

# **Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and Fuel Poverty Strategy**

**Children's Rights and Wellbeing  
Impact Assessment**

**June 2018**



**Scottish Government**  
Riaghaltas na h-Alba  
gov.scot

## CRWIA– Warm Homes Bill and Fuel Poverty Strategy

<p><b>Policy/measure</b></p> <p><b>A general description of the policy/measure</b></p>	<p>The Scottish Government is committed to continuing to tackle fuel poverty and ensuring everyone in Scotland lives in a warm home that is affordable to heat.</p> <p>The aim of the Fuel Poverty Strategy will be to set out the Scottish Government’s approach to tackling fuel poverty.</p> <p>Ministers will consult on these proposals from September 2017 for a period of 12 weeks. The outcome of the consultation will inform the development of the Warm Homes Bill, which we plan to introduce in Year 2 of this Parliament.</p>
<p><b>Initiating department</b></p> <p><b>The responsible team or division. If this is a cross-cutting policy, name the team that has overall responsibility</b></p>	<p><b>Tackling Fuel Poverty Unit</b> Better Homes Division, Directorate for Housing and Social Justice</p>
<p><b>Policy aims</b></p> <p><b>What the policy or measure is trying to achieve; what are the expected outcomes</b></p>	<p>The Strategy will be designed to enable a fairer Scotland where everyone lives in a warm home, has access to affordable, low carbon energy and has an increased understanding of how to use energy in their home.</p> <p>By making homes warmer and more affordable to heat, the Strategy will increase the health and wellbeing of occupants. It will also promote the increased deployment of energy efficiency measures to tackle fuel poverty across Scotland creating both local and national economic benefits.</p> <p>Eradicating fuel poverty is crucial to making Scotland fairer. That is why we are proposing that the key purpose of the Warm Homes Bill will be to enshrine in legislation the Scottish Government’s long term ambition to eradicate fuel poverty.</p> <p>The Warm Homes Bill will set a new measurement framework and will align itself with wider actions on tackling poverty and inequalities. It will be based on the principles of fairness and equality for all, and as such will be set within the overarching agenda set out by the Fairer Scotland Action Plan.</p>

<p><b>Timetable</b></p> <p><b>What is the time frame for a policy announcement/consultation/implementation?</b></p>	<p>We plan to consult on the Fuel Poverty Strategy in September 2017. The consultation will run for approximately 12 weeks. We plan to include questions on children and families in the consultation. External stakeholder workshops will be held in October/November and organisations that represent the interests of children will be invited to participate.</p> <p>We plan to introduce the Warm Homes Bill in Year 2 of this Parliament.</p>
<p><b>Date</b></p>	<p>11 July 2017</p>
<p><b>Signature</b></p>	<p><i>Rebekah Widdowfield</i></p> <p>Rebekah Widdowfield</p> <p>Deputy Director Better Homes Division</p>

## **CRWIA Stage 1 Screening - key questions**

### **1. What aspects of the policy/measure will affect children and young people up to the age of 18?**

The Articles of the UNCRC and the wellbeing indicators under the Children and Young People (Scotland) 2014 apply to all children and young people up to the age of 18, including non-citizen and undocumented children and young people.

The Warm Homes Bill and Fuel Poverty Strategy will impact on all children and young people up to the age of 18 (including non-citizen and undocumented children and young people) who live in fuel poverty in Scotland.

The Fuel Poverty Strategy will set a new measurement framework and will align itself with wider actions on tackling poverty and inequalities. Both the Warm Homes Bill and the fuel poverty strategy will be based on the principles of fairness and equality for all, and as such will be set within the overarching agenda set out by the Fairer Scotland Action Plan.

Indirectly both the Warm Homes Bill and the fuel poverty strategy will impact on all children and young people as a reduction in fuel poverty rates will decrease the associated impacts of living in fuel poverty.

### **2. What likely impact - direct or indirect - will the policy/measure have on children and young people?**

The Warm Homes Bill and fuel poverty strategy are not directly aimed at children or young people, but are aimed at the homes many of them live in and those households affected by the main drivers of fuel poverty.

The indirect impact on children is wide ranging and will vary depending on socio-economic standing and the depth of poverty experienced.

The Warm Homes Bill and fuel poverty strategy will have a direct impact by addressing the drivers of fuel poverty that can impact on fuel poor households including the condition of the property in which children and young people are living.

Living in a cold, energy inefficient home can impact on health and wellbeing. The aim of the proposals set out in the Warm Homes Bill and the fuel poverty strategy will be to improve health and wellbeing, and potentially the life chances of children and young people as a warm comfortable home is likely to aid in a range of activities. It will provide a better place to study and therefore aid educational attainment, it will provide a better place in which they can interact with family and friends and it is likely that they will also benefit from their parents and other family members enjoying the advantages of warmer and improved living spaces.

