



# What you need to know about the Fuel Poverty Bill

## Background

The Scottish Government failed to meet the target to eradicate fuel poverty as far as practicably possible by November 2016. Currently 26.5 % of households in Scotland are living in fuel poverty.

Following consultation earlier this year, the [Fuel Poverty \(Target, Definition and Strategy\) \(Scotland\) Bill](#) (the Bill) was introduced to the Scottish Parliament on 26 June 2018. The Scottish National Party (SNP) manifesto had originally committed to the introduction of a 'Warm Homes Bill' which was expected to cover a range of measures to address fuel poverty and property condition.

The Bill as introduced is quite narrowly focused and further legislation may be introduced if required following current consultation on the [Energy Efficient Scotland](#) programme.

## What does the Bill cover?

The Bill will introduce:

- A new statutory target for reducing fuel poverty.
- A new definition of fuel poverty.
- A duty for Ministers to produce a fuel poverty strategy.
- A duty for Ministers to report on progress towards meeting the target.

## The Fuel Poverty Target

The Bill sets out a new statutory target:

**No more than 5% of households in Scotland are living in fuel poverty by 2040.**

The Scottish Government originally consulted on a target of no more than 10% of households living in fuel poverty by 2040 which has been revised following feedback from CIH Scotland and others.

## The Fuel Poverty Definition

An independent panel was established to review the definition of fuel poverty – currently defined as a household that spends more than 10% of income on fuel. The panel reported their [recommendations](#) in November 2017.

The new definition set out in the Bill is that a

household will be in fuel poverty if:

- After household costs it would need to spend more than 10% of its remaining net income to pay for its reasonable fuel needs; and
- Having paid for its reasonable fuel needs, childcare costs and housing costs, the household is unable to maintain an acceptable standard of living.

Reasonable fuel needs include costs for heating water, cooking, lighting and appliances and heating levels as follows:

- For those requiring enhanced heating - 23°C in the living room and 20°C in all other rooms for 16 hours a day; or
- For all other households - 21°C in the living room and 18°C in all other rooms for 9 hours a day on weekdays and 16 hours a day at weekends.

The Bill sets out that to achieve an acceptable standard of living, after paying housing costs (including rent, mortgage, Council Tax, water and sewerage), childcare costs and fuel costs (as set out above) the household's net remaining income must be at least 90% of the [UK minimum income standard](#) developed by Loughborough University and the Joseph Rowntree Foundation.

The Bill does not make specific allowances for the higher costs of fuel associated with rural areas as recommended by the independent panel.

## The Fuel Poverty Strategy

The Bill will require Ministers to produce a strategy within a year of the Bill being passed setting out how the 2040 target will be met and how progress will be monitored. It will also have to identify the types of households that are at an increased risk of fuel poverty e.g. older people, rural and island communities.

## Reporting

Ministers will have to produce a report every five years setting out progress that has been made and detailing plans for the next five year period. Ministers will also be required to report to Parliament on whether or not the target is met within the 2040 deadline.