

Interim Equality Impact Assessment Record

**Fuel Poverty Strategy &
Warm Homes Bill**

November 2017



Scottish Government
Riaghaltas na h-Alba
gov.scot

INTERIM EQUALITY IMPACT ASSESSMENT RECORD

Title of policy/ practice/ strategy/ legislation etc.	<u>Fuel Poverty Strategy & Warm Homes Bill</u>	
Minister	Kevin Stewart, Minister for Local Government and Housing	
Lead official	Angus Macleod	
Officials involved in the EQIA	name	team
	Elsie Matheson Katrina Chalmers	Tackling Fuel Poverty Unit
Directorate: Division: Team	Directorate for Housing and Social Justice Better Homes: Tackling Fuel Poverty Unit Fuel Poverty Policy	
Is this new policy or revision to an existing policy?	New Strategy and Legislative Bill	

Screening

Policy Aim

Scottish Ministers announced in June 2016 that the target to eradicate fuel poverty by November 2016 would not be met; however Ministers restated their commitment to tackling it.

The two short-life working groups, the Scottish Fuel Poverty Strategic Working Group and the Scottish Rural Fuel Poverty Task Force set up to provide advice and recommendations on tackling fuel poverty reported their findings in October 2016. Both of these reports included recommendations about reviewing the current definition and setting a new long term fuel poverty strategy and target. Ministers formally responded to the reports in March 2017 and included a commitment to review the current definition and to put in place a new fuel poverty strategy and a new statutory target.

The recommendations from those working groups provided the framework for a comprehensive review of the definition which was carried out by an independent panel of academic experts, which reported in September this year <http://www.gov.scot/ISBN/9781788512428>.

We propose to implement the main components of the revised definition recommended by the independent panel and to refer to it in legislation as part of the Warm Homes Bill which we plan to introduce in Year 2 of this Parliament.

Eradicating fuel poverty is crucial to making Scotland fairer and that is why we are proposing that the key purpose of the Warm Homes Bill will be to enshrine in legislation our long term ambition to eradicate fuel poverty.

The new Warm Homes Bill will set a new measurement framework and will align itself with wider actions on tackling poverty and inequalities. The Warm Homes Bill will be fundamentally based on the Scottish Government's principles of fairness and equality for all, and as such will be set within the overarching agenda set out by the Fairer Scotland Action Plan.

This ambition will be backed up with a robust fuel poverty strategy which and targets set out in legislation against which we will report our progress. The Bill will set out clear objectives which our progress will be measured against, and ensure we work closely with partners to deliver targeted policies that will achieve our goals.

The complex nature of fuel poverty means there are a range of drivers and there can be a range of causes – from insecure employment to poorly insulated and draughty homes to excessive fuel prices – that affect whether an individual is in, or is vulnerable to, fuel poverty.

The Fuel Poverty Strategy will set out the Scottish Government's approach to tackling the four key drivers of fuel poverty (income, energy costs, energy efficiency of the home and the way consumers use their energy) with the aim to enable a Scotland where more households live in well insulated homes, have access to affordable, low carbon energy and have an increased understanding of how to use energy in their home.

To achieve our long term ambition to eradicate fuel poverty, we need to ensure that this issue is not just acknowledged but embedded in our policies at both a national and local level and that our partners share this common aim.

This is in line with the Scottish Government's housing vision for all people in Scotland to live in high quality sustainable homes. The vision for warm, high quality, affordable, low carbon homes is set out in the [Sustainable Housing Strategy](#).

In addition the Fuel Poverty Strategy will demonstrate links with wider policy and delivery mechanisms, including current and future energy efficiency programmes, health strategies and welfare reform. The Strategy will demonstrate that the long term ambition to eradicate fuel poverty links to wider priorities including reducing health inequalities, empowering communities, growing a sustainable economy, including in rural areas and reducing carbon emissions.

By making homes warmer and more affordable to heat, the Strategy will increase the health and wellbeing of occupants. It will also promote the increased deployment of energy efficiency measures to tackle fuel poverty across Scotland creating both local and national economic benefits.

