

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM ARGYLL AND BUTE COUNCIL

Section 1 sets out the Scottish Government's target to reduce fuel poverty to no more than 5 per cent of Scottish Households by 2040.

- 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. Please explain your reason why. For example, is the statutory target necessary? Is the target ambitious enough? Is it realistic and achievable?***

In principle, yes. However, given that this is a blanket target which is Scotland wide; there is the potential that householders in remote and rural areas will be disproportionately represented in the residual 5%; and will still be in fuel poverty even if this target is met. Given the older, pre 1919 housing stock; reliance on either full electric or oil based heating systems; and issues with supply chain – remote and rural areas are disadvantaged by this. Despite the known additional costs associated with remote and rural areas, there is still no allowance for this in the fuel poverty bill – which is disappointing. In the recent Energy Efficient Scotland consultation, it was proposed that fuel poor households would have to reach an EPC (Energy Performance Certificate) band C by 2030 and B by 2040 (where cost effective and technically feasible). As identified above; rural properties may be disadvantaged due to cost effectiveness and feasibility of raising the EPC – therefore raises concerns over the 5% target.

Section 2 makes provision for a proposed definition of fuel poverty which calculates the proportion of household income required to maintain a satisfactory level of heating and assesses the extent to which households can then maintain an "acceptable standard of living" once housing and fuel costs are deducted.

- 2. Do you agree with the Scottish Government's proposals for a revised definition of fuel poverty? Please explain your reasons why. For example, will the new definition ensure that the Scottish Government will focus their efforts on those with the greatest need?***

No. The use of MIS (Minimum Income Standard) is acceptable for urban areas from which the MIS has been calculated for. However, the MIS does not take into account the additional household costs for remote and rural areas; and it is difficult to understand why this hasn't been taken into account. In 2010, the JRF (Joseph Rowntree Foundation) acknowledged that there are different incomes required for living in a rural area. Furthermore, HIE published a report in 2016 indicating the increased costs for remote and rural areas. The use of the current MIS for calculating fuel poverty is to the detriment of fuel poor households in remote and rural areas. It would be beneficial for the Scottish Government to develop its own MIS which would

take into account factors more prevalent to remote and rural locations – ensuring that fair representation in rural and island households is accounted for in the definition.

There are also concerns over the increase in age from 60 to 75 for the increased heating regime – as this is a large increase and would advise that pensionable age (i.e. when there's a significant lifestyle change) would be more applicable. In addition, households with children under 5 will have a higher energy use; and should be factored into the increased heating regime.

In addition, the new definition is extremely difficult to explain to householders; and this will make it difficult for advisors on the front line. A lot of what the new calculation method is looking for is personal information related to finances – which will be difficult to get from householders as it's invasive.

It is disappointing that the proposed Bill hasn't acknowledged the additional issues related to the remote and rural properties; and would urge that this is factored into the way in which fuel poverty is defined.

Sections 3-5 requires the Scottish Government to publish a fuel poverty strategy within a year of Section 3 of the Bill coming into force. It requires them to consult on the strategy, which must include individuals who are living, or have lived, in fuel poverty.

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? Please explain your reasons why.

In principle, yes. It is a good idea to move towards discussing a strategy with individuals and families that are living in fuel poverty. It needs to be clear whether the consultation takes into account the current fuel poverty definition or the proposed fuel poverty definition. If the new fuel poverty definition is used, then we would urge the rural/island impact to be reviewed.

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?

It is clear that to meet the new target, additional funding will be required in order to deliver. In terms of initiatives; although it is difficult to state whether lessons have been learned yet, the current initiatives appear to be working well in Argyll and Bute. The HEEPS: Area Based Scheme (HEEPS: ABS) utilises a criteria of Council Tax Band A-C properties (and D and above on islands where the EPC of the property is E or below) – and this has proved to be effective in terms of upgrading homes throughout Argyll and Bute; with the programme proving to be popular. In addition, programmes that provide grant assistance like HEEPS: ABS allow householders to undergo vital energy efficiency improvements to assist not only with improving EPC ratings; but also providing higher levels of comfort in homes and assisting with any repair issues as well. This therefore allows for the current housing stock to benefit greatly from this

assistance; and ensures that properties are in a good condition. The HEEPS: ABS programme also utilises Home Energy Scotland; which is beneficial for providing energy advice and support; along with ensuring households are directed to any programme that is the best fit for them (which allows for a more person/household focussed approach).

However, HEEPS: ABS cannot guarantee to reduce fuel poverty as home energy efficiency is only one of three factors to take into account. The fuel poverty strategy appears to continue to focus on energy efficiency improvements; there needs to be more of an emphasis on lowering energy costs and increasing overall income.

Sections 6-9 require the Scottish Government to report to Parliament every five years on: the measures taken to tackle fuel poverty over the previous five years; progress made towards the 2040 target; and the steps Scottish Ministers propose to take over the next five years to meet the 2040 target.

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

Reporting every five years appears to be too long a timescale – and would propose that reporting every three years will allow better monitoring of the target; and allow for any programmes or initiatives to be amended as necessary.