

Consultation on the Enhanced Heating Regimes within the new definition of Fuel Poverty

June 2019

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Introduction

1. The Scottish Government is committed to achieving a fairer and more just society where everyone has a warm comfortable home that is affordable to heat. As a Government we have invested significantly in making people's homes more energy efficient and easier and cheaper to heat. Despite this, there are still people living in fuel poverty, struggling to afford to heat their homes. That is why we have set ambitious targets to reduce fuel poverty in the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Bill (the Fuel Poverty Bill)¹. Under this legislation we have also established a new definition of fuel poverty that more closely aligns fuel poverty with income poverty.

2. The Fuel Poverty Bill sets out the various factors that are considered in the definition of both fuel poverty and extreme fuel poverty², including the requisite temperature and number of hours the home should be heated. We call this the 'heating regime'. The type of heating regime used dictates the estimated costs that would be needed to provide households across Scotland with a sufficiently warm home. We recognise that some people are more vulnerable to the effects of a cold home and should heat their home with either higher temperatures, longer hours or both in order to have a healthy living environment. We are describing this as an enhanced heating regime.

3. The Fuel Poverty Bill sets out the standard heating temperatures as 21 degrees Celsius for the living room, 18 degrees Celsius for any other room and the standard heating hours as 9 hours a day on a weekday and 16 hours a day at the weekend. The enhanced heating temperatures are 23 degrees Celsius for the living room and 20 degrees Celsius for any other room and the enhanced heating hours are 16 hours a day. The Scottish Fuel Poverty Definition Review Panel (the Panel) recommended these temperatures as they are in line with the established World Health Organisation Guidelines and the Scottish Government accepted these recommendations, setting the temperatures on the face of the Fuel Poverty Bill.

4. The Fuel Poverty Bill allows for three enhanced heating regimes, applying either higher temperatures, longer hours or both. The Bill specifies that Ministers may make regulations specifying the types of households for which the enhanced heating temperatures and the enhanced heating hours are appropriate. This consultation sets out the three enhanced heating regimes and seeks views on which households they should be applied to.

5. We have already undertaken significant stakeholder engagement and consultation on the Fuel Poverty Bill and the draft Fuel Poverty Strategy and this consultation builds on the feedback already received. This consultation will run for 8 weeks and will close on 16 August 2019. This is shorter than the normal consultation period of 12 weeks to allow for the lead in time that will be required to

¹ The Bill was unanimously passed by the Scottish Parliament on 11 June 2019 and is awaiting Royal Assent

² References to fuel poverty in this document also include extreme fuel poverty

amend the Scottish Housing Condition Survey (SHCS). The SHCS is an annual survey used to measure levels of fuel poverty in Scotland (and for other purposes) and we will need to ensure that this includes the questions necessary to identify those households for which an enhanced heating regime is applicable. The shortened timescale will ensure that the 2020 SHCS can be conducted with the required questions that will allow us to apply the new definition of fuel poverty in calculating fuel poverty levels. We anticipate that the regulations, made under section 2(4) of the Act will be laid in the Scottish Parliament in September 2019 after the consultation responses have been fully analysed and considered.

Legislative context

6. Under the previous definition³ the enhanced heating regime was applied to households where:

- a) at least one member has self-reported as having a physical or mental health condition or illness lasting or expected to last 12 months or more;
- b) or, in the absence of the above, at least one member is aged 60 or over.

7. The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Bill was passed unanimously in the Scottish Parliament on 11 June. This Bill sets ambitious targets to support our ambitions to eradicate fuel poverty. These are set out below:

By 2040:

- No more than 5% of households in Scotland in fuel poverty
- No more than 1% of households in Scotland in extreme fuel poverty
- The median fuel poverty gap of households in Scotland in fuel poverty is no more than £250 (in 2015 prices)

The 2040 targets above also apply, as far as reasonably possible, to households in each local authority area in Scotland.

By 2030:

- No more than 15% of households in Scotland in fuel poverty
- No more than 5% of households in Scotland in extreme fuel poverty
- The median fuel poverty gap of households in Scotland in fuel poverty is no more than £350 (in 2015 prices)

By 2035

- No more than 10% of households in Scotland in fuel poverty
- No more than 3% of households in Scotland in extreme fuel poverty
- The median fuel poverty gap on households in Scotland in fuel poverty is no more than £300 (in 2015 prices)

8. The Bill also sets out our new definition of fuel poverty that has been developed following extensive consultation and an evidence based review by the Scottish Fuel Poverty Definition Review Panel.

