



LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

AGENDA

32nd Meeting, 2018 (Session 5)

Wednesday 21 November 2018

The Committee will meet at 10.00 am in the James Clerk Maxwell Room (CR4).

1. **Declaration of interests:** Alex Rowley will be invited to declare any relevant interests.
2. **Choice of Deputy Convener:** The Committee will choose a Deputy Convener.
3. **Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill:** The Committee will take evidence on the Bill at Stage 1 from—
 - Elizabeth Leighton, Director, Existing Homes Alliance Scotland;
 - Craig Salter, Policy Officer, Citizens Advice Scotland;
 - Linda Corbett, Energy Adviser, East Ayrshire Citizens Advice Bureau;
 - Norman Kerr, Director, Energy Action Scotland;
 - Dion Alexander, Chairman, Highlands and Islands Housing Associations Affordable Warmth Group.
4. **Public petitions: PE1686:** The Committee will consider the following petition—
 - PE1686 by Sean Clerkin on Homelessness crisis in Scotland.
5. **Subordinate legislation:** The Committee will consider the following negative instrument—
 - The Glasgow City Council Area and North Lanarkshire Council Area (Cardowan by Steps) Boundaries Amendment Order 2018 (SSI 2018/308).
6. **Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (in private):** The Committee will consider the evidence heard earlier in the meeting.

LGC/S5/18/32/A

Peter McGrath
Clerk to the Local Government and Communities Committee
Room T3.40
The Scottish Parliament
Edinburgh
Tel: 0131 348 5232
Email: peter.mcgrath@parliament.scot

The papers for this meeting are as follows—

Agenda item 3

Note by the Clerk

LGC/S5/18/32/1

PRIVATE PAPER

LGC/S5/18/32/2
(P)

Agenda item 4

Note by the Clerk

LGC/S5/18/32/3

Agenda item 5

Note by the Clerk

LGC/S5/18/32/4

Agenda item 6

PRIVATE PAPER

LGC/S5/18/32/5
(P)

Local Government and Communities Committee

32nd Meeting 2018 (Session 5), Wednesday 14 November 2018

Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill: Note by the Clerk

Introduction

1. This paper provides background information on Committee's Stage 1 scrutiny of the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill.
2. At Stage 1 of a Bill, the lead Committee takes evidence and gathers views on the general principles of the Bill, before reporting to Parliament with a view on whether the general principles should be approved, and the Bill proceed to Stage 2. The Committee expects to report on the Bill early in the New Year.

About the Bill

3. This Scottish Government Bill was introduced on 26 June 2018. The Local Government and Communities Committee was then appointed lead Committee to scrutinise the Bill at Stage 1 on 5 September.
4. The Bill and its accompanying documents can be found [online](#). A briefing on the Bill has been published by the Scottish Parliament's Information Centre and is also available [online](#).
5. The sections of the Bill are summarised below—
 - 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.
 - 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.
 - 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.
 - 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.
 - Sections 10-14 contain various modification and regulation-making powers, as well as the commencement powers and short title.
6. The Bill, requires the Scottish Government to publish a fuel poverty strategy, which will drive progress towards meeting the targets in the Bill, within a year of Section 3 of the Bill coming into force.

7. A [Draft Fuel Poverty Strategy for Scotland 2018](#) was published alongside the Bill on 27 June. The Scottish Government states it will consult on the draft proposals and publish a final Strategy document, including the views of its expert advisory groups, following the passage of the Bill.

Evidence and information gathered so far

8. The Committee launched a [call for written evidence](#) on Monday 17 September 2018 with a deadline of 9 November. The [responses](#) to the Committee's call have been published on the Committee's webpage. A list of all those who provided written evidence is attached at Annexe A. A summary of the written views will be available in due course.
9. The call for views was promoted on the [Committee's Twitter account](#). A Facebook post with a featured animation reached 6,700 people, was viewed 1,900 times, and was commented upon 23 times.

<https://www.facebook.com/scottishparliament/videos/p.341086850032844/341086850032844/?type=2&theater>

Oral evidence taking and further information gathering at Stage 1

10. At its meeting on 21 November the Committee will take evidence from:

Panel 1:

- Existing Homes Alliance
- Energy Action Scotland
- Citizens Advice Scotland
- Highlands & Islands Housing Associations Affordable Warmth Group

11. Submissions from these bodies are in Annexe B.

12. The following organisations have been invited to give oral evidence on the following dates:

Wednesday 28 November 2018:

Panel 2:

- Scottish Borders Council
- North Lanarkshire Council
- Glasgow City Council
- East Ayrshire Health and Social Care Partnership
- Scottish Federation of Housing Associations

Panel 3:

- Energy UK
- Warmworks
- Calor Gas
- Scottish and Southern Electricity Networks

Wednesday 5 December 2018:

- Witnesses TBC

Wednesday 19 December 2018:

- Minister for Local Government, Housing and Planning, Scottish Government.

13. In addition to these formal evidence session, Committee members will undertake fact-finding visits and hold focus groups with people with lived experience of fuel poverty on visits to Dundee and the Isle of Lewis.
14. The Committee will consider and agree a report in January 2019. The deadline for completion of scrutiny of the Bill at Stage 1 is 22 February 2019.

Written Submissions Received on the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill

- [LGC-S5-18-FPB-01: Superglass Insulation Limited](#)
- [LGC-S5-18-FPB-02: Scottish Borders Council](#)
- [LGC-S5-18-FPB-03: Professor Donald Hirsch](#)
- [LGC-S5-18-FPB-04: West Lothian Council](#)
- [LGC-S5-18-FPB-05: Calor Gas Ltd](#)
- [LGC-S5-18-FPB-06: Stirling Council](#)
- [LGC-S5-18-FPB-07: David Stark](#)
- [LGC-S5-18-FPB-08: North Lanarkshire Council](#)
- [LGC-S5-18-FPB-09: East Ayrshire Health and Social Care Partnership](#)
- [LGC-S5-18-FPB-10: Citizens Advice Scotland](#)
- [LGC-S5-18-FPB-11: Scottish Association of Landlords](#)
- [LGC-S5-18-FPB-12: Rural and Islands Housing Association Forum](#)
- [LGC-S5-18-FPB-13: Shetland's Fuel Poverty Action Group](#)
- [LGC-S5-18-FPB-14: Inclusion Scotland](#)
- [LGC-S5-18-FPB-15: Energy Agency](#)
- [LGC-S5-18-FPB-16: Existing Homes Alliance](#)
- [LGC-S5-18-FPB-17: Energy Poverty Research Initiative and Common Weal](#)
- [LGC-S5-18-FPB-18: Shelter Scotland](#)
- [LGC-S5-18-FPB-19: COSLA](#)
- [LGC-S5-18-FPB-20: Highlands and Islands Housing Associations Affordable Warmth Group](#)
(supported by Argyll, Lomond and the Islands Energy Agency)
- [LGC-S5-18-FPB-21: Energy Saving Trust](#)
- [LGC-S5-18-FPB-22: Age Scotland](#)
- [LGC-S5-18-FPB-23: Tighean Innse Gall](#)
- [LGC-S5-18-FPB-24: Warmworks Scotland](#)
- [LGC-S5-18-FPB-25: Changeworks](#)
- [LGC-S5-18-FPB-26: Scottish Communities Climate Action Network](#)
- [LGC-S5-18-FPB-27: Coalition of Racial Equality and Rights](#)
- [LGC-S5-18-FPB-28: Shetland Islands Council](#)
- [LGC-S5-18-FPB-29: Health and Social Care Alliance Scotland](#)
- [LGC-S5-18-FPB-30: Chartered Institute of Housing Scotland](#)
- [LGC-S5-18-FPB-31: Rural Housing Scotland](#)
- [LGC-S5-18-FPB-32: Aberdeenshire Council](#)
- [LGC-S5-18-FPB-33: West Dunbartonshire Council](#)
- [LGC-S5-18-FPB-34: Scottish Renewables](#)
- [LGC-S5-18-FPB-35: Child Poverty Action Group in Scotland](#)
- [LGC-S5-18-FPB-36: Ripple Energy Ltd](#)
- [LGC-S5-18-FPB-37: Orkney Housing Association](#)

- [LGC-S5-18-FPB-38: South Lanarkshire Council](#)
- [LGC-S5-18-FPB-39: Wheatley Group](#)
- [LGC-S5-18-FPB-40: Perth and Kinross Council](#)
- [LGC-S5-18-FPB-41: Scottish Federation of Housing Associations](#)
- [LGC-S5-18-FPB-42: Dumfries and Galloway Council](#)
- [LGC-S5-18-FPB-43: Scottish Land and Estates](#)
- [LGC-S5-18-FPB-44: Scottish and Southern Electricity Networks](#)
- [LGC-S5-18-FPB-45: Kirsten Gow, Amy Dunnachie, Deborah Bryce, Sarah Compton Bishop and Andrew McCallum](#)
- [LGC-S5-18-FPB-46: Energy UK](#)
- [LGC-S5-18-FPB-47: The Electric Heating Company](#)
- [LGC-S5-18-FPB-48: Comhairle nan Eilean Siar](#)
- [LGC-S5-18-FPB-49: Homes for Scotland](#)
- [LGC-S5-18-FPB-50: Association of Local Authority Chief Housing Officers](#)
- [LGC-S5-18-FPB-51: Scottish Co-Operative Party](#)
- [LGC-S5-18-FPB-52: Glasgow City Council](#)
- [LGC-S5-18-FPB-53: Mydex](#)
- [LGC-S5-18-FPB-54: SGN](#)
- [LGC-S5-18-FPB-55: ScottishPower](#)
- [LGC-S5-18-FPB-56: THAW Orkney](#)
- [LGC-S5-18-FPB-57: Poverty Alliance](#)
- [LGC-S5-18-FPB-58: Fife Council Housing Services](#)
- [LGC-S5-18-FPB-59: Scottish Fuel Poverty Advisory Panel](#)
- [LGC-S5-18-FPB-60: npower](#)
- [LGC-S5-18-FPB-61: Energy Action Scotland](#)
(supported by Argyll, Lomond and the Islands Energy Agency)
- [LGC-S5-18-FPB-62: E.ON](#)
- [LGC-S5-18-FPB-63: SSE Energy Services](#)
- [LGC-S5-18-FPB-64: StepChange Debt Charity Scotland](#)
- [LGC-S5-18-FPB-65: Argyll and Bute Council](#)

Written Submissions from Organisations Giving Evidence on 21 November 2018

Written Submission from Existing Homes Alliance

Summary

The Existing Homes Alliance welcomes the Fuel Poverty (Target, Definition and Strategy) Bill as part of a long-term strategy to eradicate fuel poverty and improve energy efficiency. There is a focus on all four drivers of fuel poverty (energy efficiency, income, energy price and how energy is used in the home) and we particularly welcome the commitment to remove poor energy performance as a driver of fuel poverty.

