might that have on waiting times?

Eddy Collier: I am sure that my colleagues from Communities Scotland will want to comment as well.

That is interesting. There is no question but that there is more demand than supply in the programme. If one promotes the programme significantly, the bath fills up but empties only at a

certain rate. That rate is our weekly run rate of installations—about 250 a week, or 12,000 a year. The programme is cautious about marketing when a number of people are already in the scheme. At this point, I will hand over to my colleagues from Communities Scotland.

Roger Harris (Communities Scotland): The contract with Scottish Gas requires it, as managing agent, to promote the scheme appropriately in the light of capacity and demand. We encourage it to use the network of advice agencies—I understand that it has contacts with about 4,000 organisations across the country to put out information through those routes.

It is our understanding that the case that Citizens Advice Scotland picked up was one that we had got involved with and had checked with Scottish Gas. It turned out that there had been human error—someone had been overenthusiastic in limiting the distribution of materials. That was corrected and apologised for at the time.

Alasdair Allan: Today's news from Mr Collier will be welcomed in the islands. I thank him for informing us that people there who have been waiting for six months will get their central heating installed before Christmas. When you refer to people who have been waiting for six months, from what point in the process is that six months measured? Do you mean six months from the initial application or from some subsequent point?

I have a broader question about the criteria that Scottish Gas has used in the process so far. You mentioned that the bath has been filling up and that you have been trying to deal with the many before the few. I can understand the logic of that approach and the rationale behind it, but I am sure that you will appreciate that, for people who are continually among the few, the situation is quite frustrating. That is particularly the case for people who are among the few in an area of extreme fuel poverty. Have Scottish Gas's criteria been to deal first with the areas in which it is easiest to install central heating or has cognisance been taken of the areas that have the highest levels of fuel poverty?

Eddy Collier: Alasdair Allan asked two questions. I will deal first with the second question, which was about whether there was specific segmentation. The answer is that, at the start, we had six months to install 6,000 systems from scratch. We were using staff who had been transferred under the Transfer of Undertakings (Protection of Employment) Regulations—although no managers came from the previous programme—and we had no systems, no phones and no records of applicants, other than on bits of paper. As you can imagine, it was pretty difficult to get the process started.

We ensured that we had relationships with the gas contractors, whom we knew well anyway—as you can imagine, Scottish Gas knows its gas contractors—and our own engineers in Scottish Gas blue vans. In cases in which we had those relationships, we had already done the police checks that are necessary under the programme and were able to get systems up and running quickly. I would say that applicants who were already on the gas main had a better chance of having systems installed through Scottish Gas in the first few months than did the people who were further out. That was a consequence of our having to get up and running very quickly. I fear that our approach was not as intelligent as it should have been and I apologise for that. That is why we must put in special measures, especially for the islands.

The first question was about when people become eligible. I think that I am right in saying that they become eligible from the point when they make an application, but I will confirm whether that is the case after the meeting. The six-month waiting period begins once we have received an applicant's details and set up the eligibility survey. I can give a commitment that people who had been waiting for six months at the end of August will have their heating systems fitted by Christmas.

Alasdair Allan: You say that the waiting period begins once you have received people's details, but in the islands and perhaps elsewhere, many people's dealings are through a local agency. In the Western Isles, the local agency is Tighean Innse Gall. Do you mean that the waiting period begins once Scottish Gas has processed the paperwork that has come through a local agency?

Eddy Collier: We publish all the applications that we receive, regardless of whether they are received through a managing agent. When a case appears on our computer system, it meets our definition of an application. Once we have a record of an application on our computer system, we can manage it. At that point, we organise the eligibility survey.

If an electrical connection is involved, we must ensure that it is sufficient, which means working through our colleagues in Scottish Hydro Electric and Scottish Power to ensure that meter checks are done. Often, we install new meters. As you can imagine, the chain involves many participants and has many potential bottlenecks. We have managed those and we have much better relationships and working patterns with the individuals who are involved, which makes us confident about the commitment that we have given today.

The Convener: I will follow up some of the points about transitions—my questions may be not for Eddy Collier but for others. The minister has said that Scottish Gas was not delivering and was

disappointing, and some such points have been addressed today. The contract runs until March 2008. Has the impact of leaving Scottish Gas been discussed? Have any papers been produced in the Government about the consequences of moving away from having Scottish Gas as the main supplier?