The Fuel Poverty Strategy will contribute to the Scottish Government's **Wealthier and Fairer and Greener** Strategic Objectives and will impact on the National Outcome:

- We live in well-designed, **sustainable places** where we are able to access the amenities and services we need.
- We reduce the local and global environmental impact of our consumption and production

Who will it affect?

The Scottish Government agrees with the definition review panel that, based on the evidence they have presented, the definition of fuel poverty that has been used in Scotland to date is no longer fit for purpose. We propose to accept the main components of the revised definition, with some adjustments and to refer to it in legislation as part of the Warm Homes Bill.

The main differences between the current definition and the revised definition are:

- a) **Introduce an income threshold**, based on 90% of the UK Minimum Income Standard (MIS), excluding rent, council tax, water rates, fuel costs and childcare costs. This means that higher-income households would be excluded from being defined as fuel poor, thus addressing a common criticism of the old definition. Measurement of fuel poverty will show a stronger relationship with low income and the new definition would allow better targeting of support at those who need it most.
- b) **Move to an AHC (After Housing Costs) measure of household income**. With a fuel cost to income ratio based on 10% AHC income, this will mean that households can be considered to be fuel poor based on a lower modelled fuel bill than in the current definition where household income is measured before housing costs. This has a particular impact on those in the Social Rented and Private Rented Sectors, where housing costs are higher relative to income, and therefore households with characteristics which are more prevalent in these sectors.
- c) **Increase in the threshold at which age is considered a proxy for vulnerability to cold-related health impacts (in the absence of a reported long term sickness or disability), from 60 to 75 years**. The Panel report indicates that, in the context of an increasingly healthy and active older population, a threshold of nearer 75 to 80 years might be more appropriate. It is therefore proposed to implement a threshold of 75 years. In terms of the impact on households with any adults aged between 60 and 74 inclusive, analysis of 2015 SHCS data suggests that 60% of such households will remain classed as vulnerable to adverse health outcomes of fuel poverty because of health issues or because they also contain another adult aged 75 or over. Overall, around 80% of households classified as vulnerable under the existing definition will remain so under the new definition.
- d) **Implement an enhanced heating regime** (i.e. an increase in non-living room temperature from 18° C to 20° C, while maintaining the living room temperature at 23° C) **for vulnerable households**, that is households where at least one member has a long term sickness or disability or is aged 75 or over. This removes the potentially harmful impact of a 5° C temperature difference between different rooms in the home for households where there is vulnerability to cold-related health impacts.

The proposed new definition to be taken forward is therefore:

Households in Scotland are in fuel poverty if:

- they need to spend more than 10% of their after housing cost (AHC) income on heating and electricity in order to attain a healthy indoor environment that is commensurate with their vulnerability status; and
- if these housing and fuel costs were deducted, they would have less than 90% of Scotland's Minimum Income Standard (MIS)(*) as their residual income from which to pay for all the other core necessities commensurate with a decent standard of living.

() For clarification, the corresponding housing and fuel cost elements of MIS are also subtracted from the MIS total. The Panel also recommends that the Childcare cost element of MIS is subtracted from the MIS total, prior to deriving a residual income level. Childcare costs would therefore also be deducted from the household's residual income to ensure that we are comparing like with like.*

Some of the detail of the measurement of the definition proposed by the independent panel will not be taken forward:

- the MIS thresholds will not be adjusted upward for households living in remote rural areas or where at least one member of the household is long-term sick or disabled.
- the enhanced heating regime for vulnerable households will not be applied for households with children under 5 since this is inconsistent with established NHS guidance.