While the focus on fuel poverty is welcome, we fear that the **scope is too narrow** and misses a **'once in a generation' opportunity to tackle energy efficiency as well and end the scandal of Scotland's cold, damp homes**. This Bill should support the achievement of warm, affordable to heat and low carbon homes for everyone in Scotland, so no one is at risk of being in fuel poverty.

The Alliance wants the Bill to do the following:

- Broaden its scope to include measures to promote energy efficiency
- Set a target to eradicate fuel poverty by 2032 and a means of ensuring accountability if the target is not on track to be met
- Include an uplift for remote rural households in the fuel poverty definition
- Strengthen scrutiny requirements
- Align finance budgets with fuel poverty targets.

Our evidence covers the following topics:

1. About the Existing Homes Alliance Scotland
2. Consequences of Fuel Poverty
3. Broadening the scope of the Bill
4. Fuel poverty eradication target
5. Remote rural households and the definition
6. Fuel Poverty Strategy – Reporting, Scrutiny, Resources

About the Existing Homes Alliance Scotland

The [Existing Homes Alliance](#) (ExHA) is a broad coalition of housing, environmental, anti-poverty, energy advice and industry organisations arguing for urgent action to

transform Scotland's existing housing stock to make it fit for the 21st century. We welcome the opportunity to submit written evidence to the Local Government and Communities Committee on the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill. We have also submitted evidence to the Finance and Constitution Committee on the Bill's Financial Memorandum.

Consequences of Fuel Poverty

Under the proposed definition, 24% of households are living in fuel poverty – or nearly 600,000 households – about the population of Glasgow. People living in fuel poverty are at greater risk of health problems – respiratory and cardiovascular illnesses, poor infant weight gain, more frequent and severe asthmatic symptoms, and increased depression and anxiety. People who live in the coldest homes are three times more likely to die from cold related illnesses.¹ With last year's winter deaths at an 18-year high this risk is of urgent concern².

Improving the health of Scotland's people isn't just about health services. It's also about addressing the underlying causes of poor health and wellbeing and inequalities. Vulnerable people living with multiple factors of disadvantage are those likely to be hit hardest by fuel poverty and to be living in unhealthy, expensive to heat homes.

The benefits of eradicating fuel poverty are many – in addition to improved health and well-being, there are savings on energy bills, savings to the NHS of between £48-80m a year³, creation of local jobs, reduced carbon emissions, improved energy security, and reduced energy supply infrastructure costs.⁴

Broadening the scope of the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill

The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill stems from a SNP manifesto commitment to a Warm Homes Bill to tackle fuel poverty and energy efficiency. This Fuel Poverty Bill is therefore only 'half' of the Warm Homes Bill commitment and **fails to make the most of this legislative opportunity to deliver warm homes for all of Scotland.**

¹ <http://www.instituteofhealthequity.org/projects/the-health-impacts-of-cold-homes-and-fuel-poverty>; <http://www.euro.who.int/en/health-topics/environment-and-health/urban-health/publications/2011/environmental-burden-of-disease-associated-with-inadequate-housing.-summary-report>

² <https://www.nrscotland.gov.uk/files/statistics/winter-mortality/2018/winter-mortality-17-18-pub.pdf>

³ Economic impact of improving the energy efficiency of fuel poor households in Scotland, 2014, Consumer Futures Scotland.

⁴ Building the Future: the economic and fiscal impacts of making homes more energy efficient, 2014, Energy Bill Revolution.

It is important to note that the Scottish Government has stated in the Draft Fuel Poverty Strategy that it will develop "...if appropriate, a wider **Energy Efficient Scotland Bill** for later in this Parliament, and this would be the vehicle for any further legislative changes needed to support Energy Efficient Scotland, beyond the fuel poverty provisions contained in the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill".⁵ This could form the other 'half' of the Warm Homes Bill, and together with the Fuel Poverty Bill they would form a strong legislative framework for the new Fuel Poverty Strategy and Energy Efficient Scotland.

Failing a firm ministerial commitment to introduce an Energy Efficient Scotland Bill in this Parliament, we believe the Fuel Poverty Bill should include additional measures on energy efficiency to ensure the commitment to removing poor energy efficiency as a driver of fuel poverty – and indeed the overall fuel poverty target - can be realised. We recommend measures to give Energy Efficient Scotland, the foundation programme of the National Infrastructure Priority on the energy efficiency of buildings, a statutory basis with targets, an independent oversight body, a duty for local authorities to produce and implement Local Heat and Energy Efficiency Strategies and supporting policies to remove any barriers to energy upgrades.

Fuel Poverty Eradication Target

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.

We agree that there should be a statutory target which is challenging but achievable. Such a target provides a strong focus for all organisations addressing fuel poverty. A target also provides a clear end point to measure progress against and embedding it in statute provides an important impetus.

The proposed target to reduce fuel poverty levels from 24%⁶ today to 5% by 2040 should be much more ambitious. This averages out at a reduction of only 1% a year – with a deadline that is a generation from now. **We propose the following target: *no one should be living in fuel poverty, as far as reasonably practicable, by 2032.***

In addition, we believe there should be some form of consequence, or a means of ensuring accountability, if the target is not met. For example, if sufficient progress has not been made within five years of the target date, there should be a requirement to produce a fully resourced plan with detailed policies and programmes which will ensure the target will be met on time.

⁵ Draft Fuel Poverty Strategy

⁶ Scottish Government best available estimate of the rate of fuel poverty in 2016 is 23.8% using the new definition, Fuel Poverty Strategy for Scotland 2018.

We believe the interim targets in the draft fuel poverty strategy should also be enshrined in legislation. This will ensure accountability for progress against all four drivers of fuel poverty: income, energy price, energy performance of the home and how energy use is managed. While some of these matters are not fully devolved, the Scottish Government is able to influence all of these drivers with existing and newly devolved powers.

Remote rural households and the proposed definition of fuel poverty

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?

We **broadly support the new definition of fuel poverty** and welcome the use of the Minimum Income Standard which is based on what members of the public think people need to achieve a decent living standard covering essential requirements and allowing them to participate in society. In the context of fuel poverty this means every household should be able to afford to use adequate levels of fuel to sustain a warm and dry home and a healthy dignified life. This is consistent with the ‘rights-based’ approach to affordable energy recommended by the Scottish Fuel Poverty Strategic Working Group.

However, we believe **minimum income thresholds should be adjusted upwards for households living in remote and rural areas** due to the higher costs of living and the real costs of energy. This is in line in line with the Expert Working Group’s recommendation for the definition, and the Rural Fuel Poverty Task Force recommendations.

We note that the evidence submitted to the committee from Professor Hirsch, who leads the team responsible for the annual calculation and reporting of the Minimum Income Standard, states that their research “found that when it comes to additional costs related to rurality, remote rural Scotland stands out as an area with far more wide-ranging cost differences compared to the rest of the UK than between, say, urban and non-remote rural areas.”⁷ He also states: “were this matter of a remote rural variation to be reconsidered in the course of the Bill, I can confirm that ongoing measurement of such a variation would be feasible with a modest amount of ongoing research to keep it up to date.”⁸

We believe a Scottish MIS should be developed by the Scottish Government within five years, including a remote rural category that recognises higher living costs in these

⁷ http://www.parliament.scot/S5_Local_Gov/Inquiries/LGC_S5_18_FPB_03_DHirsch.pdf

⁸ Ibid.

areas. In the interim, a provision to recognise remote rural costs of living in Scotland should be made while using the UK MIS.

Fuel Poverty Strategy

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.

We agree with the provisions in the Bill requiring the Scottish Government to publish a fuel poverty strategy. Enshrining the requirement to publish a fuel poverty strategy in legislation sends a clear and important signal - that the Scottish Government recognises the importance of tackling fuel poverty and their absolute intention to eradicate it.

The Scottish Government has already recognised it is essential that the strategy is designed as a long-term strategy covering the period from 2020 to 2040. It will also be important that the strategy is reviewed regularly. While the Bill requires the Scottish Government to report to Parliament on progress every five years, we believe there **should also be a requirement to review and update the strategy every five years**, based on regular reporting of all fuel poverty schemes.

Consultation:

We agree with the consultation requirements set out in relation to the strategy – specifically that in the preparation of the strategy the Scottish Government must consult ‘*such persons as they consider appropriate*’ including ‘*individuals who are living, or have lived, in fuel poverty*’. Given the significant detriment that those living in fuel poverty face together with the scale of the issue in Scotland it is important to get the strategy ‘right’ – this is much more likely to happen with **input from all of those with and interest in fuel poverty and importantly with input from those who are living, or have lived, in fuel poverty.**

We co-hosted a roundtable event with the Health and Social Care ALLIANCE to gain input from organisations that work directly with people who have lived experience of living in fuel poverty. This roundtable highlighted the following points:

- Rather than consultation, the emphasis should be more about co-design or co-production. Lessons could be learned from the Experience Panels approach

being used with the development of Scotland's new social security system.⁹ Another possible tool is the Poverty Alliance 'Get Heard Scotland' toolkit.¹⁰ These mechanisms require sufficient resourcing for delivery and participants.

- Participation needs to include feedback loops on what has happened as a result; adequate resources to support participation; and engagement needs to be easily accessible.
- Organisations who represent those with 'lived experience' on the Fuel Poverty Advisory Panel and the Fuel Poverty Partnership Forum need to be adequately resourced to play this role.
- We recommend that people who self-identify as having lived in fuel poverty be a member of the Panel and the Partnership Forum, and that their participation is supported and resourced.
- People with lived experience of fuel poverty should also be involved in the reporting on progress with the strategy and meeting of targets.
- Efforts should be made to gather qualitative feedback from those in fuel poverty through ongoing surveys such as the Scottish House Condition Survey.
- Participation should be based on a human rights approach.
- Make use of existing relationships between organisations and those at risk or living in fuel poverty, and groups whose voice is often not heard.

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?

Measures

The measures set out in the draft Fuel Poverty Strategy for Scotland 2018 will undoubtedly make a significant contribution to meeting the Scottish Government's new target. However, and as noted in our response to the Scottish Government's consultation on their draft 'Fuel Poverty Strategy for Scotland 2018', the draft strategy **lacks 'new policies, programmes and resources that will provide the step change required to meet fuel poverty targets'**.

