



SPECIAL REPORT ON FUEL POVERTY



SCOTTISH PARLIAMENT ELECTION 2011

Scottish Parliament Election 5 May

On 5 May 2011, the Scottish people will vote in the Scottish parliamentary election.

The Scottish Government has a statutory duty under the Housing (Scotland) Act to end fuel poverty by 2016. This means that whoever is in power following the Scottish parliamentary election in May 2011 will have responsibility to fulfil this obligation during the next session of the Parliament.

Fuel poverty is defined as having to spend more than 10% of income on domestic fuel to heat and power the home to an adequate level. Around 800,000 – i.e. 1 in 3 - Scottish households are currently affected. Fuel poverty results in both debt and cold, damp homes that can cause poor health, discomfort and misery – often forcing the choice between heating rooms or cooking a hot meal.

There are three main causes of fuel poverty: poor energy efficiency of the home, high price of domestic energy, and low disposable household income. While only the first of these factors – energy efficiency – is devolved to the Scottish Parliament, there is still much within its remit that can enable it also to influence the other two factors.

Energy Action Scotland is the only body with the sole aim of ending fuel poverty across the whole of Scotland. As the election approaches, Energy Action Scotland asked all the main Scottish parties to respond to questions on how they would meet the target to end fuel poverty. The responses from the Scottish Conservative, Scottish Green, Scottish Labour, Scottish Liberal Democrat and Scottish National Parties form this report.

The four questions we put to the main parties were:

- 1. What specific initiatives would your party use to meet the target to end fuel poverty by 2016 and how would these be financed?**
- 2. On which groups of people and which housing sectors would your party focus its fuel poverty initiatives?**
- 3. About a third of Scottish properties are termed 'hard to treat', for example, they are off the mains gas grid or have no cavity wall or loft to insulate. How would your party plan specifically to ensure householders in these properties are taken out of or protected from fuel poverty?**
- 4. Fuel poverty cuts across several Government departments such as Housing, Energy, Local Government, Climate Change and Health. How would your party achieve a co-ordinated approach to implementing a solution to fuel poverty?**

Scottish Conservative Party

1. What specific initiatives would your party use to meet the target to end fuel poverty by 2016 and how would these be financed?

The Scottish Conservatives have been at the forefront of holding the outgoing SNP Government to account on this issue. For example, as part of his contribution to the Scottish Parliament Economy, Energy and Tourism Committee report “Determining and delivering on Scotland’s energy future”, our spokesman Gavin Brown questioned SNP Ministers’ use of a reworded version of the target. More recently, he used an oral parliamentary question to point out that in 2007, when the SNP took office, fuel poverty was 25 per cent in Scotland, in 2008 it rose to 27 per cent, and in 2009 it was 33 per cent. Given that the SNP Government had taken us from a quarter of households being in fuel poverty to a third, he asked what the SNP intended to do differently from before in order to turn things around.

We believe that a different approach is indeed required. Our manifesto makes clear that we will consolidate all energy efficiency schemes into one. This will help us direct a higher proportion of the money to the frontline, and ensure that it is more closely matched to the projects that would yield the best results. We will also require local authorities to publish heat maps, which will drive the expansion of community heating schemes in Scotland, which can be a very cost-effective –as well as a very environmentally-friendly– way for people to heat their homes. Finally, we want the Scottish Government to work with our colleagues in the Coalition Government to ensure that Scotland can benefit from the “Green Deal” that the Conservatives developed in opposition and are now implementing in government. Through the Green Deal, people will be able to pay back the upfront costs of home insulation work through the lower bills that will result.

2. On which groups of people and which housing sectors would your party focus its fuel poverty initiatives?

We take a very pragmatic approach. We will not prioritise any sector or group on ideological grounds. We will direct help to the people who need it most and the properties in which it would yield the best results. We recognise they are to be found in a mix of household and housing categories.

3. About a third of Scottish properties are termed ‘hard to treat’, for example, they are off the mains gas grid or have no cavity wall or loft to insulate. How would your party plan specifically to ensure householders in these properties are taken out of or protected from fuel poverty?

Our Green Deal proposals will be particularly helpful to people in this situation, because they will include support for hard-to-treat homes, involving subsidising solid-wall insulation.

With the Green Deal, energy companies will be required, under the new Energy Company Obligation (ECO), to focus their assistance on both the poorest and most vulnerable

households and those in hard to treat properties which cannot achieve financial savings without a measure of support.