**3. Are there particular groups of children and young people who are more likely to be affected than others?**

Children with a disability or illness are likely to be more adversely affected if living in a house which is cold and energy inefficient as are babies and very young children. Other vulnerable children such as those living in fuel poverty are more likely to live in poor quality housing.

**4. Who else have you involved in your deliberations?**

An external stakeholder workshop to enable discussion with and between stakeholders on key issues relating to the new Fuel Poverty Strategy will be held on 1 August. Key stakeholders from organisations that represent children have been invited to attend.

The Scottish Fuel Poverty Forum also includes members from across a wide range of policy areas including the Child Poverty Action Group, The Poverty Alliance, Shelter, Scottish Public Health Network and NHS Scotland and these organisations represent the needs of fuel poor households, including children. Members of these organisations are invited to comment on a range of policy issues that impact on fuel poor households which can include children.

**5. Will this require a CRWIA?**

Yes, a CRWIA will be required to ensure the interests of children are considered as part of the consultation process on the Fuel Poverty Strategy which will inform the Warm Homes Bill.

**CRWIA Declaration**

CRWIA required

CRWIA not required

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**Authorisation**

**Policy lead**

Elsie Matheson  
Tackling Fuel Poverty Unit  
Better Homes Division

**Date**

6 July 2017

**Deputy Director or equivalent**

***Rebekah Widdowfield***  
Rebekah Widdowfield  
Deputy Director  
Better Homes Division

**Date**

11 July 2017

## CRWIA Stage 2

### Scoping - key questions

#### 1. What children's rights are likely to be affected by the policy/measure?

Policies and measures related to the fuel poverty strategy consultation and the introduction of the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (formerly known as the Warm Homes Bill) in 2018 have the potential to affect children's right under Articles 24 and 27 of the UNCRC.

- Article 24 - You have the right to the best health possible and to medical care and information.

Healthcare for children and young people should be as good as possible, but also goes further than this by saying children and young people have the right to be both physically and mentally fulfilled. Among other things, this implies that children and young people:

- should have good enough nourishment from their food
- should be able to live in a safe and healthy environment
- shouldn't be in danger at work.

- Article 27 - You have the right to have an adequate standard of living.

Children and young people should be able to live in a way that helps them reach their full physical, mental, spiritual, moral and social potential.

For Articles 24 and 27 to be realised, Children and Young People should have access to adequate food and **housing**. Good nourishment and nutrition are essential for children and young people to reach their full potential, while **safe and well-maintained housing** is necessary to ensuring their development.

#### 2. How will the policy/measure affect children's wellbeing as defined by the wellbeing indicators?

Of the SHANARRI indicators (Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible, Included) the policy relates to (and will positively enhance):

- Healthy - should be able to live in a safe and healthy environment (article 24)
- Safe – should have access to adequate housing which is safe and well-maintained (article 27)

#### 3. How many children and young people are likely to be affected by the policy or measure?

The evidence presented in Stages 2 and 3 of the CRWIA is based on the current definition of fuel poverty as the evidence requested in both of these sections deals with the current evidence base.

Stage 4 of the CRWIA includes data on the proposed new definition of fuel poverty and this provides details of the impact of the change to the definition.

According to the Scottish House Condition Survey (SHCS), on average over the period 2014-2016, there were around 97,000 households with children under 16

living in fuel poverty (or 13% of all fuel poor households). This is equivalent to around 170,000 children living in fuel poverty.

**4. What research evidence is available?**

The latest SHCS statistics (December 2017) indicate that 649,000 households (26.5%) of Scottish households were in fuel poverty in 2016. This is almost 100,000 fewer households than in 2015 and we estimate that almost two thirds of this reduction is due to the drop in the price of domestic fuels while around one third is due to improvements in energy efficiency performance of housing and higher household incomes also made a small contribution.

In 2016, the fuel poverty rate for rural households was 37%, compared to 24% for urban households.

SHCS Statistics relating to 2016 indicate that around 10% of households living in fuel poverty are families with children.

Households who are both fuel poor and income poor tend to live in more energy efficient dwellings. They are more likely to use gas for heating and live in urban locations, compared to other fuel poor households. These characteristics point to low income as a key reason for their experience of fuel poverty and these households are more likely to include families with children compared to other fuel poor households.

On average over the period 2014-2016, of the 97,000 fuel poor families, around 15,000 households had at least one child suffering from a long-term sickness or disability (LTSD) which limits their day-to-day activities. This is equivalent to 18,000 children of the 170,000 children living in fuel poverty.