For example:

- Programmes to achieve the accelerated EES target for all fuel poor households to be at EPC band C by 2030 and EPC band B by 2040.
- Clarity on support to tenants in the private rented sector (which will be regulated in terms of energy performance standards from 2020) and in agricultural

⁹The Social Security (Scotland) Bill 2018 notes that "the Scottish social security system is to be designed with the people of Scotland on the basis of evidence" (Section 1(f) at <http://www.legislation.gov.uk/asp/2018/9/section/1/enacted>).

¹⁰ https://www.povertyalliance.org/article/scottish_govt_poverty_plan.

tenancies (regulations are expected to be laid which would bring these properties under the Repairing Standard by 2027).

- Plans to consult on standards and incentives in the owner-occupied sector are vague. In our view, these standards will be critical to removing energy efficiency as a driver of fuel poverty.
- The use of building standards as a lever to drive improvements in both the new and existing building stock (for example through consequential improvements).
- A review to identify precise legal requirements to make energy upgrades in tenements easier (e.g. requirement for management arrangements to initiate, coordinate and implement retrofit projects).
- Dovetailing housing policies such as Empty Homes with energy performance – so when supporting bringing empty homes back into use, there is also support to make sure the energy performance of the property will not put a resident at risk of falling into fuel poverty.
- Commitment to multi-year funding for delivery – particularly important for area-based schemes and for forming local partnerships.
- Mainstreamed participation of NHS public health bodies in checking for fuel poverty, or risk of fuel poverty as a routine consideration. This could be mandated through the Bill or in the strategy.
- Explicitly acknowledge the contribution of community-led organisations and commit to long-term funding for place-based fuel poverty advice services, to fill gaps and add value to Home Energy Scotland’s work
- The Bill should include a requirement for the strategy to include a delivery plan and a monitoring and evaluation framework, which should be based on outcomes, not activities (or measures).

By and large, we believe that lessons have been learned from previous initiatives. The draft fuel poverty strategy that was published alongside the Bill notes several ways that respondents to the Scottish Government’s consultation suggested that partnership engagement and Home Energy Scotland services could be enhanced or expanded and notes that the Scottish Government will ‘*consider how activity in these areas can be driven forward*’. As awareness develops about the relevance to address fuel poverty increasingly local authorities and the health sector are linking housing and health and social care priorities. For example, some NHS practitioners are now checking whether people have adequately heated homes upon discharge from hospital.

We also note the positive results from research undertaken by the Energy Agency and NHS Ayrshire and Arran, where preliminary analysis of the health impacts of the area-based solid wall insulation schemes suggests lower hospital admission rates for respiratory and cardiovascular related conditions in these areas compared with a control group of postcodes who had not yet participated in the scheme.¹¹

¹¹ https://www.energyagency.org.uk/en/research-evaluation-project_46663/

These types of multi-disciplinary projects should become mainstreamed as part of the fuel poverty strategy going forward.

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

We very much welcome the fact that the Bill includes requirements for the Scottish Government to report to the Scottish Parliament every five years and that this should include (ExHA additions in italics):

- The steps that have been taken towards meeting the 2040 target over the previous five years *with a discussion of lessons learned and how programmes have been improved based on experience*
- The progress made towards the 2040 target *and all interim targets and whether sufficient progress is being made to meet all targets on schedule.*
- The steps that Scottish Ministers propose to take over the next five years in order to meet the 2040 target.

We also believe that these requirements should be enhanced as follows:

- In addition to the five-yearly report, the Scottish Government should also be required to provide **a short annual progress report against overall and interim targets** to ensure timely scrutiny and corrective action. This is similar to requirements under the Climate Change Act and the Child Poverty Act.
- Levels of fuel poverty should be published against the new Scottish fuel poverty definition and also against a common metric to enable the relative levels of fuel poverty across the different administrations of the UK to be compared. This is important because some policy measures to address fuel poverty (notably ECO) are undertaken from UK government on a cross-GB basis and without this information it would not be possible to discuss the scale of the problem across the country.
- Given the emphasis on local partnerships, there would be merit in linking to reporting on Community Planning Partnerships and Single Outcome Agreements (as per Fuel Poverty Strategic Working Group recommendation).

Fuel Poverty Advisory Panel

The Bill should **establish the Fuel Poverty Advisory Panel in statute**, to provide an independent advisory and scrutiny role, with a requirement to report annually to the Parliament as well as to the Minister.

The policy areas related to fuel poverty are wide ranging and cross many governmental portfolios, so there is a significant need for oversight of the Strategy. We agree with the recommendations of the Fuel Poverty Strategic Working Group for an independent, adequately resourced body, to be established in law to build on the

former Fuel Poverty Forum, and with a remit which would include oversight of the Strategy, scrutiny of progress, and provision of advice to Ministers.

Resources

For our full comments on the resource issue, please see our evidence to the Finance and Constitution Committee on the Financial Memorandum. A summary of our comments is provided here for easy reference.

Increased resources – funding and capacity - will be necessary to achieve the fuel poverty targets. However, according to the Financial Memorandum, the Bill “does not, on its own, impose any new or significant additional costs on the Scottish Administration”. Instead, the Financial Memorandum focuses on the administrative costs to publish the strategy.¹² This interpretation means the Bill only commits the Scottish Government to set a target, develop a strategy and track progress.

This is a significantly different approach than the Financial Memorandum for the Climate Change Bill which provides both the administrative costs and an estimate to the economy as a whole of meeting the targets.

The Scottish Government has indicated that the current rate of spend on fuel poverty programmes (circa £110m per year) will be adequate to meet the targets.¹³ However, the government has not produced any modelling to evidence that this will be the case, and therefore we are concerned that this ‘business as usual’ approach will not deliver at sufficient scale to ensure targets are met.

A Consumer Futures report¹⁴ estimated it would cost, on average, £7,800 to per property to *alleviate* fuel poverty. This equates to a total of £4.7bn (or £234m per annum over 20 years) to tackle the 24% of households now in fuel poverty – **at least double the annual budget estimated by the Scottish Government.** At the same time, this report found that the macroeconomic benefits of such an investment were significant in terms of jobs, boosting household incomes through fuel bill savings, increased GVA and reduced carbon emissions. The report concluded that investing in household energy efficiency creates more jobs and growth than other kinds of major Government investment or tax cuts, in addition to delivering environmental and social benefits.”¹⁵

¹² SPiCE briefing on the Fuel Poverty Bill, September 2018, Scottish Parliament

¹³ Ibid.

¹⁴ <https://www.cas.org.uk/system/files/publications/economic-impact-of-energy-efficiency-investment-in-scotland.pdf>

¹⁵ Ibid.

The Financial Memorandum **should include an estimate of the economic costs of meeting the targets, and this estimate should also include a macroeconomic analysis to understand the full societal and environmental benefits.**

The Bill should include a requirement for the Scottish Budget to be aligned with meeting the fuel poverty targets, and the fuel poverty strategy should be fully resourced based on research into what funding and other investment is required to achieve the targets. The strategy should also make clear how that funding will be allocated.

Conclusion:

We believe the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill could offer a significant opportunity to make this the last generation of people in Scotland to suffer the terrible consequences of living in cold, damp homes. To do so, the following changes are required:

- **the scope must be broadened to address both fuel poverty and energy efficiency**
- **the targets must be more ambitious**
- **the scrutiny provisions must be strengthened**
- **the delivery of the Fuel Poverty Strategy must be fully resourced.**

We would welcome the opportunity to discuss our evidence with Committee members and clerks and provide additional information or comment to them on request. We would also be happy to present oral evidence to the Committee if invited.

Written Submission from Citizens Advice Scotland

About Citizens Advice Scotland

Citizens Advice Scotland uses research and evidence to put consumers at the heart of policy and regulation in the energy, post and water sectors in Scotland. We work with government, regulators and business to put consumers first, designing policy and practice around their needs and aspirations.

Summary

Citizens Advice Scotland (CAS) welcomes the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and supports the Scottish Government's efforts to eradicate fuel poverty. We are pleased to see that it has remained a prominent area of policy over recent years, and legislation for a new target, definition and strategy is a highly positive development. CAS was a member of the Scottish Fuel Poverty Strategic Working Group which initially recommended a change to the definition, and we will continue to feed into the Scottish Fuel Poverty Advisory Panel to advise Ministers and provide feedback on progress.

Alongside this, we recognise the significant challenge that the ambition to eradicate fuel poverty poses. The rising cost of energy coupled with a lack of wage growth throughout the UK means that far too many households struggle to heat their homes to required levels. While there have been welcome reductions in fuel poverty in recent years, these have been limited, and it remains a fundamental problem. The cost of energy has accounted for the majority of fluctuations in fuel poverty levels in recent years¹⁶. However, there is still scope for the Scottish Government to influence and address all four drivers of fuel poverty through innovative approaches if that ambition to do so is there.

In spite of the challenges, the fact that over a quarter of Scottish households are living in fuel poverty is unacceptable, and efforts need to be stepped up to eradicate fuel poverty and deliver against the Scottish Government's strategic objectives of making Scotland wealthier and fairer, and of improving health.

Our Research

It is fundamentally important that the new definition, target and strategy are designed around, and informed by, the experiences of households living in fuel poverty. In recent years, CAS has carried out a range of research into fuel poverty, its impact on individuals and households, and how it can be effectively tackled. This research has included:

¹⁶ Scottish House Condition Survey, 2016

- [**Speaking Up: Understanding Fuel Poverty Support Needs**](#). This project spoke to people who are in fuel poverty to better understand their support needs in relation to fuel poverty, and the different forms of support that would benefit them. The research helped to give insight into the lived experience of fuel poverty and the problems that are faced by households such as being unable to sufficiently heat their homes, being unable to afford energy bills, or having to cut back on essentials like food and clothing. The profile that emerged from the research of households with a need for fuel poverty support corresponds – to an extent – with the changes that we would expect to see from the proposed new definition of fuel poverty.
- [**Taking the Temperature: A review of energy efficiency and fuel poverty schemes in Scotland**](#). This project carried out a systematic review of existing energy efficiency and fuel poverty schemes, assessing their reach and impact. It found that while energy efficiency programmes have had a positive impact on fuel poverty, they will not be sufficient to eradicate it alone. This supports a new strategy which addresses all of the drivers of fuel poverty in a coordinated manner.
- [**Hard-Wired Problems: Delivering effective support to households with electric heating**](#). This project spoke to people who rely on electric heating – a group that has a high likelihood of being in fuel poverty – and again sought to understand the lived experience of fuel poverty. It examined the situation and experiences of these households, and the support that is available to them. It found that this group is highly disengaged and likely to be in fuel poverty, and that additional targeted fuel poverty support is required.

