



Executive Director
Richard Brown

**Development & Regeneration
Services**

Glasgow City Council
231 George Street
Glasgow G1 1RX
Phone 0141 287 8555
Fax 0141 287 8444

Pete Wightman
Commonwealth House
32 Albion Street
Glasgow
G1 1LH
Email: gasnetworks@ofgem.gov.uk

Ask for **Patrick Flynn**
Phone Direct **0141 287 8467**
Email **Patrick.flynn@drs.glasgow.gov.uk**
Date **02/11/17**

Consultation on the potential change to the Fuel Poor Network Extension Scheme

Thank you for the opportunity to respond to your consultation on the potential change to the Fuel Poor Network Extension Scheme. Glasgow City Council has approximately 20% of its households that are not on the gas network and 34% of households considered to be in fuel poverty. We see the continuation of this scheme as an important tool to help to tackle both fuel and other forms of poverty in the city and are concerned by the limitations that removing the SIMD criteria will create.

Please find a response to your consultation questions below.

Question 1: Do you agree with our proposed approach for the FPNES? Please state why or why not.

Glasgow City Council does not agree with the proposed approach to change the criteria for the Fuel Poor Network Extension Scheme for the following reasons:

- The proposals will significantly reduce the number of homes that can qualify for a gas connection in Glasgow and it will be far more difficult to bring together a number of homes to qualify for a group or community mains gas connection.
- We are concerned that if a block of flats only has 50% of people qualifying under the definition of fuel poverty, that there is a missed opportunity to connect the whole block. This opportunity saving of connecting the whole block has not been taken into account in the analysis that was carried out.
- The additional administration cost of having to try to identify and engage households in fuel poverty, has not been taken into account and will increase the burden on consumers' bills

Glasgow - Proud Host City of the 2014 Commonwealth Games

- It will be more expensive to install single household connections
- Using fuel poverty as a single indicator will not take account fluctuating income levels in the city and therefore some people could miss out.
- By targeting only fuel poor households, economies of scale are lost by passing flats to reach others in the block.
- It does not take account that many people living in the lowest SIMD areas who do not qualify as being “fuel poor”, may still be on very low income levels and suffering from “in work poverty” and would benefit from a gas connection to lower overall costs.

Question 2: Are there any consequences that we have not appropriately considered in our proposal?

The programme will be much more difficult to deliver. It does not say in the consultation document how fuel poor households will be identified but in order to establish fuel poverty, a household will have to be subject to an analysis of their income and expenditure. This is much more labour intensive, much more difficult to engage with the householder and from the experience of CESP and CERT can lead to “finder’s fees” being paid to companies. Not only could the money be better spent on providing energy efficiency measures to householders but experience suggests that this will also encourage pressure and miss-selling to meet targets.

We are concerned that the fuel poor targets for the GDN’s are not being revised down to take into account the additional difficulty they will have in engaging fuel poor households.

Question 3: Is there any other evidence we should consider in making our decision? If so, please provide it.

In Glasgow, we use a mixture of funding to contribute to our fuel poverty targets, carbon emission reduction targets and housing targets. This will include HEEPS, SEEP, Private Sector Housing Grant, Affordable Housing Supply Programme as well as gas infill. It is the mixture of funding that makes the project work on an area basis and allows us to tackle repair, energy efficiency and heating issues in an area. If funding for gas infill is only targeted at fuel poor households, we will no longer be able to include gas infill as a measure in these type of regeneration projects as many of the owners/tenants could not afford the cost of the gas install on top of the requirement to pay for other improvements despite being in employment. We find that owners are often in negative equity as the housing market in Glasgow has not really recovered yet from the 2008 economic downturn and this restricts their ability to borrow further to invest in their property.



Executive Director
Richard Brown

**Development & Regeneration
Services**

Glasgow City Council

231 George Street

Glasgow G1 1RX

Phone 0141 287 8555

Fax 0141 287 8444

Question 4: Do you consider 1 April 2018 to be an achievable timescale for the eligibility criteria to change?

We do not agree with the proposal therefore we do not think that 1st April is an achievable timescale

Question 5: Do you consider a transition period to be appropriate? If so, do you agree with our proposed timescale?

As Above

Question 6: Are there any other transition elements we should consider?

Glasgow City Council would be concerned that households already in the pipeline for work to be carried out will miss out if the proposals are implemented.

Yours sincerely

Patrick Flynn

Head of Housing and Regeneration Services

