



## Committee on Fuel Poverty

### **Minutes of Committee on Fuel Poverty (CFP) Meeting, 5<sup>th</sup> April 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. Representatives from the Scottish Government and the Local Government Association attended for the items at paragraphs 5 and 8.

#### Minutes of last meeting and actions

2. The minutes of the meeting on 9<sup>th</sup> March had been agreed by email and published on the CFP web pages on 31<sup>st</sup> March.

3. The majority of actions from the last meeting had been completed and members were broadly 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.

#### Key learnings from tackling fuel poverty in Scotland

5. An official from the Scottish Government attended to discuss learnings from activities in Scotland. Key points on the provision of support included the following:

- fuel poverty and energy efficiency were seen by the Scottish Government as being social justice issues, and therefore sat in the housing and social justice directorate, rather than energy;
- a Fuel Poverty Strategic Working Group and a Rural Fuel Poverty Task Force worked during 2015 and 2016 to develop a new fuel poverty strategy for Scotland. They reported in October 2016, with 109 recommendations;
- one recommendation was to review the definition of fuel poverty, which is being taken forward by an academic review group;
- a consultation on a new fuel poverty strategy will follow, along with a Warm Homes Bill next year to set a new fuel poverty target for Scotland;
- delivery of fuel poverty and energy efficiency measures is primarily through the Home Energy Efficiency Programmes (HEEPS), which has four main elements:
  - area-based schemes, under which local authorities are allocated shares of a fund;
  - Warmer Homes Scotland, which is a national fuel poverty scheme under which households receive packages of measures. This uses

age and benefit categories as proxies for indicating fuel poverty. Recent changes to the scheme had sought to drive more support to remote areas;

- interest free loans and an equity release scheme. Take-up of loans had so far been low, so a 'cashback' element had been introduced. For the equity release scheme property owners had to have 70% equity in their property. Part of the household funding could be used for general fabric improvements;
- an advice service, including a helpline and advice centres;
- the total budget across HEEPS was £114 million in 2017-18. This includes Government funds, some of which is loan-funding to be repaid to Treasury.

6. Discussion included:

- how Scotland had been successful in levering in additional funding for ECO measures, which suppliers found beneficial in meeting their ECO targets, resulting in Scotland having a slightly higher percentage of measures per household than England and Wales;
- challenges in obtaining data on the cost per installation for ECO, not least because of the number of variables involved;
- challenge of identifying fuel poor households;
- what might change from next year as a result of powers due under the Scotland Act, for example, whether ECO and Warm Home Discount would be deployed differently;
- progress with moving fuel poverty up the agenda of the health sector.

7. Members were keen to continue engagement with Scotland, including with the Fuel Poverty Forum.

Local Government issues

8. A representative of the Local Government Association attended to discuss a range of issues. Discussion included the following:

- local authorities had faced a number of challenges in recent years in addressing the Decent Homes Standard. One example was the introduction of forced rent reductions across all social housing, which reduced revenue for investment;
- there were restrictions on borrowing to fund new home building;
- despite this, many local authorities found ways to take positive action (one example was of some building to the Passivhaus standard);
- reactions to the introduction of the 'flexible eligibility' mechanism under ECO were mixed: urban areas or combined authorities were more likely to be positive, with rural areas being concerned about attracting funding because of the higher delivery costs;
- the new powers for local authorities to impose civil penalties for failure to comply with improvement notices under the Housing Act were discussed. These could help to improve enforcement of the Housing Health and Safety Rating System (HHSRS);

- generally, local authorities use enforcement as a last resort – the goal instead was to get the necessary improvement work done;
- local authorities had varied views on licensing and registration of private sector landlords. For instance, in areas where there were fewer problems, local authorities may find that the majority of landlords are complying with regulations, and take a view that additional licensing would be overly complex and costly to implement. The local variations reflected the fact that a national approach was difficult due to cost concerns and may not be appropriate;
- Members were interested in comparing examples of different approaches, such as Croydon and Waltham Forest, where borough wide licensing schemes are in place, and Leeds, which focusses on area renewal;
- there was discussion of moving fuel poverty up the healthcare agenda, given that local authorities have public health responsibilities. There was plenty of strong evidence of the benefits, and numerous examples of tools in place. More work was needed to raise awareness, including repeating messaging and ensuring people were confident in the analysis.

### Progress against the 2020 fuel poverty milestone

9. Modelling of progress against the 2020 fuel poverty milestone by BEIS – included in the ECO Transition Impact Assessment - had shown faster progress towards the 2020 milestone than the CFP had expected. Members welcomed this progress but wanted to understand the factors behind it and their sustainability. BEIS had reported to CFP that the progress was partly due to ECO delivery under Affordable Warmth (AW), but also measures in properties eligible under AW but delivered under the Carbon Emissions Reduction Obligation and the Carbon Savings Communities Obligation; and due to improvements resulting from other policies, including efficiencies due to Building Regulations, enhanced energy efficiency of new household appliances and boilers plus measures delivered under previous versions of ECO.

### Standing items

10. Under other ‘standing items’, members discussed the fuel poverty debate held in Parliament on 21<sup>st</sup> March and the adjournment debate on 14<sup>th</sup> March, led by Paul Scully MP. Committee members expressed their appreciation for the support from Ministers Jesse Norman and Nick Hurd.

11. Members also discussed further their plans for publication of their next report in or around September, plus their mid-year update in the near future.

### Dates of future CFP Meetings

12. Dates for forthcoming meetings are:

- 8<sup>th</sup> June 2017
- 18<sup>th</sup> July 2017
- 22<sup>nd</sup> August 2017