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.

We support the introduction of a new target to reduce fuel poverty. Crucially, there needs to be an ambition to eradicate fuel poverty altogether and this must remain the goal of the Scottish Government. However, we accept that there is a transient element to fuel poverty, and that some of the major policy levers which influence its drivers are reserved to the UK parliament, limiting what may be done at a Scottish level. We therefore understand the Scottish Government's logic of a statutory target of below 5%.

However, the target of achieving this by 2040 is not sufficiently ambitious. This would result in a generation of Scots still living with fuel poverty, and would mean only around a 1% reduction in the level of fuel poverty each year based on the proposed new definition¹⁷. Some previous annual reductions in fuel poverty have been significantly

¹⁷ In its draft fuel poverty strategy, the Scottish Government estimates that the 2016 figure for fuel poverty would be 23.8% using the new definition.

higher, with fuel poverty falling from 34.9% in 2014 to 30.7% in 2015, then again to 26.5% in 2016. The Scottish Government has estimated that around one third of the 2015-2016 reduction was down to improvements in energy efficiency alone¹⁸.

A more ambitious target is therefore possible, and so the target should be brought forward to 2032.

The targets for energy efficiency improvements proposed in the Energy Efficient Scotland consultation are to maximise the number of social rented homes attaining EPC B by 2032, and for all fuel poor households to attain EPC C by 2030¹⁹. It is our view that the target to eradicate fuel poverty should also be brought in line with these targets.

Improving energy efficiency is a key element of eradicating fuel poverty. However, our research into existing energy efficiency and fuel poverty schemes has made clear that improving energy efficiency will not be sufficient to eradicate fuel poverty on its own²⁰. However, in recent years efforts to eradicate fuel poverty have focussed predominantly on energy efficiency²¹. Our research has also made clear that more support is required to address the other recognised drivers of fuel poverty: energy prices, household income and how energy is used. The drivers are interlinked and it is important that they are addressed in a coordinated manner. It will also be important that they are treated with equal urgency and efforts to address each driver are initiated as early as possible. Therefore, while a target of 2032 reflects a more appropriate level of ambition, it should also be introduced to help to ensure that there is a timely focus on all of the drivers of fuel poverty. This would help to ensure that there is not an undue focus on energy efficiency up to 2032.

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

We broadly support the proposals for a revised definition of fuel poverty set out in the bill. However, the UK Minimum Income Standard (MIS) is not appropriate for remote rural areas of Scotland due to significantly higher living costs. Therefore it is essential, as was recommended by the academic review panel, that an enhanced MIS applies to these areas to reflect those higher costs.

¹⁸ Scottish House Condition Survey, 2016.

¹⁹ https://consult.gov.scot/better-homes-division/energy-efficient-scotland/user_uploads/188061_sct0118873760-1_energy-p8.pdf

²⁰ CAS, *Taking the Temperature: A review of energy efficiency and fuel poverty schemes in Scotland*, 2016

²¹ Scottish Fuel Poverty Strategic Working Group, 2016.

For the most part, the proposed new definition has the potential to better identify those in the greatest need of fuel poverty support. The previous definition did not necessarily lend itself to identifying those in the greatest need of support, and lacked a strong relationship to income poverty which may have contributed to a predominant emphasis on energy efficiency improvements as a means to address the issue²².

We have spoken extensively to people who are in fuel poverty to better understand the lived experience of it, and they have told us that there is a clear need for targeted support beyond energy efficiency measures²³. Energy efficiency measures designed to increase the energy efficiency of a home, whilst essential, can be only part of the solution to tackling fuel poverty. Of the households we spoke with, those on the lowest incomes feel they require immediate support to increase their incomes, such as discounts from energy bills or increases in benefits, over home energy efficiency improvements. If an objective of the Bill and strategy is to give people living in fuel poverty to receive the support that they need, it is essential that this new definition is supported by new and innovative solutions to tackling fuel poverty, particularly to target those consumers struggling with high energy costs and low incomes who require support beyond energy efficiency improvements.

Some of our research findings supported the need for a definition change to ensure fuel poverty support is better targeted at those in the greatest need. There was some evidence that certain individuals who were classed as fuel poor by the current definition may not necessarily require support. The research also identified groups who were classified as 'fuel poor', but reported to be managing financially and had no heating problems. Elements of this group may not be in need of fuel poverty support and may in fact correlate with the group identified by the Scottish Government as 'fuel poor, but not income poor'. The research indicated that if these individuals do not require support, the proposed changes to the definition will take this into account.

The use of income After Housing Costs is also positive as it should help to reflect some living costs more accurately.

The use of a minimum income standard (MIS) is, in principle welcome as the use of an MIS should help to reflect incomes and identify those whose energy bills have a particularly detrimental effect on their income. However, the UK Minimum Income Standard (MIS) is not appropriate for remote rural areas of Scotland due to significantly higher living costs. Highlands and Islands Enterprise (HIE) has calculated that in order to meet the UK Minimum Income Standard, those living in remote rural areas require between 10% and 40% higher incomes than those living elsewhere in Scotland²⁴. This is due to the general higher cost of living in these areas, including the cost of goods,

²² Report of the Scottish Fuel Poverty Strategic Working Group, 2016

²³ CAS, *Speaking Up: Understanding Fuel Poverty Support Needs*, 2018

²⁴ <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland---a-policy-update.html>

services and transport. It is not only due to higher fuel costs which, as the Scottish Government has pointed out, would be accounted for under the proposed new definition as it stands.

Our research has also found that the ability to afford energy bills is a particular concern for people living in rural areas of Scotland. While it has shown that people living in rural areas self-report as requiring fuel poverty support, the Scottish Government's impact assessment indicates that this group will be less likely to be defined as fuel poor under the new definition²⁵. This contrasts with the fact that many other groups who self-reported as requiring support, such as those in private rented accommodation and families, will be more likely to be defined as fuel poor under the new definition²⁶.

The Scottish Government has stated that introducing a separate MIS for these areas would have implications for other policies. However, given that fuel poverty is a distinct problem in rural areas, and a wide range of factors influence it including incomes, energy efficiency, climate, energy prices and wider living costs, it can be considered a unique poverty issue and this need not impact on other policies. The factors influencing fuel poverty need to be considered together in order for the definition to accurately reflect the lived experience of fuel poverty.

The Scottish Government has suggested that it would be costly and time consuming to introduce a remote rural MIS, delaying the implementation of the Bill. However this need not be the case, HIE have already done work to calculate the required income levels in these areas, and so that standard already exists. Equally, if there was any delay in applying a rural MIS, or a Scottish MIS that incorporates it, it would be possible to initially use the UK MIS then retroactively revise fuel poverty rates once the remote rural MIS could be applied. This approach is already undertaken for the Scottish House Condition Survey, where figures are revised as methodologies are improved.

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?

The requirement to develop a new fuel poverty strategy is highly welcome. This presents an opportunity to build upon progress made in improving the energy efficiency of Scotland's housing stock, while developing a more strategic approach to tackling the other drivers of fuel poverty – household income, energy prices and how energy is used.

²⁵ CAS, *Speaking Up: Understanding Fuel Poverty Support Needs*, 2018

²⁶ <https://www.gov.scot/binaries/content/documents/govscot/publications/publication/2018/06/fuel-poverty-target-definition-strategy-scotland-bill-fuel-poverty-strategy-9781787810426/documents/00537407-pdf/00537407-pdf/govscot%3Adocument>

We welcome the requirement to consult with individuals who are living, or have lived, in fuel poverty. It will be important that the lived experience of fuel poverty is genuinely represented in order to understand the support needs of those in fuel poverty. We recommend that the Scottish Government engage with Citizens Advice Network in their efforts to reach the fuel poor.

The requirement set out on the face of the bill does not specify how this should happen. It is, however, important to ensure that the output of this consultation is representative of the population as a whole, taking into account the experiences of different demographics and those living in different geographic areas. In particular, it will be important to ensure that this consultation engages with those from different classifications of urban and rural areas, and ensures there is a perspective from remote rural and island communities.

Our research into the support needs of those in fuel poverty²⁷ used qualitative interviews to understand the forms of support that people required, as well as the problems they faced in terms of affording energy bills and heating their homes. An extensive programme of research similar to this could form part of this consultation. The Scottish Household Survey and Scottish House Condition Survey, which are carried out annually, already include qualitative elements relating to the affordability of heating and classification of fuel poverty, and this could potentially be expanded to include this research.

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 measures set out in the draft fuel poverty strategy will have a significant effect on meeting the target. The proposals set out are largely positive, but in order for this to be done in a meaningful way, there are a number of areas where we believe changes will need to be made.

It is fundamentally important that the strategy is designed around the needs of fuel poor consumers, and that it is fully informed by their experiences.

The section on heating regimes sets out the criteria for requiring an enhanced heating regime, and includes households where at least one member is aged 75 or over.

We agree that those over the age of 60 should not be assumed to be vulnerable. However, we must be extremely cautious in this area. For those between the ages of

²⁷ CAS, *Speaking Up: Understanding Fuel Poverty Support Needs*, 2018

60 and 75, there is an increased likelihood of developing health problems, with Scottish Government statistics from 2009 indicating that two-thirds of individuals over 65 will have a long-term health condition²⁸. While health and disability criteria will be in place to identify vulnerability among those between 60 and 75, the fact that there is no longer an automatic assumption for vulnerability carries risks. The assessment of other criteria will need to be robust and assessed in a manner that is not reliant on individuals coming forward to register. It is important that these conditions are identified when they arise, and taken into account when determining vulnerability.

We therefore agree with the proposal by the review panel that further work should be undertaken to develop a specific list of health and disability categories, as well as age bands, which would satisfactorily encompass the term 'vulnerable to the adverse health and wellbeing impacts of living in fuel poverty'. This work should also ensure that these characteristics can be adequately captured, and take into account individuals' changing circumstances. It will be important that there is a comprehensive understanding of the factors that may lead to this vulnerability if there are to be changes to these criteria, in order to ensure that individuals do not inadvertently lose any support that is needed due to a change in vulnerability categorisation.

While this work is ongoing, it is our view that the age at which it is assumed that an enhanced heating regime is required should be in line with the state pension age.