Fuel poor families were equally prevalent in rural and urban areas – accounting for 13% both of rural fuel poor households and of urban fuel poor households<sup>1</sup>.

**5. Has there been any public or stakeholder consultations on the policy/measure?**

Two short life working groups were set up by Ministers to provide advice and recommendations on tackling fuel poverty and reported their findings in October 2016. Both of these reports included recommendations about reviewing the current definition of fuel poverty and setting a new long term fuel poverty strategy and target. Ministers formally responded to the reports in March 2017 and included a commitment to review the current definition and put in place a new fuel poverty strategy and a new statutory target to eradicate fuel poverty.

The new definition of fuel poverty will influence and shape the fuel poverty strategy and Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill. The fuel poverty strategy will set out how the delivery of the fuel poverty target will be achieved and, set out a monitoring framework to oversee progress in meeting the target which will be set out in the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill to be introduced to Parliament in June 2018.

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<sup>1</sup> SHCS 2014-2016.

A workshop for internal stakeholders was held on 9 May 2017 providing an opportunity for colleagues with wider policy interests to gain an overview of the Strategy and discuss key issues including proposals for the strategy to include targets, the monitoring and reporting of targets and outcomes and to consider those households the strategy aims to assist.

A further workshop was held on 1 August 2017 with the definition review panel and external stakeholders representing both fuel poverty and wider poverty issues. Organisations that work with or represent children and young people were invited to participate.

Public consultation on the new fuel poverty strategy commenced in November 2017 and ended in February. Consultation events were also held with stakeholders invited from a wide range of organisations who represent households experiencing fuel poverty or who have a wider policy interest. Organisations that work with or represent children and young people were invited to participate.

As part of the public consultation exercise, we also sought views from organisations that work with or represent children and young people in Scotland.

6. Has there been any estimate of the resource implications of the policy/measure?

The fuel poverty strategy and the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill legislation does not, on its own, impose any new or significant additional costs on the Scottish Administration. As set out in the Policy Memorandum which will accompany the Bill, work to eliminate fuel poverty has been on-going since 2001 and, while many of the levers for change are not devolved under the current constitutional settlement, there is on-going funding directed to towards meeting the ambitious aim to eradicate fuel poverty.

The Bill imposes the requirement to develop a strategy to be published one year after enactment of the Bill. In addition, the Bill also contains a commitment to publish a report every 5 years, setting out action taken, progress made and the proposed steps going forward.

However, these reporting costs are not expected to be significantly different from current staffing requirements. Section 88 of the Housing (Scotland) Act 2001 currently requires the Scottish Government to publish a fuel poverty statement every four years. The reporting requirement in the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill, which replaces the 2001 Act requirement, will be no more resource intensive in terms of intervals between statements and annual reporting already in place. The Bill is therefore not imposing new reporting costs.

## **CRWIA Stage 3**

### **Data Collection, Evidence Gathering, Involvement of/Consultation with Stakeholder Groups - key questions**

#### **1. What does the evidence tell you?**

The evidence presented in Stages 2 and 3 of the CRWIA is based on the current definition of fuel poverty as the evidence requested in both of these sections deals with the current evidence base.

Stage 4 of the CRWIA includes data on the proposed new definition of fuel poverty and this provides details of the impact of the change to the definition.

According to the Scottish House Condition Survey (SHCS), on average over the period of 2014-2016, there were around 97,000 households with children under 16 living in fuel poverty (or 13% of all fuel poor households). This is equivalent to around 170,000 children living in fuel poverty.

On average over the period 2014-16, of the 97,000 fuel poor families, around 15,000 households had at least one child suffering from a long-term sickness or disability (LTSD) which limits their day to day activities. This is equivalent to 18,000 children of the 170,000 children living in fuel poverty.

There has been a reduction in the number of fuel poor households in 2016 (649,000, 26.5% - almost 100,000 fewer than in 2015), with almost two thirds of this reduction is due to the drop in the price of domestic heating fuels, while around one third was due to improvements in energy efficiency performance of housing with higher household incomes also contributing a small amount.

Although fuel poverty levels have decreased the figures above demonstrate that further and cohesive action must be taken to tackle fuel poverty and improve the lives of children and young people living in fuel poor households.

#### **2. What further data or evidence is required?**

The Scottish House Condition Survey (SHCS) is a powerful data set and is the only national survey to look at the physical condition of Scotland's homes as well as the views and experiences of the people living in those dwellings. SHCS data is used to provide annual information on levels of fuel poverty as well as information on its drivers and trends.

