



# Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019

## 2019 asp 10

### *Fuel poverty targets*

#### **1 The 2040 targets**

- (1) This section makes provision for the 2040 fuel poverty targets.
- (2) The target is that in the year 2040, as far as reasonably possible no household in Scotland is in fuel poverty and, in any event—
  - (a) no more than 5% of households in Scotland are in fuel poverty,
  - (b) no more than 1% of households in Scotland are in extreme fuel poverty,
  - (c) the median fuel poverty gap of households in Scotland in fuel poverty is no more than £250 adjusted in accordance with section 5(5) to take account of changes in the value of money.
- (3) The target is that in the year 2040, as far as reasonably possible no household in any local authority area in Scotland is in fuel poverty and, in any event, the objectives set out in paragraphs (a) to (c) of subsection (2) are met in relation to households in each local authority area.
- (4) The Scottish Ministers may by regulations modify the target year set out in subsection (2) or (3) if they receive a report from the Scottish Fuel Poverty Advisory Panel under section 14(4) advising that the target will not be met or could reasonably be met earlier.
- (5) Regulations under subsection (4) may modify—
  - (a) the date specified in subsections (4) and (6) of section 9,
  - (b) the reporting date specified in section 12(1) or, as the case may be, section 13(1),
  - (c) the years specified in section 13(2)(b).

#### **2 The interim targets**

- (1) This section makes provision for a number of interim fuel poverty targets.

- (2) The target is that in the year 2030—
- (a) no more than 15% of households in Scotland are in fuel poverty,
  - (b) no more than 5% of households in Scotland are in extreme fuel poverty,
  - (c) the median fuel poverty gap of households in Scotland in fuel poverty is no more than £350 adjusted in accordance with section 5(5) to take account of changes in the value of money.
- (3) The target is that in the year 2035—
- (a) no more than 10% of households in Scotland are in fuel poverty,
  - (b) no more than 3% of households in Scotland are in extreme fuel poverty,
  - (c) the median fuel poverty gap of households in Scotland in fuel poverty is no more than £300 adjusted in accordance with section 5(5) to take account of changes in the value of money.

### 3 Meaning of fuel poverty

- (1) 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 set out in subsection (2) are more than 10% of the household's adjusted net income, and
  - (b) after deducting such fuel costs, benefits received for a care need or disability (if any) 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.
- (2) For the purpose of subsection (1)(a), the conditions are that—
- (a) the requisite temperatures are met for the requisite number of hours, and
  - (b) the household's other reasonable fuel needs within the home are met.
- (3) For the purpose of subsection (2)(a)—
- (a) the requisite temperatures are—
    - (i) in the case of a household for which enhanced heating temperatures are appropriate—
      - (A) 23 degrees Celsius for the living room,
      - (B) 20 degrees Celsius for any other room,
    - (ii) otherwise—
      - (A) 21 degrees Celsius for the living room,
      - (B) 18 degrees Celsius for any other room,
  - (b) the requisite number of hours is—
    - (i) in the case of a household for which enhanced heating hours are appropriate, 16 hours a day,
    - (ii) otherwise—
      - (A) 9 hours a day on a weekday,
      - (B) 16 hours a day during the weekend.
- (4) The Scottish Ministers may by regulations specify the types of household for which—
- (a) enhanced heating temperatures,
  - (b) enhanced heating hours,
- are appropriate.