11:30

Roger Harris: I will answer that and build on some of what Mr Collier said. Under the contract provisions on whether to extend the contract, we must consider whether Scottish Gas is capable of delivering in the extension year. We have monitored the situation closely since the contract started and through the period that Mr Collier described of the initial high volume when Scottish Gas started from scratch.

Since early this year, we have pushed for Scottish Gas to retrieve the impact of the initial period and to rebalance delivery through the islands and rural areas. I will pick up a point that Mr Doris made—is that a sticking plaster or a change of approach? We are satisfied from developments in recent weeks that Scottish Gas has changed its approach to dealing with bottlenecks—it now operates case by case rather than on a volume approach. That has given us confidence that it is making significant changes to its approach, so we expect it by next year to have stepped away from its delivery problems and to be able to deliver.

As a matter of contract management, we have concluded that Scottish Gas will be able to deliver the contract next year and we have in principle extended the contract. Obviously, that was done “in principle” because every spending programme is subject to the spending review.

The Convener: The scheme is also under review. What discussions have taken place about changes—geographical targeting, for example—or a major review? What discussions have taken place with Scottish Gas and others about a change of focus in the delivery of the scheme?

Roger Harris: My role with Communities Scotland concerns the management of the contract. As we normally would, we have discussed with Scottish Gas the delivery implications of all the hypothetical and theoretical options, to the extent that we could understand the implications of a variety of circumstances for delivering the contract.

The Convener: Did you discuss with Scottish Gas possible changes to delivery of the central heating programme?

Roger Harris: We did not discuss whether that would be advisable.

The Convener: Did you discuss cost implications?

Roger Harris: Yes—precisely.

Dr Andrew Scott (Scottish Government Housing and Regeneration Directorate): At the committee’s last-but-one meeting, the minister said in response to David McLetchie that the review is, for the time being, internal. We have presented ministers with evidence that is similar to that which has been presented to the committee today. In due course, ministers will consider that evidence and reach a view about how they want to proceed, perhaps after taking account of the views that the committee expresses as a result of today’s meeting. However, we are at too early a stage to be clear about that.

The Convener: The contract will change in 2008. If Scottish Gas is asked to deliver a changed programme with geographical targeting, a reduction rather than an increase in replacements, or enhancements in relation to children and people with disabilities, that will affect the contract, will it not?

Roger Harris: To be clear, we have extended the existing contract, which allows for negotiations if eventualities arise during the contract that suggest that a change of approach is required. In principle, the contract would simply be extended from its present position.

The Convener: I am sure that Eddy Collier and Scottish Gas will be pleased about that. Changes to contracts usually cost more and put Scottish Gas in the driving seat. That is just an observation.

What discussions has Scottish Gas had with Government agencies about changes that might be required and the cost implications of those?

Eddy Collier: Our primary focus is on ensuring that we serve the public in Scotland. Under this year’s programme, which runs until the spring of next year, we will install 12,000 systems. We have installed 10,000 systems in the past 10 months, so we know that we are working at the right run rate. The good news is that we are not having to install 600 systems a week, as we did at the beginning of the year in order to catch up. We are more controlled.

On the point about contracts, we told Communities Scotland that we are relaxed about discussions on how to move the programme forward. Obviously, if the caps are increased, more funding will be needed. However, we are not throwing a contractual book at Communities Scotland. We are happy with the contract that we have, which allows for an extension. We have had some good discussions about what we can do on, for example, more local prioritisation. We are prepared to do such things when political

decisions are made, but at the moment we are simply a servant to the scheme. We believe that we have the right processes in place to serve the public however the Government wishes us to proceed.

Johann Lamont: Dr Scott, you said that you are at an early stage with the internal review. Is it not the case that you need to make some firm decisions before the comprehensive spending review? As an area within the Executive, you will have to have fairly firm views before you go into the comprehensive spending review. Otherwise, you will come out the other end with a predetermined budget and a limited ability to expand the programme. Do you have a timescale for the conclusion of the internal review so that you can match up the findings with the finance and ensure that you deliver?

Dr Scott: The answer to your question on the timescale is no. The minister has not given me a deadline by which to complete the review. He will want to reach a decision that takes into account all the factors, including the comprehensive spending review.

I think that the answer to your question is simply that we have to await the minister's judgment and see what the comprehensive spending review brings.

Johann Lamont: How can you have an internal review unless you have a budget? Will you have a standstill budget? Can you assume that you will have enough money to deliver what you deliver at present? Do you have options for expanding the budget?

