



Fuel Poverty Strategy Consultation

To:

Key Points

- Statutory Target to Eliminate Fuel Poverty In Scotland, with target of reducing it below 10% by 2040.
- Definition of Fuel Poverty has been changed from before housing cost income to after.
- New bodies set up to monitor and assess progress of Fuel Poverty reduction.
- Consultation requires feedback on potential impact and challenges of the new bill. Deadline for responding is Thursday 1st of February 2018.

Link to Consultation - <https://consult.gov.scot/better-homes-division/fuel-poverty/>

Link to Consultation Paper - <http://www.gov.scot/Resource/0052/00527441.pdf>

Background

The Scottish Government have launched a consultation on the Fuel Poverty Strategy for Scotland. This is part of a range of legislation that the Scottish Government is introducing relating to heating and energy generation and efficiency, the others being the Climate Change Plan, Energy Strategy and Scotland's Energy Efficiency Plan.

The Fuel Poverty Strategy specifically follows on from recommendations made to the Scottish Government from the Scottish Fuel Poverty Strategic Working Group and Scottish Rural Fuel Poverty Task Force. The consultation states that it aims to shift the focus from policy inputs and process to outcomes and impacts. Responses are expected before the 1st of February 2018.

Legislative Context

The first section outlines a recommended change to the definition of Fuel Poverty. The old definition, that a house was fuel poor if energy costs were not less than 10% of income, was felt to be no longer fit for purpose, as the definition is based on before housing cost income. The consultation proposes the following definition, which addresses this point.

Households in Scotland are in fuel poverty if:

- *they need to spend more than 10% of their after housing cost (AHC) income on heating and electricity in order to attain a healthy indoor environment that is commensurate with their vulnerability status; and*
- *if these housing and fuel costs were deducted, they would have less than 90% of Scotland's [Minimum Income Standard](#) (MIS) as their residual income from which to pay for all the other core necessities commensurate with a decent standard of living*

The Consultation seeks feedback on this proposed change in definition, and is particularly interested in feedback to the change to AHC and integrating MIS into the definition. Feedback is also sought on proposals to change the age that identifies those likely to be vulnerable to 75, assuming no other health issues or disability. It is also proposed that heating regimes for vulnerable households be changed, with the bedroom temperature being raised to 20°C, up from 18°C. The Living Room would remain at 23°C.

Scottish Government Policy Context

The consultation outlines how the Fuel Poverty Strategy relates to other policies and approaches adopted by the Scottish Government.

Scottish Energy Efficiency Policy (SEEP)

Following the consultation that was undertaken in early 2017, the Scottish Government has recently launched a follow-up consultation to focus on specific detail of the policy, including on district heating. This consultation will be covered in another APSE briefing.

Energy Prices

There is a short overview of the issues faced by Scottish households in relation to Fuel Prices, particularly the low level of consumer engagement in the market, which is worst with lower income households. However, the consultation notes that the power to regulate energy markets is currently held by the UK government and there is limited scope for intervention at the Scottish level. However, there are hopes that the publicly owned energy company that the Scottish Government are aiming to set up will alleviate some of these issues. There is also a plan for a stronger focus on local generation schemes, supported by the [Local Energy Challenge Fund](#).

Energy Use

The Home Energy Scotland Homecare Pilot Programme aims to offer targeted in-home support to up to 220 rural households, with the goal of reducing energy bills. The findings from this pilot will be considered as the design of SEEP continues.

Income

It is expected that SEEP will provide support for around 4000 jobs a year, and this includes jobs in remote areas. The Family Financial Health Check will also be rolled out in 2018, which will offer advice on maximising income and ensuring people are on the best deals on products and services, including energy plans.

Recognising the distinctiveness of all our communities

The consultation outlines a number of the challenges that face island and rural communities, and that these challenges can be quite different to other areas, in particular due to exposure to the weather and often not being connected to mains gas supplies. The Home Energy Efficiency Programmes are designed on a regional basis, which has a separate Islands region.

The Consultation asks for advice on any challenges and opportunities that may be faced on both island communities and rural communities.

Partnership Working

Various organisations that the Scottish Government already partners with are identified in the consultation. These include COSLA, Energy Saving Trust, NHS Scotland and a number of energy companies. It also talks of the opportunities that Local Partners can present, particularly with the use of community planning. The consultation asks for responses on what more can be done to allow national partners and local delivery organisations to work together more effectively. It also asks how the Scottish Government in particular can better engage with local delivery partners.

The consultation then specifically asks about Home Energy Scotland (HES), and what can be done to assist local organisations measure, report and ensure the quality of the advice they are providing and what outcomes are achieved. It also asks for feedback on HES and what more can be done to improve it.