4. Fuel poverty cuts across several Government departments such as Housing, Energy, Local Government, Climate Change and Health. How would your party achieve a co-ordinated approach to implementing a solution to fuel poverty?

It is important to take a co-ordinated approach. As we stated in our opening answer, we want to consolidate all energy efficiency schemes into one and co-ordinate this with the help that the UK Government is offering through the Green Deal.

We also need to recognise that low household income is one of the main causes of fuel poverty. In addition to protecting the Winter Fuel Allowance, our colleagues in the Coalition Government have made permanent the temporary increase in Cold Weather Payments, so those in receipt of Pension Credit receive £25 for each seven-day cold spell where they live. They are also bringing in private money to help tackle fuel poverty. A new mandatory Warm Home Discount scheme, worth up to £1.1bn over four years, was introduced in April 2011. Under the new scheme, pensioners on Pension Credit Guarantee Credit only automatically receive annual rebates of at least £120 off their electricity bills, with some support available for other groups too. The scheme is projected to help around two million households per year, with the majority of the rebates delivered by energy suppliers in the winter months. At the devolved level, we have a number of policies to help people get back into work or boost their earnings and to help pensioners who just miss out on the Pension Credit.

Scottish Green Party

1. What specific initiatives would your party use to meet the target to end fuel poverty by 2016 and how would these be financed?

Scottish Greens were responsible for establishing the Universal Home Insulation Scheme in 2010 as a result of our budget negotiations with the SNP Government. We would **expand the Universal Home Insulation Scheme** and merge it with an expanded Energy Assistance Package to provide a single package, offering both reactive and proactive solutions, under a single branding. We would inject an additional **£100m / year in new funding** to this task, over and above current funding levels, with the aim of insulating every home in Scotland.

This investment in ending fuel poverty is part of a wider package of investment in housing, education and other public services. **Greens are the only Holyrood party challenging the current cuts agenda** and have instead set out how new revenue will be raised through fairer taxes, including a 0.5p increase in the Scottish Variable Rate and replacing the council tax with a Land Value Tax. Full costings are available in our manifesto:

<http://scot.gr/holyrood2011>

2. On which groups of people and which housing sectors would your party focus its fuel poverty initiatives?

Fuel poverty exists across all groups and sectors, which is why we believe a **'universal' approach, offering insulation free of charge regardless of income**, is the best approach to eradicating it. The Scottish Housing Quality Standard has been successful in driving up standards in the social rented sector, and we will consult with Registered Social Landlords on introducing a more onerous 'SHQS2' standard in 2020. We will also introduce **minimum energy efficiency standards for existing homes in the private rented sector**, to ensure that no home in Scotland can be let unless it meets minimum energy efficiency standards. We will also consult on introducing minimum standards for the owner-occupied sector at point of sale, in order to fuel poverty-proof homes in this sector too.

We will **retain the independent Scottish Fuel Poverty Forum**, and ensure that it receives regular and detailed data on the Scottish Government's fuel poverty programmes. It will have a remit to closely monitor uptake of the merged Energy Assistance Package and Universal Home Insulation Scheme and recommend any changes in eligibility or targeting which it deems are needed in order to ensure the 2016 fuel poverty target is met. In particular, the 'working fuel poor' are not well served by the current eligibility criteria and we will examine how they can be included in future.

3. About a third of Scottish properties are termed ‘hard to treat’, for example, they are off the mains gas grid or have no cavity wall or loft to insulate. How would your party plan specifically to ensure householders in these properties are taken out of or protected from fuel poverty?

The Energy Assistance Package currently offers a limited selection of internal and external wall insulation and air source heat pumps, but the number of measures on offer is too limited and the £6,500 grant cap means many householders are forced to choose between effective insulation and a decent heating system. This is not a reasonable choice to ask those in fuel poverty to make. We will expand the measures offered under the EAP and would lift the grant cap to **ensure hard to treat homes are offered both insulation and heating systems**. Where appropriate, we would support the roll-out of combined heat and power and district heating schemes to tackle fuel poverty: the Aberdeen schemes show what can be achieved here.

In addition, we would work closely with the UK Government to ensure that Scotland receives its fair share of investment under CERT, CESP, the Green Deal and the Energy Company Obligation. Crucial to this is ensuring that any **assessment methodology takes into account Scotland’s colder climate**, and therefore the higher fuel bill savings that can be achieved here.

4. Fuel poverty cuts across several Government departments such as Housing, Energy, Local Government, Climate Change and Health. How would your party achieve a co-ordinated approach to implementing a solution to fuel poverty?