More detail will also be required on how the strategy achieves a number of its objectives. It states that it will seek to address 'all four drivers of fuel poverty', which is highly welcome, and the draft strategy does set out broad ambitions as to how these may be addressed. However, there will need to be greater detail and more specific actions setting out how drivers other than energy efficiency will be tackled. This may include:

- How energy prices can be brought down. This may be challenging and will require significant innovation, but there are opportunities with the Scottish Government's proposed publicly owned energy company. Our research has also suggested that greater support for tariff switching services may play a positive role here²⁹.
- What levers can be used to increase incomes through targeted support. Our research suggests that this will be crucial in alleviating fuel poverty, and there are a range of options available from increasing access to discount schemes like the Warm Home Discount, to developing new social security benefits that are effectively targeted at those in fuel poverty³⁰.

²⁸ <http://www.gov.scot/Publications/2009/12/03112054/4>

²⁹ CAS, *Hard-Wired Problems: Delivering effective support to households with electric heating*, 2018

³⁰ CAS, *Speaking Up: Understanding Fuel Poverty Support Needs*, 2018

- Strategies for behaviour change to ensure that energy is used more efficiently. Our research has suggested that there is a clear need for this, and greater support for both national and local level organisations that already deliver this support could have a highly positive impact, as set out in our research on fuel poverty³¹, and on delivering support to those using electric heating³².

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

Our research has indicated that in order to eradicate fuel poverty, all four of its recognised drivers have to be addressed. These drivers are energy prices, household income, home energy efficiency, and how energy is used.

Many households living in relatively energy efficient buildings still live in fuel poverty, due to a combination of low incomes, high energy prices, and inefficient use of energy. Our 2016 report *'Taking the Temperature'* indicates that energy efficiency improvements alone will not be enough to eradicate fuel poverty. More recently, our report *'Speaking Up: Understanding Fuel Poverty Support Needs'* found that households living in fuel poverty consider immediate financial assistance, either through increased income or discounts from energy bills, to be the support that would be most beneficial to them.

This indicates that, in order to provide people with the support that they say they need and effectively eradicate fuel poverty, there will need to be concerted efforts to address all four of its drivers. In order to do so, it will be necessary to understand the impact of each driver and what specific support can be delivered to address each of these. This will help to inform where support needs to be targeted and what forms of support are needed. For example, a major increase in energy prices can be mitigated to an extent by improved energy efficiency, but is likely to require direct financial support to be counteracted.

It is our view that, in order to ensure that there are efforts to address all of these drivers in a coordinated manner, Ministers should be required to report on the progress made, or measures taken, to address each one separately. We recognise that certain drivers, especially energy prices, are largely outwith the control of the Scottish Government. However actions can and have been taken by the Scottish Government to mitigate the impacts of each driver³³, and it would still be beneficial to analyse and report on what progress has been made, or what impact this driver is having, to understand how Government policy can best address it.

³¹ Ibid

³² CAS, *Hard-Wired Problems: Delivering effective support to households with electric heating*, 2018

³³ Examples include the commitment to establish a publicly-owned energy company, the potential to redesign the Warm Home Discount, and a range of behaviour change initiatives such as community-led projects delivered through the Climate Challenge Fund.

The committee should give consideration to whether there should be a statutory requirement for an independent oversight body to also carry out this work.

The Bill should establish the Fuel Poverty Advisory Panel in statute, to provide an independent advisory and scrutiny role, with a requirement to report annually to the Parliament as well as to the Minister. Examples from other areas, such as the Committee on Climate Change, have proven to be effective in providing independent scrutiny of the Government, and if established in statute, this could play a similar role.

Written Submission from Energy Action Scotland

Introduction

Energy Action Scotland (EAS) is the Scottish charity dedicated to ending fuel poverty. EAS has been working with this remit since its inception in 1983 and has campaigned on the issue of ending fuel poverty and delivered many practical as well as research projects to tackle the problems of cold, damp homes. EAS works with both the Scottish and the UK Governments on energy efficiency programme design and implementation.

EAS welcomes the opportunity to respond to this Call for Evidence. Given its remit, EAS's response focuses primarily on those areas that it considers may impact most on fuel poor and vulnerable consumers. We have responded in detail to a number of questions and have also included additional general points that we hope the Local Government and Communities Committee will take into account and/or give due consideration during their scrutiny of the Fuel Poverty Bill.

Fuel poverty impacts directly on health. Its effects are felt across our health and social care services from bed blocking (where people cannot be returned to cold, damp homes or homes with no power), to primary care which sees a 19% increase in attendance at GP from older people with respiratory illness for every degree the temperature drops below 5 degrees centigrade. Fuel poverty leads to cold, damp homes and with 4800 excess winter deaths in 2017/18ⁱ, many of these caused by respiratory diseases, having an achievable fuel poverty strategy will help to mitigate these adverse impacts on health.

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?

- ❖ A 2040 target is too distant, we suggest 2032.
We suggest that the fuel poverty target should be 0%, as far as reasonably practicable, by 2032. 2040 is too distant to be an effective target; this would be equivalent to postponing the work that is needed to eradicate fuel poverty to the next generation. It would be more valuable for the Scottish Government to set a 0% target date for 2032.
- ❖ 5% of all households in 2040 is still a substantial amount; we suggest 0% of all households by 2040, but preferably 2032.
The SPICe briefingⁱⁱ on the Fuel Poverty Bill notes that, in 2040, 5% of all households could be equal to around 140,000 homes. It is unfair to leave that amount of people in fuel poverty. It is possible that these 5% will be the most hard to reach, who have been missed out by previous initiatives. A serious fuel poverty strategy would never aim for a failure. The policy should support the

view that any circumstances where up to 5% of homes are still considered to be in fuel poverty by the termination date of the policy, that these homes would be awarded a cash benefit or 'energy addition' of a value that would be required to remove them from fuel poverty.

- ❖ 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. EAS has previously called on the Scottish Government to reset the target and have a routemap with milestones to help chart progress. Non-statutory interim targets are an inefficient way of doing this and in addition, the first one of these is 2030, 12 years in the future. We are concerned that leaving such a gap between the fuel poverty strategy document and the first interim target will result in fuel poverty slipping from the current policy agenda. Any home considered at this point to be impossible to remove from the risk of fuel poverty by the proscribed means would become eligible for the 'energy addition' benefit. This addition would be paid by government and dispensed through the WHD mechanism. There is a precedent for just such a route as the UK Government paid for 2 years of the WHD scheme under the Government Electricity Rebate (GER). So we would have policy test points at 2025 and 2030. Eligibility would be reviewed annually.

The non-statutory interim targets in the draft Fuel Poverty Strategy for Scotland 2018ⁱⁱⁱ are:

- By 2030, the overall fuel poverty rate will be less than 15% that the median fuel poverty gap is no more than £350, and that progress is made towards removing poor energy efficiency as a driver of fuel poverty.
- By 2040, to ensure that the median fuel poverty gap is no more than £250, and to remove poor energy efficiency of the home as a driver for fuel poverty.

The targets are mainly energy efficiency targets, as Energy Efficient Scotland is the primary delivery mechanism. We welcome the Scottish Government's commitment to removing poor energy efficiency as one of the main drivers for fuel poverty, but we would remind them that there are other drivers of fuel poverty, these being high energy costs, low disposable income and how energy is used in the home. The interim targets should not solely be about energy efficiency but also take into account income, energy costs and behaviour.

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

- ❖ The 'acceptable standard of living' mentioned corresponds to 90% of the UK Minimum Income Standard (MIS)^{iv}, 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 (Highlands and Islands Enterprise's A Minimum Income Standard for Remote Rural Scotland - 2016 policy update found that the budgets required by householders to meet the minimum acceptable standard of living in remote rural Scotland were usually a tenth to a third higher than urban parts of the UK) ^v In addition, Professor Donald Hirsch, from Loughborough University submitted evidence to this Call for Evidence saying that applying a remote rural variation would be feasible^{vi}. A Scottish MIS could also take into account those with additional expenses due to disability which are not fully accounted for in DLA/PIP benefit payments, and those suffering with long-term ill-health.

- ❖ In addition, the Islands (Scotland) Act 2018 says there is a duty to consult island communities or carry out an island communities impact assessment where there is a policy or strategy which is likely to have an effect on an island community which is significantly different from its effect on other communities. The issues around differences in energy prices and the cost of delivering measures in island communities could present that significant difference.
- ❖ 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 ECO^{vii} 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? The Scottish House Condition Survey needs to take a greater cognisance of the impact of local not regional climate and also of Scottish and perhaps rural / urban differences in energy pricing. For example, the Scottish Highlands is quite a diverse area, talking about it in fuel poverty terms like it's all the same is not helpful. The difference in annual space heating required between IV2 and IV13 is 42%, that's a lot more heat per year when you are off-gas. Rural Scotland is just more expensive and the BREDEM 2012 methodology does not differentiate between IV2 and IV13 it is all seen as 'Highlands'.
- ❖ 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, or long-term ill health. We therefore suggest a rural/disability/health 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. There needs to be cognisance that reaching the age of 75 is less likely in some areas of Scotland. 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?

- ❖ 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 poverty. Moreover, individuals with lived experience of fuel poverty should be involved with the development of the outcomes framework. The Scottish Government should apply a similar approach as the Social Security Experience Panels, for the Fuel Poverty Strategy. This is the opportunity for the establishment of a national fuel poverty truth commission which can commission research and which has the power to call upon public services to determine the reality of the context for fuel poverty and also to raise awareness of the negative impacts from the perspective of those living with the fuel poverty condition.
- ❖ 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.
- ❖ If we are serious about tackling this we either need a cross party committee or an independent review commission. This would not be just another fuel poverty forum, this group would have complete autonomy to follow the evidence and powers to scrutinise MSPs and Scottish Government policies i.e. it would have FULL disclosure of all data pertaining to the Scottish Government’s attempts so far to tackle fuel poverty.

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. Greater scrutiny of public expenditure on fuel poverty, full disclosure of all funds directed at actions to tackle fuel poverty and also impact assessments i.e. what did the intervention actually do. Only in this way can we truly learn if actions are really making a difference to real people's lives.
- ❖ 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. We also suggest a cross-sectoral fuel poverty update as it is difficult to see progress across government on the other aspects that relate to fuel poverty.
- ❖ 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.
- ❖ It is of concern that the only action to maximise incomes are through increasing the availability of low carbon jobs in local communities and addressing poverty and inequalities through actions set out in the Fairer Scotland Action Plan. However rather than jobs, the focus needs to be on creating careers, not a jumping off point into other types of low paid employment. We appreciate that income and energy costs are reserved matters however these are major drivers of fuel poverty and the Scottish Government should do all it can in this area. We recommend that the Scottish Government steps up its actions regarding income eg continue to work on creating a Scottish ECO, and Warm Home Discount, bring forward the heating-related assistance via Social Security Scotland and making the changes proposed to their eligibility (the Scottish Government could ensure that means –testing of the winter fuel allowance does not happen – the wording is in the Social Security (Scotland) Bill that may lead to possible means-testing at a later date).
- ❖ We welcome the establishment of a social obligated Scottish supply company which will contribute to tackling fuel poverty and supporting economic development.