Overall, under the new definition, the fuel poverty rate for 2015 is expected to be 26% compared to 31% under the current definition. Looking at the broad impact of the proposed changes on different demographics and characteristics; older households, outright owners, households where at least one member has a long-term sickness or disability and households occupying dwellings in the bottom energy efficiency bands have lower fuel poverty rates under the new definition. Households in all income bands will have lower rates of fuel poverty, but this decrease is more pronounced for higher income households. The combined impact of all these changes result in a greater reduction in the fuel poverty rate in rural areas compared to urban areas. These changes mainly result from the addition of an income threshold (change a) above) to the fuel poverty definition. Some households in these groups, who are no longer considered fuel poor, may have high energy costs but they also have high residual incomes after their housing and fuel costs have been taken into account.

For families, younger households, private and social rented tenants, and households living in energy efficient dwellings, fuel poverty rates are higher under the new definition. This is mainly a result of the move to measuring

household income after housing costs rather than before housing costs (change b) above). The households in these groups who are brought into fuel poverty by the new definition have high fuel costs relative to their after housing costs income, as well as low residual incomes.

All households considered to be living in fuel poverty under the new definition could benefit from the strategy, which has the long term potential to improve their living conditions and well-being.

Table 1 below demonstrates how the fuel poverty rates for different demographics and characteristics change for the proposed new definition compared to the current definition.

Table 1: Fuel Poverty Rates (2015) comparing the current and proposed new definition

	Current definition		New definition	
	Number of fuel poor households (thousands)	% of fuel poor households	Number of fuel poor households (thousands)	% of fuel poor households
Total	748	30.7%	626	25.7%
Household Type				
Older households	321	45.1%	176	24.6%
Families	97	16.2%	134	22.6%
Other households	330	29.3%	316	28.1%
Age of Highest Income Householder				
Under 35	96	24.4%	141	36.2%
35-64	314	23.9%	297	22.5%
35-74	493	28.3%	403	23.2%
Over 65	338	46.6%	188	25.9%
Over 75	159	52.9%	81	26.9%
Long-term sickness or disability				
Yes	403	37.5%	307	28.6%
No	344	25.3%	319	23.4%
Sex of Highest Income Householder				
Male	370	26.3%	292	20.7%
Female	378	36.8%	334	32.5%
Location				
Urban	603	29.9%	542	26.8%
Rural	145	34.9%	84	20.3%
Tenure				
Owned	341	45.1%	158	20.9%
Mortgaged	97	13.0%	96	12.9%
LA / public	129	37.6%	144	42.2%
HA / coop	70	27.7%	90	35.4%
PRS	111	32.8%	138	41.0%
Private	549	29.8%	392	21.3%
Social	199	33.4%	234	39.3%
EPC Band (SAP 2012)				
B-C	163	18.2%	208	23.2%
D	320	30.3%	286	27.0%
E	184	50.4%	96	26.2%
F-G	80	69.8%	36	31.8%
SIMD: Most Deprived 15%				
Yes	115	31.0%	138	37.3%
No	633	30.7%	488	23.6%
Household Income (weekly)				
<£200	273	92.1%	273	89.7%
£200-£300	244	56.1%	227	52.6%
£300-£400	117	27.1%	86	20.0%
£400-£500	50	17.7%	23	8.2%
£500-£700	48	10.9%	17	3.9%
£700+	16	2.9%	0	0.0%

What might prevent the desired outcomes being achieved?

The desired outcome to tackle and, in the long term eradicate fuel poverty in Scotland will be informed by discussion during the consultation period and formal responses received.

Achieving the desired outcome will be dependent on a number of factors such as future energy and fuel costs, the energy efficiency of properties, how people use energy in their homes and household incomes.

