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 with the ambition, but we believe that this is an inappropriate metric.

We acknowledge that this Bill appears to be a genuine attempt to support households in financial hardship, but we are concerned that The Scottish Government will be unable to fully control delivery, with potential impacts for fuel poverty stakeholders in the event that targets are missed or trajectories not followed. The target of the 2002 UK fuel poverty strategy was to eradicate fuel poverty by 2016. The objective was comprehensively missed and the SPICe briefing paper¹ which accompanies this Bill, suggests that rising fuel costs caused that policy failure. With the benefit of hindsight, it appears to be clear that the 2016 target was poorly designed because fuel costs and incomes could not be wholly controlled by the UK Government or the devolved administrations.

But we are concerned that now, even with the benefit of hindsight, The Scottish Government will set a fuel poverty target which could again be missed because of a divergence in fuel costs and incomes over the next 20 years. The SPICe briefing paper acknowledges this point, but this lesson from the 2002 strategy outcome; that targets can be stretching, but must be controllable, is being overlooked.

Our second concern is the reduction in the 2040 target from 10% residual fuel poverty, included in the November 2017 consultation², to 5%. This 2018 draft notes that ‘this is an even more ambitious statutory target than initially proposed in the fuel poverty strategy consultation and takes account of feedback we received through the consultation process’, but presents no evidence or discussion of how this change will affect delivery.

In view of these concerns we believe that the strategic sub-target, ‘to remove energy efficiency as a driver for fuel poverty by ensuring all homes reach a minimum energy performance rating by 2040’, is a much more appropriate basis for a statutory fuel poverty strategy. It is specific, measurable, achievable, realistic and time bound – a SMART target.

¹ Liddell, G (2018) SPICe Briefing Fuel Poverty ((Target, Definition and Strategy) (Scotland) Bill
²
2. Do you agree with the Scottish Government’s proposals for a revised definition of fuel poverty?

We neither agree or disagree.

The definition appears well meaning, but we have concerns about applying this definition to determine eligibility for fuel poverty alleviation programmes. Like the 2015 Hills definition in England, this fuel poverty definition will be extremely challenging to operationalise because of the amount information required and personal nature of the data.

Consequently, we believe that either or both, effective data sharing and/or pragmatic programme eligibility criteria will be required if: excessive administration costs; intrusive household surveys; and, under-performing fuel poverty alleviation programmes, are to be avoided.

Data sharing will demand cooperation between various Scottish and UK government departments, such as DWP, HMRC, Local Government & Housing, and local authorities. It will also require the resolution of outstanding data sharing privacy issues. We remain very concerned that the necessary level of data sharing may not be achieved without additional action.

If this complex fuel poverty definition is written into law, fuel poverty alleviation policies must take a pragmatic view of eligibility for fuel poverty assistance programmes and to this end we support the swift development of a fuel poverty assessment tool, as set out in the strategy. But we remain concerned about the amount and personal nature of the data which could be required by the calculator, if this fuel poverty definition is applied too prescriptively.

It will also be important that policy cost calculations recognise the fluidity of fuel poverty. Households move in and out of fuel poverty\(^3\) over extended periods as their situations change. Consequently programmes ‘to remove energy efficiency as a driver for fuel poverty’ will have to treat considerably more properties than the number households currently classified as fuel poor, and this should be budgeted for.

\(^3\) Centre for Competition Policy and UKERC (2018) Fairness in Retail Energy Markets? Evidence from the UK
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?**

Yes. We agree it is important that the Scottish Government is required to publish the fuel poverty strategy within a year of the Bill being enacted and thereafter to report every 5 years on the progress against the strategy and to set out the deliverables for the next reporting period. That said, we would welcome greater clarity on the options and obligations for the Scottish Government, if the regular reporting suggests that the Scottish Government are not meeting the proposed trajectory to deliver the 2040 target.

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?**

As discussed in Question 1, we believe that the Scottish Parliament has not learned all the lessons from the failure of the 2002 Fuel Poverty Strategy. We welcome the proposed sub-target to remove energy inefficiency as a cause of fuel poverty and we would like to see the mandatory target based upon this objective.

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

We welcome the statutory requirement for reporting every five years, although we are slightly concerned that this would potentially only provide one progress report prior to the first sub targets in 2030. It will be important to ensure the continued regular reporting (annual) of the SHCS results relating to fuel poverty and wider reporting of progress from the energy efficiency schemes. Ensuring the Fuel Poverty Advisory Panel develops a collegiate and partnership approach to foster best practice across public, private and third sector organisations will be critical to ensure the successful delivery of the fuel poverty target.