- ❖ One of the actions from the strategy describes how the flexibility of delivery programmes will be increased by engaging with councils to identify opportunities to make the national schemes work better locally. EAS suggests that the Scottish Government ensures that any local government funding can work with the new ECO3 provisions. This is now a 100% fuel poor programme and the Scottish Government needs to take control of it as they do have the power to create a Scottish version, or work to ensure that bureaucracy in Scotland does not act as a barrier to the smooth delivery of ECO in Scotland.
- ❖ Another of the actions from the strategy says that advice and support will be provided to householders on ways to save energy and improve access to affordable energy, including by switching suppliers. EAS was commissioned by Citizens Advice Scotland to carry out research looking at the advice and support available to electric heating customers in Scotland^{viii}. Some of the findings included that the energy advice and support needs of fuel poor and otherwise vulnerable households are most effectively delivered face-to-face and in-home by 'trusted intermediaries' operating from services with strong local and social recognition. What we want is a common standard of what energy advice should look like, a Code of Practice for energy advice and then this to be backed by central Government structural funding which could then be managed by an agency on behalf of Government. Let us put an end to funding cycles for what should be regarded as a cornerstone of any fuel poverty policy.
- ❖ EAS and some of its member organisations frequently work in partnership to deliver projects for people who do not qualify for the Scottish Government's current fuel poverty programmes. These projects are done necessary work that cannot for whatever reason be delivered by national programmes. One such project is the Aiming Beyond Cancer (ABC) project. Often for those with cancer, energy bills rise as patients remain at home during treatment and recovery (often meaning that their income levels fall too), as well as the physiological effects of cancer requiring that they stay warmer. ABC provided a practical means of ensuring that at a particularly stressful time, energy bills and keeping warm were one less thing for cancer patients and their families to worry about. EAS worked with Tighean Innse Gall (TIG) in the Western Isles and with Shetland Islands Council (SIC) to deliver the ABC project. The purpose of the project was to offer a layered level of support to people with an 'active' cancer diagnosis. It used a dedicated intervention home visit service and offered a range of energy efficiency measures and support advice to identified households.
- ❖ EAS suggests that there is an independent oversight body that would work with the Panel and Advisory groups but be independent from them, and more importantly, the managing agents.

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. This also ties in to the fuel poverty statistical reporting that takes place via the Scottish House Condition Survey.
- ❖ The Scottish Fuel Poverty Advisory Panel and Partnership Forum have an important role to play in monitoring the Fuel Poverty Strategy and providing advice to Ministers.
- ❖ As mentioned above, we suggest there should be a cross-Parliamentary committee on fuel poverty and that this would help the Scottish Government with its reporting requirements.

Written Submission from Highlands and Islands Housing Associations Affordable Warmth Group

This submission to the LG&C Committee considers the Bill, as it is published, and responds to each of its 14 sections in the order they appear and with references made to some (but by no means all) of the available supporting evidence which the Committee may wish to consider. It is preceded by a foreword which sets out HIHAAW's main objection to the Bill, as it currently stands.

We are keen to emphasise at the outset, that HIHAAW members warmly welcome the introduction of a Fuel Poverty Bill and we will do our best to play a full and constructive part in supporting the successful implementation of the resulting Act's requirements.

Foreword

Unfortunately, in its present form, the Bill is not capable of honouring its founding principle of social justice, which the Government has pledged will underpin its new fuel poverty strategy, namely *"fairness for everyone, no matter where they live in Scotland"* or, in the words Scottish Government used in its Fuel Poverty Strategy consultation document, *"The fuel poverty strategy will be firmly based on the principle of social justice and creating a fairer and more equal society, irrespective of whether individuals live in urban or rural Scotland."*

Its fundamental flaw is that the proposed new fuel poverty definition discriminates *against* a large proportion of the long-disadvantaged, both generally poor and fuel poor households who live in off-gas and remote rural areas like the Highlands & Islands - because it deliberately chooses to ignore and set aside as irrelevant the directly applicable Remote Rural Scotland Minimum Income Standard (MIS) evidence.

Why is this issue so important? Because, logically, the definition should form the foundation of Scotland's new and statutory fuel poverty priorities, its findings focusing and underpinning the targeted policies and practical programmes required to eradicate fuel poverty wherever it has become most deeply entrenched – and all the Government and independent evidence hitherto has consistently shown that Scotland's fuel poverty problem is at its most severe in the Highlands & Islands and other remote rural areas (**see figure 2 of the SPICe Briefing on the Fuel Poverty Bill and also the evidence of the Scottish House Condition Survey Local Authority Analysis 2014-16, which shows that in the 5 local authority areas – Argyll & Bute, Highland, Western Isles, Orkney and Shetland – 51% (92,270 households) were living in basic fuel poverty, over a third of whom were living in extreme fuel poverty i.e. spending 20% or more of their income on trying to keep their homes warm).**)

As it stands, however, the effect will be to *define out* of fuel poverty getting on for half (three-sevenths) of rural Scotland's previously recognised fuel poor, based on an assumption that – despite the MIS RR evidence to the contrary – the disposable incomes of people living in rural and remote Scotland are exactly the same as those living elsewhere in Scotland, when, according to the MIS Remote Rural evidence, they are between 10% and 35% less, depending on household type. The worked examples (see Appendix A of the submission made to the LG&C Committee by Shetlands Islands Council and Shetland's Fuel Poverty Action Group) show the nature and extent of the new definition's adverse and unfair impact on remote rural households. **(see p7, Table 1, of Scottish Government's "[Interim Equality Impact Assessment](#) of the Fuel Poverty Strategy & Warm homes Bill" which compares the fuel poverty rates using the existing, 'Boardman', definition and the new definition and which shows unrealistically huge drops in fuel poverty not only in rural Scotland but amongst older households , older properties and owner-occupiers – all categories where affordable warmth problems are found to be at their most acute in rural and especially remote rural areas).**

1. THE BILL'S STATUTORY TARGET should:

1.1 be two-fold: focus not just on those in *basic* fuel poverty but those in *extreme* fuel poverty too i.e. those experiencing at least twice the basic level **(ie in the same way as SG has hitherto been reporting both types of fuel poverty).**

1.2 be much more ambitious in both sense of purpose and timescales i.e.

- a) the *elimination* of extreme fuel poverty by 2025 and
- b) the *reduction* to at least 5% in the levels of basic fuel poverty by 2032.

(i.e. broadly in line with Parliament's previously stated ambition and timescale for its 2002-16 Fuel Poverty Strategy whilst recognising that though some leeway should be given on achieving the basic fuel poverty target, none should be tolerated on eliminating extreme fuel poverty).

1.3 stipulate the statutory requirement for it to be measured and reported to Parliament *annually* on the basis of interim annual reports plus 2 major reviews and reports in 2024 and 2029. These should be *before* and not after the mid and termination points of the strategy **(These should include evidence collected and reported on on the same annual basis as the Scottish House Condition Survey but supplemented with evidence on outcomes – see 1.4 below).**

1.4 and specifying that, henceforth, all these reports must also include statistically reliable, sample measurements and analyses of the actual, post-hoc, *affordable warmth outcomes* of all the new strategy's recorded energy efficiency and fuel poverty remediation inputs.

(Conspicuous by its almost total absence hitherto has been any meaningful evidence gathered and presented by successive Governments of the true outcomes of their fuel poverty policies and programmes in terms of whether they have actually resulted in delivering their presumed affordable warmth outcomes. Whilst we know how much carbon has been saved and how much has been spent on measures we do not know whether they really work and, if not, why not? The rate of progress in eradicating fuel poverty since 2002 suggests that too little attention has been paid hitherto to thinking about real world outcomes.)

1.5 and also specifying analysis by a) each Local Authority area and b) each of the six areas defined by Scottish Government's 6-fold urban/rural classification system which would effectively *rural-proof* the strategy.

(This would not only mirror Scottish Government's annually published Scottish House Condition Survey stats by Local Authority area but would have the additional requirement that all amalgamated figures for 'rural' Scotland should, henceforth, be disaggregated into each of its two distinct categories i.e. both 'accessible rural' and 'remote rural' (categories 5 and 6 in Scottish Government's 6-fold classification system)).

2. THE MEANING OF FUEL POVERTY (as per the new fuel poverty definition)

2.1 whilst beneficial in parts, the new definition is not currently fit purpose and should not be adopted unless and until the following changes are made:

2.2 **first and foremost**, the Minimum Income Standard (MIS) evidence used to help define whether "the household's ... net income is insufficient to maintain an acceptable standard of living" *must* incorporate and reflect *all* the relevant and available MIS evidence (ie not just the MIS UK evidence, as currently proposed but also the equally authoritative MIS Remote Rural Scotland evidence).

References:

- i) MIS Remote Rural Scotland reports, published by HIE in 2013 and 2016;**
- ii) the submission to the LG&C Committee by Prof. Donald Hirsch;**
- iii) recommended action 4 on p31 of the Rural Fuel Poverty Task Force's report;**
- iv) the two worked examples in Appendix A of the Shetland Islands Council submission to the LG&C Committee) and**

v) in line with the *totality* of the recommendations made on the new fuel poverty definition by the independent panel of academics that SG commissioned for the purpose – see p 141 of their report for their recommended ‘remote rural adjustment to MIS;

V1) The recommendation of the Scottish Government appointed expert panel in their review of recent evidence page 138 where they recommend the inclusion within MIS of significant markups for disability/long term illness and for remote rural cost of living factors.

2.3 the proposed definition of “deductible housing costs” (rent, mortgage etc) should be extended to also include essential property repair costs i.e. a reasonable allowance to equate to the annual cost which, discounting any available grant subsidy, would fall exclusively on the occupier of bringing the fabric of their home back up to ‘The Tolerable Standard’, prior to the installation of any required fuel poverty remediation improvements to it.

2.4 the definition of “deductible housing costs” should also include an additional wording to make due allowance for the sometimes much higher than average installation costs that, in remote rural areas with higher material and skilled labour costs, may be unavoidably incurred in delivering some of fuel poverty remediation installs that are required (**see Tighean Inse Gall’s submission to the LG&C Committee**).

