

Warm Homes Bill briefing series - Autumn 2017

This is one of a series of briefings proposing measures for inclusion in the forthcoming Warm Homes Bill. We wish to ensure the Bill addresses barriers and creates opportunities to bring low-carbon and affordable warmth to all households in Scotland.

Legislative proposal – Fuel Poverty Strategy

The Warm Homes Bill should provide the legislative basis for the fuel poverty strategy and include provisions regarding a set of overall targets, the definition of fuel poverty and arrangements for governance, monitoring, reporting and review. The Bill should also include actions and targets related to the four drivers of fuel poverty.

Rationale

The Scottish Government is committed to consulting on a new Fuel Poverty Strategy in Autumn 2017 and establishing the statutory basis for this, and related targets, in the Warm Homes Bill in 2018.

We welcome the recent reports from the two expert groups set up to investigate and advise Ministers on the development of the new Fuel Poverty Strategy.¹ We broadly agree with the proposals from those groups and the stated intent of the Scottish Government to use them to inform the new Strategy. In particular we welcome the intent to include a new fuel poverty eradication target within the Warm Homes Bill.

Those reports outline four major drivers fuel poverty: price, income, energy performance, and how households use energy. They detail recommended actions related to each. The Strategic Working Group also called for a *fresh approach* to address fuel poverty following the *failure* of previous approaches to end fuel poverty by 2016, as required by the Housing (Scotland) Act 2001.

We support this call and propose the new fuel poverty target should be accompanied within the Bill by clear milestones to assess progress against all four drivers of fuel poverty.

In addition to this we believe the Warm Homes Bill should contain provisions related to:

- Accountability and scrutiny
- Monitoring reporting and review
- Resourcing

These provisions should follow from the forthcoming consultation on the new Fuel Poverty Strategy and be set in statute.

Details of proposals

While we await the detailed proposals in the new Fuel Poverty Strategy we believe the Warm Homes Bill is the appropriate place for the following provisions.

Targets and definition

The Scottish Government has established an expert panel to review the definition of fuel poverty. Following consideration of the panel's findings the Government is due to propose a new legislative target for ending fuel poverty.

¹ Reports of *The Scottish Fuel Poverty Strategic Working Group and The Scottish Rural Fuel Poverty Task Force to the Cabinet Secretary for Communities, Social Security and Equalities (Scottish Government 2017)*

We don't yet know what the proposed definition or the targets will be. However, enshrining them in law will allow for consideration of both by Parliament, and help deliver consistency of effort over future years and administrations.

Accountability and scrutiny

We recognise the policy areas related to fuel poverty are wide ranging and cross many governmental portfolios, and that there is a need for the oversight of the Strategy to account for this complexity.

We therefore agree with the recommendations of the expert groups for an independent, adequately resourced body, to be established in law to build on the current Fuel Poverty Forum, and with a remit which would include oversight of the Strategy, scrutiny of progress, and provision of advice to Ministers.

We also support recommendations that, *'the Scottish Government should work with local councils and other stakeholders to design and implement accountability arrangements for national and local government and other agencies working in collaboration on fuel poverty...'*²

We believe the Bill is a suitable opportunity to lay out requirements in relation to such national and local arrangements.

Monitoring, reporting and review

We also support recommendations from the expert groups relating to the monitoring, reporting and review of the Strategy including requirements to:

- Establish a monitoring and evaluation framework for the new Fuel Poverty Strategy and to report results regularly
- Annually report to the Scottish Parliament on progress against agreed targets and milestones
- Submit delivery plans every 5 years to the Scottish Parliament by the Scottish Government.

Four drivers of fuel poverty

To be effective the Fuel Poverty Strategy needs to tackle all four drivers of fuel poverty. This Bill, as the statutory basis for the Strategy, should include actions, and where appropriate targets and milestones, in relation to each of those drivers. Progress against these would be monitored as above.

We believe a weakness of the previous fuel poverty target, as set out in the Housing (Scotland) Act 2001, was that it set no targets in relation to energy efficiency. We therefore propose that energy performance targets are included within the Warm Homes Bill, and detail our case for such targets and other energy related proposals in separate briefings in this series.³

We also note that, as consumer trust is vital for any programme, strict standards and quality control measures are required in relation to products, installation, sales and marketing, advice and information, contracts and redress.⁴ Additionally, it is vital that fuel-poor households are offered holistic advice on income maximization, energy use, the use of new technology, and how to find the most appropriate energy supplier and payment methods. We likewise support proposals for a review of devolved benefits as they relate to fuel poverty, and for moves to support innovative ownership models such as not-for-profit for supply companies.

Further information: Existing Homes Alliance Scotland <http://existinghomesalliancescotland.co.uk>
Elizabeth Leighton, Secretariat, elizabeth@leightonconsulting.co.uk, mob 07792647005

ExHA is a coalition of housing, environmental, fuel poverty and industry organisations calling for urgent action to transform Scotland's existing housing stock.

² Strategic Working Group, op. cit. Chpt. 5.3

³ In this series of briefings we propose statutory targets for the energy performance of homes, the reduction in the end use of energy, an independent body to oversee energy programmes, the need for a review of fiscal incentives and a range of regulatory changes to overcome barriers to investment.

⁴ For detailed discussion and recommendations see Bonfield, P. *Each Homes Counts (2016)*