

Consultation on a Fuel Poverty Strategy for Scotland Shelter Scotland response

January 2018

SUMMARY

Shelter Scotland welcome the drive from the Scottish Government to tackle fuel poverty. It is unacceptable that, under the current definition, 649,000 households are living in fuel poverty and unable to meet their basic needs of heating their home and using cooking and washing facilities without spending a large proportion of their income on energy. This is particularly problematic given the increasing pressures on household incomes for instance from welfare reform, the freeze to working age benefits and stagnating wages, especially for those who are already living in income poverty.

We acknowledge the money and effort already spent on tackling fuel poverty and energy inefficiency in Scotland. However, the fact that the previous target to eradicate fuel poverty by November 2016 was dramatically missed is a clear indicator that a change in drive and direction is required, and therefore we welcome this consultation on a new strategy to tackle fuel poverty. We cannot be in a situation in 2040 where we still have hundreds of thousands of households unable to achieve a warm and well-lit home.

We support the inclusion of new targets to provide motivation and focus to tackle fuel poverty, but believe these could be more ambitious, and emphasise the importance of monitoring and a willingness to change course if adequate progress towards targets is not being made.

We welcome the redefinition of fuel poverty to focus limited resources on those most in need, though we have concerns certain groups may be disadvantaged by the proposed changes. In addition, it is of paramount importance that any strategy aiming to tackle fuel poverty does not solely focus on those currently in fuel poverty, but also directs support to preventing people from falling into fuel poverty.

Overall, we stress the importance of delivering a strategy that ensures that people who are struggling to provide a warm and well-lit home for themselves and their families, regardless of definitions or targets, are provided the support that they need.

QUESTIONS

1. **Do you have any comments on this new definition of fuel poverty, in particular, what do you think about the proposal to use AHC and MIS as means to measure fuel poverty in Scotland?**
 - a) **What, if any, challenges do you think this approach could present in enabling targeting of resources to those most vulnerable to fuel poverty; and**
 - b) **If this definition is to be used, how would you propose these challenges are overcome?**

Shelter Scotland supports a refined definition of fuel poverty to focus limited resources on those most in need, but we have some concerns over the proposed definition and its usage.

Clarity is needed with regards to what the definition is to be used for: will it be used to assess eligibility for certain schemes and support? Or is it just to track and gauge the extent of the issue? If the latter, then this will not fully track the scale of fuel poverty. We know that how energy is used is important– even if someone has sufficient income to heat their home they may need support to use their heating systems appropriately, or they may have other issues including mould or condensation requiring them to keep their windows open and making the property harder to heat. They may also have large amounts of their income going towards repayment of debts, or they may have been sanctioned. These individuals may not be included in the proposed definition but they are unlikely to be living in a warm home, and therefore should be entitled to support to help them achieve this and included in the profiling of people affected so we can direct resources to them.

We strongly welcome the assessment of fuel poverty looking at income after housing costs. We know that when you include housing costs, a further 170,000 people are in poverty, pushing the total figure to over a million people living in poverty¹. We also know that people with lower incomes spend more of their income on housing costs – more than a third of people in the poorest fifth of the population now spend more than a third of their income on housing². Therefore, assessing a household's need after their housing costs are considered is vital for a more accurate understanding of how much money a family might reasonably have left after essential bills.

We welcome the use of the Minimum Income Standard (MIS) as identified by the expert panel and taken forward by the Scottish Government, including that the MIS for different household types should be used, taking into account different expenditure pressures on different household types. Shelter Scotland have previously put forward the MIS as one example of an alternative measurement of poverty, for example in our evidence for the Child Poverty Bill³.

