

## **11.0 Fuel Poverty**

Fuel poverty is a major consideration for The Highland Council due to the geographical area, widespread communities and limited access to fuel sources.

### **11.1 Introduction to Fuel Poverty**

Fuel poverty is where a household cannot heat their home to a comfortable level at a reasonable cost; where there is a lack of 'Affordable Warmth'. Affordable Warmth is the ability to heat your home to an adequate level for household comfort and health, without developing a debt as a result.

The formal definition for Fuel Poverty is set out in the Scottish Executive's [Fuel Poverty Statement](#) as "a household is in fuel poverty if in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income (including Housing Benefit or Income Support for Mortgage Interest) on all household fuel use."

For the fuel poor the level of spending required to heat their homes may be disproportionately high and this can force people to make difficult decisions between whether to keep their home warm or spend their money on other priorities like food or clothing. Some households spend more than 20% of their income on fuel costs and they are considered to be in extreme fuel poverty.

Households affected are those who are on low incomes. They include some of the most vulnerable groups of people: older people, lone parents, disabled people and those with a long term illness. They are all people who are often at home more than most households and use heat for more of the day.

The three main factors which influence fuel poverty levels are

- fuel prices
- household incomes; and
- the energy efficiency of the housing stock

Measuring fuel poverty is difficult as households can move in and out of fuel poverty as their circumstances change. Tackling fuel poverty, however, is easier. Tackling fuel poverty not only improves people's quality of life but it also prevents health problems. This in turn reduces the wider costs on health and social services.

### **11.2 Tackling Fuel Poverty**

The Scottish Government is committed to the target that by 2016, as far as is reasonably practicable, no-one in Scotland is living in fuel poverty. This is a key priority for Scottish Ministers and for The Highland Council.

The alleviation of fuel poverty is a priority within the [Housing \(Scotland\) Act 2001](#).

In light of this new Scottish Government target, the Highland Council is currently revising their existing [Fuel Poverty Strategy](#) with the aim to fully integrate it with the council's Local Housing Strategies; in accordance with the latest [Guidance to Local Authorities on Fuel Poverty](#).

Prior to the Housing (Scotland) Act 2001 the Highland Council had developed a detailed Fuel Poverty Strategy which committed to two important aspects of delivering a fuel poverty strategy namely: partnership working and sustainable development and working practices.

The overall aim of the council's strategy was to *"alleviate fuel poverty in the Highlands as far as is reasonably practical by 2016 by helping households in all tenures to make energy savings, reduce their fuel costs and maximise their incomes."*

To achieve this, the Council had set 6 objectives-

**Objective 1:** To understand the nature and extent of fuel poverty in Highland and use the information to prioritise actions to address its causes.

**Objective 2:** To improve the energy efficiency of houses in the public and private sector.

**Objective 3:** To provide impartial energy advice so that householders can make informed choices.

**Objective 4:** To raise awareness of fuel poverty and energy efficiency so that people and organisations take action to reduce fuel poverty.

**Objective 5:** To reduce the cost of fuel and minimise the effect of fuel costs on household income.

**Objective 6:** To maximise householder's income to help them stay out of fuel poverty.

With regard to delivering these objectives; the Council is continually making improvements to its own building stock and these improvements are directly tackling the issue of fuel poverty.

Fuel Poverty is of great concern for The Highland Council which is why it must be a major factor in designing M&E Building services on a domestic scale; the completion of The Highland Council's Fuel [Options & Running Costs Appraisal](#) spreadsheet will help determine the most cost effective system for a property.

Efficient and effective M&E building services is paramount in tackling fuel poverty.

When submitting a tender design package, for domestic premises, Fuel Poverty must be clearly acknowledged and shown to be considered when determining the type of M&E systems designed.

### 11.3 The Highland Council – Area Statistics

According to the most recent Scottish House Condition Survey almost one in three households in Highland (around 32,000 households) can't afford to keep their home warmed to an adequate level; they are considered to be in fuel poverty. This is far higher than the national average - across Scotland as a whole around one in five (22%) households are considered to be fuel poor.

Furthermore, 12,000 households in the Highlands (12%) are living in extreme fuel poverty. Highland's households are some of the worst affected in Scotland. Extreme fuel poverty only affects 7% of households across Scotland.

Highland's private owners and private renters are far more likely to be living in fuel poverty – nearly one third are fuel poor (25,000 households) compared to around a quarter of Highland's public sector tenants (27%) and 23% of Scotland's private owners.

Over half (54%) of Highland's pensioners are fuel poor – this compares with 10% of families and 29% of 'other' households e.g. couples / single people. Again this is higher than Scotland's averages for pensioners and 'others' (41% and 17%). Interestingly though Scotland and Highland's families have similar lower proportions who are fuel poor (10% and 11%).

People living in rural Highland are far more likely to be in fuel poverty – 38% of rural households (18,000 households) can't afford to keep their home warm. This compares with a quarter of the households who live in Highland's towns (13,000 households). Unfortunately the SHCS isn't able to tell us more about the communities where there are particular problems or which are problematic 'hot-spots' (or more accurately cold-spots).

As a result of these figures The Highland Council must ensure that any domestic accommodation it builds is energy efficient and inexpensive to run; if it's going to help towards reducing the high percentage of Highland residence living with Fuel Poverty.