

Environment Committee – 10 November 2016

Transcript of Items 6 – Domestic Energy & Fuel Poverty in London

Leonie Cooper AM (Chair): It is at this point when we will now formally welcome the guests because this is the item that we have invited you in as experts to share your knowledge of domestic energy and how to alleviate fuel poverty with us.

Moving from left to right around the room, we have Philip Sellwood, who is the Chief Executive of the Energy Saving Trust. Welcome. Peter Smith is the Director of Policy & Research from National Energy Action (NEA). We have Sophie Neuburg, who is the London Campaigns Lead from Friends of the Earth. We have Afsheen Rashid, who is the Chief Operating Officer of Repowering London and, wearing another hat, has also been elected as the Chair of Community Energy England. You are very welcome. We have Claire Maugham, who is the Director of Policy and Communications from Smart Energy GB. We have another guest who is not quite with us, Giovanna Speciale, who is from South East London Community Energy (SELCE), and hopefully she will be joining us shortly. Last, but very much not least, we have Bevan Jones, who was previously with Catalyst but is now the Chief Executive Officer of Sustainable Homes. You are all very welcome and thank you very much for coming this morning.

We have a number of questions that we want to put to you, starting with me. I am going to ask you for an overview, which will hopefully kick us all off. We think, in the scoping paper that we have been looking at, that currently in London, in terms of domestic energy and fuel poverty, we are behind the rest of the country in terms of efforts made to alleviate fuel poverty. I am going to ask you very briefly to comment on that, those of you who would like to. I will probably start with Peter, because he was nodding most vigorously, and then to Philip who nodded second most vigorously.

Peter Smith (Director of Policy & Research, National Energy Action): Thanks very much, Chair. I very much welcome the fact that this is the focus of your investigations and I am looking forward to the publication in February [2017] of a coherent action plan around things that the Mayor can do.

Very briefly, in terms of the scale of fuel poverty in London, despite previous Mayoral commitments, existing programmes and previous investments that have been made in terms of improving the housing stock, we continue to see a rise in fuel poverty in the capital, quite a startling rise. As the report suggested, which was prepared before the meeting, 348,000 households are in fuel poverty in the capital. That is 10% of the population. That has gone up 6.5% since the last year, which completely outstrips the national increase that we saw.

In fact, looking at this a little bit before the meeting, the increase that we have seen - that 6.5%, which is about 22,000 households, increase in fuel poverty - is 69% of the total national increase. That should focus minds in this building and elsewhere to try to --

Leonie Cooper AM (Chair): What you are saying is there has been a general increase nationally but it is particularly focused in London?

Peter Smith (Director of Policy & Research, National Energy Action): Yes. That is absolutely right, so 69% of the national increase has been driven through increases in fuel poverty in London. I could not quite

believe that when I looked at those figures, but, yes, I am happy to share my rationale and workings to see whether or not that is accurate. Greater London Authority (GLA) officers should get under the bonnet in terms of those figures.

Leonie Cooper AM (Chair): We will probably come back to that in a minute. I am going to bring in Philip from the Energy Saving Trust.

Philip Sellwood (Chief Executive, Energy Saving Trust): Yes. Thank you very much, Chair, and thank you for the invitation today.

To give the other side of that coin that Peter has just talked about, which is about delivery or - if I am really hard - lack of delivery in London relative to the rest of the United Kingdom (UK). It is quite striking against the increase that we are seeing in fuel poverty and fuel poor households that London's performance broadly is around 35 per 1,000 households in terms of delivery. We contrast that with the national number, which is about 67 households per 1,000. More strikingly, if you compare it to certain regions, such as Scotland for instance, which has a figure of 77 per 1,000, Scotland, broadly speaking, is outperforming London by two-and-a-half times. At the same time we are seeing this rise in fuel poor households disproportionately in London. One has to draw the conclusion that the lack of delivery relative to elsewhere in the UK must be a causal factor in those numbers.

Leonie Cooper AM (Chair): When you say "lack of delivery", are we talking specifically here about things like programmes to insulate properties? I am looking towards Bevan here as well because I know that is something that Sustainable Homes have focused on. On current trends, how long do you think it will be before London's housing stock is insulated to a good standard? By that I could say the bottom of the Energy Performance Certificate (EPC) band C.

Philip Sellwood (Chief Executive, Energy Saving Trust): The original plan was 2.5 million by 2025, and we are about 1.1 million or thereabouts. We are way off meeting 2025. I will defer to somebody else who has specialist knowledge but it is probably nearer 2030, but that is an estimation based on current performance.

Leonie Cooper AM (Chair): At the moment we are going to miss the 2025 target, possibly 2030; at least 2030.

Philip Sellwood (Chief Executive, Energy Saving Trust): Without doubt we will miss the 2025 target but 2030 is possibly doable.

Leonie Cooper AM (Chair): Bevan, can I ask your perspective from Sustainable Homes? Obviously you work with a lot of landlords across the country but also specifically in London.

Bevan Jones (Managing Director, Sustainable Homes): Thanks, Chair, and thanks for inviting Sustainable Homes to this Committee.

I would broadly agree with what Peter and Philip are saying, because what we have seen with our landlords in the last review that we did of all the landlords that we worked with, which was in 2014, was the Standard Assessment Procedure (SAP) performance of the properties. We know that social landlords build to a higher SAP standard and a higher general standard than other housing segments, so private building or the private rented sector (PRS) has plateaued. Therefore, it would support the delivery point.

We are seeing an average SAP among our social landlords of about 70. That was fine in 2012 but then we saw the same thing again in 2014/15. I would support the fact that there is no delivery there.

Leonie Cooper AM (Chair): It has not moved.

Bevan Jones (Managing Director, Sustainable Homes): Yes, it has completely plateaued. On the other --

Leonie Cooper AM (Chair): Can I interrupt you very slightly? I want to check that everybody on the Committee is familiar with the EPC bandings and what SAP means. SAP is a measure of energy performance of a building. If your SAP is nought, then your building is probably a tent in a field. It might not even be a tent. You might just be sitting in a field. If your SAP is 100 then that is a very well insulated house; you would probably be too hot. EPC bandings run from A - that means it is very good and very efficient - down to E, F or even, horribly, G. Again, you would be sitting back in a field in a tent and so it would not be very energy efficient. It is a rating for energy efficiency.

Bevan Jones (Managing Director, Sustainable Homes): I will try to keep the acronyms to a minimum, sorry.

Leonie Cooper AM (Chair): We are a very new Committee and four out of the seven of us were elected to the Assembly in May and so it does not necessarily mean that we are all energy efficiency experts.

Bevan Jones (Managing Director, Sustainable Homes): In terms of the picture on fuel poverty, we deal with landlords and they build properties or they refurbish properties. A lot of new build properties are coming out with scores of something like 89/90 and so they are very high performing, high insulated buildings.

There is an issue with existing properties, which we can concentrate more on later on but there is a timing thing and there is a fuel poverty thing. On the timing thing, for us to get the housing sector to meet its obligations under the Climate Change Act the SAP of properties would have to be 86.

Leonie Cooper AM (Chair): Do you think it is feasible for all properties to meet a SAP of 86?

Bevan Jones (Managing Director, Sustainable Homes): No.

Leonie Cooper AM (Chair): There must be some that just simply cannot.

Bevan Jones (Managing Director, Sustainable Homes): There are some that you will not get to 86. You probably will not even get to 70 or 60 with some of them because they are of a certain type, you have planning restrictions, you are in a conservation area, you have residents who do not want their property changed because that is how they have always lived in it. There are lots of other factors there.

To finish off and to follow up on what Peter [Smith] said, we are seeing this increasing fuel poverty in the wider context of austerity and other poverty as well. These things are all exacerbating one another and that is why, particularly in London where some of the austerity policies have hit especially hard, we are seeing incomes under pressure, we are seeing families under pressure and what they are doing is making decisions on things that they know they control, "I will not heat my home", or, "I will under heat my home", or, "I do need to heat my home and I will have to face the consequences of paying for it later", and so we are seeing that in a wider context as well.

Leonie Cooper AM (Chair): The Mayor has an overall thrust to the Mayoralty where he is very keen to press down on the high living costs of Londoners in a number of different ways: freezing fares, introducing the London Living Rent and also the London Living Wage, which was uprated last week. What we are talking about here are the implications in terms of not just fuel poverty but also reducing carbon emissions as well, and it seems to me that you are saying that at the moment we need to be doing an awful lot more. Would that sum up what you are saying?

Bevan Jones (Managing Director, Sustainable Homes): Both metrics, yes.

Philip Sellwood (Chief Executive, Energy Saving Trust): Also, to make the point that they are not mutually exclusive. In fact, they are mutually reinforcing, if you do one you deliver on the other.

Leonie Cooper AM (Chair): No, of course absolutely.

Sophie Neuburg (London Campaigns Lead, Friends of the Earth): What has been said is absolutely right. I want to back up what Peter [Smith] was saying about the severity of cold homes in London. The figures on fuel poverty on the Government's new definition are exactly as Peter says. They are getting much, much higher, but we do have to remember that the Government redefined fuel poverty relatively recently and the redefinition caused the numbers to go down quite dramatically.

I will not go into the ins and outs on that because it is probably not so interesting for the Committee, but the point is that there are hundreds of thousands of people that Peter has mentioned who are in fuel poverty on the Government's definition, but the numbers of people living in London who cannot afford their bills and are suffering in the way that you have said, is going to be much, much higher and getting increasingly higher as people's incomes go down. There are probably hundreds of thousands or even millions of people in London who cannot afford their energy bills and are choosing between heating and eating.

The other thing I want to say is on your question about how long it is likely to be before all homes are insulated to a reasonable level. A report by the GLA on housing in London a couple of years ago showed that, according to the English Housing Survey, about 80% of homes in London are below EPC C. That does not mean they are all a very poor standard but they are below what we would consider to be a reasonable standard of energy efficiency. Things may have moved on a little bit, because that is from survey data that was done a few years ago but, as people are saying, we have not moved on that much, so the challenge is very, very significant.