¹ Scottish Government, Poverty and Income Inequality: 2015/16, <http://www.gov.scot/Publications/2017/03/2213>

² Joseph Rowntree Foundation, Poverty in Scotland 2017, <https://www.jrf.org.uk/report/poverty-scotland-2017>

³ Shelter Scotland, Shelter Scotland's written evidence on the Child Poverty (Scotland) Bill, https://scotland.shelter.org.uk/_data/assets/pdf_file/0008/1357577/Shelter_Scotlands_written_evidence_on_the_Child_Poverty_Scotland_Bill.pdf/nocache

Concerns around the new definition include:

1. Sensitivity to income.

The experience of our advisers tells us that crises are often caused by unexpected changes to income – people who are employed on zero hours contracts or who have had changes to their benefits because of overpayments, administrative errors or a change in circumstances, for example. With the current definition this would not be a barrier to defining someone in fuel poverty, plus the current definition does not act as eligibility for support. Under the new definition, someone may fall in and out of the definition of fuel poverty and therefore may be not entitled to support when in fact they have need for it. In addition, measurements of the scale of the issue may not be accurate.

2. Rural fuel poverty.

The Rural Fuel Poverty Taskforce⁴ identified 21 distinctively rural dimensions to fuel poverty in Scotland, including pointing to the fact that 10% to 40% higher rural incomes are required to achieve the UK average Minimum Income Standard (MIS) level. The Strategic Working Group similarly highlighted the higher rate of rural fuel poverty⁵.

Despite this, the Scottish Government proposal indicates the MIS thresholds will not be adjusted upward for households living in remote rural areas. We disagree with this position. There is a remote rural MIS calculation which could be used as a mechanism for recognising the higher costs for remote rural households, however currently this is not being updated. The Scottish Government should incorporate this or some other means of accounting for the increased living and fuel costs for those in rural areas to ensure there is a true reflection of fuel poverty across Scotland and so resources can be targeted appropriately.

3. No enhanced heating regime for under 5s.

We are cautious about the Scottish Government's current proposal there should be no enhanced heating regime for households with children under 5, which is contrary to the panel's recommendation. Whilst the proposal points to the lack of evidence on a higher temperature being required for the bedrooms of children under 5, we are not clear on the evidence put forward addressing the need or otherwise for the increased hours of heating which makes up the second element of the enhanced heating regime. The Strategic Working Group highlighted links between social vulnerability and time spend at home, for example, reporting that on average people spent 70% of their time at home but that certain groups, such as unemployed, inactive and retired males had more unstructured time than others⁶. With this in mind, it would be beneficial to understand whether households with children under 5 fall into this category of spending more time at home thus indicating a need for longer heating hours. We thereby support the

⁴ Scottish Rural Fuel Poverty Taskforce, An Action Plan to Deliver Affordable Warmth in Rural Scotland proposed by the Scottish Rural Fuel Poverty Task Force, <http://www.gov.scot/Publications/2016/10/2017/downloads>

⁵ Strategic Working Group on Fuel Poverty, A Scotland without fuel poverty is a fairer Scotland: Four steps to achieving sustainable, affordable and attainable warmth and energy use for all, <http://www.gov.scot/Publications/2016/10/2273>

⁶ Strategic Working Group on Fuel Poverty, A Scotland without fuel poverty is a fairer Scotland: Four steps to achieving sustainable, affordable and attainable warmth and energy use for all, <http://www.gov.scot/Publications/2016/10/2273>

Scottish Government's proposal for further review⁷.

2. Do you have any views on the proposal of using 75 years of age as a threshold for identifying those who are likely to be vulnerable to the adverse health outcomes of fuel poverty?

Currently, any person over 60 years of age is considered to require the enhanced heating regime, which has both higher temperatures and more hours of heating accounted for when calculating minimum acceptable levels of heating.

Shelter Scotland agree there is not sufficient evidence pointing to the need for any individual over 60 requiring this enhanced heating regime, particularly given the rise in pensionable age and that many over 60s are still working, and therefore may not require the additional hours of heating because they are not in the home. Further assurances are also provided via the modelling by the Scottish Government which shows that 60% of 60- to 75-year olds are expected to still fall under the definition of vulnerability and therefore their fuel poverty risk (and thereby support) would still be assessed on the basis of the enhanced heating regime.