Dr Scott: I cannot speculate on those things. All Government programmes are matters for judgment pending the spending review. The issue that we are considering at present is fuel poverty and what is needed to tackle it. I cannot speculate on the resources that we will have under the spending review.

Johann Lamont: I just wonder how you can have a review without some sense of how big the programme will be in terms of resources.

Convener, can I move on to the more general questions?

The Convener: I will take Patricia Ferguson first, and then David McLetchie.

Patricia Ferguson: Thank you, convener. You asked part of my question, so I will move on to something else.

What is the remit of the internal review, Dr Scott? What have you been asked to consider?

Dr Scott: The review has been exploring the nature and extent of fuel poverty; we have been exploring the problem, but the solutions are very

difficult and complex. The evidence presented to the committee today, and the committee's views, will doubtless influence us in our approach to finding solutions.

Patricia Ferguson: Is your remit to consider what comes next or to consider which other categories of society are affected by fuel poverty?

Dr Scott: I think that the minister will want to take a view on that in due course, but he has not done so yet.

Kenneth Gibson: The minister has made it clear that he wants to enhance the delivery of systems. The minimum that we would therefore expect is a standstill budget; I cannot imagine that the Government will not commit to that at least—although I am sure that most of us would want the budget to increase.

I will ask other questions later, but first I will ask about the review. Will you be looking into microrenewables and their possible impact on the review? How wide, and how left field, will the review be? How flexible will you be? You will be looking into categories of systems, but will you go beyond that and take a more imaginative approach?

Dr Scott: I hope that the review will be all those things—flexible, imaginative and more. The microrenewables project does not report until summer 2008, so we will not have the results for a little while. When we get them, I hope that we will take them seriously and try to build them into whatever is offered in future.

David McLetchie: I want to ask a couple of questions on the promotion of programmes, and my questions will probably be specifically for Mr Collier. A text correspondent has asked what energy suppliers do

“to promote social tariffs to reduce fuel poverty”.

I think that Mr Collier said that 140,000 households in Scotland were on the Scottish Gas tariff, which is an £80 million programme across the UK. That works out at about £8 million or £9 million in Scotland and, if my arithmetic is correct, at about £50 or £60 a household. What impact do such tariffs have, expressed as a percentage reduction in the bills of the households that you are targeting? What steps do you take to promote such tariffs? If you have 140,000 households already, I presume that a lot of promotion must have gone into getting that number, but what are you doing now to promote awareness of your programmes among customers?

Eddy Collier: Thank you for that question, which is a difficult one. If one were allowed to transfer information from the social services to Scottish Gas directly, the roll out of the tariffs would be easier. However, as we know, it does not

work that way for data protection reasons. Targeting people is therefore difficult.

We had a winter rebate scheme, and everyone on the scheme was also put on the essentials tariff that we spoke about earlier. Other forms of promotion include advertising and efforts to provide information through organisations such as Help the Aged, the Royal National Institute for the Blind and a number of specifically Scottish institutions. The CABx know all about this as well. Information on our tariffs is available, and the tariffs lead to a reduction in bills of anything from £60 to £100.

David McLetchie: Is that likely to be around 10 or 15 per cent of those customers' average bill?

Eddy Collier: It will be a bit more significant than 10 per cent, but I do not have the exact figures with me. I came to talk about the heating programme, but I can get those figures for you.

David McLetchie: That is fine, thank you.

Another correspondent has asked about smart meters. When I raised the issue with the previous panel of witnesses, Mr Kerr said that Scottish and Southern Energy was considering a pilot programme for smart meters in Scotland. Is Scottish Gas considering such an evaluation programme, perhaps in tandem with a social landlord?

Eddy Collier: We have a programme that is already running in England, but I know of no plans to roll it out across the border. I would have thought that our findings from the programme in England would be just as valid here. The issue is about understanding that if one measures more frequently the use of any commodity, one will change one's habits. That assumption has not been proven, but that is what the trial is about, as well as the technology.

11:45

David McLetchie: Have you already had some results from the trial or is it still being evaluated?

Eddy Collier: The trial is still in its early days, but we have active customers who have meters from whom we are able to get readings by text message and so on. There are some benefits to the system—the earlier discussion on this issue was worth listening to—but there are also costs associated with it. We are trying to find out what the benefits really are to both the provider, in terms of accuracy of reading, and to the consumer, in terms of a reduction in consumption.