In 2009, the SHCS was designated as a National Statistics product by the UK Statistics Authority (UKSA). This demonstrates that the SHCS statistics are accurate, trustworthy and compliant with the high standards required of National Statistics.

The SHCS is up to date and the main data reference source on fuel poverty data and is sufficiently relevant to what is being proposed in the Fuel Poverty Strategy Consultation.

No further research is required on this subject.

**3. Has there been any consultation on the development of the proposal(s)?**

We launched a public consultation on a “New Fuel Poverty Strategy for Scotland” on 9 November 2017 and this closed on 1 February 2018. The consultation document included a specific question to establish whether the proposals set out in the fuel poverty strategy, which will inform the development of the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill, will have an impact, positive or negative, on children’s rights and what these impacts will be.

Nineteen consultation events were also held during the consultation period and representatives from a variety of organisations with an interest in fuel poverty, including those who represent the rights and interests of children and young people, were invited to attend.

**4. Should children and young people be further involved in the development of this policy? Are there particular groups of children and young people whose views should be sought?**

The views of the Scottish Youth Parliament who represent children and young people between the ages of 12 and 25 were sought by during the consultation process by alerting them to the Consultation document and seeking their views.

**5. Should other stakeholders and experts be further involved in the development of this policy?**

A full public consultation on the fuel poverty strategy was undertaken. Key stakeholders and interest groups were encouraged to respond.

Consultation events were also held during the consultation period and representatives from a variety of organisations with an interest in fuel poverty, including those who represent the rights and interests of children and young people, were invited to attend.

## CRWIA Stage 4

### Assessing the Impact and Presenting Options - key questions

#### 1. What likely impact will the policy have on children's rights?

**POSITIVE** - As outlined in Stages 1 to 3 of this impact assessment action must be taken to tackle and reduce fuel poverty, as this has an impact on wellbeing of those children and young people living in cold homes and households experiencing fuel poverty in Scotland.

We have consulted on a new fuel poverty strategy and the proposed new definition of fuel poverty and the consultation document included a specific question to establish whether the proposals set out in the fuel poverty strategy would have an impact on children and young people.

The feedback from the consultation will inform a draft fuel poverty strategy to be published in summer 2018 and inform the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (previously known as the Warm Homes Bill) which will be introduced to Parliament in June 2018.

The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill, in addition to establishing a new definition of fuel poverty, will enshrine in legislation a new fuel poverty target, and place a duty on Scottish Ministers to produce a long term fuel poverty strategy, within a year of commencement of the Bill, and to publish a report every 5 years to update on progress towards the long term target and the plans for the next 5 years, and to report at the end of the target date.

The new fuel poverty strategy which will set out how delivery of the fuel poverty target will be achieved and, set out a monitoring framework to oversee progress in meeting the target and the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill will be aligned with both the Child Poverty Bill and the overarching agenda of the Fairer Scotland Action Plan to ensure that actions taken to tackle fuel poverty will have a positive impact on children and young people.

In addition the new fuel poverty strategy and the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill will be aligned to The Tackling Child Poverty Delivery Plan 2018-2022 published on 29 March 2018.

The long term target to eradicate fuel poverty in Scotland will help to ensure that we maximise the chance of ensuring all those who live in Scotland have productive, healthy lives, and stop the cycle of fuel poverty, preventing the next generation of young people being born into fuel poverty.

The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill:

- Sets a new long term target that by the year 2040, no more than 5% of households in Scotland are in fuel poverty.

- Sets a new fuel poverty definition which is:  
A household is in fuel poverty if
  - a) The fuel costs necessary for the home in which members of the household live to meet the conditions of subsection (2) of the Bill (heating homes to specified temperatures and meeting other reasonable fuel needs) are more than 10% of the household's adjusted net income (i.e. post-housing costs), and
  - b) After deducting such fuel costs and the household's childcare costs (if any) the household's remaining adjusted net income is insufficient to maintain an acceptable standard of living for members of the household
- Requires Scottish Ministers to publish a fuel poverty strategy and then publish a report every 5 years to update on progress towards the long term target and the plans for the next 5 years, and to report at the end of the target date.

Our aim is to ensure support from Scottish Government programmes is targeted at those who need it most, no matter where in Scotland they live. By using the Minimum income standard we can ensure those poorest households receive the support they require.

In order to identify an acceptable standard of living the new definition is using the UK Minimum Income Standard which is produced by the Centre for Research in Social Policy (CRSP) at Loughborough University, supported by the Joseph Rowntree Foundation. This attempts to define the income that different household types need in order to reach a minimum socially acceptable standard of living, drawing on the experience and opinions of ordinary people. The independent academic review recommended that, for the purposes of fuel poverty, the definition be based on 90% of the MIS total for each household type. They also recommended excluding council tax, rent, water rates, fuel costs and childcare costs from the calculation of the MIS total for each household.