However, the proposal to increase the age for the enhanced heating regime to 75 years seems equally arbitrary. Consideration should be given to whether the enhanced heating regime is for the higher temperature, or for the increase hours of heating, the latter which might be a necessity for those who have retired. We would argue that any chosen age used to prompt a perceived enhanced heating regime should be backed by evidence of vulnerability to the cold, for example from the NHS, NICE or WHO, and a consideration of which age groups might require longer heating hours. The latter may be related to lifestyle factors e.g. working age and retirement, as has already been discussed in answer 1.a) with regard to households with children under 5. Thereby we support the independent panel's recommendation for the development of a specific list of health and disability categories, as well as age bands, that would satisfactorily encompass the term "vulnerable to the adverse health and wellbeing impacts of living in fuel poverty"⁸.

Furthermore, it's important to ensure that a focus on the prevention of fuel poverty is retained. If 75 is the age agreed on to prompt the accepted need for an enhanced heating regime, then support should be given to households approaching that age to prevent fuel poverty, particularly given households may be more likely and able to accept help or invest in improvements themselves before the age of 75.

⁷ Scottish Government, November 2017, Consultation on a Fuel Poverty Strategy for Scotland, <http://www.gov.scot/Publications/2017/11/6179/downloads>

⁸ Scottish Government, November 2017, A New Definition of Fuel Poverty in Scotland: A review of recent evidence, <http://www.gov.scot/Publications/2017/11/7715/downloads>

3. In relation to island communities, are there any additional challenges; and / or opportunities that we need to consider in developing our strategy?

The Rural Fuel Poverty Taskforce raised many issues in relation to rural and islands fuel poverty including the concern that current modelling doesn't fully take into account the 21 distinctively rural dimensions to fuel poverty in Scotland. As in section 1.a) we believe additional costs facing rural communities need to be considered when measuring the extent of need in rural communities.

In addition, the Islands (Scotland) Bill currently at Stage 1 is likely to see a duty placed on public authorities similar to the social economic duty, for any new policies to be 'island-proofed'.

4. In relation to rural and remote rural communities, are there any additional challenges; and / or opportunities that we need to consider in developing our strategy?

See question 3.

5. Please give us your views on how national partners and local delivery organisations can work better together to identify and support those at risk of, or experiencing fuel poverty? What would best support, or enable such partnerships?

The health sector is currently underutilised in the provision and targeting of fuel poverty support, despite well understood and wide acceptance of the health impacts of living in fuel poverty.

We made several recommendations⁹ resulting from a project working with the health sector on fuel poverty issues, including the importance of building in a cross-sectoral approach to tackle fuel poverty in any fuel poverty strategy.

Our experience shows it needs to be as easy as possible for the health sector to engage. National guidance, for example like that from ScotPHN and NHS Health Scotland¹⁰, and support, for instance that recently shown by the Chief Medical Officer and Ministers, is important here but the impact of this needs to reach those on the frontline. For example, fuel poverty issues should be included as part of core health inequalities training which should be made

⁹ Shelter Scotland, Working with the health sector to tackle fuel poverty, January 2017, https://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/working_with_the_health_sector_to_tackle_fuel_poverty

¹⁰ ScotPHN and NHS Health Scotland, Addressing Fuel Poverty, Guidance for Directors of Public Health on taking action in support of: A Scotland without fuel poverty is a fairer Scotland: Four steps to achieving sustainable, affordable and attainable warmth and energy use for all (Report of the Scottish Fuel Poverty Strategic Working Group to the Cabinet Secretary for Communities, Social Security and Equalities, October 2016), October 2016, https://www.scotphn.net/wp-content/uploads/2016/11/2016_11_02-Addressing-Fuel-Poverty-DPH-Guidance-Final-1.pdf

available at an early stage of practitioner professional development and mainstreamed across departments. Potential trigger points for fuel poverty identification and action should also be investigated to embed this work into standard NHS practice, for instance like that that has been done around cancer diagnosis.

We also highlighted the number of existing pilots and projects, and the need to analyse these holistically to understand what works and what the barriers are. We started this process by publishing a catalogue of health-related fuel poverty schemes in Scotland identifying barriers relating to perceived issues with data protection, to workloads and priorities within the NHS, and to the need for one local referral point for health practitioners who can't keep up with changing schemes, projects, and eligibility that provides a full range of support¹¹. The rollout of projects such as social prescribing link workers in GP practices is a positive development in this area.

