



Evidence submitted by Chartered Institute of Housing Scotland: 1 November 2018

About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple - to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world including over 2,000 in Scotland.

Further information is available at: www.cih.org

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Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill: Financial Memorandum



1. General comments

- 1.1 CIH Scotland welcomes the opportunity to submit evidence to the Finance and Constitution Committee on the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (the Bill). As a representative body for housing professionals and for all tenures of the housing sector we have an interest in ensuring that all homes across Scotland are energy efficient and easy to heat. We also believe that all tenants and residents should be living in a home that they can afford to heat regardless of tenure.
- 1.2 The introduction of a new statutory target to reduce fuel poverty is welcome but it is essential that the Scottish Government and delivery partners are realistic about the resources that will be required to meet such a target.
- 1.3 We acknowledge that the direct costs of tackling fuel poverty do not necessarily arise from measures set out in the Bill itself (beyond the development of the Fuel Poverty Strategy and reporting set out in the Financial Memorandum) and that the Scottish Government is developing separate requirements for minimum energy efficiency ratings through Energy Efficient Scotland and developing a new Energy Efficiency Standard for Social Housing (ESSH2). However, we do have some concerns with the suggestion in the Financial Memorandum that existing measures will be sufficient to meet the new targets:

“An indicative overall cost for meeting the targets should be similar to the costs of delivering current programmes.”
- 1.4 While we welcome continued investment in programmes that are working well to deliver energy efficiency measures, advice and information, it is clear from past performance that more of the same will not be enough to significantly reduce fuel poverty across Scotland. Currently 26.5% of households in Scotland are still living in fuel poverty despite the previous target to eradicate it by 2016.
- 1.5 In previous submissions to Scottish Government consultations we have expressed concerns with the costs of meeting minimum standards of energy efficiency across all sectors.
- 1.6 The ESSH2 consultation paper acknowledged that the vast majority of funding to meet ESSH had come from landlords’ own resources, a great deal of which will be generated through rental income. The paper also included an estimated cost of between £3.4 and £3.7 billion to achieve 50-60% compliance with proposed targets for social landlords.
- 1.7 Without additional resources being made available from the Scottish Government, there is a risk that social landlords will have to increase rents or reduce investment in other areas to meet targets. In some cases, tenants may pay more through rent increases than they save on their energy bills which would undermine attempts to reduce fuel poverty and keep social rents affordable.

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- 1.8 In relation to standards in the private sector, we have been clear that improvements are needed but a mixture of regulation, financial support, advice and information will be needed to achieve minimum standards.
- 1.9 Again, within the private rented sector there is a risk that if adequate financial support is not provided by the Scottish Government, the costs of work could be passed on to tenants through increased rent and this must be carefully monitored.
- 1.10 A recent report published by Citizens Advice Scotland¹ also calls for increased investment in face-to-face advice services to help tackle fuel poverty, again suggesting that the Scottish Government must carefully review current investment in measures to tackle fuel poverty.

¹ <https://www.cas.org.uk/publications/facing-fuel-poverty>