Peter Smith (Director of Policy & Research, National Energy Action): Can I mention two quick things. The targets that London has set itself have to sit in a broader framework around national aspirations on fuel poverty. We have some very clear EPC-linked fuel poverty targets that were developed in the last Parliament. We need to get all fuel-poor households - and that goes with the caveat, as Sophie mentioned, that a lot of people are not classed as fuel-poor even though they struggle with their energy costs - as far as reasonably practicable up to a band C by 2030. We also have binding targets, which are sector-specific or tenure-specific in the PRS as well where, as you mentioned the worst performing properties are F and G [rated]. We have said that we will not be renting those out past 2018. Any targets around the scheme and the volumes of insulations happening within the scheme sit in a much broader context around those two targets and, as has been mentioned, carbon targets as well.

Leonie Cooper AM (Chair): Yes. Renting out properties with F and G [ratings], one would hope that landlords would not be doing that in any case but, sadly, we do know that there are still landlords that are doing that. They have been given very lengthy notice of the change from 2018, so there is literally no excuse at all for any landlord in the PRS to be renting such a property. They have had plenty of time to do the necessary works.

In terms of where we were talking about underheating homes, which Bevan introduced, have we seen a plateau in terms of no further improvement in SAP ratings or moving further up the EPC bands? Do you know what the trends are in terms of excess winter deaths and whether or not we have been able to bear down on that? We have had a couple of mild winters but, clearly, if we have a very cold winter, are we going to see anything less than the last time we had a cold winter? I wonder whether you thought that anything like the use of the Housing Health and Safety Rating System (HHSRS) will be helpful in terms of driving the private sector landlords towards improving their properties in the PRS? Excess winter deaths overall but the PRS specifically, or to any other aspect of the rental sector?

Bevan Jones (Managing Director, Sustainable Homes): There are a few elements to that and there is a tendency to look at the private landlord and say, "You are the bad guy. You should have done this". Also, what we see from excess winter and summer deaths is that there is an issue around communities. It is not just the fact that the house does not perform or the person under heats, it is the fact that they might be on their own or it might be there is not a neighbour or a friend to check on them.

There are lots of complex elements to excess winter deaths and the big ones are people not heating their homes properly and not looking after themselves properly, but then there is that element where their neighbours are not checking on them or no one comes around to say hello because they are either isolated or vulnerable and they have fallen out of a support system or a family network or a friend network and there is no one there to even give them a ring to see how they are. There are some complex elements.

I do agree with what you said, Chair, around landlords have had plenty of time to do this. One of the issues is that a lot of private rented landlords own two properties or less, or something like that. There is a statistic that it is their pension pot. It is their nest egg so they are not experts in running a building or running a property. If they do not know what to improve, it is not an excuse but it is not necessarily always easy for them and with things like Green Deal and the Energy Company Obligation (ECO) it did not make it easy for them to then go and do the deep retrofit that they might do on their F rated property and so there is a complex picture.

Leonie Cooper AM (Chair): Is that a bid for simple advice to very small landlords then to give them advice on how to improve energy efficiency? Some things are quite inexpensive but, obviously, fitting a full new set of double glazing is quite expensive but --

Bevan Jones (Managing Director, Sustainable Homes): We have been in Scotland recently looking at their Energy Efficiency Standard for Social Housing (EESH). It is their standard to improve energy performance of social housing and it is very simple. You need to get your building to a 69 or you need to get your building to a 65. It is as simple as that. The measures to me seem very straightforward and they are mapped out. We do need something similar here for private landlords. Around this table we might be able to manipulate the energy switching websites and we might be able to go down to a shop and buy some LED (light-emitting diode) lights because we know what that is going to do, but the average person who might be a landlord as well does not know that. Laying out those easy-to-do measures that get those SAP scores up and protect the tenant need to be mapped out.

Philip Sellwood (Chief Executive, Energy Saving Trust): We are not in the business of demonising any sector, but we have to recognise that London has a particular issue with private rented property, 29% as against the national average of 17% of properties are privately rented, and over many years there have been opportunities for landlords to invest in their property in an energy efficient manner, even to the extent of grant schemes that were very poorly taken up in the past by landlords.

While I accept what Bevan is saying, that it is really important - and I would say this, I am from the Energy Saving Trust - and giving good independent advice is absolutely essential, but equally we need a harder edge at the other end in terms of enforcement. There is some very clear evidence that, despite good impartial advice plus available grant schemes, landlords in large measure in London have failed to take action and it is time for us to look at that again and start to look at compliance and enforcement.

Leonie Cooper AM (Chair): Advice and assistance and some information about simple measures propagated outwards but, also, some stick there in terms of enforcement against landlords who simply continue not to improve in that way?

Philip Sellwood (Chief Executive, Energy Saving Trust): Correct.

Sophie Neuburg (London Campaigns Lead, Friends of the Earth): I absolutely agree with what you have just said. Landlords have had quite a lot of opportunities to do this and they have not.

To answer your specific question around the HHSRS, I am quite sceptical about how useful it can be to help us get people out of fuel poverty, partly because the cold-related part of that rating system, which is called "excess cold", only deals with extremely poor quality housing. There is lots of housing which would pass that but is still too cold to be renting out.

I would also say that we know that local authorities are suffering massive cuts to their budgets at the moment and many of them do not have the resources to go out and enforce this. This was true when I worked in local government a number of years ago and it has only got truer. They do not have enough environmental health officers (EHOs) to go out and enforce it. The Mayor's role and the Mayor's power in doing something about this will be very important.

The other thing I want to talk about is the current regulations around renting out homes. As Peter [Smith] said, there is new enforcement coming in, in 2018, that you cannot rent out a home that is below F or G rated and so that is very poor housing. There are a number of problems with that at the moment and it is very difficult to enforce for reasons we have just discussed but, also, there is an argument at the moment about at what level the landlords would have to comply in terms of the costs. Initially it was that if they had to pay anything upfront they did not have to comply. There are now quite a lot of very significant campaigns to stop that from being the case but at the moment that is how things rest. What that means is those existing regulations are insufficient.

The other key thing is that housing data shows that around 50% of households living in private rented homes that are E, F or G-rated in the PRS in London may be in fuel poverty under the new definition, which means a much larger number are going to be struggling with their bills. What that means is that homes that are above the level - sorry to be technical - that landlords have to get their homes to by 2018 still will be very significantly struggling.

Our view is that the Mayor is calling for more powers in the PRS and to be able to have powers over regulation in the PRS. We would say that the Mayor needs to think about including a minimum standard for energy efficiency within those things if he does get those powers, and it needs to be a lot higher than the current Government level because the PRS is a very difficult sector to live in for many people at the moment.

Leonie Cooper AM (Chair): You would support the Mayor calling for new powers around energy enforcement of energy efficiency, possibly across all properties?

Sophie Neuburg (London Campaigns Lead, Friends of the Earth): Absolutely, very strongly.

Leonie Cooper AM (Chair): Although we have just talked about the PRS, clearly, people living alone in large, draughty properties that they own, capital rich but cash-poor, is also a big feature in London.

Sophie Neuburg (London Campaigns Lead, Friends of the Earth): Absolutely.

Peter Smith (Director of Policy & Research, National Energy Action): In terms of the scale of excess winter deaths in London, we do see those figures. It is hugely shocking that 4,000 people extra die in the winter months compared to the summer period. The World Health Organisation (WHO) attributes 30% of those particularly to living in a cold home. That gives you some sense of the scale of the issue in London. If those people were dying in the street and lying there as opposed to being behind closed doors there would be an absolute outrage. It would be the number one priority on the Mayor's agenda until that crisis was abated and we do see it as a crisis.

Talking about the challenges in enforcing HHSRS specifically, local authority enforcement has been very poor. Boroughs have been under a very strained time recently, as I am sure all of you are more than aware. Also, EHOs are being increasingly asked to respond to a range of priorities in the capital, particularly around air quality, resource potentially being taken away from housing, enforcing housing standards to look at air quality, particularly in idling vehicles, for instance. There is only limited resource and so it is stretched.

Add in the complexity that Sophie [Neuburg] mentioned around the new requirements in the PRS where, at a national level, there are a huge amount of caveats and complexity associated with those requirements currently. It is often left alone and is not being policed in the way that would bring down the scale of excess winter deaths and those attributable to cold homes or fuel poverty.

There is an immediate thing that the Mayor could do, which is to push the new Department that is responsible for fuel poverty and energy efficiency - the Department for Business, Energy and Industrial Strategy (BEIS) - to come forward and consult on the basis of changing those regulations and making them much more straightforward in terms of compliance. You are either on the right side of them or you are not; take out some of that complexity. There is a consultation that has already been drafted with the Department that was looking to consult on that basis but unfortunately, due to the objections of landlords, it is still stuck there. There is an immediate thing that the Mayor could do to urge central Government to consult on taking greater steps in the PRS.

Leonie Cooper AM (Chair): That might be something we can pick up after this meeting and draw to the attention of the Deputy Mayor for Housing [and Residential Development] to raise that as an issue to take forward.

Is there any point in mentioning the Green Deal? I suspect not. Does anyone want to comment on ECO or to mention a few things that might have been assisting with moving us forward or perhaps not?

Claire Maugham (Director of Policy and Communications, Smart Energy GB): Very briefly, what I would bring to this very vivid picture of the challenges facing Londoners is one part of a package of measures, but an essential one, particularly in the PRS and for people in fuel poverty who are using too little, even less than they can afford when they can actually afford to heat and eat through the winter. We know that the challenges facing Londoners in fuel poverty are compounded by analogue technology in their homes. The meters that are ticking away under the stairs in most people's homes are not giving people the information they need to heat their homes as they can afford to. We hear a lot from people in the course of our work that they could afford to pay the bill but because, even if they are phoning in their meter readings regularly, they have no idea what is going to be in the bill when it lands on the mat. They are using less than they need to.

If you think about the particular challenges around prepayment meters, the higher prices and the element of fuel poverty that that makes such a profound contribution to.

Giovanna Speciale (Co-Founder and Chief Executive Officer, South East London Community Energy): About the HHSRS: my organisation, SELCE, provides frontline support for people in fuel poverty. We run energy cafés with tea, coffee and energy advice. There exists a mechanism for clients who rent homes that are excessively cold to refer them to the homes enforcement team. None of them are willing to do it. We have not had a client who is willing to make that referral, simply because of fear of retaliation. There is evidence that where similar measures have happened - it is a study in Cumbria - and where prosecution relies on a tenant complaining about their landlord, retaliation will happen in 25% of cases. That is the big problem.