It is essential that a co-ordinated approach to tackling fuel poverty is achieved, not just across the Scottish Government but between devolved and reserved Government, and between local authorities and other agencies too. We agree with Energy Action Scotland that **every Community Planning Partnership should include fuel poverty on its agenda**. We would also like to see each Partnership have a fuel poverty representative to ensure specific action is taken locally.

We would also replace the Home Energy Conservation Act with a simplified requirement for **local authorities to set targets for energy efficiency improvements in their area and report annually** against those targets. The current proposal for purely voluntary guidance risks undermining the progress that HECA, and the HECA officers that were established as a result, have achieved.

Scottish Labour Party

1. What specific initiatives would your party use to meet the target to end fuel poverty by 2016 and how would these be financed?

Scottish Labour has long been committed to ending fuel poverty by 2016, delivering affordable, warmer homes for the people of Scotland. We published a fully costed manifesto on April 6 and we are determined to meet our target to end fuel poverty through efficiency savings we are committed to making if we are in a position to form a government after the election.

2. On which groups of people and which housing sectors would your party focus its fuel poverty initiatives?

We believe the fairest approach is to target resources at the most fuel-poor, especially older and more vulnerable people. We will continue to invest in measures to reduce fuel poverty and will review the effectiveness of the Energy Assistance Package and the Home Insulation Scheme. We will work with local authorities, energy companies, housing associations and local communities to develop heat and power schemes that can help provide warmer homes and lower fuel bills. We will also look at ways of helping people access newer, more efficient boilers and supporting a programme of sustainable home insulation.

3. About a third of Scottish properties are termed 'hard to treat', for example, they are off the mains gas grid or have no cavity wall or loft to insulate. How would your party plan specifically to ensure householders in these properties are taken out of or protected from fuel poverty?

Scottish Labour has announced plans for a 'Green New Deal', which will help thousands tackle fuel poverty, enabling them to access micro-generation opportunities and reap the benefits of the new feed-in-tariff. We will also aim to support a programme of sustainable home insulation and implement a new boiler scrappage scheme, to help provide warmer homes and lower fuel bills.

4. Fuel poverty cuts across several Government departments such as Housing, Energy, Local Government, Climate Change and Health. How would your party achieve a co-ordinated approach to implementing a solution to fuel poverty?

We are committed to delivering a coordinated and joined up approach to eradicating fuel poverty in Scotland. To achieve this, we will work to ensure all government departments with an interest in tackling fuel poverty are involved in the solution strategy.

Scottish Liberal Democrat Party

1. What specific initiatives would your party use to meet the target to end fuel poverty by 2016 and how would these be financed?

The Scottish Liberal Democrats have published our plans to accelerate massively the insulation of homes and buildings in Scotland, including in the private rented sector and hard-to-treat properties, to set us on the path to achieving our fuel poverty and emissions reduction targets. We will ensure that every Scot, regardless of their income or financial circumstances, can access advice and affordable finance to improve the energy efficiency of their homes and save money on their bills. We will set a requirement for new-build homes and non-domestic buildings to be zero carbon by 2016. We will begin work towards the introduction of minimum energy efficiency standards for existing domestic and non-domestic buildings from 2015.

We will fund our plans with £250 million from our *Investing in Scotland's Future Fund*, freed up by refinancing Scottish Water's debt. We will also capitalise on the UK Government's Green Deal scheme, which presents a huge opportunity for Scotland to lever in additional funding for sustainable new action on energy efficiency.

2. On which groups of people and which housing sectors would your party focus its fuel poverty initiatives?

The Scottish Liberal Democrats want to ensure that everyone, regardless of their income or financial circumstances, can save money on their bills by having access to advice and affordable finance to improve the energy efficiency of their homes. We propose a package of measures to achieve this. Our targeted support and incentives programmes will focus on providing and levering in funding to improve the energy efficiency of fuel poor households - focusing funding on the most energy inefficient homes and households with limited assets and income. We will also take forward new universal home insulation schemes, to be run by local authorities in partnership with other local organisations, to extend both subsidised and free-for-all energy efficiency measures to more households across the country.

3. About a third of Scottish properties are termed 'hard to treat', for example, they are off the mains gas grid or have no cavity wall or loft to insulate. How would your party plan specifically to ensure householders in these properties are taken out of or protected from fuel poverty?

