Child Poverty Action Group (CPAG) in Scotland welcomes the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (the Bill) and the overall ambition to eradicate fuel poverty in Scotland. Though legislation alone will not end fuel poverty, the introduction of this Bill constitutes an important public expression of the Government's intentions.

Child Poverty Action Group works on behalf of the one in four children in Scotland growing up in poverty. It doesn’t have to be like this. We use our understanding of what causes poverty and the impact it has on children’s lives to campaign for policies that will prevent and solve poverty – for good.

Initial analysis of the proposed new fuel poverty definition suggests that, in 2015, around 221,000 children were living in households considered fuel poor.\(^1\) Strong evidence also demonstrates that families with children, particularly young children, are more likely to be vulnerable to the impacts of fuel poverty – including potential health damage. We are therefore pleased to see these efforts, as part of a range of measures to tackle poverty that includes the Child Poverty (Scotland) Act 2017 and the Fairer Scotland Action Plan. We believe however that there could be a clearer a focus on the impact on families with children.

We would therefore like to see aspects of the Bill and draft strategy strengthened to maximise the effects for children and to ensure it aligns with wider efforts to eradicate poverty in Scotland. These include:

- A clearer link between child poverty and fuel poverty, ensuring that our plans to tackle both of these issues remain aligned and connected.
- To be closer in line with the Energy Performance Certificate (EPC), child poverty and Fairer Scotland targets, we believe that the overarching aim should be to reduce the proportion of Scottish households in fuel poverty to no more than 5% by 2032.
- Families with young children are widely considered to be more vulnerable to the impacts of fuel poverty. It is therefore important that they are included in the consultation requirements for both strategies and periodic reports.

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• We are concerned that there seems to be no intention to include pre-school children in the households for which an enhanced heating regime will apply, despite strong evidence that they are a key vulnerable group.

• In order to ensure that our efforts continue to be focused and evidence-based, the Bill should list policy areas that which are most likely to impact on fuel poverty targets in the strategies and periodic reports. This should include measures on child poverty, to ensure households with children benefit from measures to tackle fuel poverty.

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

1. Do you agree with the Scottish Government’s proposal to provide for a statutory target to reduce fuel poverty to no more than 5 per cent of Scottish Households by 2040. Please explain your reason why. For example, is the statutory target necessary? Is the target ambitious enough? Is it realistic and achievable?

While we believe that the statutory target is necessary, it does not currently demonstrate a coordinated and ambitious enough part of our efforts to tackle poverty. While the Policy Memorandum attached to the Bill sets out that the overall aim is to eradicate fuel poverty, the proposed target is to reduce the proportion of Scottish households in fuel poverty to no more than 5% by 2040. As the Policy Memorandum notes, the Bill will contribute to a range of other areas and strategies that seek to tackle poverty such as the Fairer Scotland Action Plan and Tackling Child Poverty Delivery Plan. With concerted efforts such as these to tackle poverty in the coming years, as well as improved energy efficiency measures, we believe that it is reasonable to believe that the target could be achieved earlier than 2040. If we are aiming to reduce child poverty to less than 10% by 2030, as well as to achieve wider Fairer Scotland ambitions, it would seem likely that these efforts will also be contributing towards a reduction in fuel poverty. It does not seem reasonable that we would have reduced child poverty and achieved a fairer Scotland, but would continue to have potentially significant fuel poverty for a further decade.

The Energy Efficient Scotland consultation set out a target that fuel poor households, regardless of tenure, reach EPC C by 2030 and sets out targets to maximise the number of socially rented homes achieving EPC B by 2032. In order to be more in line with the EPC targets, as well as our child poverty and Fairer Scotland targets, we believe that the target should be to reduce the proportion of Scottish households in fuel poverty to no more than 5% by 2032.


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

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

Overall, we support the proposed new definition of fuel poverty and its potential to help focus resources on those in the greatest need of support. It also highly useful that the definition is calculated after both housing costs and childcare costs, which are substantial and generally fixed expenditures for low income families.