Peter Smith (Director of Policy & Research, National Energy Action): I absolutely agree with that. Sorry, Chair, if it is possible to come in very briefly on that point, that is what we see as the picture of enforcement on HHSRS that invariably the EHOs rely on tenants to come to them with issues and invariably, for those reasons, that does not happen. Increasingly tenants feel under pressure, particularly in London given the housing shortage, and they are often made to feel that the landlord is doing them a favour in taking Housing Benefit and, therefore, they should not complain about the smashed window, the broken boiler, etc, and so that process does not seem to work. We have been trying to work with the boroughs for a long period of time, so they take a more proactive approach to enforcing HHSRS and that would certainly help.

Leonie Cooper AM (Chair): It sounds as though this might also be worth drawing to the attention of the Deputy Mayor for Housing [and Residential Development] as the move forward in terms of a London-wide lettings agency occurs, because this sounds like something that might be helpful for the Mayor and the Deputy Mayor to be working on in relation generally with the boroughs.

I am going to move on to the specific session to now talk about energy efficiency retrofit. We have set the scene. We have not been doing terribly well on it. We have a lot of people living in fuel poverty. It has not been going down. How do we think this can be encouraged?

Caroline Russell AM (Deputy Chair): More specifically, in terms of retrofitting the older buildings, we have heard so many of the buildings are going to be very difficult to bring them up to standard. Certainly, I have seen in the borough where I am a Councillor huge problems dealing with the hard to deal with buildings, all the low-hanging fruit has been done and we are now on to the stuff that is much more difficult.

The specific questions - and if we can start with Philip from the Energy Saving Trust, Peter [Smith] from NEA and Bevan [Jones] as well from Sustainable Homes, and then anyone else who wants to comment on this one. The first question: how can and should energy efficiency retrofit be encouraged in London? What could the Mayor be doing to encourage it?

Philip Sellwood (Chief Executive, Energy Saving Trust): Could I kick off on that to make a segway between the Chair's previous question about ECO?

Leonie Cooper AM (Chair): Yes.

Philip Sellwood (Chief Executive, Energy Saving Trust): You can easily be led to believe that ECO has been a failure but in certain parts of the country it has been extremely successful, and there are lessons that London can and should learn. One specific I will draw attention to is the work that we do with the Scottish Government in Scotland, where, on behalf of the Scottish Government, we employ individuals whose sole function is to work with local authorities, hard-to-treat properties in housing associations, social landlords. It is no coincidence - it seems to me - that Scotland has a success rate that is 50% above any other part of the UK. What that means is they are getting about 12% of the ECO pot, which is all devoted more or less to retrofit, so there is very good evidence that if you focus even on those hard-to-treat properties - and I accept what you are saying that many of the easier jobs have already been done through previous schemes - that you can get a result.

We were talking just before the Committee met that often the first thing that people say is that it is too difficult in London, access is difficult, it is costly and so on. I have just spent two days in Glasgow and they have many of the same issues, but they have focused on those specific issues and very specific things that we could do in London. If it is expensive for an installer to come from outside London into London, why do they have to pay the Congestion Charge? If they do come into London and you are drawing skills from elsewhere, how do we make sure that that supply chain is maintained? These are the sorts of questions that cities elsewhere in the UK - and I draw specific attention to Scotland but it is not exclusive - are delivering much, much better results dealing with the same issues.

Peter Smith (Director of Policy & Research, National Energy Action): I would absolutely agree with Philip that there are some obvious things that the Mayor could do to try to reduce the additional cost barriers associated with doing energy efficiency in London. The charge incurred is one example. I have heard it said that people could use bus lanes, for instance. I am sure that would rankle with some but a range of things that could be done to reduce the administrative costs.

An immediate priority, particularly thinking that the budget process associated with deciding the kind of spending around this area is being pinned down now - there are things that could be done in the short term. In March 2012 London's Health Committee said that the Mayor should focus the RE:NEW scheme on fuel poor households. That has still not happened despite that report being over four years old.

There is a boiler scrappage scheme that the former Mayor [Rt Hon Boris Johnson MP] ran last winter. That did not help tackle fuel poverty at all because it was only a very small capital contribution towards the overall cost of the boiler, so paying a full grant would mean that it was much more targeted at low income households and so those two things. There are some very short-term things that can be done.

In the longer term there needs to be some bespoke policies that meet the national aspiration around those households that are on the lowest incomes living in the least efficient properties, so we need some more

bespoke programmes. That is why we very much welcomed the other day the Mayor's commitment not only to target existing programmes but also bringing forward new programmes of work on energy efficiency, specifically tackling fuel poverty. We hope that that will be laid out in a coherent action plan in time for it to influence the budget process.

There are other things that the Mayor could do, clearly, around using his national lobbying convening power, and the Deputy Mayor [for Housing and Residential Development] to pump-prime some of the initiatives in London that are going on elsewhere in the country. There is a lot the Mayor can do and perhaps we will discuss some of it instead of me hogging a lot of the discussion space.

Bevan Jones (Managing Director, Sustainable Homes): From our perspective and from my background - I have worked in local government and private sector consultancy and now in the housing sector - there is not a bottomless pit of public money and so there is only so much in the way of financial contributions that the GLA or the Mayor can actually make. There needs to be some better thinking around how that money is spent, and that is through targeting. Again, what underpins all of this is making it easier for the recipients. You have to make it easier for the landlords, and that is landlords of all types: private landlords, registered social landlords (RSLs), local authorities. It does not matter. It has to be made easy for them to implement this stuff, so if you are targeting you have to target the worst properties and you have to say, "It is F and G". Those are the worst ones. That has made it simple. E we can do another time. D we can concentrate on another time. That is it.

Again, the fact that we do not have bottomless pits of money and landlords do not have bottomless pits of money, there needs to be a bit of a small measures revolution. You need to maximise on things, like radiator panels and LED lighting, and you also need to bring in the water measure saving devices, because there is a hidden cost there when people are having showers and running their hot taps, which a lot of people do not know, so you need these small measures first.

I understand the boiler scrappage scheme was not a success or however you want to badge it up, but the Mayor has to concentrate on boilers, boiler efficiency and alternatives to boilers and getting it right. It is all very well saying, "We can retrofit and we can put in these measures and we can put in an alternative low-carbon source of heating, but they get a bad reputation because often the supply chain is not experienced enough to get it right. I have seen installations of ventilation systems, heat recovery systems and air-source heat pumps, ground source heat pumps, whatever you want to call them, which are atrocious. What happens is that that person ends up spending 25% more on their energy than when they had a standard gas boiler, so there is that element of it, but even when they get it right you still have to do loads of engagement with the resident or the person living there on how to operate their home. It does not even matter if the home is not complex. If it is a gas boiler and it has a door and some windows, people still do not know how to operate their homes in a basic way, so whether that is controls or the gas boiler or what they dress in at home, everything like that. There are lots that the Mayor can do on the supply side and the installation side but there are loads to do on the other side.

Caroline Russell AM (Deputy Chair): Also on the education side.

Bevan Jones (Managing Director, Sustainable Homes): Landlords play a key role in that. One of our studies - the National Energy Study 1 - found that landlords, registered social landlords (RSLs) and housing associations are the ones that are most trusted to give energy advice, above energy companies, above anyone else and so there is a role for landlords there. I am saying social landlords in particular, but all landlords need to play a part in this education and making sure they get the supply chain right in the first place.

Caroline Russell AM (Deputy Chair): Picking up on the education point, what forms of retrofit promotion are going to be most effective? There is the street-by-street; neighbourhood; there is using the RSLs.

Giovanna Speciale (Co-Founder and Chief Executive Officer, SELCE): While you have to support landlords you also have to support residents with retrofit. Our experience is even where ECO funding is available and retrofit is affordable, many people are not doing it because they are scared of the disruption, and particularly if they are vulnerable, they are carers, they have someone in the household who is not going to appreciate the disruption. In my view, not only do landlords need to be supported but residents need to be supported with co-ordination of retrofit measures, minimisation of disruption, maybe volunteers to help move stuff and furniture, temporary storage, and adherence to quality standards. Many people are very scared of being ripped off, so an expert to help them ensure that the installer has relevant quality marks and will do good work is helpful.

Claire Maugham (Director of Policy and Communications, Smart Energy GB): If we think about the replacement of meters that is a very important element of retrofitting every home. That is something that is coming to every home at no cost to that home but does carry the challenges that you have described around inconvenience, and just engaging with an area that is very difficult to engage with. What I would say is trusted voices are very important in an area of people's lives where they have had historically low levels of trust in the people supplying them energy, working with charities, with boroughs, with voices, with friends and neighbours, who they know and trust is an essential part of consumer engagement. That is where some of the other schemes may have struggled in communicating what a change means, how it can benefit you and how it can happen. We are working with NEA, for example, to bring together a network of charities and councils from all around the country to empower them to give some of that information through a trusted voice.

Afsheen Kabir Rashid (Chief Operating Officer, Repowering London): I echo those thoughts as well, obviously coming from community energy. That is what we are there to do in terms of having access, reach out to vulnerable fuel-poor residents on estates. In my experience I have found that landlords have a role to play, especially social housing and local authorities, but at the end of the day the frontline staff are really pushed for time and resources. It is not a priority for them and they do not have the required understanding themselves of what advice to give the residents.

That is where access through community energy groups who are trusted local people who could go and give quite a hand-held experience for those residents who are vulnerable, who need a bit more time and attention, need follow up, need that constant reassurance that they are taking them through the full journey to a point where they are satisfied with what they have and they are seeing a reduction in their energy bills. It is quite a resource intensive process. From a local authority point of view, it would be quite difficult for them to finance but that is where community energy groups, where you have a combination of professionals as well as volunteer expertise, can come in together using the local networks and local people who can check in and see how they are doing, how they are getting on, will be quite a valuable tool to see the education drive through.

Peter Smith (Director of Policy & Research, National Energy Action): Very briefly, in terms of what we are seeing in London. There is some good practice in London around the Seasonal Health Interventions Network (SHINE) that operates from Islington and neighbouring boroughs, which provides a single point of contact referral system. That enables a kind of a triage process to take place through a telephone service, where people will not only be asked about the state of their homes and the energy efficiency but it looks at wider referrals, things around: social exclusion, benefit entitlement checks, which is a crucial part of tackling fuel poverty, giving people information about the entitlements that they can claim. We do work in East

London on that and people's experience could be transformed. £6,000 a year that people did not know that they were entitled to can find their way into their pockets as a result of doing those benefits entitlement checks.