6. What can local partners do to contribute to meeting national aims of effectively and sustainably tackling fuel poverty? This might include sharing best practice or developing strategic approaches.

No answer provided.

7. How can SG support local delivery partners (e.g. third sector organisations and social enterprises) to measure their success?

No answer provided.

8. How can the Scottish Government best support local or community level organisations to accurately

a) measure;

b) report on; and

c) ensure quality of provision of advice and support services and their outcomes?

No answer provided.

¹¹ Shelter Scotland and Energy Action Scotland, Health-related fuel poverty schemes in Scotland, February 2017, https://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/health-related_fuel_poverty_schemes_in_scotland

9. How can the one-stop-shop approach be enhanced for the benefit of HES clients; and in particular,

- a) Are there any improvements that you think can be made to the HES service to further enable it to best reach the most vulnerable to fuel poverty client groups?**

No answer provided.

10. What are your views on our proposal to set a new statutory target to eradicate fuel poverty in the Warm Homes Bill?

Shelter Scotland are supportive of the proposal to set a new statutory target to eradicate fuel poverty in the Warm Homes Bill. However, the inclusion of a target must have meaning – despite a previous target to eradicate fuel poverty by November 2016, there are still 649,000 households living in fuel poverty today. We cannot be in a situation in 2040 where we still have hundreds of thousands of households unable to achieve a warm and well-lit home.

The inclusion of a target needs to invoke reporting, monitoring, accountability, and above all should result in change of course if it looks like current action is not going to be enough to meet the target. This should include the provision of additional funds, a redirection of resources, and a willingness to try different methods if required. The new fuel poverty advisory panel has an important role to play here and will be crucial to the success of the target.

Specific to the target outlined, we believe that reducing fuel poverty levels to under 10% does not equate with ‘eradication’. We would encourage the Scottish Government to set a more ambitious target to reduce fuel poverty – the end goal should always be to ensure no household is in fuel poverty. If there is a belief that fuel poverty may always occur in a transient form, and that programmes and support should reduce risk but also help people out of fuel poverty as quickly as possible, then sub-targets should reflect this by measuring how long people are in fuel poverty. We thereby encourage the investigation of other sub-targets, such as the distinction of persistent poverty as used in the Child Poverty (Scotland) Bill to help to understand how long term the issue of fuel poverty is for some households.

11. What are your views on the proposed sub-targets?

- a) What are your views on the proposed levels?**

- b) What are your views on the proposed timeframe?**

Sub-target: The overall fuel poverty rate will be less than 10% by 2040

See question 10.

Sub-target: Ensure the median household fuel poverty gap is no more than £250 (in 2015 prices before adding inflation) by 2040;

We welcome the inclusion of a sub-target to measure the depth of fuel poverty faced by households.

However, given the fuel poverty gap is a new measurement we require more information to understand how this will work before we can provide a view. For example, the target of a median household fuel poverty gap of no more than £250 seems arbitrary, and this is a huge amount of money to low income households. It would be helpful to understand why this figure has been chosen, why the median is being used rather than the mean, and if there is a more ambitious target that could be aimed for.

As mentioned in question 10, we would also encourage consideration of the inclusion of another sub-target, similar to that in the Child Poverty (Scotland) Act 2017 which would measure how long households have been in fuel poverty for, i.e. 'persistent fuel poverty' to help understand how long term the issue of fuel poverty is for some households and therefore looking at what support these households can be offered.

Sub-target: Remove energy efficiency as a driver for fuel poverty by ensuring all homes reach a minimum energy performance rating by 2040.

Shelter Scotland strongly support the inclusion of this sub-target, and would like to see this reflected within the Warm Homes Bill to provide it with a statutory basis.

Energy efficiency is an area of policy in which the Scottish Government has power and it is a crucially important driver of fuel poverty. Shelter Scotland is a supporter of the Existing Homes Alliance, and we support their ambition to increase the energy efficiency of all homes. Work to improve energy efficiency will generate other benefits including new jobs and economic opportunities in communities across Scotland which will also help tackle fuel poverty, as well as a reduction in climate emissions.