³<https://www.webarchive.org.uk/wayback/archive/20180519114340/http://www.gov.scot/Publications/2002/08/15258/9955>

9. The new definition considers the fuel costs necessary to heat the home to the requisite temperature for the requisite time. It firstly considers whether the fuel costs exceed 10% of net household income, after housing costs have been deducted in the case of fuel poverty and 20% in the case of extreme fuel poverty. Secondly, it then deducts the fuel costs from household income and assesses if the household has sufficient income to maintain an “acceptable standard of living” once housing and childcare costs are deducted, as well as income from care and disability benefits. The ‘acceptable standard of living’ is based on the ‘minimum income standard (MIS)⁴’ that is determined by the Centre for Research in Social Policy at Loughborough University.

10. In order to measure levels of fuel poverty through the SHCS using the new definition we need to set out which households should have an enhanced heating regime applied, and ensure that the SHCS asks the necessary questions to accurately identify those households. We also need to set out the arrangements for the additional uplift for the MIS that will be applied to remote rural, remote small towns and island areas. Both of these aspects of the definition will be provided for in regulations.

Heating Regimes

11. To calculate national levels of fuel poverty, a range of information is collected through the SHCS. The SHCS is a sample survey which provides fuel poverty results at a national and sub-national level, as well as for a range of dwelling and household characteristics. However, it is not feasible to use the SHCS to identify and target all fuel poor households in Scotland for various fuel poverty support schemes. Instead we use a range of proxies. As part of our work on the Fuel Poverty Strategy we will be reviewing all the characteristics of fuel poor households, including the heating regimes, to see how we can best target our support.

12. In the SHCS we estimate the costs associated with heating different dwelling types to the requisite temperature for the requisite number of hours and we apply the appropriate heating regime, based on the characteristics of people in the household. This calculation also takes into account other domestic fuel costs required for cooking, hot water and other purposes.

13. The ‘standard heating regime’ has been set out in the Bill⁵ and is shown below.

Standard Heating Regime

Requisite temperature: 21 degrees Celsius for the living room and 18 degrees Celsius for any other room

Requisite number of hours: 9 hours a day on a weekday and 16 hours a day during the weekend.

14. The Bill also allows for enhanced heating regimes, with higher temperatures or longer hours or both. The ‘enhanced heating regimes’ are set out below.

⁴ <https://www.lboro.ac.uk/research/crsp/mis/>

⁵ In Section 2 of the Fuel Poverty (Targets, definition and strategy) Bill as amended at Stage 3.

Enhanced Heating Regimes

Enhanced Heating Regime 1.

Requisite temperature: 23 degrees Celsius for the living room and 20 degrees Celsius for any other room

Requisite number of hours: 16 hours a day

Enhanced Heating Regime 2

Requisite temperature: 23 degrees Celsius for the living room and 20 degrees Celsius for any other room

Requisite number of hours: 9 hours a day on a weekday and 16 hours a day during the weekend.

Enhanced Heating Regime 3

Requisite temperature: 21 degrees Celsius for the living room and 18 degrees Celsius for any other room

Requisite number of hours: 16 hours a day

Building on the Draft Fuel Poverty Strategy

15. Initial proposals on the enhanced heating regime and what households it should be applied to when calculating fuel poverty, were included in the Draft Fuel Poverty Strategy. The draft Strategy said we would move to apply the enhanced heating regime to those households where:

- a) at least one member has self-reported as having a physical or mental health condition or illness lasting or expected to last 12 months or more;
- b) or, in the absence of the above, at least one member is aged 75 and over.

Age

16. This was based on evidence, set out below, and advice from the Panel who noted that:

‘.....age per se is not a particularly useful criterion for classifying people as vulnerable to cold-related health impacts. *In the absence of any long-term ill health or disability*, the Panel took the view that age should not become a proxy for vulnerability, until a much older age than is presently used as a threshold in Scotland (which is 60 years). A threshold nearer 75 to 80 years might be more appropriate;....’⁶

17. In accordance with their view, we agreed that age on its own did not necessarily mean enhanced heating was required. Instead, our analysis of 2017 data indicates that 60% of households with any adults aged between 60 and 74 inclusive will be classed as needing this enhanced heating regime because of specific health issues or because they also contain another person aged 75 or over.

⁶ <https://www.gov.scot/publications/new-definition-fuel-poverty-scotland-review-recent-evidence/>

18. Our current modelling indicates that around 80% of households classified as needing an enhanced heating regime under the previous definition will remain so under the new definition but the new multiple heating regimes allow us to tailor our approach to apply the most appropriate heating regime and to think about other groups who may need enhanced heating. For the reasons set out above we are proposing to accept the lower end of the age range recommended by the Panel, age 75, as the point at which an enhanced heating regime would be applicable.