The key risks are future increases in fuel prices and the impact of Welfare Reform on household incomes, particularly for those with low incomes. Our first priority is the safe and secure transfer of devolved social security benefits to those who rely on this type of support in Scotland. We have prioritised the earliest delivery of the Best Start Grant, Funeral Expense Allowance and increase to Carer's Allowance because they will make an immediate difference to people in Scotland. Winter Fuel Payments and Cold Weather Payments are also being devolved to the Scottish Government and the timing will depend on the implementation and testing of the new social security system's operation. However, we will protect the Winter Fuel Payment, and extend the eligibility to families with severely disabled children. The Scottish Government doesn't have powers to regulate fuel prices, but we do have existing programmes and strategies to improve the energy efficiency of our housing stock and to increase the availability of affordable, low carbon heat. We believe everyone should be able to access affordable energy and we are currently exploring a range of delivery options to facilitate this, including, as announced by the First Minister on 10 October, a publicly-owned energy company. Further details will be available by the end of the year, when the Government's long term Energy Strategy is published. This, coupled with strong links to our Government's Economic Strategy, which is centred on a commitment to inclusive growth, will help deliver our aims to create sustainable employment opportunities that will boost incomes in communities across Scotland. Alongside this, and through Scotland's Energy Efficiency Programme (SEEP), we aim to demonstrate how effective it is to integrate policies and programmes to deliver wider benefits to our communities.

Stage 1: Framing

Results of framing exercise

Despite this Government investing more in tackling fuel poverty than any other Government, latest SHCS statistics (December 2015) indicate that 748,000 households (31%) of Scottish households were in fuel poverty in 2015 (under the current definition).

Fuel costs that have risen well above the rate of inflation have been the biggest driver of fuel poverty in Scotland since 2002. Modelling based on the Scottish House Condition Survey statistics show that the fuel poverty rate for

2015 would have been 8.4% (instead of 31%) if fuel prices had only risen in line with inflation between 2002 and 2015.

Whilst this Government does not have the powers to regulate fuel prices, we do have strategies to increase the affordability of affordable low carbon heat. Through our proposed Publicly Owned Energy Company, our Climate Change Plan, our Energy Strategy and the forthcoming SEEP we will be paving the way for innovation and co-ordinated efforts across sectors to find the most effective solutions for households no matter where they live in Scotland.

Improving the energy efficiency of homes in both the private and social sector has a major part to play in tackling fuel poverty and achieving the vision for warm, affordable, low carbon homes.

SEEP will provide an offer of support to owners and occupants across Scotland – domestic and non-domestic – to improve the energy efficiency rating of their buildings over the longer term, with eradication of fuel poverty at its heart. The commitment to a programme on this scale, across Scotland, provides certainty of work and an economic boost to communities across urban and rural Scotland. We have already consulted on the overall design of SEEP in early 2017, and are now analysing the responses to this consultation as we develop a Routemap for the programme, which we will publish in 2018.

In addition, the Energy Efficiency Standard for Social Housing (ESSH), launched on 28 March 2014, aims to improve the energy efficiency of social housing in Scotland. Achievement of ESSH by social landlords will help to reduce energy consumption and fuel poverty and mean that approximately 600,000 social houses will be either an EPC band C or D by 2020. By attaining ESSH social housing tenants could save an estimated average of around £210 per year on their energy bills. Ministers committed to a review in 2017. This is being conducted in two phases – phase one commenced in March 2017 with phase two to follow on immediately after. Key stakeholders on the review group have endorsed the current ratings set for 2020 and in phase two will look beyond those in the wider context of development of SEEP.

As set out in the Programme for Government, we also published the consultation on 'Energy Efficiency and condition standards in private rented housing' in April 2017. Responses to the consultation are currently being analysed and we will confirm the introduction of new energy efficiency standards for the private rented sector (PRS) in due course, to ensure that tenants are able to enjoy homes that are warmer and more affordable to heat. We will also introduce changes to improve the condition of PRS properties, ensuring that every private tenant is able to live in a safe and good quality home.

Taking account of Scottish Minister's response to the two fuel poverty working group reports, it has been concluded that the best way forward is to consult on the Scottish Government's proposed approach to tackling fuel poverty in the forthcoming Warm Homes Bill. In addition, the consultation will seek views on a range of other issues, such as setting ambitions for each of the drivers of fuel poverty which would contribute to an overall target and the proposed reporting mechanisms. The outcome of the consultation will shape the Fuel Poverty Strategy and will inform the development of the Warm Homes Bill, which we plan to introduce in Year 2 of this Parliament.

