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## **Local Government and Communities Committee Comataidh Riaghaltas Ionadail is Coimhearsnachdan**

# **Report on Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 Subordinate Legislation**



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# Local Government and Communities Committee

To consider and report on communities, housing, local government, measures against poverty, planning and regeneration matters falling within the responsibility of the Cabinet Secretary for Communities and Local Government.



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# The Fuel Poverty (Additional Amount of respect of Remote Rural Area, Remote Small Town and Island Area) (Scotland) Regulations 2020

## Introduction

1. The Local Government and Communities Committee reports to the Parliament as follows-
2. The [Fuel Poverty \(Additional Amount in respect of Remote Rural Area, Remote Small Town and Island Area\) \(Scotland\) Regulations 2020](#) (the Regulations) were laid before the Parliament on 17 December 2020 and referred to the Local Government and Communities Committee for consideration.
3. The Regulations, made under section 3(6)-(9) of [the Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019](#) (“the Act”), make provision for the definition of Remote Rural Area, Remote Small Town or Island Areas as areas where households should have uplifts to the UK Minimum Income Standard (MIS) applied, for the purposes of calculating fuel poverty.

## Background

4. The Act sets out new definitions of fuel poverty and extreme fuel poverty. The Local Government and Communities Committee was the lead Committee in scrutinising the Bill that became the Act at Stage 1. [The Policy Note](#) for the Regulations state that definitions are based on the recommendations made by the Scottish Fuel Poverty Definition Review Panel (the “Review Panel”) and more closely align fuel poverty with low incomes, allowing the Government to target those households who most need support.
5. Under the new definition, a household is deemed to be in fuel poverty if a) their fuel costs are more than 10% (20% for extreme fuel poverty) of the net household income (after housing and some other costs have been deducted) and b) if after deducting fuel costs, childcare costs and any benefits received for a care need the amount of income remaining is less than 90% of the UK MIS.
6. The Bill, as drafted at Stage 1, did not contain a provision to allow for an uplift to be applied to the MIS for remote rural and island areas to take account of the higher cost of living in these areas, despite a recommendation by the Review Panel to the contrary and support for such a provision during the initial consultation on the Bill. In its Stage 1 report on the Bill, the Committee called for the Scottish Government to amend the Bill at Stage 2 to apply an uplift to the MIS for remote rural and island areas for the reasons set out above and overwhelming support from those who provided written and oral evidence to the Committee. The Minister responded

positively to this recommendation and tabled an amendment at Stage 2 which introduced the provisions which these Regulations will make operational.

7. The Regulations also specify that the Centre for Research in Social Policy at the University of Loughborough will determine the value of these uplifts.

## Consideration by Committee

8. The Delegated Powers and Law Reform Committee considered this instrument at its [meeting on 14 January](#) and [determined](#) that it did not need to draw the attention of the Parliament to the instrument on any grounds within its remit.
9. At its [meeting on 5 February 2020](#), the Local Government and Communities Committee took evidence from:
  - Kevin Stewart, Minister for Local Government, Housing and Planning
10. The Minister explained that the Scottish Government believed that [the six-fold Scottish Government rural classification](#) "provides a suitable existing set of criteria to define remote rural areas and remote small towns, based on population size and driving time from settlements of 10,000 people and above". He also clarified that the definition of island from the Islands (Scotland) Act 2018 would allow the Scottish Government to calculate a separate MIS uplift for island communities.
11. Following the evidence session on the instrument, Kevin Stewart moved motion S5M-20386 —

That the Local Government and Communities Committee recommends that The Fuel Poverty (Additional Amount in respect of Remote Rural Area, Remote Small Town and Island Area) (Scotland) Regulations 2020 [draft] be approved.

**The motion was agreed to without debate or division.**

## Conclusion

12. The Local Government and Communities Committee recommends that the Fuel Poverty (Additional Amount of respect of Remote Rural Area, Remote Small Town and Island Area) (Scotland) Regulations 2020 be approved.

# The Fuel Poverty (Enhanced Heating) (Scotland) Regulations 2020

## Introduction

13. The Local Government and Communities Committee reports to the Parliament as follows-
14. The [Fuel Poverty \(Enhanced Heating\) \(Scotland\) Regulations 2020](#) was laid before the Parliament on 17 December 2020 and was referred to the Local Government and Communities Committee for consideration.
15. This instrument follows on from the [Commencement Regulations, published in September 2019](#), and will commence the provisions contained in section 3(4) of the Act. These provisions require Scottish Ministers to specify by Regulation what household types will have an enhanced heating regime applied to them for the purposes of calculating fuel poverty.

## Background

16. Part a) of the new fuel poverty definition relates to the fuel costs necessary to heat the home to the requisite temperatures for the requisite number of hours. The requisite temperatures include enhanced heating temperatures as well as standard heating temperatures and the requisite heating hours includes enhanced heating hours as well as standard heating hours, which are set out on the face of the Act. The enhanced heating regimes recognise that some households are more vulnerable to the effects of a poorly heated home or need a slightly higher temperature, largely due to age, illness or disability. As their fuel bills will be higher, these regulations ensure that these additional costs are taken into account when calculating whether these households are in fuel poverty.
17. There are three categories of enhanced heating regimes, as set out in [the Policy Note](#). The Regulations specify, in accordance with the provisions of section 3(4), which types of households will have which enhanced heating regime applied to them for the purposes of measuring fuel poverty. The Policy Note states that these enhanced heating regimes are used solely as a statistical tool in calculating the prevalence of fuel poverty. They do not confer any benefits or entitlements upon particular households.

## Consideration by Committee

18. The Delegated Powers and Law Reform Committee (the DPLRC) considered this instrument at its [meeting on 21 January 2020](#) and [determined](#) that Regulation 2 of this instrument defines the term “benefits”. However, in line with the definition in section 3(10)(b) of the 2019 Act, it should instead define “benefits received for a care need or disability”.



19. Following this determination the Scottish Government accepted that this was an oversight and confirmed that it intended to rectify the error by correction slip given that it required a minor amendment.
20. Due to the above, the DPLRC drew this instrument to the attention of the Local Government and Communities Committee under the general reporting ground. In doing so, the DPLRC also welcomed the Scottish Government's commitment to correct this error.
21. At its [meeting on 5 February 2020](#), the Local Government and Communities Committee took evidence from:
  - Kevin Stewart, Minister for Local Government, Housing and Planning
22. The Minister informed the Committee that the increased range of heating regimes would allow the Scottish Government "to broaden the household characteristics that will cause one of the regimes to be applied." He also confirmed that they had changed their original proposal to apply longer hours of heating to households including children aged 3 years or under which were regularly occupied during weekdays, to households with children under 5 years, in response to consultation.
23. Following the evidence session on the instrument, Kevin Stewart moved motion S5M-20385 —

That the Local Government and Communities Committee recommends that  
The Fuel Poverty (Enhanced Heating) (Scotland) Regulations 2020 [draft] be approved.

**The motion was agreed to without debate or division.**

## Conclusion

24. The Local Government and Communities Committee recommends that the Fuel Poverty (Enhanced Heating) (Scotland) Regulations 2020 be approved.