Targets and Indicators

Due to the proposed change in definition, it would also be required to change the way that fuel poverty is measured and tackled. As part of this, the Scottish Government is consulting on whether a new statutory target to eliminate Fuel Poverty should be included in the upcoming Warm Homes Bill. The consultation also contains more specific milestones and sub-targets to be met by 2030 and in 2040. These are:

- Overall Fuel Poverty Rate to be less than 20% by 2030 (interim milestone), and less than 10% in 2040 (sub-target).
- Using 2015 prices before adding inflation, the median household fuel poverty gap should be no more than £450 in 2030, and £250 in 2040.

- Ensure all homes reach a minimum performance rating by 2040, with progress to this goal able to be demonstrated in 2030.

The Fuel Poverty Gap would be a new measure within the Scottish Government targets. This gap, the median amount of extra money needed to no longer be considered in fuel poverty, is estimated to be £654 in 2015. The consultation asks for feedback both on the overall target of eliminating fuel poverty, and for the proposed sub-targets and milestones.

Monitoring, evaluation and reporting

Following recommendations from the Scottish Fuel Poverty Strategic Working Group and the Scottish Rural Fuel Poverty Task Force, and building upon the Scottish Fuel Poverty Forum, the Scottish Government have approved the creation of a new Partnership Forum. This will replace the fuel poverty forum, with a wider membership and remit that includes reviewing the Scottish House Condition Survey results regarding Fuel Poverty, offering a source of expertise and advising the public, private and third sectors.

In addition to this the creation of the Scottish Fuel Poverty Advisory Panel has also been approved. This will monitor and report on the progress of the fuel strategy as well as the recommendations from the working group and task force, working with the government to ensure delivery of fuel poverty and energy efficiency programmes, as well as working to form partnerships with the public, private and third sectors. Both of these groups are expected to be up and running in early 2018, and the consultation seeks responses on their role and priorities.

The Consultation also seeks comments on proxies that can be used to identify fuel poor households, such as the Scottish Index of Multiple Deprivation, or whether households receive benefits. Advice is also sought on doorstep tools, particularly any concerns or challenges that could be faced in their usage.

Outcomes and Principles

The aims for the Scottish Government have already been highlighted in other areas of Scottish Government Policy and Practice, including SEEP, HEEPS and the Fairer Scotland Action Plan, and were originally identified in the 2012 fuel poverty review. These include that all households should enjoy adequate thermal comfort, reducing hardship on lower income households and increasing understanding of how to use energy in the home.

In addition to these goals, the Scottish Government present the following principles, developed from the recommendations of the working group and task force.

- The strategy will be based on the principle of social justice and creating a fairer, more equal society, irrespective of where individuals live;
- The Scottish Government's approach to fuel poverty eradication will be set on a statutory framework, measured and overseen by Ministers and delivered via

partnership structures at a local level. Building on the assets of individuals and communities will be at the heart of this partnership and early intervention and prevention will be crucial to success; and

- The needs of individuals and families will be at the heart of service design and delivery and the fuel poverty strategy will address all four drivers of fuel poverty: income, energy costs, energy performance, and how energy is used in the home.

The consultation asks for feedback on these principles, as well as views on focusing on an outcome based approach.

Assessing Impacts

The consultation asks for feedback that will assist in the production of the various Impact Assessments that will be required. The [interim Equality Impact Assessment](#) was published alongside the consultation.

APSE Comment

APSE would encourage local authorities to respond to this consultation, as they are best placed to understand the impact that fuel poverty has on their residents and are already taking steps to combat it. The full list of questions is available below in the appendix.

It is worth bearing in mind that fuel poverty is a function of energy cost, income and usage levels (which are related to property condition). The first of these, energy cost has been the subject of much comment over recent years due to increases which many consider out of line with price rises for other commodities. It is difficult to reduce the influence of the big six suppliers as it seems many customers are unwilling to switch. Local authorities real influence comes when they begin to supply energy because it is at this point that they are in charge of the tariff and so can introduce lower costs for users. This is a difficult position to attain as becoming a supplier requires high levels of political support, finance and resources. This makes investing in the energy efficiency of properties very important in order to reduce the amount of energy needed to heat them. Behaviour change is also vital as this can lead to the use of less energy in the first place and so also have an impact upon the amount of fuel used and so paid for. It is important that local authorities highlight the work done to date on energy efficiency especially in their own housing stock and request further resources to continue this work and address behaviour change.

There are two advisory groups offered by APSE in Scotland that directly relate to the issue of Fuel Poverty that our members are invited to attend. Both our [Building and Housing](#) Advisory Group and [Renewables and Energy Efficiency](#) Advisory Group regularly has discussions and presentations on the various ways Councils are making the homes they build more energy efficient, as well as information on projects, such as district heating, that have had a positive impact on resident's fuel bills. The dates of the next meetings can be found [here](#).

