

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL CALL FOR VIEWS

SUBMISSION FROM POVERTY ALLIANCE

About the Poverty Alliance

The Poverty Alliance is the national anti-poverty network in Scotland. We are an independent organisation with over 240 members drawn from the voluntary and public sectors, trade unions, researchers, faith groups and individuals with direct experience of poverty. Our aim is to work with others to enable communities and individuals to tackle poverty.

We have a number of key policy areas that provide the focus for our activities; these are addressing low incomes, supporting services to address poverty, enhancing the participation of people with direct experience of poverty in policy development processes, and addressing attitudes to poverty.

Background to submission

The Poverty Alliance welcomes the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and the draft Fuel Poverty Strategy. Fuel poverty is an issue that we – and many of our members - have worked extensively on and which has a significant impact on the people and communities that we and our members work with. This impact can force people to make decisions like whether to heat their home or cook a hot meal. It can lead to poor physical health, poor mental health, debt and other factors that can tighten the grip of poverty on people's lives.

Our response has been informed not only by our work on the issue over many years, but also by engagement with the Poverty Alliance's Community Activist Advisory Group (CAAG), which is comprised of people who are experiencing or who have experienced poverty. On 29th October, the CAAG held a meeting focused on their perspectives on the impact of and solutions to fuel poverty. These perspectives have helped to inform this response.

We welcome the opportunity to contribute to the Local Government and Communities' consideration of the Bill, and would also welcome the opportunity to contribute towards any further consideration of the Bill by the Committee.

Q1: Do you agree with the Scottish Government's proposal to provide for a statutory target to reduce fuel poverty to no more than 5 per cent of Scottish Households by 2040?

We welcome the proposal to introduce a statutory target for reducing fuel poverty. This target – like the targets enshrined in the Child Poverty Act – will help to provide a vision and focus for everyone working to reduce and ultimately eradicate fuel poverty in Scotland.

We do, though, have serious concerns that the target proposed is insufficiently ambitious and is not reflective of the urgency that is required given the impact that fuel poverty has on people's lives. There is of course a balance to be struck between what is aspirational and what is realistic given the challenges faced. However, we do not believe that setting the target for 2040 will provide the level of accountability needed to catalyse the kind of ambitious action required, nor do we believe that it reflects what it is possible to achieve.

Implementing the target as proposed would mean a 1% average annual reduction in fuel poverty. This does not represent the kind of ambition required. This is particularly the case as efforts to tackle child poverty and meet the Child Poverty Act targets are ongoing. These efforts should have a significant impact on household incomes, which will in turn help to reduce fuel poverty and support a far more ambitious approach.

We recommend that the target is instead set for 2032, a date which allows sufficient time for actions and interventions to be implemented but which is more reflective of the urgency with which these actions and interventions are required. We also recommend that, given the intention as set out in the Bill's Policy Memorandum is to "eradicate" fuel poverty, the target be set at 0% rather than 5%. Again, this would be far more reflective of the impact that fuel poverty has on people's lives, as well as what it is possible to achieve given the range of measures and actions that we can implement.

The proposal to introduce interim targets is also welcome and will help to guide monitoring and ensure a greater level of accountability. However, the non-statutory nature of these targets - as currently proposed - will not, we believe, lead to the high levels of accountability and action required. A more effective approach – and one which would be in line with the Scottish Government's approach to the Child Poverty Act – would be to introduce statutory targets. We recommend that these statutory targets are set for 2025, 2030 and 2032.

Q2: Do you agree with the Scottish Government's proposals for a revised definition of fuel poverty?

We support the need for a revised definition of fuel poverty and welcome the participatory approach represented by the Minimum Income Standards, which are based on what the public think is the minimum income required for people to be able to have a decent standard of living. In our work around the real Living Wage and particularly through Living Wage Scotland – the Living Wage accreditation scheme that we host in partnership with the Living Wage Foundation and the Scottish Government – we have witnessed the impact that use of the Minimum Income Standards can have, and we fully support their use as a benchmark within the revised definition.

To ensure the definition takes best account of the specific needs of groups within Scotland who are more at risk experiencing of fuel poverty, we support the recommendation of the academic review panel that the definition be revised upwards for households in remote rural areas and households where at least one member of the household has a long-term illness or disability.

While this would represent a minor divergence in approach to the way the Minimum Income Standards are used in setting the Living Wage, the higher energy costs borne by people living in remote rural areas are such that this divergence is justified and required. Similarly, the increased energy costs borne by disabled people justify and require this upwards revision. Given that disabled people are already significantly more likely to experience poverty – as recognised in the child poverty delivery plan - this would represent a welcome recognition of the additional costs of disability.

