

## REPORT TO COMMUNITIES COMMITTEE – 8 NOVEMBER 2018

### SCOTTISH GOVERNMENT: ‘FUEL POVERTY, TARGET, DEFINITION AND STRATEGY (SCOTLAND) BILL 2018’

#### 1 Recommendations

The Committee is recommended to:

- 1.1 Consider and comment on Aberdeenshire Council’s response (Appendix 1) to the Scottish Government: ‘Fuel Poverty, Target, Definition and Strategy (Scotland) Bill 2018’  
[http://www.parliament.scot/Fuel%20Poverty%20\(Target%20Definition%20and%20Strategy\)%20\(Scotland\)%20Bill/SPBill37S052018.pdf](http://www.parliament.scot/Fuel%20Poverty%20(Target%20Definition%20and%20Strategy)%20(Scotland)%20Bill/SPBill37S052018.pdf)

#### 2 Background / Discussion

- 2.1 The Scottish Government introduced the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill in Parliament on 26 June 2018.

The Bill has three key aims:

- set out a new target for fuel poverty;
- introduce a new definition that focuses our support on those who need it most, no matter where in Scotland they live;
- mandate the production of a new long-term fuel poverty strategy.

- 2.2 The Aberdeenshire Local Housing Strategy 2018-2023 identifies energy efficiency, fuel poverty and sustainability as a priority. This helps to deliver the Council Plan 2017-2022 priorities to have the right mix of housing across all of Aberdeenshire and to reduce poverty and inequalities within our communities.

- 2.3 The closing date for submission of the response to the Scottish Government Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill is 9 November 2018 and a combined officer response on behalf of Aberdeenshire Council is attached as **Appendix 1**. The consultation response has been prepared in partnership between officers from Aberdeenshire Council and SCARF. Members of the committee are encouraged to comment on the draft response and any further comments will be incorporated in the final submission to the Scottish Government on 9 November 2018.

- 2.4 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report.

### **3 Scheme of Governance**

- 3.1 The Committee is able to consider this item in terms of Section D 4.2 to approve a Council response to any external consultation on any policy matter falling within the delegation of the Committee.

### **4 Implications and Risk**

- 4.1 An equality impact assessment is not required because the recommendations in the report will not have a differential impact on any of the protected characteristics.
- 4.2 There are no staffing and financial implications.
- 4.3 The following risk has been identified as relevant to this matter on a Corporate Level - ACORP002 as it relates to changes in government policy, legislation and regulation. The following risk has been identified as relevant to this matter on a strategic level - ISSR004 as it relates to Climate Change and the response should support Aberdeenshire's ability to tackle climate change through addressing fuel poverty.
- 4.4 This report, as a response to the Scottish Government: 'Fuel Poverty, Target, Definition and Strategy (Scotland) Bill 2018', will have no direct impact on town centres.

**Stephen Archer, Director, Infrastructure Services**

Report prepared by Kathleen Allan, Fuel Poverty Officer, 28 September 2018

## APPENDIX 1

### LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

### FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL CALL FOR VIEWS

#### SUBMISSION FROM:

**Aberdeenshire 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.

Yes, in principle, we are supportive of this target and time frame. We agree that a statutory target is essential. We are of the opinion that the target is ambitious given the fuel poverty statistics over the last 15 years and the current scale of the problem. In terms of achievability, this would be subject to continued significant investment to install energy efficiency measures and provide energy advice and support for householders, in terms of stimulating energy efficiency investment in their own properties and adopting good energy behaviours in the home.

Whilst we feel that the national target is realistic, subject to continued investment, we are concerned that the target might disadvantage rural areas and communities in its current form. A national target could lend itself to focussing on reducing fuel poverty in urban areas that are on the gas network and 'easier to install' energy efficiency measures. Therefore the scenario could arise where the target could potentially be met for Scotland but the situation in rural areas could still be unacceptable with significant fuel poverty. Therefore we propose that alongside the national target there are also individual local authority targets to reduce fuel poverty and that these local targets should be as important as the overall Scotland target. This will help to ensure that both rural and urban areas have equal focus.

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

Yes, we agree that a revised definition was required as the previous one was not fit for purpose. Despite significant efforts, the situation worsened over the period of the previous definition. The new definition helps to focus efforts and funding towards the households that need the most assistance. The new proposal is an improvement on the previous definition, given the consideration to housing, council tax and childcare costs, which can often be the households largest financial commitment. However, we feel it would be helpful to simplify the wording of the definition as it may cause some confusion with the general public in its current format. It is also worth noting that the information on Minimum Income Standard (MIS) is based on English data rather than Scottish, or regionalised data.