In this Interim Equalities Impact Assessment we will look at evidence gathered under the following headings: Age, Disability, Sex, Pregnancy and Maternity, Gender Reassignment, Sexual Orientation, Race and Religion or Belief. Where there are gaps in evidence we will use the consultation to look for evidence to fill these gaps.

The final EQIA will also be published alongside a Health Impact Assessment and a Children's Rights and Wellbeing Impact Assessment in May 2018.

Extent/Level of EQIA required

The majority of the evidence captured in ***Stage 2: Data and evidence gathering, involvement and consultation*** is drawn from the Scottish House Condition Survey (SHCS) module of the Scottish Household Survey (SHS) collected in 2015 and, where insufficient information is available from this source, from the 2011 census. The statistics may relate to the characteristics of the highest income householder - e.g. evidence relating to age and gender or to the characteristics of any of the members within the household such as provided under the disability heading.

During the consultation period, equality group representatives will be invited to comment and submit evidence in relation to those protected characteristic groups they represent. This will be taken into account together with any additional evidence gathered during discussions at consultation events and from formal responses received.

Stage 2: Data and evidence gathering, involvement and consultation

Include here the results of your evidence gathering (including framing exercise), including qualitative and quantitative data and the source of that information, whether national statistics, surveys or consultations with relevant equality groups.

Characteristic ¹	Evidence gathered and Strength/quality of evidence	Source	Data gaps identified and action taken
AGE	<p>Under the new definition there will be a large reduction in the fuel poverty rate of older households (aged over 65), from 47% to 26%. However, only households with higher incomes above 90% of the UK Minimum Income Standard threshold and/or where required fuel costs are below 10% of After Housing Cost income will fall out of fuel poverty under the new definition. These households are more likely to be able to afford to keep their homes warm and to pay for other housing energy costs, so will not be disadvantaged by the change in the definition.</p> <p>The age threshold for households requiring an enhanced heating regime has been increased from 60 to 75, if there are no members of the household with a long term limiting illness or disability.</p>	Analysis of 2015 data from Scottish Household Survey (SHS) and Scottish House Condition Survey (SHCS)	As part of the consultation, we will seek views from organisations representing people of different age groups including children.

¹ Refer to Definitions of Protected Characteristics document for information on the characteristics

Characteristic ¹	Evidence gathered and Strength/quality of evidence	Source	Data gaps identified and action taken
	<p>This affects about 40% of households where the highest income householder is aged 60 to 74. These households are not disadvantaged by the change in definition, as they are more likely to be in good health with some still in employment, where the standard heating regime is considered appropriate to keep them warm. The corresponding fuel cost of this standard heating regime is applied to these households in the new definition.</p> <p>All other households which do have someone aged 75 or over or someone with a long term limiting illness or disability, will benefit from the new definition, which includes an enhancement to the vulnerable heating regime. The new definition will increase their required fuel bill cost to account for the increase in the non-living room temperature from 18°C to 20°C. This additional fuel cost is applied to these households in the new definition and for some households this additional cost may be sufficient to tip them into fuel poverty. Despite this change, there is an overall decrease in the fuel poverty rate for households where the highest income householder is aged 75 or over from 53% to 27% under the new definition, but this is due to the new income threshold described above.</p>		

Characteristic ¹	Evidence gathered and Strength/quality of evidence	Source	Data gaps identified and action taken
	<p>Under the new definition there will be increase in the fuel poverty rate for households where the highest income householder is aged under 35, from 24% to 36%. This mostly reflects the change to a definition, whereby fuel costs are compared to income, once all housing costs have been deducted. This effectively means households with lower fuel costs will now be considered fuel poor. This affects younger households most, who are more likely to have higher housing costs in the private and social rented sectors, relative to their lower incomes. These households may benefit from this change, as they are now considered fuel poor and fall within the group to be helped by fuel poverty programmes.</p> <p>For households where the highest income householder is aged 36-64, the fuel poverty rate is similar under both definitions - 24% under the old definition and 23% under the new definition.</p> <p>The fuel poverty rate for families with children increases from 16% to 23% under the new definition. There are no specific changes in the definition related to children, so this increase is likely to reflect households with lower incomes</p>		