The Convener: When will the pilot conclude?

Eddy Collier: I am not sure. I know the person who runs it very well, so I will ask him and get back to you.

The Convener: Earlier, it was suggested that a pilot scheme could be started within three to six months. However, I do not want to delay any results. If the pilot scheme down south is comparable, it would be interesting to know what stage it has reached. Perhaps we can find that out.

Eddy Collier: Are you talking about the smart metering pilot?

The Convener: Yes.

Eddy Collier: I will take away your request and find out whether there are any results that we can share at this point.

The Convener: We would appreciate that.

Johann Lamont: I will do something uncharacteristic and acknowledge, as a constituency member, that Scottish Gas has been helpful in dealing with the problems that were flagged up around the transition. We found that the Eaga parliamentary liaison people were good as well, but the meeting that we had with local officials from Scottish Gas was productive. There has been a drop in the amount of correspondence around the vexing issue of the central heating programme, which, although it is supposed to be a joy to us all, sometimes just creates a lot of work.

My question is directed specifically to the Scottish Executive officials. Kenny Gibson was, perhaps, unduly sensitive to the question of when the fuel poverty forum last met. I was interested to know whether the officials think that it would be worth following the first panel's suggestion of a forum that was constituted in a slightly different way and which the minister could pay attention to and take advice from, rather than a forum that he was in charge of. Has the minister taken a view on whether the request for an independent forum that could feed in information could be considered?

Have the clearly unintended consequences of the cap, which have been flagged up by Energy Action, been considered? We have heard that people are being directed towards inappropriate heating systems, which is not what anyone intended to happen. Might that issue be considered in relation to the notion of having a cap in exceptional circumstances?

My next question is for the Scottish Executive officials and Scottish Gas. For a long time, the previous Executive wrestled with the issue of how vulnerable people can be fast tracked on a list on which, by definition, almost everyone is vulnerable. In the previous set of regulations, there was an acknowledgement that something could be done about that. Have you monitored how effective the system has been, and is it delivering? Are we able move people who are in difficult

circumstances up the list in order to address the problems that have been flagged up?

Dr Scott: I am sure that the minister would consider the notion of a revised forum. He will do so. I defer to Roger Harris on the issue of the cap.

Roger Harris: We understand that, so far, the cap has not resulted in any situation in which an installation could not be carried out. However, I understand that its value will be reviewed if evidence shows that it is getting out of date. The question whether the cap mechanism should be reviewed is not part of the contractual side of things.

Johann Lamont: Energy Action Scotland's report states that an upper grant has been set, but suggests that

"contractors are being directed not to go down this route of the upper grant."

I presume that the upper grant was seen as a safety net to avoid the installation of inappropriate systems, because people think that it is better to go for cheaper systems rather than more expensive systems. However, Energy Action Scotland seems to have said that it has evidence that contractors have been directed not to use that safety net, but should go for the cheaper grant. Should that matter be reconsidered?

Roger Harris: We would be happy to do so. I understand that applicants are always given full information about options and running costs, and that they choose the type of system they want. However, we would want to keep that aspect of the contract under review anyway to find out how effective the approach has been and whether specific problems exist. We can tie up with Energy Action Scotland, find out what evidence it has and consider that evidence in more detail. That would be appropriate.

Alasdair Allan: Having advertised for text messages, we have also received an e-mail, from J B McGuire, which is addressed to the committee but is also probably of interest to those who are giving evidence. It says:

"Will Parliament/committees take a more active interest in future, in actually supervising the extremely generous scheme which installs free central heating to pensioners' homes? I ask because having benefited ourselves (after almost two years since we began the application) I have been astounded at the lack of customer interest from the administrators, Scottish Gas"

—my apologies to Scottish Gas for having a go again—

"and have a bulky box file of dates, cancellations, e-mails and phone calls—many unreturned—to back up this criticism. One memorable event was to be told the manager who issued a particular circular 'does not take calls' when I tried to question the arrangements."

Eddy Collier: May I take away Mr McGuire's e-mail, convener?

The Convener: Of course.

Eddy Collier: It is always disappointing to hear that we have let people down. However, we are talking about a large-volume programme, and people will have been disappointed as a result of service and eligibility issues. All that I can say is that we are doing a lot to strengthen the programme. It will be no comfort to Mr McGuire to hear about our ramping up and doing 600 installations a week, which obviously leads to a certain amount of stretching of the processes and letting people down, as we cannot manage such a volume for an extended period. However, we are now down to a level at which we can process things well. As I said, I will take away the e-mail.