This new income threshold is considerably higher, for most household types, than the standard 60% of median income used to define relative income poverty<sup>2</sup>. This ensures that households only marginally above the income poverty line that are struggling with their fuel bills, will be captured in the new definition. It also removes higher income households from the definition, even if they would need to spend 10% or more of net household income after housing costs on required fuel costs. This addresses a drawback, highlighted by the independent review panel, of the 2001 definition where households with quite high incomes could be classified as fuel poor

The Scottish Government is adopting, with some minor adjustments, the proposed definition set out by the independent academic review panel, including measuring income after housing costs and introducing an income threshold based on the UK Minimum Income Standard (MIS).

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<sup>2</sup> For example, the relative income poverty threshold for a couple with no children is £255 a week or £13,300 a year after housing costs in 2016/17. 90% MIS (after council tax, water rates, rent, fuel and childcare) for a working age couple with no children is £285.22 per week or £14,831 per year in 2016.

However, some of the recommendations proposed by the academic review will not be adopted:

- the MIS thresholds will not be adjusted upward for households living in remote rural areas or where at least one member of the household suffers long-term sick or disability; and
- the enhanced heating regime will not be applied for households with children under 5. However, although this is the current policy position, any final decision on this will be a matter for regulations made under the Bill defining households for which enhanced heating is appropriate as a measurement. If substantial new evidence is brought forward on this issue in the future which indicates the proposed approach disproportionately disadvantages those households with children under 5, the Scottish Government can consider reflecting this in the regulations.

The additional costs borne by rural and remote households are already taken into account in the modelling used to estimate fuel poverty. Regional variations in temperatures and exposure to the wind as well as types of stock and information about occupants are used. These can lead to greater energy usage estimates to maintain either standard or enhanced heating regimes in rural and remote rural areas. In addition, regionalised (North and South Scotland) energy prices are used to reflect the different consumer prices paid in different parts of Scotland.

Finally, by deducting housing and childcare costs from both household income and the MIS, regional variations are further taken into account. The proposed use of 90% of MIS therefore gives a consistent and simple standard, which accounts for regional variation, and set a minimum income level well above, for most household types, the standard 60% of median income used to define income poverty. This therefore ensures households above the income poverty line that are struggling with their bills will be captured in the definition.

Regulations under the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill will define households for which enhanced heating is appropriate as a measurement. The current policy intention is to take account of 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. Further discussion and engagement will be undertaken with stakeholders and those with lived experience of fuel poverty to ensure these proposals are robust. Where the enhanced heating regime is applied this results in higher required fuel costs. The required fuel costs for these households will also be higher than under the current definition since the “other room” temperature for the enhanced heating regime has been increased from the temperatures applied under the current fuel poverty statement. This new policy removes the potentially harmful impact of a 5 degree temperature difference between different rooms in the home.

These higher fuel costs are both compared to after housing cost income and subtracted from household income before the residual is compared to the MIS threshold, meaning that, all other things being equal, such households are more likely to be identified as fuel poor.

Analysis for 2015 suggests that 60% of households with any adults aged between 60 and 74 inclusive will remain classed as requiring the enhanced heating regime. This is due to them being more likely to experience adverse health outcomes of fuel poverty because of health issues or because they also contain another adult aged 75 or over.

Overall, around 80% of households classified as requiring an enhanced heating regime under the existing definition will remain so under the new definition.

Initial analysis of the proposed new definition of fuel poverty suggests that, on average over the period 2014-2016, the fuel poverty rate for families with children under 16 increases from 17% (or 97,000 households) under the existing definition to 23% (or 133,000 households) under the new definition. This is equivalent to an increase in the number of children living in fuel poverty from 170,000 to 232,000 under the new definition. There are no specific changes in the definition related to children, so this increase is likely to reflect the move to measuring household income after housing costs which means that households can be considered fuel poor on the basis of lower fuel costs than under the current definition.

This has the potential benefit as more families with children are now considered fuel poor and fall within the group allowing them to be helped by fuel poverty programmes.

## **2 How will the policy/measure contribute to the wellbeing of children and young people?**

The introduction of a new fuel poverty strategy and a Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill, which includes a new fuel poverty target, and the associated five-yearly reporting to monitor progress in achieving this, will have a direct impact of encouraging Scottish Ministers to put in place policies and programmes that will help them to achieve these targets – i.e. programmes that will improve the energy efficiency of people's homes that will lead to an overall reduction in fuel poverty rates.

