

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM SCOTTISH FUEL POVERTY ADVISORY PANEL

The following is submitted by the Scottish Fuel Poverty Advisory Panel in response to the Local Government Communities Committee call for Evidence. The response draws heavily on the information provided by one of our members, Energy Action Scotland.

Please note that the panel is representative of its sector and not as a representative of the member's constituent organisations. Therefore in this submission there may be some differences from this evidence to that of the individual organisations that make up the Advisory Panel.

The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill will set a new target for the reduction of fuel poverty – this being no more than 5% by 2040. A new fuel poverty definition is proposed. This new definition means that a household must meet two criteria: Its required fuel costs must be more than 10% of household net income after deducting housing costs and; the remaining household net income after the payment of fuel costs and childcare costs must also be insufficient to maintain an acceptable standard of living for the household. In addition, the Scottish Government will publish a new long-term fuel poverty strategy alongside the Bill and report on its progress every five years.

The Scottish Fuel Poverty Advisory Panel believes the following points to be worthy of consideration by the Committee.

The right to adequate housing is of central importance for the enjoyment of all economic, social and cultural rights and this right should be realised fairly. The Committee on Economic, Social and Cultural Rights, interprets the right to adequate housing to include a focus on habitability: 'Adequate housing must be habitable, in terms of providing the inhabitants with adequate space and protecting them from cold, damp, heat, rain, wind or other threats to health, structural hazards, and disease vectors. The physical safety of occupants must be guaranteed as well'.

Considering the combined ambitions to tackle each of the drivers of fuel poverty might help determine the possibility of success being achieved earlier than 2040. One example of this would be alignment with the statutory requirements within The Child Poverty (Scotland) Act 2017 and Scottish Government's aim to achieve child poverty targets by 2030. This would justify stating an intention to achieve the fuel poverty target for households with children by 2030. Another example is the Route

Map for Energy Efficient Scotland, which sets out the Scottish Government's long-term ambition to improve the energy efficiency of Scotland's building stock. This Route Map was consulted on in Summer 2018 and included proposals that all private rented sector properties meet EPC Energy Efficiency Rating Band C by 2030 and that the proportion of registered social landlord properties meeting EPC Energy Efficiency Rating Band B will be maximised by 2032. Alignment with these other targets and ambitions might make earlier achievement of the fuel poverty target realistic.

1. 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?

- ❖ No a 2040 target is too distant, we suggest 2032.
- ❖ While 5% of all households in 2040 is still a substantial amount; we suggest 0% of all households by 2040, but preferably 2032.
- ❖ The Bill, as published, has 2 non-statutory interim targets and milestones at 2030 and 2040, we suggest statutory interim targets at 2025, 2030, then 2032.

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

- ❖ No, the 'acceptable standard of living' mentioned corresponds to 90% of the UK Minimum Income Standard (MIS)ⁱ, we suggest that the Scottish Government develops its' own Scottish MIS, which would take into account the 'poverty premium' experienced by those living in rural and island areas, and for those with additional expenses due to disability which are not fully accounted for in DLA/PIP benefit payments.
- ❖ Targeting the definition towards those on low incomes risks penalising older householders with larger inefficient properties, including those living in rural and island areas. There needs to be an approach similar to the LA flexible eligibility part of ECOⁱⁱ which would allow for the different characteristics of fuel poor households and low income households vulnerable to the effects of living in a cold home.
- ❖ Some of the underlying assumptions are worth investigating, for example what are affordable fuel costs? Childcare costs are mentioned, we suggest looking at the costs of caring for others. As mentioned above, the UK MIS is based around an urban economy with some recognition of the London weighting effect. This does not account for the additional costs associated with living in a rural economy or living with a disability which requires additional expenditure not accounted for under DLA/PIP. We therefore suggest a rural/disability premium. We note the use of the term "most household types" and would suggest that account needs to be taken of the

most vulnerable, who may have higher energy use due to poor health or other situations.