19. However, if any additional medical evidence is brought forward in the future that indicates a different age threshold is more appropriate then we can review this aspect of the definition and it will be possible to revise the regulations.

20. It should also be noted that this age threshold is also consistent with our approach to our Warmer Homes Scotland fuel poverty scheme. Eligibility criteria for that scheme was agreed with input from key stakeholders, including Age Scotland and Citizens Advice Scotland, to ensure support is focussed on those with low incomes, including the working poor, fuel poor families, plus those aged over 75.

Health related conditions

21. The Panel also considered the issue of health related conditions that would make a person more vulnerable to the effects of fuel poverty and to whom an enhanced heating regime would be more appropriate. They noted that it would be extremely challenging to define a list of long-term illnesses or disabilities that would indicate a person requires an enhanced heating regime because some medical conditions and disabilities can affect people differently and as a result you generally wouldn't categorise individuals with any specific medical condition or disability as making a person 'vulnerable'. Depending on the medical condition or disability, different people might have very different functional ability with some needing a lot of assistance for daily living whilst others may be fully independent, and this can mean they can have different fuel requirements.

22. We discussed this issue with the Fuel Poverty Advisory Panel who also thought that identifying a specific list of conditions was not practical. Instead they proposed that as well as those households with an individual that self-identified as having a long-term mental or physical illness having an enhanced heating regime applied, an enhanced heating regime should also be applied to households where a member of the household was in receipt of a disability or a care related benefit. We support the view of the Panel and are proposing that an enhanced heating regime is applied to those households where an individual is in receipt of a disability or care related benefit and to those households with an individual that has a long term mental or physical illness.

Consultation Questions

23. The following sections set out our views on what households the three enhanced regimes should be applied to and how we intend to identify these households in the SHCS. We are keen to ensure that the enhanced heating regimes are applied appropriately to ensure that overall fuel poverty rates are as accurate as possible and reflect the heating needs of households across Scotland.

24. As noted earlier our support schemes use a variety of proxies to target households that are in or are vulnerable to fuel poverty and we have committed to reviewing these to align as closely as possible to the new definition of fuel poverty. Within the final Fuel Poverty Strategy we will set out the characteristics of households in fuel poverty and we will use responses to this consultation to inform both the regulations for enhanced heating and how to best support households in the future.

Enhanced Heating Regime 1.
 Requisite temperature: 23 degrees Celsius for the living room and 20 degrees Celsius for any other room
 Requisite number of hours: 16 hours a day

25. We are proposing that the Enhanced Heating Regime 1 would be applied to the households set out below:
- where a household member has a long-term mental or physical illness lasting or expected to last 12 months or more AND they regularly spend more time in the home during winter
 - where a member is in receipt of benefits received for a care need or disability AND they regularly spend more time in the home during winter
 - where a member of the household is age 75 and over AND they regularly spend more of their time in the home during winter

The SHCS already asks if any member has a long-term mental or physical illness lasting or expected to last 12 months or more, are in receipt of care need or disability benefits and aged 75 years and older. In order to establish whether any members spend more time at home during the winter we propose to ask corresponding questions in the SHCS.

<p>Do you agree or disagree that the Enhanced Heating Regime 1 (higher temperature for longer hours) should be applied to those households where a member:</p> <ul style="list-style-type: none"> • has a long-term mental or physical illness lasting or expected to last 12 months or more AND they regularly spend more time in the home during winter <p>If you disagree, please give your reasons below</p>	<p>Agree/Disagree</p>
<p>Do you agree or disagree that the Enhanced Heating Regime 1 (higher temperature for longer hours) should be applied to those households where a member:</p> <ul style="list-style-type: none"> • is in receipt of benefits received for a care need or disability AND they regularly spend more time in the home during winter <p>If you disagree, please give your reasons below</p>	<p>Agree/Disagree</p>

<p>Do you agree or disagree that the Enhanced Heating Regime 1 (higher temperature for longer hours) should be applied to those households where a member:</p> <ul style="list-style-type: none"> of the household is age 75 and over AND they regularly spend more time in the home during winter 	<p>Agree/Disagree</p>
<p>If you disagree, please give your reasons below</p>	
<p>Are there other households that you think we should consider and why? Please provide details and evidence supporting your view below:-</p>	<p>Yes/No</p>

Enhanced Heating Regime 2

Requisite temperature: 23 degrees Celsius for the living room and 20 degrees Celsius for any other room

Requisite number of hours: 9 hours a day on a weekday and 16 hours a day during the weekend.