This will have a positive impact on the lives of children living in homes experiencing fuel poverty as they will be provided with improved living conditions, warmer homes and a better of quality of life. In addition this will have a positive impact on their health and wellbeing as well as potentially improving their opportunities for educational attainment.

## **3. Are some children and young people more likely to be affected than others?**

Changes in fuel poverty rates for families between the current and proposed new definitions were analysed looking at different groups of households with children, in particular distinguishing by the presence of one or more child who is long-term sick or disabled and by the location of families (urban and rural).

Sample sizes for families where at least one child suffers from a long-term sickness or disability make it difficult to draw conclusions about the impact of the new fuel poverty definition. Under both the current and the proposed new definition, such families appear to be more likely to be fuel poor than those without.

Under the current definition 23% of such families are fuel poor compared to 16% otherwise while under the proposed new definition 28% of such families are fuel poor compared to 22% otherwise. However, these findings should be treated with some caution given sample sizes which mean that the differences for the proposed new definition, while similar to the current definition, are not statistically significant. Families where at least one child suffers from a long-term sickness or disability therefore appear more likely to benefit from fuel poverty programmes regardless of the definition applied.

The fuel poverty rate for families in urban areas increases from 16% based on the current definition to 24% based on the proposed new definition. However, the fuel poverty rate for families in rural areas remains similar at 18% under the proposed new definition (20% under the current definition). This suggests that families in urban areas are expected to benefit from the new fuel poor strategy, as they are more likely to be considered fuel poor under the proposed new definition and to receive the support of fuel poverty programmes.

Whilst we do not have fuel poverty data specific to ethnic minority household's, data from the Census indicates that such communities are largely concentrated in urban locations. As described above, families in urban areas are more likely to be considered fuel poor under the proposed new definition. In addition, data available from the Households Below Average Income dataset indicates that over a third of people from minority ethnic groups were in poverty after housing costs were taken into account compared with 18% of people from the White – British group. This suggest that minority ethnic households are expected to benefit from the new fuel poverty strategy, as they may be less likely to fall out of fuel poverty under the proposed new definition and less likely to fall out of the scope of fuel poverty programmes.

#### **4. Resource implications of policy modification or mitigation**

The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill does not, on its own, impose any new or significant additional costs on the Scottish Administration. Work to eliminate fuel poverty has been on-going since 2001 and, while many of the levers for change are not devolved under the current constitutional settlement, there is on-going funding directed towards meeting this ambitious aim.

The Bill imposes the requirement to develop a strategy to be published within one year after enactment of the Bill. In addition, the Bill also contains a commitment to publish a report every five years, setting out action taken, progress made and the proposed steps going forward.

However, these reporting costs are not expected to be significantly different than the current staffing requirements. Section 88 of the Housing (Scotland) Act 2001

currently requires the Scottish Government to publish a fuel poverty statement every four years.

The reporting requirement in this Bill, which replaces the 2001 Act requirement, will be no more resource-intensive in terms of intervals between statements and annual reporting already in place.

The Bill is therefore not imposing new reporting costs.

**5. How does the policy/measure promote or impede the implementation of the UNCRC and other relevant human rights standards?**

This will inform Scottish Ministers' duty to report to Parliament on children's rights under the Children and Young People (Scotland) Act 2014.

The new fuel poverty strategy and Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill will be implemented in a way which complements children's rights under the UNCRC, specifically the following articles:

Article 24 – Health and health services

Article 27 – Adequate Standard of Living

## CRWIA Stage 5

### Recommendations, Monitoring and Review - key points

#### 1. Record your overall conclusions from the CRWIA

As outlined in the CRWIA trends demonstrate that further and cohesive action must be taken to tackle fuel poverty and the impact that this can have on children living in fuel poor homes and, including in statute a long term fuel poverty target will be a key driver to success.

#### 2. Recommendations

The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (formerly known as the Warm Homes Bill) and the new fuel poverty strategy and will have a positive impact on children and young people living in fuel poverty in Scotland.

The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill should include in statute a long term target that by the year 2040, no more than 5% of households in Scotland are in fuel poverty.

As a result of the CRWIA it is concluded that the Scottish Government should proceed with the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill because it will serve to focus the long term ambition to eradicate fuel poverty in Scotland and this will have a positive impact on improving the life chances of Scotland's children and young people.

#### 3. How will the policy/measure be monitored? Date and agreed process for monitoring and review

The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill, in addition to establishing a new definition of fuel poverty, will enshrine in legislation a new fuel poverty target, and will place a duty on Scottish Ministers to produce a long term fuel poverty strategy, within a year of commencement of the Bill.