Characteristic ¹	Evidence gathered and Strength/quality of evidence	Source	Data gaps identified and action taken
	<p>where lower fuel bills now move these households into fuel poverty (due to consideration of housing costs). This has the potential benefit as more families with children are now considered fuel poor and fall within the group allowing them to be helped by fuel poverty programmes.</p>		

<p>DISABILITY</p>	<p>Under the new definition there will be a reduction in the fuel poverty rate of households where at least one member has a long-term sickness or disability, from 38% to 29%. However, only households with higher incomes above 90% of the UK Minimum Income Standard threshold and/or where required fuel costs are below 10% of After Housing Cost income will fall out of fuel poverty under the new definition. These households are more likely to be able to afford to keep their homes warm to a higher heating regime standard and to pay for other housing energy costs, so will not be disadvantaged by the change in the definition.</p> <p>All households which do have someone with a long term sickness or disability will benefit from the new definition,</p>	<p>Analysis of 2015 data from Scottish Household Survey (SHS) and Scottish House Condition Survey (SHCS)</p>	<p>We do not know of any reason that the Fuel Poverty Strategy would disproportionately affect people because of their disability.</p> <p>The ambition of the Strategy and the Warm Homes Bill is to see more households living in well insulated homes, accessing affordable, low carbon energy; and having an increased</p>
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	<p>which includes an enhancement to the vulnerable heating regime. The new definition will increase their required fuel bill cost to account for the increase in the non-living room temperature from 18°C to 20°C. This additional fuel cost is applied to these households in the new definition and for some households this additional cost may be sufficient to tip them into fuel poverty, allowing them to be helped by fuel poverty programmes.</p>		<p>understanding of how to use energy in their homes.</p> <p>It aims to benefit all people in fuel poverty. This includes households with at least one member who is long term sick or disabled which accounts for 44% of households across Scotland and 49% of those households identified as fuel poor under the new definition. As part of the consultation, we will seek views from organisations representing people who are long-term sick or disabled.</p>
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<p>SEX</p>	<p>Under the new fuel poverty definition, the fuel poverty rate will reduce by a similar amount for both male (26% to 21%) and female headed households (37% to 33%). These are both in line with the overall reduction in fuel poverty under the new definition of 5 percentage points.</p> <p>Around half (53%) of fuel poor households are headed by a female, similar to under the old definition. Thus the change in definition does not have a disproportionate impact on either sex. However, in general, female headed households are represented more greatly in the fuel poor population than in Scotland as a whole (42%). This suggests that female-headed households have a higher chance of being fuel poor and therefore are also more likely to benefit from the Scottish Government's plans to tackle fuel poverty under the Strategy and the Warm Homes Bill.</p>	<p>Analysis of 2015 data from Scottish Household Survey (SHS) and Scottish House Condition Survey (SHCS)</p>	<p>The ambition of the Strategy and the Warm Homes Bill is to see more households living in well insulated homes, accessing affordable, low carbon energy; and having an increased understanding of how to use energy in their homes regardless of their gender.</p> <p>As part of the consultation we will seek views on whether the proposed Strategy is likely to have any disproportionate effects on people because of their gender.</p> <p>The Fuel Poverty Strategy will enable a fairer Scotland where more households live in warm homes, have access to affordable, low carbon energy and have an increased understanding of how to use energy in their home.</p>
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<p>PREGNANCY AND MATERNITY</p>	<p>There is no information in either the SHCS or the Census relating to pregnancy.</p>		<p>The ambition of the Strategy and the Warm Homes Bill is to see more households living in well insulated homes, accessing affordable, low carbon energy; and having an increased understanding of how to use energy in their homes.</p> <p>As there is no information from either the SHCS or the Census relating to pregnancy and maternity we would welcome responses on whether these proposals would have any disproportionate effects on people because of pregnancy and maternity.</p>
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<p>GENDER REASSIGNMENT</p>	<p>A Scottish Transgender Alliance survey in 2012 reported that 11% of 526 respondents rented privately as a joint tenant and 9% rented privately as a single tenant. The combined figure, of around 20%, compares to an overall proportion of households renting privately in Scotland as a whole of 15% on average in 2015. However, we do not have fuel poverty data specific to gender reassignment to say whether this group would be disproportionately affected.</p> <p>The overall fuel poverty rate for households in the private rented sector does increase from 33% to 41% under the new definition, reflecting higher housing costs relative to income, for households on lower incomes in this tenure. Given the higher proportion of respondents to the Scottish Transgender Alliance survey living in the private rented sector, it is possible that their fuel poverty rate may also increase, if they had similar incomes and fuel costs to households in this sector overall. If so, they may have potential to benefit more from fuel poverty programmes.</p>	<p>Scottish Government Equality Outcomes: Lesbian, Gay, Bisexual and Transgender (LGBT) Evidence Review (http://www.scotland.gov.uk/Publications/2013/04/7520/4)</p> <p>2015 data from Scottish Household Survey (SHS) and Scottish House Condition Survey (SHCS)</p>	<p>The ambition of the Strategy and the Warm Homes Bill is to see more households living in well insulated homes, accessing affordable, low carbon energy; and having an increased understanding of how to use energy in their homes.</p> <p>We do not know of any reason why the Fuel Poverty Strategy would disproportionately affect individuals in this category. As there is limited fuel poverty data specific to individuals under the gender reassignment protected characteristic we would welcome any comments from individuals and</p>
