



## Committee on Fuel Poverty

### **Minutes of Committee on Fuel Poverty (CFP) Meeting, 1<sup>st</sup> February 2017**

1. The Chairman and all members of the Committee were present: David Blakemore (Chair), Alice Maynard, Jenny Saunders, Paul Massara and Lawrence Slade. From BEIS, the Sponsor and Secretariat were present, plus an official for the session on ECO and fuel poverty policy. Officials from Ofgem and the Department for Communities and Local Government attended for the items at paragraphs 7 and 16 below.

#### Minutes of last meeting and actions

2. The minutes of the meeting on 7<sup>th</sup> December had been agreed by email and published on the CFP web pages on 5<sup>th</sup> January.

3. The majority of actions from the last meeting had been completed and Members were content that remaining actions from the last meeting were being progressed.

#### Members' Interests

4. No potential conflicts of interest specific to the meeting's agenda were declared.

#### ECO and fuel poverty policy

5. Members discussed the Government's response to the consultation on ECO, which had been published two days prior to the meeting. Whilst they noted that the response marked a step towards improved targeting and spending more of the available funds on the Affordable Warmth obligation, members registered concern that the transition period of 18 months was longer than the original 12 month proposal – which would delay reaching targets – and that the fuel poverty target was not taking precedence over carbon reduction aims and the Government's manifesto commitment to insulating one million homes. Members agreed to request some more detailed data on the impact of ECO during the transition phase on fuel poverty as they felt that the Impact Assessment lacked sufficient information.

6. The Committee noted that the forthcoming period - during which policy direction would be set for ECO from 2018 and the future of Warm Home Discount - was critical. They discussed with BEIS officials mechanisms for feeding into these policy decisions and agreed to provide further advice to BEIS by the end of February. Members also discussed the possibilities for a fuel poverty metric for ECO.

## Housing Health and Safety Rating System (HHSRS)

7. An official from the Department for Communities and Local Government (CLG) attended to advise the Committee on new powers for local authorities regarding private landlords. From April 2017, new powers will permit local authorities to impose civil penalties of up to £30,000 as an alternative to prosecution for a number of offences, including failure to comply with an improvement notice issued under Section 30 of the Housing Act. They will also be able to seek a rent repayment order for failure to comply with an improvement notice of prohibition order. Local authorities will be able to keep any income from the civil penalties.

8. The Committee welcomed the new powers in the light of the recommendation made in their report for strengthening enforcement action for HHSRS. They agreed that the powers should encourage this. It was noted that the Local Government Association had welcomed the powers.

9. There was also discussion of what appeared to be low scores given within the HHSRS to the risks resulting from sub-optimal indoor temperatures. The Committee's report had noted the scores may be too low to trigger enforcement action alone. Members agreed to send further material on this to CLG. It was noted, however, that the Government reviewed the HHSRS in 2015 but decided against changes.

10. Members were interested in whether better data could be obtained on the levels of HHSRS enforcement actions. It was noted that the Ministry of Justice had decided against asking local authorities to collect and submit data so as to avoid placing a burden on the authorities, given their limited resources. Another possibility raised by members was whether data could be collected as part of the reporting regime for the Home Energy Conservation Act.

11. A further shortfall was in the area of Energy Performance Certificates (EPCs). Landlords were required to have EPCs in place whenever they let a property, but anecdotal evidence suggested that they were often lacking, and enforcement action was rare.

12. The database of rogue landlords was noted as a positive development. However, members noted that rogue landlords on the register could simply start up business elsewhere and stay "under the radar". A national register of landlords could help, but it was noted that the Government's broad policy was to focus on rogue landlords, and to avoid placing burdens on those who complied with requirements.

13. Overall, members noted there were a number of helpful initiatives and requirements designed to tackle rogue landlords activities and help drive up the quality of privately-rented properties, including their energy efficiency levels, but that there was still a lot of scope to improve enforcement and develop a more joined-up approach.

## Discussion with Ofgem: vulnerability and outcomes from the Competition and Markets Authority's (CMA) Energy Market Investigation

14. An official from Ofgem attended to discuss vulnerability and outcomes from the Competition and Markets Authority's (CMA) Energy Market Investigation.

15. Ofgem's approach to vulnerability, ways of working and links with fuel poverty were outlined. It was noted that the Ofgem definition and the Committee's approach were complementary: both took a risk-based approach, and both were used to assess potential impacts of policies and activities.

16. On the CMA investigation outcomes, members were interested in what the estimated impact of the pre-payment meter price cap would be on fuel poverty. Ofgem will be monitoring the impact of the cap and findings will be shared with the Committee as appropriate. Members also discussed the trials to prompt disengaged customers to look for cheaper energy deals. This was seen as a challenging area, and it was hoped that worthwhile, innovative solutions could emerge.

### Standing items

17. Members provided updates on their workstreams and recent stakeholder meetings; reviewed current correspondence and plans for future stakeholder meetings. Treasury attendance at this meeting had been planned but apologies had been sent and a separate meeting arranged. Following a change in Ministerial responsibilities, the Committee had requested a meeting with the Minister for Energy & Industry, given his new responsibilities for fuel poverty.

18. In view of: the lack of any specific provision for tackling fuel poverty in the Chancellor's Autumn Statement; the forthcoming Spring Budget; the need to feed into policy development for future ECO and Warm Home Discount; and the level of current debate about the Winter Fuel Payment, members agreed plans to prioritise focussed, high-level engagement.

19. Members discussed the Committee's ongoing work to explore the scope for drawing in investment from private finance to tackle fuel poverty. As part of this, BEIS had hosted a workshop with a number of finance providers. The meeting was primarily an introductory one, to provide an initial airing of the issues. Responses were largely positive and attendees agreed to meet again.

### Research proposal update

20. Members expressed concern that the introduction of new internal procedures within BEIS had delayed progress with proposed research, and asked officials to do what they could to expedite this.

### Dates of future CFP Meetings

21. In view of the urgency of addressing some key issues in the near future, members agreed to an additional meeting in March. Dates for forthcoming meetings are:

- 9<sup>th</sup> March 2017
- 5<sup>th</sup> April 2017
- 8<sup>th</sup> June 2017