The Bill also includes a duty to report every 5 years. This will be a review of progress to date and will set out plans for the next 5 year period. This will be focussed on outcomes, taking a robust and comprehensive approach. It is expected that local authorities and third sector delivery bodies will work with Scottish Government to provide the information needed for these reports. The Scottish Government will work with stakeholders to develop the reporting criteria. These criteria will be included in the fuel poverty strategy which is to be published after the Bill is commenced. The Scottish Government will consult on these five-yearly reports prior to their publication, taking account of the input from those who have had experience of living in fuel poverty. These reports will also be laid before the Scottish Parliament.

The Scottish Government currently publish annual progress reports on the delivery of the Home Energy Efficiency Programmes (HEEPS). This will continue as a yearly position statement of investment and outputs.

There will also be a report by March 2042 setting out whether the 2040 target has been achieved.

This reflects the Scottish House Condition Survey (SHCS) timings, with fuel poverty estimates for 2040 being published in the SHCS Key Findings report in December 2041 and local authority estimates for the period 2038-2040 following in February 2042.

The new Fuel Poverty Advisory Panel and, the new Fuel Poverty Partnership Forum will also have responsibility for monitoring progress on meeting the statutory target set out in the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill.

**4. Date and agreed process for Child Rights and Wellbeing Impact Evaluation**

**As Above**

## Final CRWIA - Web publication of Bill CRWIA

CRWIA title Date of publication	
Executive Summary	<p>The Scottish Government is proposing for a Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill, which</p> <ul style="list-style-type: none"> <li>• Sets a new long term target that by the year 2040, no more than 5% of households are in fuel poverty</li> <li>• Establishes a new fuel poverty definition;</li> <li>• Places a duty on Scottish Ministers to publish a fuel poverty strategy within 1 year of the Bill coming into force, and to publish a report every 5 years to update on progress towards meeting the long term target and plans for the next 5 years.</li> </ul>
Background	<p>Two short life working groups were set up by Ministers to provide advice and recommendations on tackling fuel poverty and they reported their findings in October 2016. Both reports included recommendations about reviewing the current definition of fuel poverty and setting a new long term fuel poverty strategy and target. Ministers formally responded to the reports in March 2017 and included a commitment to review the current definition and put in place a new fuel poverty strategy and a new statutory target to eradicate fuel poverty.</p> <p>An independent academic panel reviewed the current definition of fuel poverty in Scotland and reported in September 2017 and a proposed new definition of fuel poverty.</p> <p>The new definition of fuel poverty will influence and shape the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and the fuel poverty strategy. The fuel poverty strategy will set out how the delivery of the fuel poverty target will be achieved and, set out a monitoring framework to oversee progress in meeting the target.</p> <p>The key purpose of the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill will be to set a new definition of fuel poverty and enshrine in legislation a Scottish Government long term target that by the year 2040, no more than 5% of households in Scotland are in fuel poverty.</p> <p>The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill will place a duty on Scottish Ministers to produce a long term fuel poverty strategy and to publish a report every 5 years to update on progress towards the long term target and the plans for the next 5 years, and to report at the end of the target date.</p>

	<p>The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and the fuel poverty strategy will also be aligned with both the Child Poverty Bill and the overarching agenda of the Fairer Scotland Action Plan to ensure that actions taken to tackle fuel poverty have a positive impact on children and young people. In addition, the draft fuel poverty strategy and the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill are also aligned to The Tackling Child Poverty Delivery Plan 2018-2022 published on 29 March.</p>
<b>Scope of the CRWIA</b>	<p>A CRWIA is required to establish the impact of the new definition of fuel poverty and the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill on children and young people.</p>
<b>Children and young people's views and experiences</b>	<p>Public consultation on the new fuel poverty strategy commenced in November 2017 and ended in February 2018. Consultation events were also held with stakeholders invited from a wide range of organisations who represent households experiencing fuel poverty or who have a wider policy interest.</p> <p>As part of the public consultation exercise, we also sought views from organisations that work with or represent children and young people in Scotland.</p> <p>In addition, the consultation document included a specific question to establish whether the proposals set out in the draft fuel poverty strategy would have an impact, positive or negative on children's rights and what these impacts would be.</p> <p>No children or young adults directly responded to the on-line consultation.</p>
<b>Key Findings</b>	<p>Initial analysis of the proposed new definition of fuel poverty suggests that, on average over the period 2014-2016, the fuel poverty rate for families with children under 16 increases from 17% (or 97,000 households) under the existing definition to 23% (or 133,000 households) under the new definition. This is equivalent to an increase in the number of children living in fuel poverty from 170,000 to 232,000 under the new definition.</p> <p>There are no specific changes in the definition related to children, so this increase is likely to reflect the move to measuring household income after housing costs which means that households can be considered fuel poor on the basis of lower fuel costs than under the current definition. This has the potential benefit as more families with children are now considered fuel poor and fall within the group allowing them to be helped by fuel poverty programmes.</p> <p>From the above it is a fair estimate to assume that approximately 232,000 children will be affected by the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill when it becomes set in statute.</p>

Changes in fuel poverty rates for families between the current and proposed new definitions were analysed looking at different groups of households with children, in particular distinguishing by the presence of one or more child who is long-term sick or disabled and by the location of families (urban and rural).