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			representative groups and encourage them to respond to the consultation.
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SEXUAL ORIENTATION	<p>There is limited information on fuel poverty for sexual orientation. This information was not collected in the census or the SHCS, and housing providers do not routinely gather such data.</p>		<p>The ambition of the Strategy and the Warm Homes Bill is to see more households living in well insulated homes, accessing affordable, low carbon energy; and having an increased understanding of how to use energy in their homes.</p> <p>We do not know of any reason that the Fuel Poverty Strategy would disproportionately affect people because of their sexual orientation. As there is limited data available on fuel poverty and sexual orientation we would welcome any comments from representative groups such as Stonewall.</p> <p>The proposed policy is likely to have any disproportionate effects on people due to their sexual orientation.</p>
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<p>RACE</p>	<p>On census day 2011 there were approximately 200,000 Black, Asian and Minority Ethnic (BAME) people in Scotland, making up just over 4% of the population. The SHCS sample is not sufficiently large to allow a breakdown of the regulated groups by ethnicity and to analyse the equality impact of the proposed fuel poverty definition change on ethnic minorities, even with two years of data combined.</p> <p>However, data available from the Census indicates that BAME communities are largely concentrated in urban locations. The fuel poverty rate under the new definition for households in urban areas shows a small decrease from 30% to 27%, compared to a large decrease in rural areas from 35% to 20%. In addition, data available from the Households Below Average Income dataset, indicates that over a third of people from minority ethnic groups were in poverty after housing costs were taken into account compared with 18% of people from the White – British group. These factors suggest that minority ethnic households may be less likely to fall out of fuel poverty under the new definition and less likely to fall out of the scope of fuel poverty programmes.</p>	<p>2011 Census and analysis of 2015 Scottish Household Survey and Scottish House Condition Survey data.</p> <p>Aggregated data from 2013/14 to 2015/16 from the DWP Family Resources Survey, Households Below Average Income dataset.</p>	<p>The ambition of the Strategy and the Warm Homes Bill is to see more households living in well insulated homes, accessing affordable, low carbon energy; and having an increased understanding of how to use energy in their homes.</p> <p>We do not know of any reason why the Fuel Poverty Strategy would disproportionately affect individuals due to their race.</p> <p>However, we would welcome any comments from individuals and representative groups such as the Council of Ethnic Minority Voluntary Sector Organisations.</p>
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			(CEMVO) and the Poverty Alliance.
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<p>RELIGION OR BELIEF</p>	<p>According to the 2011 Census, in Scotland, 59% of the population report having a religion: 56% report as being Christian, 1.4% as being Muslim.</p> <p>Due to sample size constraints, it is not possible to analyse affected households by religious belief using the SHCS, even when two years of data are merged.</p> <p>However, Census data indicates that minority religions are largely concentrated in urban areas. The fuel poverty rate under the new definition for households in urban areas shows a small decrease from 30% to 27%, compared to a large decrease in rural areas from 35% to 20%. This suggests that minority religious households may be less likely to fall out of fuel poverty under the new definition and less likely to fall out of the scope of fuel poverty programmes.</p>	<p>2011 Census</p>	<p>The ambition of the Strategy and the Warm Homes Bill is to see more households living in well insulated homes, accessing affordable, low carbon energy; and having an increased understanding of how to use energy in their homes.</p> <p>We do not know of any reason why the Fuel Poverty Strategy would disproportionately affect individuals due to their religion or belief. However, we would welcome any comments from individuals and representative groups</p>
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<p>MARRIAGE AND CIVIL PARTNERSHIP (the Scottish Government does not require assessment against this protected characteristic unless the policy or practice relates to work, for example HR policies and practices - refer to Definitions of Protected Characteristics document for details)</p>	<p>This policy does not relate to work therefore we have not considered it for this EQIA.</p>		
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Stage 3: Assessing the impacts and identifying opportunities to promote equality