Education will be needed to ensure people are familiar with MIS. The new definition will require customers to provide additional points of information to determine fuel poverty levels. This includes providing additional income information and patterns,

occupancy details, house type and childcare costs. In our experience working with fuel poor households, it is essential that trust is established between household and agency/authority to enable this communication to take place. Without the trusted relationships, we will not be able to gather the information required for the fuel poverty assessments. It will be essential that genuine partnerships are established and maintained to help identify fuel poverty, this includes the Health Service, third sector groups, foodbanks, council services, (housing, social care, education) and faith groups. These partnerships will help to identify and assess need at a local level. It is also worth mentioning that organisations who work on providing 'front line' fuel poverty services (i.e. Home Energy Scotland, Scarf, Housing Officers, Citizens Advice) will need to be sufficiently resourced to ensure that they have had the required training to understand and use the new definition. This is necessary to capture the essential details from householders, in or at risk of being in fuel poverty.

We must also be aware that simply redefining the issue does not necessarily solve a problem for individual households currently experiencing fuel poverty. The modelled scenarios provided show a decrease in fuel poor households when using the new definition. We need to be mindful that simply moving the goal posts may exclude those who are in genuine need.

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 wholly agree with the provisions in the Bill to publish a fuel poverty strategy. This is necessary to ensure a joined up approach with associated professionals and trusted third party organisations, such as Scarf. We also agree that the strategy should be integrated with other national strategies including the Energy Strategy, Energy Efficient Scotland, Local Heat and Energy Efficiency Strategies, Fairer Scotland Action Plan and the wider economic approach.

Organisations like Scarf are pivotal for the engagement of householders who have experienced fuel poverty and should be consulted as part of the strategy. We agree that individuals who have directly experienced fuel poverty should form part of the consultation for the strategy. This is key to understanding the choices that are faced in a 'real world' situation.

Other organisations that should be consulted as a wider part of the strategy include Energy Suppliers, ECO suppliers, National Grid, Distribution Network Operators, Ofgem, BEIS, and the Competition and Markets Authority, who will all be required to work effectively towards supporting the Bill.

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?

We recognise that there will be an array of activities required to achieve the new proposed fuel poverty target. As such, the Fuel Poverty strategy will be a crucial document to ensure that professionals, agencies and statutory bodies are working towards the same outcomes. This will include the provision of relevant and practical energy advice services and continued investment in installing energy efficiency measures across domestic properties. We are supportive of the requirement to provide regular updates and reports to the Parliament to demonstrate our progress towards the target set out in the Bill.

Aberdeenshire Council are supportive of the Energy Efficient Scotland programme, which aims to remove energy efficiency as a driver for fuel poverty. In particular, the 'HEEPS ABS' programmes (Home Energy Efficiency Programme for Scotland Area Based Schemes) have been successful across Aberdeenshire in recent years in reducing carbon emissions, reducing fuel demand and improving the energy efficiency of the private sector housing stock.

We are also supportive of the continuation of the national fuel poverty scheme, 'Warmer Homes Scotland' that will provide practical help for eligible households. It is imperative that the new fuel poverty definition is built in to the process for Warmer Homes Scotland assessments. Specifically, we welcome the continuation of providing Home Energy Scotland funding but recognise the requirement of face-to-face advice and the value of this in addition to advice over the telephone. Aberdeenshire Council recognises that one of the main drivers of fuel poverty is household behaviour towards energy efficiency. This should have a clear focus as part of the strategy.

Although we appreciate that we have received a substantial amount of funding to date, in reality this would have been needed a number of years earlier for the programmes to have had a significant impact on fuel poverty in Aberdeenshire. Due to the rural geographical location of many of Aberdeenshire's residents, we are conscious that provision should be given to reflect this in the strategy and subsequent proposed actions. This would ensure priority is given to help support 'off-gas' households.

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

We are in agreement that the Bill reporting requirements must have clarity as to the numbers of households in Fuel poverty, both regionally and nationally. This can then be used to calculate a national picture. The Scottish House Condition Survey (SHCS) data is useful on a local authority level, but fuel poverty data would be even more useful at Ward level, to ensure that the support was being directed towards those with greatest need. Organisations like Scarf, will be essential in gathering information required for fuel poverty reporting.

We also agree that long term targets require interim and milestone targets to ensure we can chart any progress and pivot any activity and funding accordingly. It is imperative that consideration is given to Local Authorities differing in geographical locations and with varied construction types.

Outcome focussed approaches are vital in measuring the success of investment in energy efficiency. The challenge is to have both national and local agreement on what the outcomes are and who is responsible for them. Overall we are happy to support an outcome-based approach as long as it is applied consistently.

Reporting must be open, transparent and consistent, sharing good practice with relevant stake holders, including case studies of householders and communities. We agree with the requirement for the Fuel Poverty Strategy to provide clarity as to the reporting of outcomes and outputs for the Scottish Parliament.