SUBMISSION FROM PERTH AND KINROSS COUNCIL

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?

Perth & Kinross Council fully supports the proposal to reduce fuel poverty to no more than 5 per cent of Scottish households by 2040. By setting a specific target with an appropriate timescale, local authorities can take the necessary steps to contribute towards achieving the target within the set timescale. We also welcome the fact that this target is more realistic than the previous target and takes into consideration that households can move into and out of fuel poverty at different points in their lives due to changes in fuel prices, income levels, energy efficiency levels, or household behaviour towards energy efficiency (key drivers of fuel poverty).

This target is an ambitious one given at least two of the drivers are outside of our control (fuel prices and income levels) and that 26.5% of households were still living in fuel poverty in Scotland in 2016 (SHCS 2016 figures). However, we feel that this target is achievable, although only by working together with our Partners to raise awareness of the help and assistance available to households in terms of switching energy provider, providing energy saving tips, help with understanding the eligibility requirements for energy efficiency improvements and income maximisation.

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

Whilst we do support the proposals for a revised definition of fuel poverty, we feel that some further work is required around both sets of criteria to ensure that households suffering from inequality are not placed at a further disadvantage through the new proposed fuel poverty calculation.

We agree with the first element of the fuel poverty calculation and the proposal that fuel costs must be 10% or more of the household income after housing costs (AHC). We feel that this change to the calculation has the potential to identify more households with a greater need for assistance and who possibly did not qualify through the previous definition before housing costs (BHC) were considered. This proposal seems to have a stronger correlation between high fuel costs and income poor households. However, we would also like to stress that this proposal may still not capture the households faced with the dilemma of whether to ‘heat or eat’. Some households may have a low income and would possibly qualify under the Minimum Income Standard (MIS) criteria but they may be choosing to use their heating less in order to feed the household. This may result in a fuel cost of less than 10% of the household income (meaning they would not qualify under the first part of the calculation) yet they may well qualify under both parts if they were heating their home to the required temperature.
We also have certain reservations around the way in which the MIS is applied and the decision **not** to adjust the MIS upwards for households in rural areas or those with enhanced heating requirements. The use of the UK MIS does not seem to allow for increased fuel costs due to location, age, or medical conditions or illnesses which may place the household at risk of suffering adverse effects from living in a cold home. A more robust option might be to look at creating a MIS for smaller geographical areas.

We also do not agree with the proposal to apply a 90% calculation of the MIS to determine whether the remaining income level (after housing costs, childcare and fuel) is sufficient to maintain an acceptable standard of living. If a MIS is being applied, then we would expect the remaining income to be equal to or in excess of the minimum standard in order for it to be classed as ‘sufficient’. The example included within the Explanatory Note is the perfect example of a household which is earning less than the minimum income and paying **more than** 10% on fuel costs, yet they would not qualify as being in fuel poverty and potentially be ineligible for certain schemes (as not deemed to be fuel poor) as a result of the MIS criteria. There needs to be a balance between refining the definition to ensure those in greatest need are prioritised whilst keeping the eligibility criteria sufficiently broad enough so that it is still accessible to all of those households who require assistance.

We feel that Scottish Government should consider following the Independent Panel’s recommendation that the MIS should be revised upwards for remote rural areas and where at least one member of the household suffers long-term sickness or disability. There is evidence to suggest that household budgets in remote rural Scotland need to be between 10% and 40% higher than in other areas of the UK. Research into the support needs of those in fuel poverty also indicates that people living in rural areas have greater concerns about their fuel bills, the high and rising cost of fuel, and keeping track of energy use. We do not feel that the sample sizes within the Scottish House Condition Survey allow for accurate enough modelling to address the inequalities that households can face as a result of their location, age or medical conditions.

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?**

Perth & Kinross Council agrees with the provisions requiring the Scottish Government to publish a fuel poverty strategy and with the consultation requirements set out in relation to the strategy. The strategy is a way in which Scottish Government can set out how it intends to make progress towards meeting the fuel poverty target and sets out the criteria through which the progress can be monitored and reviewed against the outcomes and actions set out within the strategy.
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?

Perth & Kinross Council welcomes the emphasis placed on support beyond energy efficiency measures within the strategy, including working with Partners to help maximise incomes and find solutions to securing lower energy prices or discounts on energy bills, as well as addressing behaviours around the use of energy. In some cases, households may have actually benefitted from energy efficiency measures but if they do not alter their behaviour towards the use of energy they may still experience fuel poverty. We feel that the proposed target can only be achieved by working in Partnership to address the key drivers of fuel poverty and raise awareness of the organisations which provide assistance across all household tenures.

We also support the development of a Fuel Poverty Assessment Tool to accurately assess fuel poverty and target resources to those in greatest need. Further information would however be required on the form this would take and how reliable data could be gathered on households. It would presumably be necessary to gather extensive data on income, housing costs, energy usage and expenditure, heating regime and house temperature in order to target fuel poor households, yet this may be difficult to achieve.

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

Perth and Kinross Council fully supports the proposal for a five yearly reporting programme, however, has concerns in relation to the accuracy and reliability of the Scottish House Condition Survey as the tool for reporting on this progress. Sample sizes are so small at local authority level and there appears to be no scope to incorporate local data to boost sample sizes. If the new target is to be achieved, there needs to be robust and credible frameworks in place to gather and report on fuel poverty levels which are as accurate as possible.

At present, Perth and Kinross Council finds it very difficult to gather robust data on fuel poverty which can then be used to shape policy and target areas for improvement. It is also difficult to assess the difference that advice and support is making to achieving some of our outcomes in relation to fuel poverty. We can easily record the level of advice we are providing, but being able to demonstrate the difference this advice is making or the number of households we are helping to remove from fuel poverty is much more difficult to evidence, so it would be useful to have a tool which could capture some of this key information.