

Dear Kevin

Progress on Energy Efficiency and Fuel Poverty

As the Minister responsible for energy efficiency and fuel poverty, we are writing to you in regard to the current consultation on Scotland's Energy Efficiency Programme, your government's recent response to the expert fuel poverty reports, and in advance of your welcome commitment to consult on a Warm Homes Bill later this year.

We are jointly urging you to adopt the measures below, as a way of delivering on this Parliament's shared desire for increased action to make our homes fit for purpose – warm, low carbon and affordable to heat.

Eliminate poor energy performance as a driver of fuel poverty: We deeply regret that the target for the elimination of fuel poverty in November 2016, set in the Housing (Scotland) Act 2001, was missed and that 35 per cent of Scottish households are in fuel poverty.

While we accept that fuel poverty is a complex problem, including some aspects which are not devolved, we firmly believe that progress can and must be made on the energy performance of our housing stock.

We believe that the new fuel poverty action plan, the proposed Warm Homes Bill, and the Scottish Energy Efficiency Programme, should establish a goal to eliminate poor energy performance as a reason for fuel poverty, as recommended by the Scottish Fuel Poverty Working Group.

Credible fuel poverty and climate change goals: We note the recommendation of the expert Fuel Poverty Strategic Working Group that all fuel poor homes should be brought up to at least an EPC band C rating by 2025. We also note the Draft Climate Change Plan's expectation that all lofts and walls will be insulated to the maximum recommended level, and that 80% of homes will have highly efficient, low carbon heating by 2032.

Achieving this will need a range of interventions from government as part of the Scottish Energy Efficiency Programme, including a balanced package of financial support, behaviour change advice and regulation. Therefore, we believe SEEP (a 15-20 year programme due to start in 2018) should have an interim target for the residential sector of supporting the vast majority of homes, those for which it is technically feasible and appropriate, to reach an EPC band C rating by a date in the range of 2025-2030. We would expect priority to be given to fuel poor households, particularly remote and

rural communities. This would mean all insulation that can be done is done, and homes have highly efficient heating installed where possible. Furthermore, we recognise how important it is for the experience of householders to be straightforward when interacting with these services, whether they are simply accessing information or are having appropriate measures installed in their home.

To achieve this objective, we support the introduction of a minimum energy performance standard for the private rented sector, and welcome the current consultation on this issue. We also welcome the government's intention to consult on minimum energy performance standards for the rest of the private housing sector.

We appreciate that there will need to be exceptions made for the relatively small number of homes that will not practicably be able to achieve this reasonable level of energy efficiency. However, we would expect the SEEP programme to include active measures to limit this to as small a number of homes as possible. We would also expect this programme and all fuel poverty programmes to be "rural-proofed", as recommended by the Rural Fuel Poverty Task Force.

Finally, we also support efforts to work with the UK Government to improve the assessment methodology that underpins the EPC to improve its accuracy, and call for improved quality assurance of EPC assessments as they become more widely used in policy and practice.

Warm Homes Bill: The forthcoming Warm Homes Bill should provide a clear statutory foundation for the new fuel poverty strategy, including the new target date for the eradication of fuel poverty and for SEEP interventions. It should also complement plans for the expansion of district heating; we understand the government intends to address the regulation of district heating in a separate bill.

Adequate resources: It is our collective view that additional funding for this programme of work will be required within the 2018-19 Budget (and any Spending Review that is brought forward), as part of an upwards trajectory to support the designation of energy efficiency as a National Infrastructure Priority. We welcome the Scottish Government's commitment to multi-year funding which will provide some long-term predictability to those working to deliver energy efficiency measures, but note current spending commitments simply maintain the status quo, and are inadequate to achieve the transformation we all want to see. We believe the trajectory of public spending will need to be substantially accelerated beyond the current level over the lifetime of this Parliament to provide the necessary support to householders and to lever in private sector spending.

The package of measures above would not simply help the Scottish Government meet climate targets or tackle fuel poverty. The additional benefits span a wide area, including the direct employment and economic opportunities a more rapid energy efficiency programme would bring, as well as improvements to health standards and reduced inequality. Were the Scottish Government to make

the commitments required to deliver this level of ambition, it would have the support of the whole Parliament.

We would welcome the opportunity to discuss the issues set out in this letter in a constructive and collective manner in good time ahead of the publication of the relevant policy and legislative documents.

Graham Simpson MSP, Scottish Conservatives spokesperson on Housing and Communities

Alex Rowley MSP, Scottish Labour spokesperson for Community, Social Security and Equality

Mark Ruskell MSP, Scottish Greens spokesperson for Climate, Energy and Environment

Liam McArthur MSP, Scottish Liberal Democrat spokesperson for Justice and Energy