The Know Your Rights Campaign in London started some of that, but there was not a clear fit with referrals from the benefit entitlement check through to delivery of energy efficiency measures, and the two are very linked because, as soon as you are on a certain set of eligible benefits you can be passported through to not only receiving support for energy efficiency measures but, equally, things like the Warm Home Discount Scheme, which can provide a further rebate in the winter months, taken automatically off your electricity bill, so joining up around advice services --

Leonie Cooper AM (Chair): SHINE is one example in the London Borough of Islington. You are doing work on similar schemes in East London, and I know that SELCE has also been doing work using the community energy company in South East London. SELCE has been working out of Citizens Advice Bureaux (CAB) offering fuel poverty advice alongside the other benefit advice, so slightly different models that we can look at in our report there. Thank you.

Philip Sellwood (Chief Executive, Energy Saving Trust): I absolutely agree with the experts in community energy, but I want to give one brief overlay, which is why it is so very, very important, because often community energy is seen as rather fluffy, doesn't really deliver, hard to evidence, hard to evaluate. Interestingly, we have been doing some work with Forum for the Future, which we are about to publish. That shows pretty definitively that those areas in the country that have the best access for the Carbon Emissions Reduction Target (CERT) and the Community Energy Savings Programme (CESP) - which for other members were parts of the old ECO scheme targeted to the most vulnerable - without question, definitively, were better executed with better outcomes when they sought and had community engagement. It is important because there will be many people who tell the Committee, "All very well community energy but it does not really deliver". It does and we have to bring evidence to bear on that.

Leonie Cooper AM (Chair): Hearing loud and clear we need to involve community, all the stuff about telling people the benefits and making sure everyone is properly on board and trust the people that they are hearing this information from.

There are one or two more questions on retrofit schemes and then there are other questions on other elements of all of this but, very quickly, we have already touched on retrofit in both the social rented and the PRS, so is there anything that any of you are waiting to say about retrofit in those two sectors?

Peter Smith (Director of Policy & Research, National Energy Action): The biggest challenge that London has faced in terms of accessing the ECO, which is the national scheme, is twofold: a lack of resource. The national resource that is available has declined. Then, second of all, if you are trying to access the support, even if you are eligible for it, you are not guaranteed to receive anything. That makes the boroughs' willingness to promote those schemes - the ECO in particular - mixed because, even if you can determine eligibility for measures, you can say to households, "Yes, you fit the eligibility criteria", push them off into the arms of a supplier, for instance, to go and get that assistance, there is no guarantee that they will receive anything. Second of all, the capital contribution that is often sought when the offer of a measure materialises, varies hugely. Some households in one borough may be told that for a boiler you are looking at having to pay out of your own pockets £300/£400, and in another neighbouring borough that figure may be over £1,000. That variability, in terms of the amount of capital contribution you are going to have to make yourself towards the cost of those measures is very difficult.

In the context of what the Mayor could do and what London could do is have a universal top-up scheme, which would essentially pay the difference between what the supplier is willing to provide for the cost of the measure and what the market rate for that measure is. A universal top-up service, particularly for low income households that do not stand a chance of being able to fund the variance or the capital contribution that is required in schemes. That could be done at a GLA level, albeit the top-up for the capital contributions could be sought by the boroughs.

Caroline Russell AM (Deputy Chair): That is an idea for the Mayor. Does anyone have anything else on that? If not, I will move swiftly on?

Bevan Jones (Managing Director, Sustainable Homes): Just quickly on retrofit, I was going to say that it does not matter how well you retrofit or what you do in your retrofit; we still find that around 30% to 35% of people do not know how to use their controls in their home. It does not matter what you retrofit or what you put in. If they do not know how to operate their home, that retrofit goes out the window.

Caroline Russell AM (Deputy Chair): Information and advice and education for recipients of retrofit measures?

Bevan Jones (Managing Director, Sustainable Homes): It is a little bit more than that. We are talking about carrot and stick with landlords. There is carrot and stick with users as well. There has to be an understanding that, "Yes, my home is lovely and retrofitted, but if I do not use it properly I know I am still going to get a high bill and then I go back and blame whoever has retrofitted it for me getting a high bill". There has to be that intense user engagement and follow up. You can give someone the training in October and then follow up in December and they have reverted back to their old behaviours, then your retrofit is pointless.

Leonie Cooper AM (Chair): The Mayor's desire to have zero-carbon homes will not be achieved if we do not put tenants who do not lead a 12-tonnes of carbon lifestyle in them. We need to help people achieve a zero-carbon lifestyle as well as making homes that are able to be zero-carbon?

Bevan Jones (Managing Director, Sustainable Homes): Yes.

Sophie Neuburg (London Campaigns Lead, Friends of the Earth): I want to make a broader point about ECO, back to what Peter [Smith] said about the amount of money absolutely not being sufficient. The ECO used to be much higher. It used to be in the billions of pounds. We are now looking at hundreds of millions of pounds across the whole country. If you think about the fact that to retrofit a home up to a good standard it costs about £4,000 on average, if you divide that between the whole country it is very little money. I would say that the Government has relatively recently recognised energy efficiency as infrastructure, which is a new thing. They have never done that before. That is something where many people here were part of a campaign to get the Government to do that and the Mayor when he was an MP supported that campaign. I would urge you to urge the Mayor to call on Government - now that they have recognised energy efficiency as infrastructure - to put some of the £120 billion infrastructure budget into insulating homes across the country, particularly in London because we need more cash from Government to insulate homes.

Leonie Cooper AM (Chair): The Energy Bill Revolution campaign.

Sophie Neuburg (London Campaigns Lead, Friends of the Earth): Absolutely.

Caroline Russell AM (Deputy Chair): Is there anything that could be done with the Green Deal, maybe a non-profit version that would galvanise more retrofit.

Philip Sellwood (Chief Executive, Energy Saving Trust): Rather than say there is something to be done with Green Deal, because I would be leading the Committee up the garden path to an ambush - mixing my metaphors - revisiting the pay-as-you-save model is a perfectly credible place to start. We could be here all day talking about why Green Deal did not work and so on but --

Leonie Cooper AM (Chair): Let us not.

Philip Sellwood (Chief Executive, Energy Saving Trust): -- I do not think we need to bother with that.

Leonie Cooper AM (Chair): Let us just say the 7% interest rate on the loans sank it.

Philip Sellwood (Chief Executive, Energy Saving Trust): The pay-as-you-save model is a perfectly credible platform as long as we do not overcomplicate it, as long as we do not make it more expensive, and to Bevan's earlier point, that it is a two-way process. Those in receipt also know that they have to put something into the pot, not necessarily financially.

Leonie Cooper AM (Chair): Nicky Gavron wants to come in now to specifically ask some questions about domestic and community generation.

Nicky Gavron AM: This section is about community energy from renewables and also about home scale from renewables. I want to ask as an opener what could, can and should be done to encourage more home scale and community generation from renewables.

Giovanna Speciale (Co-Founder and Chief Executive Officer, SELCE): I should perhaps explain the community energy model for the benefit of the panel. Essentially, SELCE works in the same way as most community groups work, and Repowering London. The model is the same. Essentially, we find places to put renewable energy, in the case of our organisation, solar panels. Once the solar panels are up there they generate a revenue stream. That revenue stream comes from three sources: the feed-in tariff, sales of electricity at a reduced rate relative to grid feed electricity; to the building; and also sales of electricity that is not used by the building to the grid.

That generates a revenue stream that allows us to maintain the solar array at peak efficiency. Also, to pay our investors we raise the finance for those solar panels by inviting people to invest. We pay our investors a small return on their investment and also put some money aside to a social fund and the social fund in the case of SELCE and in the case of Repowering London is very much targeted at tackling fuel poverty. That is the model. SELCE has raised £370,000 from the local community, mostly Londoners, to install 326-kilowatt peak of solar panels across seven local schools. That will generate a fuel poverty fund of £130,000 across 20 years. It will result in savings to those schools of £445,000 because we charge them less for the electricity than they are charged from the grid and also carbon emission reductions of about 146 tonnes per year. There are multiple benefits.

Nicky Gavron AM: Can I ask one question? It is really very interesting. The energy or the electricity is for the schools' use. Is there a model where people can put an array up or perhaps have shares in an array and get electricity back for themselves? So they don't have the solar on their roof or whatever.

Giovanna Speciale (Co-Founder and Chief Executive Officer, SELCE): Currently, no. There are barriers to doing this at the domestic level. The barriers are multiple. The set up costs of any solar scheme are high simply because the legal costs of putting in place legal agreements that will protect all parties over the course of 20 years. Also, we put in place two legal agreements. One is a lease agreement. We lease the roof space above a building but we also put in place a power purchase agreement with the schools, so they guarantee to buy the electricity from the solar power panels at a particular rate for 20 years. You cannot do that at domestic level. You cannot bind a householder into buying electricity from your solar panels for 20 years. There are Ofgem (Office of Gas and Electricity Markets) guidelines against doing that but, also, I imagine there are very few householders who would be willing to do that.

The barriers to working at domestic level are cost barriers because you need a large scheme to spread the upfront capital costs, the upfront legal costs across a scheme, but also practical. There is an additional barrier in that the feed-in tariff has recently dropped substantially. It is making any future schemes much more difficult. In essence, the Feed-In Tariff was a central part of the revenue stream that drove this win/win process. The Feed-In Tariff has dropped from 11.7 pence to, it depends on the size of the array, 2.7 pence, which is a massive drop in revenue stream.

This means that this model is theoretically possible but we cannot provide savings for schools. It would be possible under the circumstance where a building was willing to pay the same as they pay for grid feed electricity, and we do not put anything aside in our fuel poverty pot. That's not the same model.

Afsheen Kabir Rashid (Chief Operating Officer, Repowering London): I would like to come in just to add to a few of the bits that you have been talking about. Just to put into context community energy is not just about energy generation. The principles of community energy are around community ownership, community benefit and, if you take it further, community management. To me our starting point has been generation because it had a financially viable income stream, thanks to the Feed-In Tariff. Community energy existed even before the Feed-In Tariff through a lot of the initiatives, a lot of community energy groups giving direct fuel poverty switching advice, raising awareness about what could be done in your home, the simple top ten measures.