2.5 whilst the changes recommended by HIHAAW in 2.2, 2.3 and 2.4 above will, if adopted, do much to improve the fairness and effectiveness of the new fuel poverty definition, further clarity is required on how it will also ensure that no other equally “vulnerable” household is excluded by it on grounds of age cohort categorisation or unspecified disability, health or any other as yet unspecified but relevant circumstances.

3. PREPARATION OF THE FUEL POVERTY STRATEGY

3.1 preparation of the fuel poverty strategy must include a *commitment to ‘islands-proofing’ before* it is laid before Parliament so that Parliament can be confident that the strategy passes all the statutory tests laid upon it by the recent Islands (Scotland) Act 2018 (**see RIHAF and Shetland Islands Council submissions etc to LG&C Committee**).

3.2 similarly, the strategy should be assessed and judged as to whether or not it meets the *requirements of the Fairer Scotland Duty*, which came into force in April 2018.

3.3 the strategy should not only be based on a commitment to use MIS Remote Rural in addition to MIS UK data but *remove the confusion* in the current draft fuel poverty

strategy about the role and use of the BREDEM modelled evidence – which is not designed to measure or answer the fundamental question as to whether, after having paid their necessary domestic energy bills, households living in remote rural Scotland would have sufficient income left to lead a decent, healthy life (as determined by MIS). **(see RIHAF submission to LG&C Committee).**

3.4 as well as specifically addressing statutory requirements for rural-proofing and annual progress reports (see 1.3 and 1.4 above), the strategy should be clear about the specifically targeted actions it plans to take to tackle the most acute fuel poverty problems in a) off-gas areas, b) remote rural areas as defined by category 6 of Scottish Government's urban/rural classification system and c) each local authority area – **(see the Rural Fuel Poverty Task Force and Citizen Advice Scotland's 'Hard-Wired Problem' reports et. al.)**

3.5 *as an essential corollary* to 3.2, the strategy should also be clear about what steps it would subsequently take to deal with any serious and recurring shortfalls in the successful delivery of the strategy in a), b) & c) above.

3.6 in support of 3.3 and 3.4, the strategy should also be clear about how it intends to gather and report information on whether or not it is delivering affordable warmth outcomes and not repeat the current unsatisfactory method of never measuring outcomes but relying instead on energy efficiency measures input stats and then equating these to unverified affordable warmth assumptions which, in the experience of frontline fuel poverty practitioners, frequently don't match the reality. **(see 1.4 above and Energy Action Scotland's submission to LG&C Committee).**

3.7 the strategy should be clear about how it intends to ensure that, wherever they live, *all* vulnerable households in Scotland will receive the personalised, trustworthy, wholly professional and, where necessary, home-delivered service (e.g. the holistic 'EnergyCarer' model advocated by Scottish Government's Rural Fuel Poverty Task Force) required to ensure that each household receives the level of personalised help and support they may need to escape fuel poverty and then be able to live in verifiable affordable warmth thereafter **(see p26 of 'Action Plan to Deliver Affordable Warmth in Rural Scotland', the report of Scottish Government's Rural Fuel Poverty Task Force, published in October 2016).**

3.8 the strategy must, therefore, be clear about who it envisages being responsible for delivering this type of service provision, ensuring that it is delivered to the requisite high standard and, in particular, how it intends to a) support such existing service providers and b) fill geographic gaps or shortfalls in the comprehensive, nationwide provision required.

3.9 as the SPICe briefing on the Bill strongly implies and as Scottish Government's Economy, Jobs and Fair Work Committee have requested, the strategy should – like

the recently introduced Climate Change (Emissions Reduction Targets)(Scotland) Bill – be accompanied by an analysis and estimate of the costs to the Scottish economy of eradicating fuel poverty within the Bill’s agreed Target timeframe so that Scottish Government’s annual fuel poverty budget and the cost of successfully meeting strategic fuel poverty targets within the agreed timescale can be compared (**see p 28 of SPICe Briefing on the Fuel Poverty Bill**).

3.10 the strategy should also be clear and explicit about how it plans to link and dovetail with other closely related strategies e.g. on Climate Change and Health Care etc and that explanation should include provision of the estimated cost benefits to them that should accrue from successful implementation of the new fuel poverty strategy.

3.11) the strategy should be published timeously and as close as possible to the day upon which the Fuel Poverty Act receives Royal Assent.

4. CONSULTATION ON THE STRATEGY

4.1) a full *public* consultation on the strategy is required.

4.2) the consultation of “individuals who are living or have lived in fuel poverty” must include statistically robust samples of people living in remote rural Scotland i.e. category 6 of SG’s Urban/rural classification system.

5. PUBLICATION AND LAYING OF THE STRATEGY

5.1) should be within one year of the Act receiving Royal Assent and not be delayed to “when section 3 comes into force”.

6. PREPARATION OF PERIODIC REPORTS

6.1 see 1.3, 1.4, 3.1 & 3.2.

7. CONSULTATION ON PERIODIC REPORTS

7.1 should specify the inclusion, as consultees, of Scottish Government’s Fuel Poverty Advisory Committee and Fuel Poverty Advisory Forum (or their successors).

8. PUBLICATION AND LAYING OF PERIODIC REPORTS

8.1 see 1.3 & 1.4.

9. REPORT ON THE (ACHIEVEMENT) OF THE TARGET

9.1 see 1.3 & 1.4.

10. POWER TO MODIFY SECTION 2 (The Meaning of Fuel Poverty)

10.1 no modification should be made without prior discussion in and formal approval by Parliament.

11. REGULATION-MAKING POWERS

11.1 the new fuel poverty strategy should consult on and define who “*Scottish Ministers must consult .. as they consider appropriate*”.

12. CONSEQUENTIAL MODIFICATIONS

No comment.

13. COMMENCEMENT

No comment.

14. SHORT TITLE

No comment.

ⁱ National Records of Scotland, Winter Mortality in Scotland 2017/18, 16 October 2018

ⁱⁱ Liddell, G , SPICe briefing - Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill, September 2018

ⁱⁱⁱ Scottish Government, Draft Fuel Poverty Strategy for Scotland, June 2018

^{iv} Joseph Rowntree Foundation, A Minimum Income Standard for the UK 2008-2018: continuity and change, July 2018

^v Highlands and Islands Enterprise, A Minimum Income Standard for Remote Rural Scotland – Policy Update, October 2016

^{vi} [Submission from Professor Donald Hirsch on the Fuel Poverty Bill](#), October 2018

^{vii} Department for Business, Energy and Industrial Strategy, Energy Company Obligation – Flexible Eligibility, April 2017

^{viii} EAS, GCU and Stewart, F. Down to the Wire: Research into support and advice services for households in Scotland reliant on electric heating. January 2018

Local Government and Communities Committee

32nd Meeting, 2018 (Session 5), Wednesday 21 November 2018

PE1686: Homelessness crisis in Scotland

Note by the Clerk

Petition summary Calling on the Scottish Parliament to urge the Scottish Government to front load £40 million of £50 million from the Ending Homelessness Together Fund allocated for the core homeless over the next five years to be used in the next year to build new homes and refurbish existing properties so that the core homeless have safe, secure, and comfortable homes in tandem with support services in an expanded housing first policy.

Petitioner Sean Clerkin

Webpage parliament.scot/GettingInvolved/Petitions/PE01686

Introduction

1. This is the Local Government and Communities Committee's first consideration of Petition PE1686. This paper provides background information and invites the Committee to consider its next steps.

Background

2. This petition was lodged on 7 March 2018. In supporting information, the Petitioner states that between May 2016 and March 2017, 39 homeless people sleeping rough in Glasgow died. The Petitioner also cites a recent Heriot Watt University study that predicts that levels of rough sleeping and homelessness will increase by 2041.
3. The five year £50m Ending Homelessness Together Fund, which the Petitioner refers to, was announced in the [Scottish Government's Programme for Government in September 2017](#), along with the establishment of a Homelessness and Rough Sleepers Action Group (HARSAG). The fund is intended to support HARSAG's recommendations.
4. The Public Petitions Committee agreed to refer the petition to this Committee at its meeting on 13 September 2018.

Local Government and Communities Committee inquiry into homelessness

5. This Committee undertook [a year long inquiry into the causes of, and the long-term solutions to, homelessness](#) in Scotland. During the inquiry, Members heard directly from people who have experienced homelessness, visited charities providing homelessness services throughout Scotland, and went to Finland to learn about its approach to tackling homelessness, particularly its use of the Housing First approach. The Housing First model provides a house and a permanent tenancy unconditionally to those who present as homeless and have

multiple and complex needs. They are also provided with support and care to help keep them successfully in their tenancy.

6. The [Committee reported on 12 February 2018](#) and among several other recommendations recommended that the Scottish Government, in partnership with local government, should implement a Scottish Housing First policy. In its [response to the Committee's report](#) on 17 April, the Scottish Government confirmed that it will implement, among several other measures, a Scottish Housing First policy.
7. There was significant alignment between the recommendations of the Committee on Housing First and [recommendations on ending rough sleeping](#), in HARSAG's interim report of 7 March 2018. It too recommended the implementation of a Housing First model. The HARSAG report also agreed that homelessness is not just a housing issue and that a multi-agency approach is required. It emphasised that the ongoing "wrap-around" of health and social services which some vulnerable people require in order to stay in their tenancies are as important as providing a home.
8. HARSAG published its [fourth report and final set of recommendations](#) on 27 June 2018. On that day, in a [letter](#) to this Committee, and in a [statement to the Parliament](#) the Minister for Local Government and Housing undertook to take forward HARSAG's recommendations. He announced that a Homelessness Prevention and Strategy Group to drive forward the recommendations, as well as those in the Committee's report, would be re-formed, co-chaired by the Minister and a COSLA representative. The letter committed to reporting to Parliament on progress and highlighted—

“a significant allocation of £21m from the £50 million Ending Homelessness Together Fund to support the system in the transition to rapid rehousing and Housing First.

9. The First Minister further reiterated the Scottish Government's Commitment to ending homelessness in her [statement to the Parliament](#) on the Programme for Government 2018-19 on 4 September 2018:

“I can announce today that implementation of the housing first approach will be central to our plans, which will ensure that a homeless individual or household is moved directly into their own settled accommodation rather than going through a variety of different housing options.”

10. In a recent communication with the clerks,¹ Scottish Government officials stated—

“We have allocated £23.5 million from the Ending Homelessness Together Fund and from the health portfolio for rapid rehousing and Housing First so that local authorities and partners can support people at risk of sleeping rough and those living in temporary accommodation into settled accommodation first and

¹ This information was contained in an official-to-official email communication. Scottish Parliament officials have confirmed that they were content for this information to be shared.

then help them with their longer term needs, if they need this. Up to £6.5 million of this allocation is supporting our partnership with Social Bite who are working with the Corra Foundation, Glasgow Homelessness Network and local partners to deliver Housing First pathfinders in 5 Scottish cities.