Kenneth Gibson: I thank Johann Lamont for her comments. I am not usually called sensitive, whether unduly or otherwise, so I appreciate what she said.

I have a follow-up question on waiting times for Mr Collier. Since August, you have made a commitment—which is appreciated—on dealing with people who have been waiting for systems for six months or longer. It is clear that your people are becoming more experienced and are getting to grips with matters, and it has been pointed out that we are receiving fewer inquiries in our mailbags. However, do you have a plan to reduce systematically the number of people who are waiting? Having dealt with everyone who has waited for more than six months, will you then deal with everyone who has waited for more than five months and then with everyone who has waited for more than four months so that, given that you know that the contract will probably be extended until at least 2009, waiting lists will be progressively reduced?

Eddy Collier: Yes, we have a plan, but I refer to the bathtub analogy that I gave earlier. If the bathtub fills up, there will be people who have waited for more than six months.

Any scheme that is effectively free to the end-user will obviously get a significant volume of applicants. The question that was asked earlier was whether the scheme was a sticking plaster or something that people can rely on, and the commitment that I gave was that, by Christmas, we will clear everyone in the Western Isles, Orkney and Shetland who has been waiting for more than six months. We are pushing that through in conjunction with the regional electricity company to speed things up.

We have observed that we have been very effective at getting rid of the bottlenecks in the gas world—I guess because we know it better. The electricity and oil worlds have had bottlenecks

such as the cap on oil, or load checking on electricity. We were surprised by how difficult it was to get load checks, for example, because the regional electricity companies' capacity to do them is much less than the programme requires. We have had to work with them, and they have been very supportive and have helped us with the programme. However, we need to ensure that the bottlenecks are managed; when they are managed, there should not be a delay of six months. As soon as someone applies, we should be able to give them a date for their eligibility survey; we can then give them an installation date. That is the target we are working towards. However, as I said, the operation is now getting into proper process control, although I am not, at this stage, able to say that the process will always take less than six months because it depends on how many people apply for the grant.

Kenneth Gibson: What do you consider a realistic timescale? What waiting period would you be happy with once you have managed to work through the difficulties and backlogs across Scotland? Are we talking about a month, two months or three months?

Eddy Collier: Are people concerned about the length of time or the uncertainty? Often, they are concerned about the uncertainty, and we have to get better at communication. When people are waiting at the fish counter, they like to know that they are number 45. We need to take that sort of approach because people will understand that they will have to wait longer if we are very busy. We need to give customers an idea of the average waiting time when they apply. If we can do that more effectively, it would help to keep your mailbags smaller. I recognise that I have caused members some problems, for which I apologise.

Kenneth Gibson: Realistically, what should that timescale be?

Eddy Collier: I do not know what it should be; it is a very difficult question because it is about the balance between demand and supply.

Kenneth Gibson: Let me give an example. If someone applies in May, they will not mind waiting for three or four months. However, most people who apply in September, when the weather is getting worse, will want their installation done before winter, if possible. Even if you fixed on a period of two or three months, there could still be considerable discomfort for people who are waiting for installation.

Eddy Collier: That is a terribly circular argument, as I am sure that you appreciate.

Kenneth Gibson: Yes.

Eddy Collier: I suppose that the process has to take longer than it would if it was paid for with

one's own money in the private market, because the dynamics are different. The heating market is very busy at this time of year. Contractors have quite a lot of private work as well and we cannot just tell them to give up all their private work to work on this programme; we must strike a balance.

It sounds as if I am trying to obfuscate, but I just do not know the answer to your question. The problem is more to do with visibility.

The Convener: You have described your talks with Government to tackle a particular geographical issue, and that is good news for people in that area. Are you and the Government confident that that initiative will have no unintended consequences? Wherever someone is in Scotland—whether they are in Ayr or Arbroath—and despite what we were told by the first panel about improving weather patterns, if they have to wait for their central heating, six months is six months. Can you be sure that there will be no unintended consequences involving people having to wait longer in other parts of Scotland, and that the initiative will go forward?

Eddy Collier: Yes. I have a separate dedicated team that is working on the islands and in rural areas to ensure that we drive the scheme through. That will not affect the scheme's general progress.

