



Committee on Fuel Poverty

Minutes of Committee on Fuel Poverty (CFP) Meeting, 18th July 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, as well as analysts for discussion of the fuel poverty statistics.

Minutes of last meeting and actions

2. The minutes of the meeting on 8th June were approved and were subsequently published on the CFP web pages on 1st August.

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

Members' Interests

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

Fuel Poverty Statistics

5. The annual fuel poverty statistics, for the year 2015, were published by BEIS on 29th June 2017. Members were keen to discuss the statistics in more depth with BEIS analysts. They also wanted to consider what the trends might mean for the likelihood of achieving the fuel poverty target and milestones, and what some of the more granular statistics might mean for different types of households in fuel poverty, along with any implications for delivery.

6. Members noted that the statistics contain projections for the years 2016 and 2017. These projections showed that the trajectory of upgrading Bands F and G households to Band E did not appear to be sufficient to reach the 2020 milestone. However, the trajectory for upgrading households to Band D looked to be on target. Members noted that in the forthcoming period funding gaps remained, most significantly in the period after the current funding commitment to ECO ends in 2022. There was still work to do to reach the 2020 milestone, with effective implementation of the Private Rented Sector energy efficiency regulations and an improved focus of the Energy Company Obligation on households in fuel poverty, being key to its achievement. For the 2025 milestone and 2030 target, neither the policies nor funding were currently in place to achieve close to 100%. It was noted that the trajectory for achieving the 2030 target of upgrading to Band C showed that big steps were needed if this was to be achieved. Members discussed ways of accelerating progress but they agreed that by first focusing on upgrading to Bands E and D,

technology and innovation should, over time, drive down the cost of achieving Band C.

7. It was noted that one reason for progress to 2015 had been improvements in boiler efficiencies due to Building Regulations, but that a saturation point would be reached after which it would no longer impact on the rate of progress.

8. BEIS analysts explained that they continued to seek to improve understanding of the factors behind the statistics. Members welcomed this, and the additional data included in the detailed statistics, such as on ethnic origin and employment status. These data would help in developing more effective delivery approaches.

9. It was noted that there were numerous factors which could have influenced the statistics, and it was challenging to understand the degree to which individual factors did so – and their net impacts. One example was the overall improvement in energy efficiency across the wider housing stock. This was clearly a positive development, and one which could signify improvements for households living in fuel poverty. However, because of the relative nature of the Low Income/High Costs Indicator, it was a factor which could have contributed to the increase in the number of households in fuel poverty, albeit to a relatively small extent. (This would be because the national median amount that households need to spend on energy would have decreased, potentially leaving a greater number of households above the threshold). Members felt this underlined the importance of focussing on the fuel poverty gap, and on moving households up through energy efficiency bands, both of which could provide clear evidence of improvement for households in fuel poverty.

Ofgem proposals to extend the tariff cap

10. The Committee discussed Ofgem's recently-announced plans to protect vulnerable consumers, including the option of a tariff cap, similar to that which had been introduced for pre-payment customers. Members broadly welcomed the tariff cap proposal but felt that careful consideration of eligibility would be needed to ensure that the right sections of the population would benefit.

National Infrastructure Commission (NIC) – infrastructure priorities

11. The Committee discussed the NIC's recently-published statement of "top 12" infrastructure priorities. Members were disappointed that energy efficiency did not feature on the list and agreed to continue to press for its future inclusion.

Research project

12. Members noted that an invitation for bids to undertake research had been issued, and they were updated on the timetable. The research was to examine tensions and synergies in delivering across different objectives, these being to reduce fuel poverty, carbon emissions and improve energy efficiency across the general housing stock. Following procurement, the research should begin in September.

Stakeholder engagement

13. Members reviewed recent engagement with stakeholders, and considered plans for engagement ahead of, and following, publication of the Committee's annual report in the autumn.

Dates of future CFP Meetings

14. Dates for forthcoming meetings are:

- 22nd August 2017
- 11th October 2017
- 15th November 2017