The breakdown is £2.75m from health and £20.75m from the Ending Homelessness Together Fund; we're keen to emphasise the joint working between portfolios here which reinforces the position that solving homelessness is about more than finding someone in a home – they also require the appropriate support to meet their individual needs, including where relevant from health services such as addictions and mental health, in order to make sure their transition out of homelessness is successful and sustainable.”

11. The Committee has previously agreed to keep a watching brief over this session on the Scottish Government's progress in relation to implementing both the Committee's own recommendations and those of HARSAG, and to consider whether further scrutiny work is necessary.²

Public Petitions Committee Consideration

12. The Public Petitions Committee considered this petition at its meeting on 10 May 2018. It agreed to write to the Scottish Government, COSLA, Scottish Federation of Housing Associations (SFHA), Glasgow and West of Scotland Forum of Housing Associations (GWSFHA) and Shelter Scotland for views on the petition.
13. Responses were received from SFHA, GWSFHA and the Minister for Local Government and Housing (links to these responses are at Annexe A. The petitioner then wrote to the Committee, commenting on some of this correspondence (again, see Annexe A for a link to this letter) (COSLA and Shelter Scotland did not respond.)
14. The submission from the SFHA stated that it is sympathetic to the principle behind the petition, but that it did not support the petitioner's proposals because—
 - the Fund would be better spent on ensuring the right support is available to the most vulnerable people to make sure they can exit homelessness for good;
 - the funding was made available for “transformational change” rather than to fund existing commitments;
 - a number of pledges have already been made in relation to the Housing First approach and, in addition, there is an expectation that a proportion of the current five year programme of 35,000 new homes for social rent would be allocated to homeless people.
15. The GWSFHA expressed similar views—

“The petitioner seems to be assuming that Housing First could fail in Scotland due to a lack of properties being made available. GWSF believes, however,

² Committee meeting, 2 May 2018

that such a shortage of accommodation is highly unlikely, and that the issue of how the support will be funded in the longer term is a much greater concern.”

16. The submission added—

“The petitioner’s call is also impractical. New build developments are normally a number of years in the planning. The petition refers to the £40m being used next year, but development cannot be turned on and off like a tap, and for new build schemes to be funded next year they would have to have been planned and approved already.”

17. In his submission the Minister for Local Government and Housing agreed with the views of the SFHA and GWSFHA on “the primacy of effective support in ensuring some of those hardest to help exit homelessness for good”. He also reiterated the Government’s commitment to take forward recommendations made by this Committee and HARSAG before “coming to final conclusions as to the best way to spend the bulk of the funding allocated to Ending Homelessness Together.”

18. The petitioner’s expressed disappointment with the comments of the SFHA, GWSFHA and the Minister. He said that the Scottish Government had so far “failed to match words with action”. He called the submissions from the SFHA and GWSFHA “weak and self regarding” and said they were “shamelessly looking out for their own interests”. He criticised the submissions for over-focussing on the building of new homes—

“Firstly they only calculate what £40 million would give you in terms of new housing units namely 615. They have totally ignored that the Petition states that homeless people can also be rehoused in empty properties that are refurbished at a cost of £25,000 each and secondly I include the wrap around services of Housing First as part of the £40 million.”

19. He asked that the petition be “sent to the Local Government and Communities Committee”, as the committee has already looked at the Housing First initiative in detail.

20. At its [meeting on 13 September 2018](#), the Public Petitions Committee agreed to refer the petition to the Local Government and Communities Committee for future consideration within its work on this issue. In doing so, it recognised that the work that Committee has already undertaken in this area, and the Petitioner’s request that the petition be referred.

21. The reference from the Public Petitions Committee highlighted that the Government is expected to report back to the Parliament before the end of this year with a comprehensive action plan based on the 70 HARSAG recommendations.

Local Government and Communities Committee consideration

22. The Committee is invited to consider what action (if any) to take in relation to the petition. Options include—

- Invite written or oral evidence from the Petitioner. (The Petitioner has written to the Committee requesting an opportunity to give oral evidence in order to “give a more rounded explanation of why the petition should be supported at this time when there is a homelessness epidemic in Scotland which is getting worse for reasons such as the rollout of universal credit.”);
- Seeking an update from the Scottish Government on the latest position in relation to the allocation of the Ending Homelessness Together Fund and progress towards implementing the recommendations from the Committee and HARSAG. This could be done by correspondence or when the Committee takes evidence on the 2019-20 budget from the Scottish Government at a meeting early in the New Year;
- deferring consideration of the issues raised in the Petition to any future work undertaken in relation to homelessness;
- Any other action the committee deems appropriate.

Annexe

The following submissions are circulated in connection with the consideration of the petition at this meeting—

- [PE1686/A: Scottish Federation of Housing Associations submission of 8 June 2018 \(259KB pdf\)](#)
- [PE1686/B: Glasgow and West of Scotland Forum of Housing Associations submission of 13 June 2018 \(113KB pdf\)](#)
- [PE1686/C: Minister for Local Government and Housing submission of 20 June 2018 \(9KB pdf\)](#)
- [PE1686/D: Petitioner submission of 2 July 2018 \(15KB pdf\)](#)

Local Government and Communities Committee

32nd Meeting, 2018 (Session 5), Wednesday 21 November 2018

Subordinate Legislation

Overview of instruments

1. The following instrument, subject to negative procedure, is being considered at today's meeting:
 - The Glasgow City Council Area and North Lanarkshire Council Area (Cardowan by Steps) Boundaries Amendment Order 2018 (SSI 2018/308).

Background

2. The purpose of the instrument is to give effect to recommendations for changes to the local government administrative boundary between the Glasgow City council area and the North Lanarkshire council area at Cardowan by Steps. The policy note for the instrument is attached at **Annexe A**.
3. An electronic copy of the instrument is available at:
http://www.legislation.gov.uk/ssi/2018/308/pdfs/ssi_20180308_en.pdf
4. No motion to annul this instrument has been lodged.

Delegated Powers and Law Reform Committee consideration

5. The Delegated Powers and Law Reform Committee (DPLRC) considered this instrument at its meeting on 6 November 2018 and determined that it did not need to draw the attention of the Parliament to the instrument on any grounds within its remit.

Committee Consideration

6. The Committee is not required to report on negative instruments, but should it wish to do so, the deadline for reporting on the instrument is 3 December 2018.

Procedure

7. Negative instruments are instruments that are "subject to annulment" by resolution of the Parliament for a period of 40 days after they are laid. This means they become law unless they are annulled by the Parliament. All negative instruments are considered by the Delegated Powers and Law Reform Committee (on various technical grounds) and by the relevant lead committee (on policy grounds).

8. Under Rule 10.4, any member (whether or not a member of the lead committee) may, within the 40-day period, lodge a motion for consideration by the lead committee recommending annulment of the instrument.
9. If the motion is agreed to by the lead committee, the Parliamentary Bureau must then lodge a motion to annul the instrument to be considered by the Parliament as a whole. If that motion is also agreed to, the Scottish Ministers must revoke the instrument.
10. Each negative instrument appears on the Local Government and Communities Committee's agenda at the first opportunity after the Delegated Powers and Law Reform Committee has reported on it. This means that, if questions are asked or concerns raised, consideration of the instrument can usually be continued to a later meeting to allow the Committee to gather more information or to invite a Minister to give evidence on the instrument. Members should however note that, for scheduling reasons, it is not always possible to continue an instrument to the following week. For this reason, if any Member has significant concerns about a negative instrument, they are encouraged to make this known to the clerks in advance of the meeting.
11. In many cases, the Committee may be content simply to note the instrument and agree to make no recommendations on it.

POLICY NOTE**THE GLASGOW CITY COUNCIL AREA AND NORTH LANARKSHIRE COUNCIL
AREA (CARDOWAN BY STEPPS) BOUNDARIES AMENDMENT ORDER 2018****SSI 2018/308****Policy Objectives**

The purpose of the instrument is to give effect to recommendations for changes to the local government administrative boundary between the Glasgow City council area and the North Lanarkshire council area at Cardowan by Stepps the Scottish Ministers by the Local Government Boundary Commission for Scotland ("the Commission") following completion by the Commission of its Administrative Review of this boundary.

The Commission is an advisory non-departmental public body created by the Local Government (Scotland) Act 1973 ("the 1973 Act"). It is an independent body that is responsible for reviewing and making recommendations for:

- the number of councillors on each council in a local government area;
- the number of wards for local government elections, their boundaries, designations and the number of councillors for each ward; and
- the extent of council areas.

The legislation which sets out the rules for administrative area reviews is the 1973 Act. When making recommendations the Commission must consider the criteria set out in section 13 of that Act which sets out an overall aim of making changes in the interests of "effective and convenient local government". Once the Commission has submitted its final recommendations arising from such reviews it is for Scottish Ministers to decide whether to implement those recommendations.

An administrative area review can recommend the alteration, creation or abolition of a local authority area. In practice the administrative area reviews that have been undertaken so far have led to only minor adjustments to boundaries and this is no different. Several administrative reviews have been undertaken since the current council structure was established in 1996.

The Commission estimated that under its proposal around 292 electors would be transferred from Glasgow City council area to North Lanarkshire council area with likely consequential impacts on council tax liability and service provision

Scottish Government decisions

In considering whether to implement the Commission's recommendation the Scottish Ministers have paid close attention to the representations received by the Commission. Only positive representations were made to Ministers directly. As a result of that consideration Ministers have decided to accept the Commission's recommendation for this Administrative Review.

Consultation

The recommendation that is being implemented by this instrument was submitted by the Commission to Scottish Ministers. The Scottish Government has not carried out its own consultations although it is aware of the responses that the Commission received to its consultations, and has only received two representations, both in favour of the change, after submission of the Commission's final recommendation. The Commission conducted consultations with both affected councils and then with the public on its proposal before finalising its recommendation: all in accordance with the provisions governing the conduct of reviews set out in section 18 of the 1973 Act. Respondents were mainly in agreement with the proposed change. The Commission's final report summarises the responses it received to its proposals. Details of the consultation conducted by the Commission, including copies of the responses it received to the consultations, are available on the Commission's website.

Impact Assessments

The instruments will not have any impact on Child Rights and Wellbeing, Equality, Privacy or the environment.

Financial Effects

The instrument will have no financial effects on the Scottish Government or on business.

Scottish Government
Constitution and Cabinet Directorate