Our plans include soft loans for more expensive work on hard-to-insulate homes, repayable when the property is sold. Measures to help these homes can include internal or external solid wall insulation, improvements to windows and glazing and making use of renewable energy sources like ground or air source heat pumps or solar water heating. Social landlords are market leaders in hard-to-treat dwellings and we will work with them and other stakeholders to consider how best to meet carbon reductions from social housing, including the development of an appropriate energy efficiency standard beyond SHQS.

We will maximise the potential of the new Renewable Heat Incentive to help revolutionise the way heat is generated and used in our homes, supporting a shift away from fossil fuel-

based options towards low carbon alternatives. We will encourage the use of feed-in tariffs to benefit people who install small-scale renewable electricity generation and change planning regulations to support these and renewable heat measures in homes. The UK Government's plans to create Energy Company Obligations (ECO) will make the energy companies improve the ability of the vulnerable and those on lower incomes to heat their homes affordably and improving hard-to-treat homes.

4. Fuel poverty cuts across several Government departments such as Housing, Energy, Local Government, Climate Change and Health. How would your party achieve a co-ordinated approach to implementing a solution to fuel poverty?

Scottish Liberal Democrats called for the re-establishment of the Fuel Poverty Forum in 2008 to look at how policy and funding across government departments can be better focused to achieve the target of eradicating fuel poverty. Membership of the Forum includes a range of stakeholders including representatives from health, housing, consumer and vulnerable groups' interests, and has the potential to play an influential role in advising the Government's overall strategy. We were extremely disappointed, therefore, that the independent chair of the Forum was forced to resign last month in protest at the Scottish Government's lack of consultation with the Forum. We will ensure that the Forum is fully engaged in the fight against fuel poverty and that the experience and expertise of the Forum's members is listened to and acted upon by ministers. Fuel poverty demands a joined up approach across government departments and closer working between COSLA, SFHA and the Scottish fuel suppliers. Community Planning Partnerships should also be given a clear remit to ensure specific action is taken locally and to liaise across departments and agencies.

Scottish National Party

1. What specific initiatives would your party use to meet the target to end fuel poverty by 2016 and how would these be financed?

Scotland's budget faces year-on-year cuts from Westminster, and we are having to become ever more inventive in order to meet our objectives. Thanks to sensible procurement of the new Forth Replacement Crossing, we have released £250m which we intend to invest in a new Scottish Futures Fund. This will contain five initiatives which are key to Scotland's long term prosperity. One of these will be a new £50m Warm Homes Fund – a major investment in home insulation - which will be on top of existing home insulation schemes.

Clearly though, we remain at the mercy of energy prices, and indeed the changes to the welfare system, when it comes to tackling fuel poverty. With so little action on these fronts from Westminster, it is little surprise that fuel poverty has unfortunately risen. At the moment we are limited to installing heating installations, loft insulation, energy advice, and income maximisation advice. Our free benefits checks have been particularly successful- eligible pensioners have increased their income by an average of £1700 a year.

2. On which groups of people and which housing sectors would your party focus its fuel poverty initiatives?

In Government the SNP have introduced the Energy Assistance Package, which prioritises help for those most at risk of fuel poverty. While central heating installations are always welcome, we felt that it was more important to target them at those who we know are most likely to be struggling to heat their homes. This includes pensioners on pension credit, but we have also expanded the eligibility criteria to include households on certain benefits, with a child under 16, a pregnant woman, someone is terminally ill, those on carers allowance and many more. We believe this much more targeted approach will help meet our fuel poverty commitments in the long term.

3. About a third of Scottish properties are termed 'hard to treat', for example, they are off the mains gas grid or have no cavity wall or loft to insulate. How would your party plan specifically to ensure householders in these properties are taken out of or protected from fuel poverty?

Off-the-grid houses certainly suffer more than most from the soaring cost of heating oil. The SNP has raised this issue consistently at Westminster. Mike Weir has proposed amendments to the last two Energy Bills proposing social tariffs for heating oil, and we think the sector should be subject to the same regulation as the gas and electricity markets.

4. Fuel poverty cuts across several Government departments such as Housing, Energy, Local Government, Climate Change and Health. How would your party achieve a co-ordinated approach to implementing a solution to fuel poverty?

The SNP reconvened the Fuel Poverty Forum and this is what helps guide our policy. We also established a cross-party Ministerial Task Force on Health Inequalities, as we recognised that tackling inequalities cuts across various portfolios, and this Task Force ensures that the various Ministerial portfolios are moving in the same direction. One of its priorities is tackling fuel poverty.



Energy Action Scotland is a registered charity working to end fuel poverty and to promote warm, dry homes for all

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