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Fergus Ewing
Minister for Energy
Scottish Government
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Emailed to: scottish.ministers@scotland.gsi.gov.uk

Dear Mr Ewing,

The future direction of Scottish energy policy and NFLA concerns over fuel poverty in Scotland

I am writing to you to provide a copy of the Nuclear Free Local Authorities (NFLA) Policy Briefing on the future direction of Scottish energy policy and its analysis of the current work undertaken by the Scottish Government in this policy area. I hope you and your officials will take the opportunity to read it and we hope that it may be possible to meet to discuss this report in greater detail, at your convenience.

As you will see on consideration of this report, the NFLA Scotland Forum is pleased with a good proportion of the Scottish Government's energy policy, particularly its repudiation of the possibility of new nuclear build in Scotland and its dedicated work to develop renewable energy opportunities across Scotland. In such areas, the NFLA strongly supports many of these initiatives as it reflects the NFLA's policy of the wide development of renewable energy and a future non-nuclear energy policy. The Scottish Government's ultimate target of 100% of electricity in Scotland being produced from renewable sources by 2020 is bold, ambitious and we believe, with sufficient imagination and the political will, is both eminently realisable and to be welcomed.

However, the NFLA are disappointed in some areas of Scottish energy policy, particularly with the decision to give substantial life extensions to existing nuclear reactors in Scotland. The NFLA believe such facilities should be closed down as a matter of urgency and the workforce transferred to decommissioning and waste management duties. It is possible that Scotland will effectively remain producing nuclear energy till as late as 2033, which does not seem to tally with the Government's strong opposition to new nuclear build. The NFLA believe this date can be brought forward much earlier.

The NFLA are also dismayed with the decision by the Scottish Government to slash the energy efficiency budget in Scotland by a third in 2011-12. The NFLA believes that energy efficiency plays a key part in the 'three pillars' that should be at the core of the Scottish Government's energy policy – the others being the promotion of renewable energy and an escalated development of local microgeneration projects. Such a substantial reduction in this budget sends out a contradictory signal in Scotland.

As the Scottish Energy Minister you have welcomed the energy moves by the German Government to phase out nuclear power and rapidly develop renewable energy. The NFLA also believes the German energy policy is a model which should be considered in detail across Scotland, England, Wales and Ireland.

The NFLA though also notes that the German Government has set radical policies in terms of energy demand management, spending 3.4 billion euros annually in the area of energy efficiency alone, assisting millions of householders and businesses. Unlike the UK Government's view that it will need to double or even triple energy generation by 2050, the German Government is planning a 25% reduction in the same period. The Scottish Government's policy of a 7% increase in electricity demand by 2020 (with a 12% reduction in energy demand for the same period) seems in this light rather disappointing in comparison and the NFLA urges the Government to reconsider its energy efficiency budget provision and consider the policy measures Germany is taking to be able to set such bold targets.

The reduction in energy efficiency spending also concerns the NFLA Scotland Forum because of the increasing need to tackle fuel poverty in Scotland. With the 'big six' energy providers recently initiating large increases in gas and electricity bills by as much as 25%, and a recent independent report by Professor John Hills suggesting fuel poverty has significantly increased in recent years - putting the health of thousands of people at risk – this is an issue that all Governments must tackle with a greater sense of urgency.

As the NFLA Policy Briefing on Scottish energy policy notes, there could be as much as 40% of Scottish households living in a state of fuel poverty in Scotland. As our report quotes: "It is areas such as energy efficiency, microgeneration and district heating which will have the most direct impact on fuel poverty and yet these are the areas where the Scottish Government's plans are weakest." As a local authority organisation the NFLA is keen to see the development of a strong partnership between Scottish Councils and the Scottish Government to tackle the scourge of fuel poverty in a much more dedicated fashion to try and reach the Government's lofty aim of ending fuel poverty by 2016 – a target that at present looks unattainable without an increase in central resources and more financial support for local authorities to develop energy efficiency, microgeneration and district heating schemes.

At our most recent NFLA Scotland meeting a report was also provided to it about the situation of fuel poverty in the Shetland Islands, a NFLA Scotland member and an area particularly blighted by fuel poverty and some of the most inclement weather in Scotland. The report notes that Shetland has over 35% of its householders in a state of fuel poverty with 94% of homes classed in the poor or moderate category in terms of energy efficiency measures. Amongst the recommendations suggested at the national level, to which the NFLA completely supports, include:

- Scottish Government policy in the area of energy and the environment tends to focus on addressing climate change, by reducing carbon emissions, than on reducing fuel poverty, which is just as important an issue.
- There needs to be an increased recognition of rural poverty, and, in particular rural fuel poverty.

- Wind-chill, which is higher in the Shetland Islands, needs to be taken into account as part of the temperature calculations for Cold Weather Payments.
- The Social Tariff (now the Warm Home Discount Scheme), which all electricity companies are required to have in place, needs to be included for Heating Oil and Bottled Gas.
- A reduction in the cost of Pre-Payment Meters and Electricity Cards is urgently required: these are the most expensive form of electrical heating, yet many of those in Shetland who are in fuel poverty have no other alternative for paying for fuel but through such cards, as they have no bank account, and are concerned about going into debt.
- The Scottish Government needs to ensure that national policies and schemes designed to improve energy efficiency and reduce fuel poverty are flexible enough to take into account the different house styles and issues faced in Shetland, and fix the problem for each individual household.

Many of the issues mentioned above are symptomatic of the same problems across Scotland. The NFLA urge you to consider policy changes to assist helping the most vulnerable affected by deepening fuel poverty.

The NFLA Scotland Forum is keen to know your views on its energy briefing and the Shetland Islands Council briefing on fuel poverty. It would also be interested to hear a response to the NFLA's views on nuclear reactor life extensions in Scotland and the severe cutting of budgets in energy efficiency. There is much we agree with on Scottish energy policy and we are keen to have a positive and constructive engagement with the Scottish Government on such matters. As I note we would be very happy to meet you and officials at your convenience.

Yours sincerely,



Councillor Audrey Doig
Acting Convenor of Nuclear Free Local Authorities Scotland Forum