Community energy has gone through a journey over the last four years where we have seen ups and downs with the policy, in terms of introduction of Feed-In Tariff, reduction of the Feed-In Tariff, again further reduction of the Feed-In Tariff, in response to the market changes in terms of the cost of solar panels, which has also been going down.

There has been quite a huge focus in the last couple of years on generation, primarily because you are able to pay people to do things and continue the work and develop the scheme and you are able to create this fund that can go into the community - the one that we are talking about. Ultimately, I know many community energy groups, while they are starting off with generation want to be able to supply that energy that they are generating to local people. That is a shortfall in our model in the current place and to meet that shortfall, because we could not supply the electricity to the 80 flats that sat under Brixton Energy Solar 1, we said, "We are going to keep aside some of that extra income towards a community fund and that will go towards helping the fuel poverty and implementing energy saving measures in that home.

The climate has changed. The Feed-In Tariff has dropped significantly. We are having to be very picky about the sites that we select because not all sites will stack up economically, financially, we are having to be selective. The challenge of creating a substantial community fund, to warrant all that upfront investment, is

becoming challenging and so we are having to weigh that balance off as well. Ideally, we want to move to a place where we can work with energy suppliers or work with an energy supply company, one of the independent ones, to be able to create an offer in which we can use our generational capacity and provide electricity. Local people benefit from that local generation at an affordable price, not something that is unrealistic. Currently, what happens is that a lot of our electricity gets sold back to the grid at 4 pence, whereas that resident living in the very same block is buying that electricity at 13 pence and paying standing charges on top of that.

How can we close that gap? How can we be able to supply that electricity directly to those residents? This is what the model now for community energy is evolving into. It is about looking at how we can integrate storage so we can create more value for the user onsite, how we can integrate with smart meters so we can encourage people to use their energy more efficiently and how we can tap into the demand flexibility market. That is when the users are not using it; we are selling it to the grid but there is a value for that - it is not just going back into the grid for 4 pence - depending on the time of day. There is a more sophisticated model that we are looking to develop.

Currently a lot of us - very few of us, actually - are at the stage of trialling these and starting discussions with the district network operator (DNO), UK Power Networks, and some of the supply companies. One of those supply companies, Tempus, had quite a unique offering in the marketplace. However, it was too far ahead of the curve and had to roll back. The market is not quite yet ready.

Nicky Gavron AM: We have had two different models here and, Afsheen, you have just been saying that we want a more sophisticated model. Both of you are talking about solar, correct?

Afsheen Kabir Rashid (Chief Operating Officer, Repowering London): To me, the principle can apply to any technology.

Nicky Gavron AM: There could be models using other fuel sources.

Giovanna Speciale (Co-Founder and Chief Executive Officer, SELCE): Yes. We are doing some feasibility on renewable heat. It is the same model. Essentially, you are raising finance from the communities. You are encouraging the community to lend you money so that you can install some renewable energy and that energy brings benefits to the building and to the community.

Claire Maugham (Director of Policy and Communications, Smart Energy GB): I would briefly suggest the Committee might want to look at examples of other European cities - I am thinking in particular of Gröningen in the Netherlands - when the consumer becomes a prosumer and is able to sell back to the grid, using smart technology, what they generate on top of their own house. The regulatory environment allows them to do that. That is both financially beneficial to them and is an important part of getting consumers used to and engaged with the idea of buying energy in different ways, which gets us to a place that perhaps people like Tempus, which you mentioned was offering time-of-use tariffs that perhaps were slightly ahead of where people were, have reached. We know that there is huge appetite among consumers to use time-of-use tariffs and often it is community projects that galvanise them into seeing directly, "When the sun is shining and I use my energy, I benefit", as well as a sense of being self-sustainable as a community.

Peter Smith (Director of Policy & Research, National Energy Action): I would just like to say two quick points. One is that one of the many reasons I applaud the work that is being done in terms of this energy services arrangement, one of the reasons that it is evident and that we are reliant on middle agents, if you will,

to do these types of projects, particularly for low-income households, is that the incentives that exist are operational. You get paid per kilowatt hour. You do not get a capital grant to invest in that technology upfront. That is for the Feed-In Tariff and it is also the same for the Renewable Heat Incentive. That presents a real, acute issue from a fuel poverty perspective because low-income households do not have the capital to invest in that kit upfront and therefore to benefit from the operational subsidy thereafter. What these guys do is essentially capitalise the future value of that operational incentive to bang the kit in and then take a share, and it is great that there is a fund.

One of the things that is happening is that with some of the rent-a-roof schemes that were installed, particularly on social housing, the tenants there were told, "Look, you will get this free electricity", but they are not in a position to harness that or use that because they are out during the day when the sun is shining. One of the technological solutions to that that is coming through and I know UK Power Networks is very interested in domestic energy storage, which not only means that the household is able to get the value out of that free electricity but equally it solves some of the grid constraints associated with small-scale embedded generation, particularly solar, where you are in an unpredictable way pushing unpredictable amounts of power back up the network. It solves that grid constraint from the DNO's perspective and also helps the householder. Looking at storage --

Leonie Cooper AM (Chair): My understanding, though, at the moment is that the battery backup for the storage is quite expensive. I was talking to somebody about Energise Barnsley, where there is a Government-funded project that is in the making at the moment and is about to be installed, but the cost of battery storage on a domestic scale is probably too high currently.

Peter Smith (Director of Policy & Research, National Energy Action): We are doing technical trials through the Technical Innovation Fund in Camden and we have been able to bring down the capital cost on the units quite significantly by bulk purchase.

Leonie Cooper AM (Chair): To roughly how much?

Peter Smith (Director of Policy & Research, National Energy Action): I would not want to say because we are using a range of technologies but essentially we are able to shave some significant costs, 15% to 20%, off the capital value of these units. I will happily share the figures after the meeting.

Leonie Cooper AM (Chair): That would be very helpful. If we are going to collate something into a report, which is why I mentioned Energise Barnsley and what they are doing there, if you also have examples from Camden to make some suggestions about how the Mayor could potentially take this forward through Energy for Londoners, it would be really helpful to have the latest cutting-edge details.

Peter Smith (Director of Policy & Research, National Energy Action): Sure.

Leonie Cooper AM (Chair): Thank you.

Philip Sellwood (Chief Executive, Energy Saving Trust Service): I was just going to reinforce what Claire [Maugham] was saying particularly. There are places that are not London that are getting on with this agenda, some of them nearer to home. For instance, Birmingham has commissioned a citywide initiative to map both solar and renewable heat opportunities for the municipal authority, whether it is to rent those roofs or whether it is to encourage the private sector into more community energy arrangements along the lines that have been talked about. There is a leadership role for the Mayor there.

Specifically - I do not know the details but I am sure we can access them - cities like Sydney and Brisbane are way ahead of us on domestic battery storage. They are talking about levels of cost that suddenly start to make storage and photovoltaics (PV) very interesting. Interestingly enough, they are looking at it from a community point of view, not necessarily from an industrial/commercial point of view. There are emerging areas in other cities that we should look at.

Nicky Gavron AM: Is it possible, do you think, to put individual, home-scale renewable energy generation - or even street-scale - together with energy efficiency measures? Do you think that might work? Does anyone have any experience of that?

Peter Smith (Director of Policy & Research, National Energy Action): Absolutely. As I have mentioned, we are doing a range of technical innovation trials at the moment that are looking to integrate microgeneration and some small-scale community generation alongside energy efficiency. In the context of district heating, for instance, often a way of extending a district heating network or the capacity of a district heating network is to retrofit buildings that it is already connected to. That creates a bit of headroom in terms of the capacity for the hot water and that can then be used in other buildings. The two are mutually reinforcing.

The challenge is, at a contracting level, having the contracting framework to be able to do it all in one hit. We talk about the comprehensive house retrofits that perhaps include insulation and some degree of microgeneration. There are not that many organisations that can pull all of that together and project manage it on a house-by-house basis. There are opportunities for contracting companies in London to do just that.

Nicky Gavron AM: That is interesting. I am just remembering Woking. There, a whole street - I do not know how much it was linked with energy efficiency measures - were offered solar roof panels and many took it up, with one inverter for the street. They saved a lot of money because the inverter is quite an expensive part of the solar kit, as I understand it.

Philip Sellwood (Chief Executive, Energy Saving Trust Service): Just to add one caveat, there are many areas where technically it is already possible to combine basic and sophisticated energy efficiency with small-scale renewables. To Bevan's [Jones] well-made point - there is no such thing as a smart home. There are smart people. If all we do is become technologically determinist, we will not engage communities and we will not engage individuals. That is, I believe, the wrong way to go.

Nicky Gavron AM: The final part of this because we must move on: what can the Mayor do? There is Energy for Londoners. That is there, emerging. What can the Mayor do through that? What can the Mayor do through promoting, as he is going to, a solar plan for London? What can the Mayor do there? What can the Mayor do through the London Plan, for instance, in terms of promoting technologies?

Afsheen Kabir Rashid (Chief Operating Officer, Repowering London): I can kick off with a few bits here. One of our challenges has been working with local authorities and convincing them that this is something that they should be actively promoting. There have been a few leaders in this space, like Lambeth Council and Hackney Council; however, even among them it has been quite a challenge to promote these initiatives and support community energy.

One of the things that the Mayor can do is by leading in this area and allowing community energy groups to develop projects on assets that are owned by Transport for London (TfL) or the GLA. This will help develop templates and the standardisation of lease agreements and power purchase agreements that will give local

authorities and other public sector bodies the confidence to adapt them and adopt them as their own as well and sign off on them, because a lot of our time is spent on the building-owner lease negotiations. That is one key area, standardisation of legal documents.

Overall, a strategy or some policy statement that encourages local authorities to take this on more, but also brokering relationships with commercial developers as well. Beside social landlords and the local authorities, there is a huge amount of commercial property in London that has huge potential. That is a unique relationship that can be brokered by the Mayor.

I see Energy for Londoners providing real value for community energy groups in terms of buying the energy generation assets and being able to provide that benefit to residents at affordable prices. I do, however, promote quite strongly a community energy approach in terms of energy supply. I know you mentioned about local authorities being able to set up supply companies themselves, which is great, but there is a collaboration to be had with community energy if we are to get this right and to get the model right. I hope that Energy for Londoners does not take too long to get established because we need a new marketplace today rather than two years or three years down the line. We need some intervention now.