The Convener: I asked that question because of your point about the availability of skills and the skills mix. I presume that all the people with the skills will need to travel from the central belt to the rural and remote areas in question and stay there for a particular period of time. If they are up there, they are not in the central belt.

12:00

Eddy Collier: There is a mixture. Where possible, we try to use local labour, which makes more sense, given that local labour does the maintenance.

The Convener: Is there the capacity in remote areas?

Eddy Collier: No—not fully; there is a combination of approaches. You are therefore right: some bigger firms have made capacity available to us. However, we now have the capacity and a plan for each of the postcodes that I mentioned earlier. For specific dates, contractors have committed labour for installation work. Therefore, we will still be able to deliver the volume that we are talking about. We will do around 1,000 installations a month, ensuring that we focus on the islands.

The Convener: How will you report that to Communities Scotland?

Eddy Collier: There is an awful lot of reporting to Communities Scotland. It receives information regularly. Roger Harris may want to comment on that.

Roger Harris: We have close monitoring arrangements with and receive weekly reports from Scottish Gas. Our delivery team works closely with the local manager and his team. We are kept in constant contact with them and know week by week what is happening.

The Convener: Do you have specific arrangements in place to ensure that the initiative in the Highlands and the remote areas has no unintended consequences? If not, why not?

Roger Harris: Our perception from what has been described to us is that the initiative, as Mr Collier said, involves additional staff and proactively addresses bottlenecks. Much of it is not so much about capacity as about the timing of what Scottish Gas's contractors and third parties such as the electricity companies do. It is about making sure that information is flowing. There has been a tendency in the past for particular cases to get lost in the volume. The initiative will ensure that work is dealt with on a case-by-case basis. It is a question not of making bigger demands on capacity, but of being smarter about the sequencing and organisation of tasks. In that sense, I do not think that the initiative will have significant unintended consequences.

Eddy Collier: I will build on Mr Harris's point. I have a list of all the people in the islands who have been waiting more than six months. There are 167 of them, so we are talking not about large numbers. They will possibly not be too happy with Scottish Gas about the delay, but the numbers are manageable; we have their names and we have the contractor to do the work for us. Providing that we get the load checks—we have good agreements in those areas, particularly with Scottish Hydro Electric—Mr Allan's mailbag will be lighter than it might have been.

Alasdair Allan: I suspect so.

Eddy Collier: We need to make sure that we deliver that plan, and I have given a commitment that we will do so. We will make sure that Mr Harris and Dr Scott see that we do. However, it is 167 people out of thousands, so I would not worry.

The Convener: I am reassured, as long as the number of installations reaches 1,200. If it goes below that figure of 1,000 a week—

Eddy Collier: It is 1,000 a month.

The Convener: I was seeking a drastic improvement there.

Eddy Collier: I look forward to managing that scheme when it comes about.

Kenneth Gibson: My point follows on from that of the convener. I, too, have islands in my constituency—Arran and Cumbrae—and I have received inquiries from those areas. There are islands also in Argyll and Bute. The convener made a point to which I was leading when I talked about people waiting five or six months. We should not have the situation whereby, in one part of Scotland, 85 per cent of people have been waiting more than three months but, in another, only 45 per cent have. We should try to ensure the same level of service across the country.

I realise that time is marching on, so I will come to my last point. There are a million questions that I would like to ask about grants and so on, but I will ask about an issue that was flagged up to me yesterday by a constituent. I have a constituent who is 59 years old and will not be 60 for another five months. He is on disability living allowance and so on, but he has been told that he cannot get a heating system. Given the waiting lists, what flexibility could be included in the programme? By the time that this guy is surveyed, he will be at the right age. It is coming up to winter, but he has been told that he is not going to get a system.

The Convener: You have done well, but let us get some answers.

Kenneth Gibson: Fair enough, convener.

Eddy Collier: It is a great question, but I am going to refer it to Mr Harris.

Roger Harris: The regulations specify who is eligible and who is not. We simply have to apply the regulations.

Kenneth Gibson: I would certainly hope that the review would make the rules more flexible on the issues in question.

Roger Harris: We simply have to abide by the law.

Patricia Ferguson: I want to step backwards beyond Mr Gibson's add-on question.