Sample sizes for families where at least one child suffers from a long-term sickness or disability make it difficult to draw conclusions about the impact of the new fuel poverty definition. Under both the current and the proposed new definition, such families appear to be more likely to be fuel poor than those without. Under the current definition 23% of such families are fuel poor compared to 16% otherwise while under the proposed new definition 28% of such families are fuel poor compared to 22% otherwise. However, these findings should be treated with some caution given sample sizes which mean that the differences for the proposed new definition, while similar to the current definition, are not statistically significant. Families where at least one child suffers from a long-term sickness or disability therefore appear more likely to benefit from fuel poverty programmes regardless of the definition applied.

The fuel poverty rate for families in urban areas increases from 16% based on the current definition to 24% based on the proposed new definition. However, the fuel poverty rate for families in rural areas remains similar at 18% under the proposed new definition (20% under the current definition). This suggests that families in urban areas are expected to benefit from the new fuel poor strategy, as they are more likely to be considered fuel poor under the proposed new definition and to receive the support of fuel poverty programmes.

The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and the fuel poverty strategy will be implemented in a way which complements children's rights under the UNCRC, specifically the following articles:

- Article 24: Health and health services
- Article 27: Adequate Standard of living

The following children's wellbeing indicators will be enhanced as a result of the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill: Healthy and Safe.

<p><b>Conclusions and Recommendations</b></p>	<p>The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill sets a new long term target that by the year 2040, no more than 5% of households are in fuel poverty.</p> <p>The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and the fuel poverty strategy, which will underpin the Bill, will have a positive impact on the lives of children living in homes experiencing fuel poverty as they will be provided with improved living conditions, warmer homes and a better of quality of life. In addition this will have a positive impact on their health and wellbeing as well as potentially improving their opportunities for educational attainment.</p> <p>As a result of the CRWIA it is concluded that the Scottish Government should proceed with the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill because it will serve to focus the ambition to eradicate fuel poverty in Scotland and improve the lives of children in Scotland living in homes experiencing fuel poverty.</p>			
<p><b>Monitoring and review</b></p>	<p>The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill, in addition to setting a new definition of fuel poverty and a new fuel poverty target will require Scottish Ministers to publish a fuel poverty strategy and then publish a report every 5 years to update on progress towards the long term target and the plans for the next 5 years, and to report at the end of the target date. This will set out how actions on fuel poverty will align with wider actions on tackling poverty and inequalities.</p> <p>In addition, the Scottish Government currently publish annual progress reports on the delivery of the Home Energy Efficiency Programmes (HEEPS). This will continue as a yearly position statement of investment and outputs.</p>			
<p><b>Bill - Clause</b></p>	<p><b>Aims of measure</b></p>	<p><b>Likely to impact on . . .</b></p>	<p><b>Compliance with UNCRC requirements</b></p>	<p><b>Contribution to wellbeing indicators</b></p>
<p>Sets a New definition A statutory target A requirement for a fuel poverty strategy A requirement for regular reporting</p>	<p>That by the year 2040, no more than 5% of households in Scotland are in fuel poverty.</p>	<p>The 232,000 children who were between 2014/16 living in homes experiencing fuel poverty.</p>	<p>Article 24: Health and health services  Article 27: Adequate standard of living</p>	<p>Healthy and Safe</p>

<b>CRWIA Declaration</b>	
<b>CRWIA required</b>	<b>CRWIA not required</b>
YES	
<b>Authorisation</b>	
<b>Policy lead</b> Elsie Matheson, Fuel Poverty Policy Officer, Housing and Social Justice: Better Homes	<b>Date</b> 18 June 2018
<b>Deputy Director or equivalent</b> Dave Signorini, Deputy Director, Housing and Social Justice: Better Homes	<b>Date</b> 18 June 2018



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Any enquiries regarding this publication should be sent to us at  
The Scottish Government  
St Andrew's House  
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ISBN: 978-1-78781-044-0 (web only)

Published by The Scottish Government, June 2018

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA  
PPDAS431706 (06/18)

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