Giovanna Speciale (Co-Founder and Chief Executive Officer, SELCE): Can I endorse everything Afsheen has said? In addition, dare I suggest a London Feed-In Tariff? We are so far behind other European cities in terms of renewables. Perhaps a London Renewable Heat Incentive because I imagine that is going to drop come the Autumn Statement [2016].

I can only endorse everything Afsheen has said about the difficulty of finding sites. The negotiations that are required are extensive. Certainly the Mayor could help with identifying sites and in fact identifying commercial sites that are willing to pay a slightly higher per kilowatt charge to support community energy.

The Urban Community Energy Fund has just been scrapped. That paid for feasibility studies. Without that, we would have experienced extreme difficulty in putting in place the schemes that we have put in place. It is slightly galling because the Rural Community Energy Fund still exists. May I suggest the Mayor of London put something in place to help groups like ourselves pay the feasibility costs? Yes, I do share the vision with you that we would be able to work at street level with groups and residents to use renewable energy for their benefit but currently we are facing massive challenges. Particularly the smaller groups are facing massive challenges.

Another thing that would help is to help to establish a Community Energy London forum in which we can share best practice. There are lots of groups who are under-scale at the moment. You have to scale up very quickly to become a viable community energy enterprise. There are lots of groups that are too small and they need to be supported.

Nicky Gavron AM: Could they be aggregated or would that not work?

Giovanna Speciale (Co-Founder and Chief Executive Officer, SELCE): Yes, there are things we could do. We are supporting a number of community groups. We are managing their assets for them because they do not have the capacity to do that. We need London-wide co-operation.

Leonie Cooper AM (Chair): We need scale but we have also talked about community energy being very local. We need to be careful not to lose the benefit of having the very localised input from the community energy groups. I believe the GLA has already given some support to Community Energy England during

Community Energy Fortnight to hold a session on the idea of setting up Community Energy London. That does need to be taken forward. You have raised the issue of the collaborations between community energy groups, maybe via Community Energy London, and local authorities. That is something that could be brokered by the Mayor or through Energy for Londoners.

The issue of a London Feed-In Tariff would definitely have to be something that Energy for Londoners decided to incorporate into its business model. If it is talking about buying and selling power then it could incorporate that, potentially, as part of what it is doing. I just saw that Bevan also wants to come in.

Bevan Jones (Managing Director, Sustainable Homes): Three quick points. Allowable Solutions is one where developers and housebuilders who cannot put renewable energies onto their site should pay into a fund that is managed across London. Local authorities should have a suite of assets and schemes which that money can then be put towards to create renewable energy projects. Allowable Solutions needs to be rolled out, probably --

Nicky Gavron AM: London's Carbon Offset Fund, yes? It will be like the Carbon Offset Fund for new build, which goes to boroughs?

Bevan Jones (Managing Director, Sustainable Homes): Yes. Sorry, I am using an old term. The best thing to do is that that is where your money comes from. Developers, particularly those who are building homes, in the past have had to shoehorn renewable energy onto their scheme, which gives renewable energy a bad name because with something as simple as solar panels they go, "I have to squeeze these solar panels on and that messes with my design. Then I cannot put my penthouse on the top", and so on. Reduce the solar on that scheme and put the money into a fund that the local authorities can access easily. They can say, "I have a school. I have this and this. This is my asset. I can then use that for community energy", and there is however much money from that pot for a feasibility study.

Nicky Gavron AM: That is very interesting. You have to have the expertise to be able to understand the energy performance of the new build and know exactly how much, at £60 a tonne, is being offset for all the carbon you do not reduce. The best example at the moment is in the London Borough of Islington, which has already raised, theoretically, £9 million. It is about £2 million that has been connected. It is targeting it on energy efficiency, I believe.

Bevan Jones (Managing Director, Sustainable Homes): Yes.

Nicky Gavron AM: You are suggesting targeting it on renewable energy, which is interesting.

Bevan Jones (Managing Director, Sustainable Homes): I am just saying as part of it, yes.

Leonie Cooper AM (Chair): I know this is something that Nicky has raised with me before. Certainly having some way of co-ordinating a London Carbon Offset Fund that is more effectively used --

Nicky Gavron AM: In conjunction with boroughs. I do not think we need to take the incentives away from boroughs.

Bevan Jones (Managing Director, Sustainable Homes): If the issue is finding assets, then if the boroughs and housing associations are the people who are holding assets that you could quite easily put solar on, we should know about it.

Sorry, just two more points. For Energy for Londoners to be part of this and for it to work properly to help reduce fuel poverty and help increase energy efficiency, it has to have community energy expertise sitting within it somewhere. At Sustainable Homes obviously we have been talking to the GLA about a few things but we think that Energy for Londoners should be tied to Homes for Londoners and they should be the same or co-funded businesses. If you are leasing homes at a low cost, you could do something to those homes that ties someone to an energy tariff that is the “pay-as-you-save” model, which then allows you to retrofit the home at a certain speed and scale. Obviously we are in initial thoughts on this. It is just an idea but we think there is utility in tying those two businesses together somehow so that you can have community energy or you can have deep retrofit on older and existing homes, which might be in the mix.

Leonie Cooper AM (Chair): We did talk to Shirley Rodrigues [Deputy Mayor for Environment and Energy] at our October meeting and the transcript of that is available. We specifically raised the issue of how she would be working, as she is the Deputy Mayor for Environment and Energy, with the Deputy Mayor for Housing and Residential Development, and how closely and how meshed together the roles of her team would be with the people working with the Deputy Mayor for Housing and Residential Development, James Murray, and obviously the Deputy Mayor for Planning, Regeneration and Skills, Jules Pipe. There are a number of different areas where they need to be working very closely together and she did assure us that that is going forward. Energy for Londoners is going to be separate from Homes for Londoners but there is an assurance that in the building there is going to be some close working going on.

Shaun Bailey AM: We know that people can make a difference in the energy they use by changing their behaviour. How exactly could the Mayor be involved in that education process, leading people down there? I was quite interested early on when the concept of a carrot and a stick for energy users, not just landlords, was entered.

Philip Sellwood (Chief Executive, Energy Saving Trust Service): I am not sure this directly answers your question in terms of what the Mayor can do but just to offer what we think is a more engaging way of providing certainly carrots and, yes, sticks too, to individual householders to change behaviours, one of the things that we have published quite a lot of research on - we would be very happy to share it with the Committee - is something that rather strangely started its life as a concept called “trigger points” and very rapidly became, thankfully, a view of how people change their behaviour at certain life stages.

People generally do not wake up in the morning thinking about energy efficiency. I do but I am probably exceptional in that way. They do wake up thinking, “I am going to refurbish the bathroom. I am going to put an extension on my house”. Perhaps elderly parents are moving back into the home. There may be a life stage in terms of children that triggers an activity in terms of extending that home. The evidence is pretty compelling that when people are prepared to make those activities around those life stages, that is the point at which they are very well aware of the opportunity of putting energy efficiency into that scope. They are already spending a very large sum of capital money and [it is] another £1,000 on a £10,000 or £15,000 project, if you are an ‘able to pay’ customer.

It seems to incentivise people to not only change their behaviour in terms of what they are willing to invest in but that also seems to trigger further behavioural change. Once you have put in those energy efficient measures, the evidence seems to lead to people living different lifestyles within those properties, whether that is showers that people are now taking with the right sort of time involved or whether that is using the heating control systems more adequately because that is 75% of your energy bill, potentially. All of these things mean that there are some fairly well-trialled pieces of evidence to suggest that if we can capture people at the right

point in their life - this goes for Londoners as well as for anyone else - then there is an opportunity. That does require a set of heavy lifting in terms of making people aware at that point of their activity that they can take those actions.

Leonie Cooper AM (Chair): It is an interesting point, Philip, that you are making there about capturing people when there is some sort of change in their life circumstances. I know there are a number of housing associations who have run specific projects so that at the point when a tenant moves into a new property, they have created DVDs so that people can play them so that as they do the tenancy sign-up to move into somewhere new, they watch a DVD all about energy efficiency arrangements and installs.

I would like everyone to turn around to see our new set of guests who have just arrived, many of whom are wearing red. We are going to wave to you now and we are going to say hello to Christchurch Primary School, who have come all the way from Redbridge to join us today. Hello.

Coming back to Claire, she is going to talk about the answer to Shaun's [Bailey AM] question about either what the Mayor can do or what people individually can do.

Claire Maugham (Director of Policy and Communications, Smart Energy GB): Yes, absolutely. Philip [Sellwood] is absolutely right that this has to be a revolution in behaviour and empowerment, not just a revolution in technology. Consumers have struggled with engaging. Even those who have been keeping a very close eye on their bills and who are not going around wasting energy. We know that people particularly in fuel poverty are not going around wasting energy but they have not historically had the immediate visibility of what they are doing, let alone other tools such as tariffs and incentives and other ways of even gamifying the way we use energy, visualising within a community or visualising it within a family.

With smart meters being fitted in every home by every energy supplier by 2020, that is a major point at which this can be triggered. The changes have to be made with a very deep understanding of the academic thinking behind behaviour change. We have published a white paper, *A Smart Route to Change*, which brings these together, and I wonder if the Mayor would like to consider some of the learnings in that in designing how Energy for Londoners can ensure that if it becomes a supplier, that behaviour change is at the heart of how it does it. In Nottingham, for example, they appointed a behaviour change specialist to work with their energy team in setting up their own licensed energy supplier. The smart meter is the starting point. We know that after a smart meter is fitted, eight in ten people reduce their energy usage and people who are using too little often use more. It's about appropriate energy use.

Leonie Cooper AM (Chair): Sorry, can I just capture that? Do 80% of people reduce their energy usage after they have a smart meter installed?

Claire Maugham (Director of Policy and Communications, Smart Energy GB): Eight in ten people take steps to reduce their energy use, yes. Aware as we all are of turning off lights, often just the act of measuring something and seeing it makes you do it. I do not know if any of you have worn a Fitbit. You do not need to be told when you have gone for a walk but somehow just the act of measuring incentivises you. Interestingly, the number of steps people are taking to change their behaviour increases the longer they have had their smart meter. People are carrying on looking at them, time after time. There is a lot the Mayor and the boroughs could do, people who understand their communities very well, to communicate how these devices can be used, how information can be shared and how peer-to-peer learning such as the national network of charities and other bodies that NEA is working with us to co-ordinate can be brought into this.