I am conscious that the number of letters in my postbag on the heating scheme has reduced significantly since the transition—on behalf of my constituents, I am grateful to Scottish Gas for that. I am also grateful to the liaison staff, who are always responsive and helpful—as were Eaga's staff, as Johann Lamont said. However, is any customer satisfaction work done? If we ask someone whether they want a heating system, they say yes and they are pleased when they get it. However, there can be problems for them along the way, and I have heard comments like, "I wish I'd never bothered." In the past—although not recently, I must admit—I saw some horrific jobs done in constituents' homes. We sorted the problems out, but they were not pleasant to deal with. Do you do any work on customer satisfaction

with the installation and the waiting time, for example, and do you publish that information?

Eddy Collier: Mr Harris can comment on what we publish and what we do not. We measure the level of complaints, so we look at any criticism of the scheme and get back to the customer quickly if we cannot deal with it straight away. We also measure what we term the net promoter score. We ask customers how likely it is that they would recommend us to a friend or neighbour for a heating scheme, and we measure that out of 10. We call those who give us nine or 10 “promoters” and those who give us nought to six “detractors”. We subtract the percentage of detractors from the percentage of promoters and keep track of the score. It is a good score—I forget exactly what it is at the moment, but it is around 40-plus per cent, which is pretty good considering the granularity of the question. It is not dissimilar from the score for our private sector work.

Patricia Ferguson: Is the question that is asked “Would you recommend us?” or does it go into more detail about why people would, or would not, recommend you?

Eddy Collier: The question also asks why. It is an effective approach. In addition, we have external quality assurance. Bierce Technical Services carries out inspections. Communities Scotland—which has the relationship with Bierce—tells us that the quality of the systems is “very good”. I am pleased by that.

As well as doing the initial survey, once the system is finished we carry out a comprehensive check of whether it has been put in properly. Many fail, for all sorts of reasons such as there being no documentation and, rarely, for mechanical reasons. In those cases, we go back and do the remedial work through the contractor. There are a lot of checks and balances, so the heating systems in the end should be of high quality. They are limited, but I assure the committee that they are of a high quality.

Roger Harris: We take note of Scottish Gas’s customer satisfaction analyses. Our team also receives direct calls, which we refer to Scottish Gas. The calls are usually from people who have reached the end of a chain of frustration. We are well aware that those people represent a small sample—and such complaints have been dropping off recently—so customer satisfaction surveys enable us to put their views in context.

As Mr Collier said, there is an independent check through Bierce. Before the contract that we now have with Scottish Gas was put out to tender, it was revised, with the intention of putting much better quality assurance into the system. We are pleased to see that that is happening.

Kenneth Gibson: My question is for Sandy Black and the witnesses from the Scottish Government. Local authorities run repairs and improvements grant schemes in relation to fuel poverty and other matters. Should there be a rationalisation of local authority and nationally administered grant schemes? Should local authorities play a major part in the review to ensure that everyone is singing from the same hymn sheet?

Sandy Black: Yes. There should be rationalisation and local authorities should be involved. The contact that we have suggests that there are many schemes and programmes, which are run by various bodies, from central and local government to the utility companies. Although such programmes have similar aims, there seem to be mixed messages about how they should be developed. The way forward is to have programmes that come from a central source but are run locally—I ask the committee to consider that.

Roger Harris: I cannot comment on the prospects for the review. However, local authority powers to provide assistance are the subject of discussion in the wake of the Housing (Scotland) Act 2006. The issue is live across the spectrum.

The Convener: Has rationalisation been considered in the internal review?

Dr Scott: Not yet, but I am happy to take account of views. My instinctive answer is that I would need to be more convinced that significant overlaps and delays were occurring because of multiple delivery arrangements. I am not yet aware of such problems. It is easy to call for rationalisation and consolidation, but first we need to be clearer about the problem that we are trying to solve. We should focus on the problem and then think about the delivery arrangements.

Kenneth Gibson: There is a plethora of delivery mechanisms. Jim Tolson talked about public awareness. Surely it is important to rationalise, so that everyone knows what can be delivered, not only in their area but nationally.

Dr Scott: That is quite possible, but one needs to think carefully about whom one is trying to target with what measures. That might bring us to rationalisation or drive us further down the road of specialisation. However, I take the point, which should be considered in due course.

Kenneth Gibson: It is about joined-up thinking more than anything else.

Sandy Black: I agree.

Dr Scott: Yes.

The Convener: Thank you for your attendance, which the committee found useful—I certainly did.

As I said to the first panel of witnesses, we will continue to take an interest in the issue and I hope that we can work with you in future to ensure that what we all want is delivered.

12:14

Meeting continued in private until 12:45.

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