We support the introduction of minimum energy efficiency standards in the private rented sector as one method of achieving this. Consultation with private tenants has highlighted that currently, private tenants struggle to pay their fuel bills and keep their home warm, wish their home was more energy efficient, feel powerless to deal with issues of energy inefficiency in their home, are unable to vote with their feet to choose energy efficient housing, and that private tenants support the introduction of minimum standards¹². We believe that regulation, when accompanied with sufficient scrutiny, enforcement and support, is both necessary and effective to achieve the aims set out. Our response to the 2017

¹² Shelter Scotland, Scottish Government consultation on energy efficiency: the views of private tenants, June 2017, https://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/scottish_government_consultation_on_energy_efficiency_the_views_of_private_tenants

consultation on the introduction of minimum standards of energy efficiency in the private rented sector sets out our position on this in more detail¹³.

12. What are your views on the proposed interim milestones?

a) What are your views on the proposed levels?

b) What are your views on the proposed timeframe?

Interim milestone: The overall fuel poverty rate will be less than 20% by 2030;

Shelter Scotland is concerned that the interim milestone is not ambitious enough, particularly given the Scottish Government's calculation of fuel poverty under the proposed new definition is 25.7% of households.

Any one person unable to afford a warm and well-lit home is one too many, and the rate of progress to aim to bring just 5.7% of households out of fuel poverty by 2030 is too slow.

An additional concern here is that achieving the relatively high 2030 target will not provide enough of an indicator for success in achieving the more ambitious 2040 target, including not enough time to change tactic and redirect resources.

Interim milestone: Ensure the median household fuel poverty gap is no more than £450 (in 2015 prices before adding inflation) by 2030;

For the same reasons as outlined about, we have concerns that this interim milestone is not ambitious enough, both to providing the best possible support to households in need as soon as possible, and for ensuring the correct trajectory for meeting the 2040 target.

Interim milestone: Progress towards removing energy efficiency as a driver for fuel poverty by ensuring all homes reach a minimum energy performance rating

The consultation on introducing minimum standards of energy efficiency in the private rented sector proposed that all privately rented properties should be required to be EPC D or higher by 2025. As such, we would support an interim milestone recognising this commitment to improving energy efficiency.

¹³ Shelter Scotland, Scottish Government consultation on energy efficiency: Shelter Scotland response, June 2017, https://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/scottish_government_consultation_on_energy_efficiency_and_repairs_in_the_prs_shelter_scotland_response

13. How should the new Fuel Poverty Advisory Panel and Fuel Poverty Partnership Forum monitor progress towards meeting the proposed sub-targets and interim milestones?

The strategy should advise on how success and progress towards interim targets can be defined, and regular monitoring and evaluation of such progress should be planned. The proposal for 4 yearly reports does not seem sufficient to inform the panel and forum of progress.

14. What do you think the Advisory Panel's priorities should be in its first year?

The Advisory Panel's priority in its first year should be to devise a robust monitoring and scrutiny programme, and ensure it is linked in to other relevant agencies and policies, both energy related (SEEP, the Energy Strategy) and wider (the Poverty and Inequality Commission's work and Child Poverty targets, for example).

They should also commission an independent group of public health experts to develop a specific list of health and disability categories, as well as age bands, that would satisfactorily encompass the term "vulnerable to the adverse health and wellbeing impacts of living in fuel poverty" as suggested in the independent panel's report¹⁴, as well as ensuring the review of optimum temperatures for children is undertaken¹⁵.

15. What examples do you have of using proxies to identify fuel poor households?

a) Which proxies did you use?

b) Based on your experience, how well did these proxies work in accurately identifying fuel poor households?

Currently most eligibility criteria for fuel poverty programmes are based on passport benefits. Whilst these can be a useful indicator of need, it is important to remember that fuel poverty is not equivalent to income poverty, or whether a household is in receipt of benefits. If it were, a fuel poverty definition would be unnecessary. We need to ensure that all four drivers are taken into consideration when assessing fuel poverty and the ability for a person to maintain a warm and well-lit home, and therefore energy efficiency, energy prices and how energy is used in the home are also crucially important.