Peter Smith (Director of Policy & Research, National Energy Action): Can I just say a little bit about that? The Smart Energy GB in Communities project is something we are running in conjunction with Smart Energy GB, which is hopefully a big opportunity for the boroughs and the GLA to co-ordinate people's enthusiasm around getting involved in that programme. That provides some funds for people and some training for people to get up to speed about the benefits of smart meters, do a bit of frequently-asked-questions in terms of understanding often the questions that people are going to get asked about the smart meter rollout. What is the benefit of them? We think it is particularly an end to estimated billing, which is often the reason that people ration their energy use. There is a lot that the Mayor and his Deputy Mayor for Environment and Energy could do to encourage the boroughs to get involved in that programme.

We also run another national programme alongside BEIS on the big energy-saving networks. This is a broader programme. It does look at smart meters but it also gives practical advice to people about the right tariffs, information about being on the priority services register and a bit of information about energy saving, and it tries to provide community champions, again, with the information they need to be able to be front-of-house if they get asked any questions about the range of things people can do to save energy in their homes, get the best tariff and take advantage of the smart meter rollout. Both of those national programmes are applicable in London and we hope that the Mayor would recognise the benefit of working with us to get the message out there about them.

Shaun Bailey AM: Maybe I am getting the wrong end of the stick here. There seems to be an assumption that people will engage with their local authority and that they care. The only time I have engaged with a local authority is because of my job or because somebody does not come and get the bins. I am looking for that behavioural change that is a bit more universal. I am not going to engage with somebody and ask them about my bill.

The meter stands a chance and I am happy to hear that it is an ongoing thing and is not just a flash, but what else can be done? What is not being done? Where is the blue-sky thinking? Where is the practical day-to-day stuff that actual functioning adults will engage with?

Giovanna Speciale (Co-Founder and Chief Executive Officer, SELCE): This discussion is about energy prices and tariffs and we have a systemic issue here. If you are going to get the best energy price, you have to switch every year. Energy companies offer their best prices to their new customers. This systematically disadvantages anyone who is not IT literate, who lives a chaotic lifestyle, who is not confident to do that or who is loyal to their energy company. In other words, it disadvantages those who are most vulnerable.

Shaun Bailey AM: It disadvantages everyone.

Bevan Jones (Managing Director, Sustainable Homes): In relation to this point and the next point on tariffs as well. It is carrot and stick. Let us keep it positive. We have to incentivise people through their bills. Catalyst, where I used to work, was involved in the Big Energy Saving Network and we found it very successful. On average we saved people just under £200 through switching and we saw switching as a foot-in-the-door to talking about energy efficiency, spotting if they were on the right benefits, seeing if they had any mould in their kitchens and things like that. We used it as a tool to do that.

The flipside of that is that, out of the 300-odd people we spoke to, I can honestly tell you that about ten of them understood their bill. That is one thing. You have to incentivise people through their bills. If they get a bill, there are five things on that bill that they need to understand: how much they are going to pay; how much

they have used; what tariff they are on; how long it lasts; and ways to pay. Honestly, they look at the number, put it to one side and think, "I will pay it when I pay it", and there is no engagement with that bill.

If there is some incentivisation built into that and if the energy companies through a Mayor's pledge that energy companies operate in London pledge to incentivise energy reduction or whatever, it is the only way that people are going to start paying attention and saying, "Yes, I am going to do something about it". Shaun [Bailey AM] is completely right in that people are not going to take that extra step and go to talk to their local authority if they only talk to them about council tax. I do not really want to phone them up every time and be on hold.

The last thing I will say is that you incentivise through the bill and this is the age where individuals have the most information available at their fingertips. For want of a better example, the reason why something like Uber has been successful is because it has developed an app that is instinctive and easy to use. There is a lot to be said for app technology for bills and app technology for encouraging energy efficiency, but what companies like Uber have done is they have taken a bit of kit, essentially, and have done some programming that just makes it intuitive for people to use. Unfortunately, what we have at the minute are app systems and ways of engaging with energy companies and landlords that are not intuitive, require you to be on the phone, require you to write an email. It is those types of technologies that should be brought in this field.

Leonie Cooper AM (Chair): Improving the interface between the energy companies and everyone who uses - which is all of us - their services to have gas and electricity.

Shaun Bailey AM: It really needs simplification. I do not want any more interface with my energy company. I want to just see what is happening. See these smart meters? Do they have a big red light on them when I cross a threshold?

Claire Maugham (Director of Policy and Communications, Smart Energy GB): They have red-amber-green. It is very simple. You do not need to have Wi-Fi in the home. The energy supplier has to offer this very simple device. It is very visible. You know exactly how much you have spent currently, per hour, per week and per month.

I just wanted to pick up on your excellent question about innovation and just make the point to the Committee that it does not have to be a licensed energy supplier that is able, with the consumer's permission, to use that data. Exactly as with a smartphone, with permission, the possibilities are endless. London's innovators could take this data that we will now have from people's homes and think about how it could be used to innovate in social care, in healthcare or in gamifying communities getting greener. Really, we have not seen who might be the Uber in this market, but the meter is just the start. What happens in the home is important but as a platform and as an enabler for further innovation.

Leonie Cooper AM (Chair): I feel that you are all throwing down a bit of a challenge there for some innovation on how we can better use the data on our energy usage here individually. I am going to move on to Jennette, who is going to talk a bit about tariffs and energy prices. This is going to be our last section and so thank you very much for being with us so far.

Jennette Arnold OBE AM: I have some questions on energy prices and tariffs. Can I say through you, Chair, and thank Philip Sellwood? He has given me the phrase today that I shall leave with in that there is no such thing as a smart home. What we need are smart people, Philip. Thank you for that. It seems to me that that feeds in, really, to what most of our witnesses have talked about one way or another about this absolute need

for education linked with changed behaviours. I am in the midst of changing my behaviour in having a smart meter.

In terms of changing behaviour, I just wanted to say to Bevan [Jones], and share this story with you. My mother was opposed to winter clothing. She was a proper Caribbean woman. Winter came and she wanted to ignore it and, when she felt cold, she just put [the heating] up another level. I spent my life trying to get her to put on a cardigan and she thought that this was just not for her.

I was wondering whether or not in your work you are picking up these ethnic differences. We talk generally about the disadvantaged and people on low incomes, but it just came to me when you were talking about a population of Caribbeans or Africans in London who may well be some of the highest energy users because of their lifestyle choices in terms of clothing. Have you met this in some homes?

Bevan Jones (Managing Director, Sustainable Homes): I have met it across all ethnic groups, to be honest. In previous roles when I have gone in and given energy advice and someone has said they are cold and they are wearing flip-flops, a t-shirt and shorts in December, this is when I have stopped giving energy advice quite quickly. I could not just go in and say, "Put on a jumper". What I have to do is to give them something that incentivises them and say, "If you put on that jumper and put on those tracksuit bottoms and if this behaviour change leads to a £400 saving a year, plus you switch and that turns into £600, you could go on holiday or you could go out for dinner". At Catalyst, we used to couch this behaviour in those terms because people would say, "Brilliant. I have saved some money off my energy bill", but they would not get a cheque saying, "You have switched and you have saved £250". They would see it at some point maybe in the future if they read their bills. What we used to do was couch it in terms of saying, "This is worth an extra £40 a month to you. What could you do with that £40 a month? Could you take the kids to the cinema?" We used to try to route it back into normal, everyday behaviour when they were saying, "I wish we could go to the cinema. I wish we could do this".

Jennette Arnold OBE AM: That brings us to that great point you made about incentivising users by getting them to "own" the bill and then, through that, get engaged with their supplier. What role could the Mayor play in this? Could we see him reading his own electricity bill or gas bill?

Bevan Jones (Managing Director, Sustainable Homes): Either this comes through Energy for Londoners or it comes through working with the energy suppliers that supply homes in London. There are ways there to incentivise people. This is, again, where the energy companies need to be a bit more creative themselves. We do not want people under-heating their homes simply to get an incentive and so they would have to be very clever about it but, "If you do this, you could see this on your end-of-year statement and we could give you a bonus on your next switch", or, "If you stay with us and sign up for another year, we will match the cheapest tariff on the market". There could be things like that where incentivisation is made simple and you are not having to keep interacting with the energy company. You want to have just one interaction, get your direct debit taken every month or bill every quarter and then just get on with your life. There needs to be some thought around how to do that.

Some companies have done it. If you go onto a switching website, some companies will pay you interest on any overpayments you have made in the year and so that might breed some brand loyalty, although if the year after that their tariffs go up it is a bit pointless. There are some that give you extra Nectar points. Personally, I do not see any utility in that. I want to see money off my bill and I want to be rewarded for being energy-efficient but having a comfortable home. There are incentives out there already. I am not sure that they have captured the public's imagination, but this is where the Mayor could get energy companies to sign

up to a pledge working with Energy for Londoners or Energy for Londoners itself could offer this type of incentive for behaviour change.

Jennette Arnold OBE AM: Thank you for those ideas. Can anybody speak to me about the role of the prepayment meter in fuel poverty? I represent Londoners who are most vulnerable in terms of being caught up in the fuel poverty trap and have no option at the moment but to live with these prepayment meters, which have some of the highest tariffs. Is it not quite disgusting that the least able are forced to have a system that is taking the most out of their pockets and, indeed, out of the benefits that they pick up?

Peter Smith (Director of Policy & Research, National Energy Action): It would maybe be useful to give you an indication of the scale of prepayments in London. Yes?

Jennette Arnold OBE AM: Yes, quickly.

Peter Smith (Director of Policy & Research, National Energy Action): About 15% of Londoners have a gas prepayment meter and 19% of Londoners have an electricity prepayment meter. In absolute terms, there are 617,000 domestic electricity prepayment meters and 496,000 gas prepayment meters.

The Competition Markets Authority (CMA) has recently undertaken a market investigation looking at the energy industry and that found that there is a huge difference between the best deals in the market, which tend to be fixed direct-debit deals, versus a household that is on prepayment, particularly a household that is on prepayment but often goes into emergency credit and also has to pay down large standing charges on arrears as well as being on a prepayment meter. There is a huge difference. There is something like a £250 to £350 swing in the difference between that.