26. The Enhanced Heating Regime 2 would be applied to those households set out below:

- where a member has a long-term mental or physical illness lasting or expected to last 12 months or more but they DO NOT regularly spend more time in the home, on weekdays, during the winter
- where a member is in receipt of benefits received for a care need or disability but they DO NOT regularly spend more time in the home, on weekdays, during the winter
- where a member of the household is age 75 and over but they do not regularly spend more time in the home, on weekdays, during the winter

27. This Enhanced Heating Regime recognises that not all long term mental or physical illnesses impact on people's day to day lives and activities. Many people with long term conditions are in full time employment or spend time outside the home for other reasons, but this regime recognises that these individuals may be more vulnerable and therefore should have a higher temperature in their home.

<p>Do you agree or disagree that the Enhanced Heating Regime 2 (higher temperature with standard hours) should be applied to those households where a member:</p> <ul style="list-style-type: none"> • has a long-term mental or physical illness lasting or expected to last 12 months or more but they DO NOT regularly spend more time in the home, on weekdays, during the winter. 	Agree/Disagree
If you disagree, please give your reasons below	
<p>Do you agree or disagree that the Enhanced Heating Regime 2 (higher temperature with standard hours) should be applied to those households where a member:</p> <ul style="list-style-type: none"> • is in receipt of benefits received for a care need or disability but they DO NOT regularly spend more time in the home, on weekdays, during the winter 	Agree/Disagree
If you disagree, please give your reasons below	
<p>Do you agree or disagree that the Enhanced Heating Regime 2 (higher temperature with standard hours) should be applied to those households where a member:</p> <ul style="list-style-type: none"> • of the household is age 75 and over but they do not regularly spend more of their time in the home, on weekdays, during the winter. 	Agree/Disagree
If you disagree, please give your reasons below	
<p>Are there other households that you think we should consider and why? Please provide details and evidence supporting your view below:-</p>	Agree/Disagree

Enhanced Heating Regime 3

Requisite temperature: 21 degrees Celsius for the living room and 18 degrees Celsius for any other room

Requisite number of hours: 16 hours a day

28. Enhanced Heating Regime 3 applies the standard temperature but for longer hours. During the previous consultation on fuel poverty we stated that the enhanced heating regime would not be applied for households with children under 5 since this is inconsistent with established NHS guidance. However, this was in relation to an enhanced heating regime with higher temperatures for longer hours.

29. We recognise that some households with young children may spend more time in the home and are therefore more likely to require longer heating hours. The amount of time spent in the home may reduce from birth onwards as children become eligible for funded early learning and childcare. In Scotland all 3 and 4 year olds (and around a quarter of 2 year olds) are eligible for funded early learning and childcare of around 600 hours a year and from August 2020 this will increase to 1140 hours a year (the equivalent of 30 hours a week if taken term time). In light of this and the levels of uptake we are proposing that only households with children under the age of 3 who spend more time in the home would have the enhanced heating regime with longer hours applied.

30. We are proposing that the Enhanced Heating Regime 3 would be applied to households:

- With children under the age of 3 AND who regularly spend more time at home during the winter

<p>Do you agree or disagree that the Enhanced Heating Regime 3 (standard temperature with longer hours) should be applied to those households:</p> <ul style="list-style-type: none"> • With a child under the age of 3 AND who regularly spend more time at home during the winter 	<p>Agree/Disagree</p>
<p>If you disagree, please give your reasons below</p>	
<p>Are there other households that you think we should consider within this regime? Please provide details and evidence for your views below:-</p>	<p>Agree/Disagree</p>

Responding to this Consultation

We are inviting responses to this consultation by 16 August 2019.

Please respond to this consultation using the Scottish Government's consultation platform, Citizen Space(<http://consult.gov.scot>). Access and respond to this consultation online at <https://consult.gov.scot/better-homes-division/enhanced-heating-regimes>. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 16 August 2019.

If you are unable to respond using our consultation hub, please complete the Respondent Information Form to:

Enhanced Heating Regulations Consultation
Scottish Government
Atlantic Quay
150 Broomielaw
Glasgow
G2 8LU

It would be helpful to have your response by email or using the electronic response form. The electronic response form can be accessed at the following website address <http://consult.scotland.gov.uk>. You can also email your response to FuelPovertyStrategy@gov.scot

Handling your response

If you respond using the consultation hub, you will be directed to the About You page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

To find out how we handle your personal data, please see our privacy policy: <https://beta.gov.scot/privacy/>

Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <http://consult.gov.scot>. If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address below or at FuelPovertyStrategy@gov.scot.

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Scottish Government consultation process

Consultation is an essential part of the policymaking process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: <http://consult.gov.scot>. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.



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RESPONDENT INFORMATION FORM

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:

<https://beta.gov.scot/privacy/>

Are you responding as an individual or an organisation?

Individual

Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
- Publish response only (without name)
- Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

No



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