¹⁴ Scottish Government, November 2017, A New Definition of Fuel Poverty in Scotland: A review of recent evidence, <http://www.gov.scot/Publications/2017/11/7715/downloads>

¹⁵ Scottish Government, November 2017, Consultation on a Fuel Poverty Strategy for Scotland, <http://www.gov.scot/Publications/2017/11/6179/downloads>

16. What are the key lessons to be learnt from any existing approaches that apply proxies in door-to-door, on-the-ground assessments in this context?

No answer provided.

17. Do you have any concerns about the use of a doorstep tool, in particular the challenges around delivery of area based schemes?

Shelter Scotland believe that people in need should be provided with support, in whatever format is useful for them, whether or not they fit the definition of fuel poverty or if they are on the fringes of the definition. Whilst we appreciate and agree that some resources should be directed to those in most need, the overall aim should be to ensure that people are able to achieve a warm and well-lit home without experiencing financial hardship. This is particularly important with the proposed new definition, given some people's changing income levels due to having zero hours contracts, or because of changing entitlement to benefits, as outlined in previous answers.

18. How can the Scottish Government most effectively work with Community Planning Partnerships in a collaborative manner to report on overall fuel poverty levels as part of the SHCS?

No answer provided.

19. What are your views on, or experience of how an outcomes-focused approach would work in practice?

a) Would it encourage national and local policy and delivery partners to work together effectively, and if not, what alternative approach(es) do you propose could be used instead?

We support an outcomes-focused approach moving away from evaluation which simply measures, for example, the number of energy efficiency 'measures' installed.

One aspect which is important is to assess the household's situation after they've received support – i.e. if they're still in fuel poverty – and understanding a household's ability to move in and out of fuel poverty depending on changing circumstances.

If the outcome is based on the ability to achieve thermal comfort and necessary energy usage without financial hardship, then we need to consider measuring more qualitative information rather than just if a household could officially be defined as in fuel poverty. This way, it aids measurement of other forms of support including advice on how energy is used in the home and the true outcome of that support. For some households, for example, their bills will not go

down after they receive advice but they may be achieving a higher level of warmth than prior to the advice.

20. Do you think the principles detailed in the 3 bullet points above are adequately reflected in the outcomes framework?

No answer provided.

21. In your opinion, would the proposed framework help to strengthen partnerships on-the-ground?

a) If so, how?

b) If not, why?

No answer provided.

22. Do you think any of the proposals set out in this consultation will have an impact, positive or negative, on equalities as set out above? If so, what impact do you think that will be and, if negative, how do you think these could be mitigated?

There is a potential negative impact on households over the age of 60 and households with children under 5 because they are no longer assessed as in need of an enhanced heating regime, and therefore if the definition of fuel poverty is used as criteria for eligibility for certain supports they will lose their entitlement to this support. This is particularly important in the context of changes to benefits already leaving families with children worse off financially.

23. What implications (including potential costs) will there be for business and public sector delivery organisations from these proposals?

There are potential costs for public sector delivery organisations, such as the NHS, from the proposals. However, this will be offset by benefits in the longer term of reducing health inequalities and preventing health conditions caused or exacerbated by people living in fuel poverty and, in particular, in cold homes.

There are other benefits in terms of job creation too.

24. Do you think any of these proposals will have an impact, positive or negative, on children's rights? If so, what impact do you think that will be and, if negative, how do you think these could be mitigated?

As in question 22, the removal of the assessment of need for an enhanced heating regime for under 5s, and therefore potential defining out of fuel poverty for these groups, may limit their entitlement to support which may affect the right for children to an adequate standard of living under article 27 of the United

Nations Convention on the Rights of the Child. Mitigation should be undertaken by assessing whether there is sufficient evidence to both reduce the enhanced temperature and also the number of hours of heating, and assess the potential impact on children under 5 of this.

Contact:

Lisa Glass, Policy Officer, lisa_glass@shelter.org.uk

Shelter Scotland helps over half a million people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help.

We're here so no one has to fight bad housing or homelessness on their own.

Please support us at shelterscotland.org

RH7439. Registered charity in England and Wales (263710) and in Scotland (SC002327)

Shelter Scotland
Scotiabank House
6 South Charlotte Street
Edinburgh EH2 4AW

shelterscotland.org