There are some households in London that will be on a prepayment meter because it is convenient, they want to be on that payment type and they find it useful for budgeting purposes. Equally, there are other Londoners who will be in that position because they have a very poor credit history, they have run into energy debt, it has stood there for some time and then the supplier has automatically put, under warrant, them on a prepayment meter. Essentially, that is the scale of the issue in London.

In terms of what that might look like in terms of how much Londoners are being overcharged, there is going to be a prepayment meter cap set by the CMA so that you are not going to be overcharged. That is going to reduce bills by about £75 per customer, which is a very positive step. There are some question marks about whether or not you will get that if you are on a SMETS 2 (Smart Meter Equipment Technical Specification) prepayment smart meter and so there is an issue there. However, overall, there is still going to be a big variance with a gap of over £200 potentially still that Londoners will be paying.

If you bundle all of that up, given how many people are on prepayment meters in London, you are looking at something approaching £100 million that people would be spending as a result of being on that payment type in London. As I have said, some households will want that, but that is the value of the difference between households being on the cheapest tariffs, direct debit, fixed, versus those on prepayment. I hope that that gives you some indication of the scale of the issue that we are talking about.

Jennette Arnold OBE AM: Yes, because if you were to stay with people in receipt of benefits, it is benefits coming out of one Government pot and going straight into the hands of the market, which --

Peter Smith (Director of Policy & Research, National Energy Action): Yes, particularly to pay down large energy arrears. Energy arrears really cripple local communities in terms of the economic activity within them. The impact of the household receiving benefits and then having to straight away pay out large energy arrears means that they are not going to spend in the local community, which has a knock-on impact on the local shopkeeper, etc. There is a ripple effect as a result of people being indebted that is absolutely clear. Simply, the converse is true.

Jennette Arnold OBE AM: Claire, Peter has put the overall narrative so well. Is there a role for Energy for Londoners in this area?

Claire Maugham (Director of Policy and Communications, Smart Energy GB): Absolutely. There is a real opportunity for Energy for Londoners here and Peter is absolutely right. Analogue technology benefits nobody but, for prepayment customers, the inconvenience as well as the huge expense in this day and age is just extraordinary.

Jennette Arnold OBE AM: Give us some ideas.

Claire Maugham (Director of Policy and Communications, Smart Energy GB): Energy for Londoners, if one aspect of its activities is to become a licensed energy supplier, will be obliged to fit smart meters in the home of every one of its customers by 2020. It could prioritise people who are currently on prepayment meters, for example. I want to make sure that the Committee understands that with a smart meter you do not need a different type of meter to use a prepay tariff. Prepay will become a choice that many of us make with mobile phones and other areas of life not associated with poverty and a choice taken up by a lot more people than it currently is. That will be a real opportunity for Energy for Londoners.

There are particular challenges in engaging people with their energy use and with getting their meter changed when they are on prepayment meters. They are more likely to be renting their home. We talked earlier about landlords. There is often confusion about who has the right to have the meter changed. If a tenant pays the bill, they are able to ask the energy supplier to have the meter changed. They do not have to ask permission. In fact, there is no reason a landlord should want to refuse because there are huge benefits for landlords and no more confusion about who is responsible --

Jennette Arnold OBE AM: That relationship is so distorted. It would take a brave tenant to bring in a company and say, "Fit a smart meter", would it not? That does not sound real in terms of the people I represent.

Claire Maugham (Director of Policy and Communications, Smart Energy GB): Of course. Just politeness would be to inform one's landlord, but just communicating with both tenants and landlords to say that this is a very positive change for both parties here and not something that should fall into a, "It is a bit too difficult and I am not sure", kind of bucket is very important. We in our work are focused on that.

Jennette Arnold OBE AM: I sometimes think that we go to this generalisation. I know so many people and the last thing they want is a conversation with their landlord. There are so many people for whom there is not the power relationship there that could ever get them into having that sort of conversation.

Going back to what you were saying, in terms of a strategic body pulling levers, that will enable widespread change and then those who are vulnerable or in circumstances where they are too busy doing other things could benefit. You gave us that fabulous example. Do you have any other examples?

Claire Maugham (Director of Policy and Communications, Smart Energy GB): The Mayor could encourage the boroughs to think, for example, about the void periods between tenancies and taking advantage of that. We talked about the moments in which one is engaged with one's life at particular points. That is a real opportunity.

It is really a convening role as well. You are quite right about the barriers particularly for renters. Communicating to different audiences about what those barriers are and how they can be overcome could be a very important part of the Mayor's role.

Jennette Arnold OBE AM: That is lovely. The other question I wanted to ask was in terms of the role for Energy for Londoners and going back to previous discussions. Do you think that Energy for Londoners could insist during the deal it is going to make with a landlord that the property then is fitted to be able to get a higher standard like an energy savings standard of a building and when they go into negotiation with landlords - apart from other local government but other landlords - this could be part of the discussion?

Peter Smith (Director of Policy & Research, National Energy Action): Absolutely. We would think that energy efficiency requirements as part of a licensing arrangement makes absolute sense. We should set a *de minimis* in terms of that and be very clear to landlords that they cannot rent out this property or receive any Housing Benefit unless it is up to a certain standard of energy efficiency. That would particularly help at the lowest or the worst bit of the PRS, houses of multiple occupation (HMOs), which have not benefited at all from energy efficiency measures in the past and contain some of the most vulnerable tenants.

Jennette Arnold OBE AM: That is the strategic piece, which is what we really want to be able to say to the Mayor in our recommendations and to the Deputy Mayor [for Housing and Residential Development], "Go there first. Ensure that in your negotiations this is the requirement".

Peter Smith (Director of Policy & Research, National Energy Action): Also, at a strategic level the Mayor or his Deputy could speak to the National Landlords Association about removing some of the barriers and issues that have just been referenced around the PRS in particular and the representative bodies. He should speak to them and put questions to them to enable tenants to benefit from smart meters.

Jennette Arnold OBE AM: I just want to know if anybody has any thoughts about whether teaser rates should be allowed.

Leonie Cooper AM (Chair): Giovanna actually wanted to talk about that. You were talking about tariffs, were you not, earlier on? You said that people should switch every year, presumably so that they can take advantage of the teaser rates, but should we have them at all?

Giovanna Speciale (Co-Founder and Chief Executive Officer, SELCE): I suppose your question is: what can the Mayor do to help?

In this current market setting, the best thing you can do is support vulnerable customers through that process of switching. Many of them are very nervous about it. In our energy cafés, through a combination of measures such as enabling people to access the Warm Home Discount, switching and enabling people to get rid of their prepayment meters and go on to direct debit tariffs, we saved people £50,000, which is in excess of fourfold the cost of delivering the programme.

In response to the question, help us to deliver this kind of service. Funding for this kind of service is extremely scarce. We were very lucky to get funding from the Ebico Trust, but that is only one year's worth of funding.

The difficulty with things like the Big Energy Saving Network that has been mentioned is that the Big Energy Saving Network provides funding for you to deliver services. A good fuel poverty alleviation programme does not just deliver services. The hard work is in networking with other community sector organisations, creating referral routes into the service and out of the service, creating those relationships. It is extremely difficult to identify the fuel-poor. Funding such as the Big Energy Saving Network will pay only for you to deliver the service, not for you to develop that good network of relationships across a local area. Help us to fund this kind of work. It is vital and it does save people substantial sums.

Peter Smith (Director of Policy & Research, National Energy Action): Two things that Energy for Londoners could do are to have a priority services register, which would list its vulnerable customers and you would provide appropriate services to them like any other supplier, and to provide the Warm Home Discount Scheme, which provides an automatic rebate to the poorest pensioner households.

Those two things are absolute red lines from our perspective. If they did not happen, we would have a great concern that the people who already receive the Warm Home Discount Scheme switch to Energy for Londoners and do not get the benefit of that £140 rebate every year. I will speak to you afterwards about the Big Energy Saving Network.

Philip Sellwood (Chief Executive, Energy Saving Trust): I just wanted to respond to your challenge about teasers. We have, unfortunately, a rather long and ignoble history of mucking about with price mechanisms that then have consequences that we did not think about. I think to Ofgem's wheeze to go to four price tariffs and all of the problems that that has caused in the market, which is not to say that we should be encouraging that behaviour.

However, what I would say is, on the basis that banning is probably not where we would seek to go, insisting that if those available tariffs continue, (a) at the point at which they are offered the transparency is real in terms of what people are actually signing up for and then (b) an insistence that there is an automatic prompt when those teasers come to an end and what you are moving into because, at the moment, you do not have that. They rely on structural and personal inertia for people, frankly, to be had over in terms of going onto the most expensive tariff having had a year, supposedly, at the cheapest tariff.

Jennette Arnold OBE AM: Thank you.

Nicky Gavron AM: Can I just come in very quickly? I think it was Giovanna earlier who said that there are some companies that have incentives rewarding loyalty. The Chair said, "Why do we have switching at all, switching annually?" *Money Box* [BBC Radio 4 consumer programme] has really looked into this. We are looking into it. Why can people not be rewarded for loyalty? If you stay with --

Leonie Cooper AM (Chair): It was Bevan, and Bevan did say that some --

Bevan Jones (Managing Director, Sustainable Homes): That is just the reality of the way that the energy companies, particularly the Big Six because they are both generation and supply companies, have structured the market. That is how they purchase energy and that is how they do it. That is not to say that it is right how that goes around.

What we have now is around this annual switching. When switching became a bit more than just uSwitch and there were other sites that came into it, there were two-year and three-year fixed deals in the market. Now we seem to have gone down to this one-year thing and that is an inevitable consequence of early-stage competition within a market when you get this storming phase. We have 30 energy companies now. I do not think that those 30 are going to be the same 30 in ten years' time. There are going to be more and some of them will not exist anymore. Some of that is a natural consequence of competition.

Nicky Gavron AM: You have to know your way around the websites and you have to be very good online. That cuts out so much of the population.

Jennette Arnold OBE AM: Thank you very much.

Leonie Cooper AM (Chair): I am going to have to draw this to a close because we have now slightly run over. As you can see, we are as interested in this area as you are. Can I thank Philip [Sellwood], Peter [Smith], Sophie [Neuburg], Afsheen [Kabir Rashid], Claire [Maugham], Giovanna [Speciale] and Bevan [Jones] for coming today? It has been really helpful for us.