- ❖ The households to which the heating regimes apply will be defined in regulations to the Bill. For the enhanced heating regime, this is likely to be: a) one member with a physical or mental health condition or illness. There are many health conditions which have temperature vulnerability eg sickle cell anaemia sufferers, people with thyroid conditions therefore we would suggest the NHS is involved, as well as patient groups.
- ❖ Or b) at least one member is aged over 75. This is an increase from the previous age of 60 and is of concern. Where age is being taken into account, families with children under five could also be considered to be vulnerable and have higher use of energy therefore we suggest the inclusion of children under 5 in the age requirement.
- ❖ There can be other kinds of vulnerability apart from age and health. For instance a person could be considered financially vulnerable at certain points in their life eg when they reach retirement age. Financial vulnerability could be cited as a contributing factor to poor choices about energy usage.

3. 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 know that 649,000 households in Scotland were living in fuel poverty in 2016¹ and we know that this will have had a significant impact on the health and wellbeing of this vulnerable population. This significant proportion of households struggling to afford fuel, are at risk of experiencing cold and damp housing, or of having to sacrifice other vital expenditure. Stark choices between eating and heating are a reality for some households, with clear implications for health inequalities.

Consultation with a wide and diverse range of stakeholders is required to inform action required to address each individual driver of fuel poverty. This should include engagement with housing providers of all tenures to enable consideration for how fuel poverty and energy efficiency could be tackled equitably across tenures. Stakeholders consulted should also include data managers and experts to inform potential data linkage that would support targeting of resources to tackle fuel poverty, as this is an area of potential that is yet to be fully explored and utilised.

- ❖ There are many opportunities in the Bill for people with lived experience of fuel poverty to be consulted; however we suggest that there are additional opportunities eg the provision which says: “the fuel poverty strategy must identify characteristics of households which are likely to be in fuel poverty or for which getting out of fuel poverty presents particular challenges”. This should also be consulted on by individuals with lived experience of fuel

¹https://consult.gov.scot/better-homes-division/energy-efficient-scotland/user_uploads/188061_sct0118873760-1_energy-p8.pdf

poverty. In addition, individuals with lived experience of fuel poverty should be involved with the development of the outcomes framework. The Scottish Fuel Poverty Advisory Panel also has a wider engagement via the Scottish Fuel Poverty Partnership Forum which is a sub set of the Scottish Fuel Poverty Advisory Panel has as one of its members the Poverty Truth Commission and a further range of stakeholders that ensure that in every decision the Advisory Panel makes we also have the voice of those who have the lived experience.

- ❖ We also suggest that the requirement to consult people with lived experience of fuel poverty needs to be more clearly defined i.e. it is not sufficient to work with representatives of groups, the fuel poverty strategy needs to demonstrate precisely how people with lived experience of fuel poverty are consulted with for the preparation of the strategy and also for the preparation of the periodic reporting.

4. 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 draft fuel poverty strategy details actions which the Scottish Government hopes will contribute to meeting the new target, however we suggest that additional funding is needed to support these actions.
- ❖ It is difficult to say whether lessons have been learned from previous initiatives as there is more focus on the number of measures installed rather than how many people have been lifted out of fuel poverty; therefore we suggest better reporting on all the schemes, focusing on outcomes. This includes a review of the impact of advice services being offered through Home Energy Scotland.
- ❖ The measures set out in the draft fuel poverty strategy are more focused on removing poor energy efficiency as a driver for fuel poverty. More emphasis needs to be placed on the other three drivers of fuel poverty. Although high energy costs and low disposable income are technically reserved matters, more actions could be taken to mitigate these in Scotland. Also important is changing behaviour, making changes to how energy is used in the home and actions need to be developed to encourage this.

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

- ❖ It is of concern that the final date for acceptance of failure or success is in 2042, 2 whole years after the 2040 deadline. We suggest reporting every three years instead of five years, this will allow better monitoring of the progress towards the target.

The members of the Scottish Fuel Poverty Advisory Panel have been appointed by the Minister for Local Government, Housing and Planning, Kevin Stewart MSP. The organisations represented are Citizens Advice Scotland, Cosla, Energy Action Scotland, Energy UK, NHS Health Scotland, The Poverty Alliance, The Scottish Federation of Housing Associations, The Scottish Association of Landlords and is independently chaired by Ann Loughrey.

ⁱ A Minimum Income Standard for the UK 2008-2018: continuity and change, JRF, July 2018

ⁱⁱ Energy Company Obligation – Flexible Eligibility, Department for Business, Energy and Industrial Strategy, April 2017