Minimum Income Standard (MIS) is a very valuable tool. Thought does however need to be given to ensuring consistency across how Scottish Government poverty measures are articulated. The Households below Average Income (HBAI) 60% median income measure of poverty is central to the child poverty measures the Scottish Government has already put in statute in the Child Poverty Act. The use of this measure allows for international and historical comparison and there is good evidence that it is closely associated with wider indicators of deprivation and disadvantage.\(^4\) Whilst there are clearly good reasons to opt for MIS in relation to fuel poverty, it is important in doing so not to undermine confidence in the measure of poverty that lies at the heart of the Scottish Government’s child poverty ambitions and legislation. It may be that some clarity around when and which definitions should be used, would be useful.

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

3. **Do you agree with provisions in the Bill requiring the Scottish Government to publish a fuel poverty strategy? Do you also agree with the consultation requirements set out in relation to the strategy? Please explain your reasons why.**

We welcome the provisions requiring the Scottish Government to publish a fuel poverty strategy. With ambitious targets to tackle both fuel poverty and child poverty,

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\(^4\) For background see, for example, Research Paper 09/62, 30th June 2009 prepared by the House of Commons Library in advance of the Second Reading of the UK Child Poverty Bill.
it is important that Ministers do however ensure a coordinated approach to poverty across policy areas. As a minimum, the development of fuel poverty strategies and child poverty delivery plans should be aligned and take account of each other.

We welcome the commitment to consult those who are living, or have lived, in fuel poverty as an important human rights-based approach. It is vital that those who are most impacted by fuel poverty are consulted as part of the consultation requirements for both strategies and periodic reports, to ensure we are addressing their needs and aware of our ongoing impact on the most vulnerable. As noted within the draft strategy, fuel poverty can lead to additional strains being placed on families and mean children are less likely to achieve their full potential. Evidence demonstrates that families with young children (pre-school) are more vulnerable to the impacts of fuel poverty, including potential health damage. 5 Indeed among children, the percentage with respiratory problems increases with number of years in poorly heated homes.6 Families with young children should therefore be included in the consultation requirements to ensure we are acutely aware of the impact we are having on this priority group.

In regard to the enhanced heating regime, we note that the intention as set out in the draft strategy and policy memorandum is to cover households where a member of the household is elderly or has a condition or illness which makes that person especially at risk of suffering adverse effects from being in a cold home. It is vital that pre-school children are also included in this. The World Health Organisation, the Scottish Public Health Network and NICE guidelines all set out that children under five are a key group that is vulnerable to health damage from living in fuel poverty.7

In order to ensure that our efforts continue to be evidence-based and make the most impact, it would be useful if the fuel poverty strategies took a similar approach to the Child Poverty delivery plans where the measures taken under specific policy areas must be set out. The Bill should therefore list policy areas that are most likely to impact on fuel poverty targets to be covered in the strategies and periodic reports. This should include measures on child poverty, so that the strategies must explicitly address the impact of fuel poverty on children and ensure households with children benefit from measures to tackle fuel poverty. The Tackling Child Poverty Delivery Plan already recognises the importance of tackling fuel poverty in relation to child poverty and achieving our child poverty targets.8 It is important that these policy areas are aligned and both working to reduce poverty and the impacts of poverty for families with children.

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6 Ibid
7 Ibid
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?

CPAG in Scotland welcomes the strategy as one of a range of measures the Scottish Government is taking to tackle poverty in Scotland. As set out in the strategy, it is important that fuel poverty continues to develop links with emerging poverty eradication work streams.

As noted, the Tackling Child Poverty Delivery Plan sets out the importance of tackling fuel poverty in relation to our child poverty targets, stating that there is a ‘clear link between child poverty and fuel poverty, and we will ensure that our plans to tackle both of these issues remain aligned and connected.’

In order to ensure that these issues do remain aligned and connected, the draft fuel poverty strategy should more explicitly set out how it intends to ensure that low-income families with children will benefit from fuel poverty measures.

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

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

The requirement to lay the strategies before Parliament is useful, allowing for increased scrutiny. As noted above, while we welcome that people living, or who have lived, in fuel poverty must be consulted on periodic reports it is important that families with young children are included in this.

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9 Ibid, p50/51