- (5) Subject to subsection (6), a household's remaining adjusted net income is sufficient to maintain an acceptable standard of living for the purpose of subsection (1)(b) if it is at least 90% of the minimum income standard applicable to the household after deduction of the notional costs allocated as part of that standard to—
- (a) rent,
  - (b) council tax and water rates,
  - (c) fuel,
  - (d) childcare.
- (6) Where the home in which members of a household live is in a remote rural area, remote small town or island area, the household's remaining adjusted net income is sufficient to maintain an acceptable standard of living for the purpose of subsection (1)(b) if it is in total at least—
- (a) the amount determined in relation to the household in accordance with subsection (5), and
  - (b) such additional amount (if any) as is determined in relation to the household by or in accordance with regulations made by the Scottish Ministers.
- (7) Regulations under subsection (6)(b) must—
- (a) define “remote rural area”, “remote small town” and “island area”, and
  - (b) specify a person who is to determine, in relation to households in such areas or towns, the additional amount mentioned in subsection (6)(b).
- (8) The person specified in regulations under subsection (6)(b) must make a separate determination on the additional amount in relation to households in island areas.
- (9) In defining “island area” in regulations under subsection (6)(b), the Scottish Ministers must ensure that the definition encompasses all island areas.
- (10) In this section—
- (a) “adjusted” means adjusted by deducting housing costs,
  - (b) “benefits received for a care need or disability” means benefits received for a care need or a disability under—
    - (i) section 31 of the Social Security (Scotland) Act 2018 (disability assistance),
    - (ii) section 77 of the Welfare Reform Act 2012 (personal independence payment),
    - (iii) section 64 of the Social Security Contributions and Benefits Act 1992 (attendance allowance),
    - (iv) section 68 of the Social Security Contributions and Benefits Act 1992 (severe disablement allowance),
    - (v) section 71 of the Social Security Contributions and Benefits Act 1992 (disability living allowance),
  - (c) “childcare costs” means the costs of any care or supervised activity provided—
    - (i) for a child who is below school age or who is receiving primary education (within the meaning of section 135 of the Education (Scotland) Act 1980), and
    - (ii) other than care or supervised activity provided in the course of the child's compulsory education or where the main reason for incurring the costs is the child's participation in the activity,

- (d) “household” means—
  - (i) one person living alone in a private dwelling, or
  - (ii) a group of people living together as a family or other unit (whether or not related) in a private dwelling, who—
    - (A) have the dwelling as their only or main residence, and
    - (B) share living accommodation and cooking facilities,
- (e) “housing costs” means—
  - (i) rent or mortgage costs,
  - (ii) council tax (within the meaning of section 99(1) of the Local Government Finance Act 1992), and
  - (iii) charges for the provision of water services and sewerage, incurred in respect of the home in which members of the household live,
- (f) “minimum income standard” means the minimum income standard for the United Kingdom determined by—
  - (i) the Centre for Research in Social Policy at Loughborough University, or
  - (ii) such other person as the Scottish Ministers may from time to time determine,
- (g) “net income” means the income of all adults in the household after deduction of—
  - (i) the income tax payable on that income, and
  - (ii) the national insurance contributions for which those adults are liable under Part 1 of the Social Security Contributions and Benefits Act 1992.

#### **4 Meaning of extreme fuel poverty**

- (1) A household is in extreme fuel poverty if—
  - (a) the fuel costs necessary for the home in which members of the household live to meet the conditions set out in section 3(2) are more than 20% of the household’s adjusted net income, and
  - (b) after deducting such fuel costs, benefits received for a care need or disability (if any) 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.
- (2) Subsections (2) to (10) of section 3 apply in relation to the definition of extreme fuel poverty under this section as they apply in relation to the definition of fuel poverty under that section.

#### **5 Meaning of fuel poverty gap**

- (1) Where a household is in fuel poverty, the fuel poverty gap is the figure calculated in accordance with subsection (2) or the figure calculated in accordance with subsection (3), whichever is the lower.
- (2) The first figure referred to in subsection (1) is the difference between—
  - (a) the annual fuel costs necessary for the home in which members of the household live to meet the conditions set out in section 3(2), and
  - (b) 10% of the household’s annual adjusted net income.

- (3) The second figure referred to in subsection (1) is the difference between—
  - (a) the annual amount required to maintain an acceptable standard of living for members of the household, and
  - (b) the household's annual remaining adjusted net income for the purpose of section 3(1)(b).
- (4) For the purpose of subsections (1) to (3)—
  - (a) the amount required to maintain an acceptable standard of living is to be determined in the same way as it is for the purpose of section 3,
  - (b) “adjusted”, “household” and “net income” have the same meanings as in section 3(10).
- (5) Where the fuel poverty gap is being measured against a fuel poverty target, the sums referred to in sections 1(2)(c), 2(2)(c) and 2(3)(c) are to be increased or (as the case may be) decreased by the same percentage as the percentage increase or decrease in the annual average consumer prices index over the period from 2015 to the year to which the target relates.
- (6) In subsection (5), the consumer prices index means the all consumer prices index published by the Office of National Statistics.
- (7) The Scottish Ministers may by regulations amend this section to replace references to one prices index with references to another.