

**LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE****FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL  
CALL FOR VIEWS****SUBMISSION FROM WHEATLEY GROUP**

The Wheatley Group is Scotland's largest social housing, care, market rental and factoring service. We provide homes throughout many of Scotland's areas of multiple deprivation and based on evidence from our Fuel Advice service and responses to our customer satisfaction surveys we estimate that as much as 80% of our customers are in Fuel Poverty. It is certainly the case that those in receipt of qualifying benefits will be struggling to maintain satisfactory levels of heating, with cases cited by our advisors in which households can't even afford to have adequate lighting. Energy is the second largest (and depending on the size and type of property sometimes the largest) cost of maintaining our tenancies. This issue is exacerbated by the long term hyperinflation of energy costs, averaging 8% per year (using OFGEM data).

We contend that energy is a 'social good' not merely a market commodity. Energy is indissoluble from many necessities we take for granted and therefore not a luxury but a common and fundamental need. We see the impact of fuel poverty and all aspects of life from educational attainment, hygiene, diet and even family cohesion. We welcome and support a new target to reduce Fuel Poverty, although as a Group we would encourage ambition to find innovative and potentially disruptive new approaches to reformulate the energy market as a 'social good' and eradicate fuel poverty.

The response contained in this draft has been gathered through consultation with our Fuel Advisors and the Wheatley Money Advice Lead.

**Response**

- 1. Do you agree with the Scottish Government's proposal to provide for a statutory target to reduce fuel poverty to no more than 5 per cent of Scottish Households by 2040.***

Wheatley Group has developed a range of support services to maximise the financial stability of the households we serve. This is particularly important in response to universal credit and the potential difficulties of budgeting for many of our customers. It is our estimation that those of our tenants in receipt of a qualifying benefit are highly likely to be in Fuel Poverty irrespective of the efficiency of the home due to the sometimes unmanageable cost of energy and added surcharge of a 'poverty premium' incurred by limited scope to utilise online banking or direct debits and other means to access preferential tariffs.

We agree that there should be a target, however we would recommend bringing the target forward to co-inside with other Scottish Government objectives for energy efficiency standards in housing. Specifically the forthcoming 2032 EESSH and private sector rental standards.

We would also encourage a separate target for those in 'Extreme Fuel Poverty' to be eradicated at an earlier stage as this would help alleviate the chronic effects on those in this situation as well as prioritise resources.

**2. Do you agree with the Scottish Government's proposals for a revised definition of fuel poverty?**

The use of the Minimum Income Standard after deducting the 'cost of housing' is progressive however we recommend that the cost of housing should also be defined. As for those living in rental accommodation this is specifically associated with the cost of rent, however for those who are owners there are added costs associated with maintaining a tolerable standard of fabric condition that would theoretically increase their cost base, thereby leaving less to cover fuel bills and a proportional increased likelihood of fuel poverty. This nuisance isn't allowed for in the current definition.

There is no proposal for segmentation of MIS for urban and rural Scotland. Rural areas in general have different property typologies (urban density often post war – rural sparse and often stone detached) and therefore heating demand requirements and fuel type options. It is therefore the case that both before and after housing costs for rural areas are often higher, leading to greater prevalence of fuel poverty. Therefore having one MIS measurement basis could present a challenge to tracking how a standard set of interventions are assisting rural and urban Scotland equally. Perhaps incorporate a 'rural' MIS benchmark.

We would also recommend using Priority Service Register indicators as adopted by the energy sector to further clarify those deemed to be 'vulnerable' in the definition. However within these we would suggest including the measure of those whom require regular medication, which in our view should therefore include those with mental health conditions requiring prescription. This final indicator is sometimes missed.

**3. Do you agree with provisions in the Bill requiring the Scottish Government to publish a fuel poverty strategy? Do you also agree with the consultation requirements set out in relation to the strategy?**

Yes we agree that there ought to be an accompanying Strategy and that this should be periodically adjusted to take account of interim changes in the market and achievements on the route to the long term target. Although we would recommend that the preparation of the Strategies should correlate with the preparation of periodic reports under Section 6 of the bill, so that progress can be incorporated in the strategy at the same point in time. It would appear that the current arrangement is to produce a strategy aligned to 1 year subsequent to each quinquennial reporting period. We would suggest avoiding this delay. In the same respect we suggest that reports should be ahead of the interim targets (2024 and 2031) instead of two years after.

Furthermore, Wheatley would be willing and able to work as a conduit for bring together those identified with the Bill as forming consultative groups, such as those living in Fuel Poverty.

**4. A [draft fuel poverty strategy](#) was published alongside the Bill on 27 June. Do you have any views on the extent to which the measures set out in the draft Fuel Poverty Strategy for Scotland 2018 will contribute to meeting the Government's new target? Have lessons been learned from previous initiatives?**

Wheatley acknowledges our role in identifying those in fuel poverty and working with them to improve their financial stability as well as the energy performance of the home they live in. The EESSH targets are welcome although we would suggest the ambition to meet fuel poverty reduction should require similar targets across all tenures, and we appreciate this is something the Scottish Government is working toward.

Given these objectives, we note that there is no specific funding modelling for achieving the proposed Fuel Poverty target within the strategy. There are certainly important investment assumptions ranging from ECO, Warm Home Discount, Energy Efficient Scotland Route Map, Financial Health Check Guarantee (commitment for 2 years), Climate Challenge Fund, HEEPS, etc. A lot of which is already available and committed. We would encourage a similar approach as has been taken in the Scottish Government's 'Our Programme for Government', in which a ring-fenced budget for SEEPS was detailed, with other examples of budget details including establishing a deep water port; Wheatley suggest it should be possible to make an equally clear commitment for budget to support the Fuel Poverty target.

We would offer the proposition that as with LHEES, there should be a local government responsibility to develop subordinate action strategies that contribute to the national target and provide local solutions.

We agree with the ministerial foreword that there are drivers of fuel poverty that are challenging to control through devolved powers or influencing commercial perspectives of many private energy companies. We welcome the measures set out, although cautiously, given the above limitations. We would recommend greater emphasis also be placed on controlling the hyperinflation of energy prices or improving controls of practices such as '3<sup>rd</sup> party deductions' whereby energy companies can make automatic deductions from welfare benefits before they reach the applicant, whom may often already be in financial hardship.

**5. Do you have any views on the Scottish Government's reporting requirements to the Scottish Parliament, as set out in the Bill?**

We fully support the principle of parliamentary reporting and would suggest further enhancing this to provide summary 'tracker' reporting on an annual basis to support the periodic reports each 5 years. This would help steer the agenda and ensure any barriers are quickly identified and overcome.