Q3: Do you agree with provisions in the Bill requiring the Scottish Government to publish a fuel poverty strategy? Do you also agree with the consultation requirements set out in relation to the strategy?

We welcome the provisions in the Bill requiring the Scottish Government to publish a fuel poverty strategy, and consider that it will - subject to the amended provisions outlined below and elsewhere in the response – act in support of the actions contained within the Scottish Government's child poverty delivery plan.

Given that the target (regardless of whether it is for 2040 or 2032 as suggested previously in our submission) is a long term one, it is essential that the strategy remains as responsive as possible. In line with the requirement – outlined in the Bill – for the Scottish Government to report to the Scottish Parliament on progress every five years, we therefore recommend that the strategy should also be reviewed and, if necessary, updated every five years.

We welcome the consultation requirements set out in relation to the strategy, and particularly the provision they make for the involvement of people with lived experience of fuel poverty. This involvement is essential if we are to ensure that the actions contained within the strategy are as responsive to people's needs as possible.

To strengthen the provisions, we would recommend that they are amended to require that people who are living, or who have lived in, fuel poverty participate in the process of identifying the characteristics of households likely to be in fuel poverty.

We would also recommend that the provisions more clearly define what is meant by the term "consult". It is essential the participation of people with lived experience in the development of the strategy is properly meaningful; moving beyond merely consulting and instead ensuring real influence and impact. This means moving towards a co-design model rather than just a consultative process. It also means that people with lived experience of fuel poverty should be involved at all stages of policy development and monitoring, and it is necessary for this to be more clearly set out in the Bill.

Q4: A draft fuel poverty strategy was published alongside the Bill on 27 June. Do you have any views on the extent to which the measures set out in the draft Fuel Poverty Strategy for Scotland 2018 will contribute to meeting the Government's new target? Have lessons been learned from previous initiatives?

The measures contained within the draft Fuel Poverty Strategy are welcome and will make a contribution towards meeting the Scottish Government's new target for reducing fuel poverty. Particularly welcome is the commitment to review the Warmer Homes Scotland Scheme. Members of the CAAG who had received support from the Warmer Homes Scotland scheme spoke positively of the impact that it had made on their energy bills. However, most members of the group – despite almost all being eligible for the scheme – were not aware of it; thereby highlighting the work to do to increase awareness of it and the benefits that it can bring.

Members of the CAAG also focused on action that can be taken to boost incomes, which has to form a central component in all efforts to eradicate fuel poverty. While the draft strategy does identify low incomes as a driver of fuel poverty, it would benefit from the inclusion of additional measures aimed at addressing this driver. Measures that were suggested from the CAAG – that we believe warrant further exploration within the development of the strategy – included greater use of the social security system, for example by extending eligibility for the Cold Weather Payment and/or Winter Fuel Payments to more people on low incomes.

Further to this, it is also important to state that measures implemented as part of the Scottish Government's child poverty delivery plan will also have a critical role to play in boosting incomes and helping to prevent and reduce fuel poverty. For example, the new income supplement that the Scottish Government has committed to introducing has the potential to lift thousands of children out of poverty, and by extension to loosen the grip of poverty on the lives of families across Scotland. We believe that topping up child benefit would be the most effective and efficient way of

delivering this supplement, and that it would have the biggest impact on every aspect of poverty, including fuel poverty.

Other measures proposed by the CAAG that would benefit from further exploration within the strategy included:

- Action on energy pricing, for example via the publicly-owned energy company that the Scottish Government has committed to establishing.
- Investment in community-owned renewable energy projects.
- Providing additional support with energy bills for families and individuals without recourse to public funds.
- Investment in and better promotion of services and agencies that can advise people who are experiencing fuel poverty, for example on how to secure the most appropriate energy tariff.
- Training of Social Security Scotland staff in fuel poverty issues, to enable them to identify people who may be experiencing fuel poverty and signpost them towards appropriate sources of support and advice.

Q5: Do you have any views on the Scottish Government's reporting requirements to the Scottish Parliament, as set out in the Bill?

We welcome the requirement that the Scottish Government reports every five years to the Scottish Parliament on the progress of the strategy.

To increase accountability and ensure the strategy remains as responsive as possible and to allow for corrective action if and when required, we would also recommend that the Scottish Government be required to provide a short annual report outlining what progress has been made in implementing the measures detailed in the strategy, similar to the reporting requirements of the Child Poverty Act.

We would also recommend that the Scottish Government is also required to report on what action has been taken to involve people with lived experience in the design and delivery of measures implemented as part of the strategy.

Neil Cowan
Policy and Parliamentary Officer