APSE has resources available to its members to help in meeting any current and future obligations. In particular, there is research into the economic change that will occur as a

result of greener policies. APSE Energy is another service that will allow local authorities to meet their energy demands in an effective and environmentally friendly fashion and APSE will continue to provide briefings on any policy change that will have an impact on local authorities meeting these targets.

Response Details

If you wish your comments to be included in an APSE response to this consultation paper, please send them to Garry Lee at glee@apse.org.uk by Thursday 25th of January 2018. Alternatively, you can submit your response online directly by clicking [here](#). The closing date for responses to this consultation is Thursday 1st of February 2018.

Iain Scherr

Research and Coordination Officer

Appendix

Below is the full list of questions asked in this consultation. For each question, the consultation asks for the answer to be explained, including any available evidence or examples.

Legislative Context

1. Do you have any comments on this new definition of fuel poverty, in particular, what do you think about the proposal to use AHC and MIS as means to measure fuel poverty in Scotland?
 - a. What, if any, challenges do you think this approach could present in enabling targeting of resources to those most vulnerable to fuel poverty?
 - b. If this definition is to be used, how would you propose these challenges are overcome?
2. Do you have any views on the proposal of using 75 years of age as a threshold for identifying those who are likely to be vulnerable to the adverse health outcomes of fuel poverty?

Recognising the distinctiveness of all our communities

3. In relation to island communities, are there any additional challenges; and/or opportunities that we need to consider in developing our strategy?
 - a. Challenges:
 - b. Opportunities:
4. In relation to rural and remote rural communities, are there any additional challenges; and/or opportunities that we need to consider in developing our strategy?
 - a. Challenges:
 - b. Opportunities:

Partnership working

5. Please give us your views on how national partners and local delivery organisations can work better together to identify and support those at risk of, or experiencing fuel poverty?
 - a. What would best support, or enable such partnerships?
6. What can local partners do to contribute to meeting national aims of effectively and sustainably tackling fuel poverty?

7. How can SG support local delivery partners (e.g. third sector organisations and social enterprises) to measure their success?
8. How can the Scottish Government best support local or community level organisations to accurately measure; report on; and ensure quality of provision of advice and support services and their outcomes?
 - a. Measure:
 - b. Report on:
 - c. Ensure quality of:
9. How can the one-stop-shop approach be enhanced for the benefit of HES clients?
 - a. Comments:
 - b. In particular, are there any improvements that you think can be made to the HES service to further enable it to best reach the most vulnerable to fuel poverty client groups?

Targets and indicators

10. What are your views on our proposal to set a new statutory target to eradicate fuel poverty in the Warm Homes Bill?
11. What are your views on the proposed sub-targets?
 - a. What are your views on the proposed levels?
 - b. What are your views on the proposed timeframe?
12. What are your views on the proposed interim milestones?
 - a. What are your views on the proposed levels?

Monitoring, evaluation and reporting

13. How should the new Fuel Poverty Advisory Panel and Fuel Poverty Partnership Forum monitor progress towards meeting the proposed sub-targets and interim milestones?
14. What do you think the Advisory Panel's priorities should be in its first year?
 - a. Comments:
15. What examples do you have of using proxies to identify fuel poor households?
 - a. Which proxies did you use?

- b. Based on your experience, how well did these proxies work in accurately identifying fuel poor households?
16. What are the key lessons to be learnt from any existing approaches that apply proxies in door-to-door, on-the-ground assessments in this context?
 17. Do you have any concerns about the use of a doorstep tool, in particular the challenges around delivery of area based schemes?
 18. How can the Scottish Government most effectively work with Community Planning Partnerships in a collaborative manner to report on overall fuel poverty levels as part of the SHCS?

Outcomes and Principles

19. What are your views on, or experience of how an outcomes-focused approach would work in practice?
 - a. Would it encourage national and local policy and delivery partners to work together effectively, and if not, what alternative approach(es) do you propose could be used instead?
20. Do you think the principles detailed in the 3 bullet points above are adequately reflected in the outcomes framework?
21. In your opinion, would the proposed framework help to strengthen partnerships on-the-ground? (Yes/No)
 - a. If so, how?
 - b. If not, why?

Assessing Impact

22. Do you think any of the proposals set out in this consultation will have an impact, positive or negative, on equalities as set out above? (Positive Impact/Negative Impact/No Impact)
 - a. If so, what impact do you think that will be and, if negative, how do you think these could be mitigated?
23. What implications (including potential costs) will there be for business and public sector delivery organisations from these proposals?
24. Do you think any of these proposals will have an impact, positive or negative, on children's rights? (Positive Impact/Negative Impact/No Impact)
 - a. If so, what impact do you think that will be and, if negative, how do you think these could be mitigated?