Having considered the data and evidence you have gathered, this section requires you to consider the potential impacts – negative and positive – that your policy might have on each of the protected characteristics. It is important to remember the duty is also a positive one – that we must explore whether the policy offers the opportunity to promote equality and/or foster good relations.

Evidence gathered during the consultation period will help inform this section of the EQIA – further detail may be added at the end of the consultation period.

Do you think that the policy impacts on people because of their age?

Age	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation			X	<p>The evidence suggests that the Fuel Poverty Strategy and forthcoming Warm Homes Bill will not have an unlawful discrimination related to age.</p> <p>The evidence suggests that younger households and families are more likely to be considered fuel poor under the new definition than the current definition. The Fuel Poverty Strategy and forthcoming Warm Homes Bill are therefore likely to be more beneficial for these households, resulting in warmer, more affordable and energy efficient homes.</p> <p>Under the new definition there will be a large reduction in the fuel poverty rate of older households (aged over 65),</p>

				<p>from 47% (under the current definition) to 26%. However, the introduction of an income threshold to the fuel poverty definition, means that these households are more likely to be able to afford to keep their homes warm and to pay for other housing energy costs, so will not be disadvantaged by the change in the definition.</p> <p>In addition, although the age threshold for requiring an enhanced heating regime (in the absence of a long term sickness or disability) will rise from 60 to 75, these households are not likely to be disadvantaged as they are more likely to be in good health with some still in employment, where the standard heating regime is considered appropriate to keep them warm.</p>
Advancing equality of opportunity	X			<p>For vulnerable households, where at least one member has a long-term sickness or disability or is aged 75 or over, an enhanced heating regime will be implemented. This removes the potentially harmful impact of a 5° C temperature difference between different rooms in the home for households where there is vulnerability to cold-related health impacts. The new heating regime will also increase their required fuel bill cost and for some households this may be sufficient to tip them into fuel poverty and fall within the group to be helped by fuel poverty programmes.</p>

Promoting good relations among and between different age groups			X	We do not think that our proposals will have any impact on good relations among and between different age groups.
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Do you think that the policy impacts disabled people?

Disability	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation			X	<p>There is no evidence to suggest that, overall, the Fuel Poverty Strategy and forthcoming Warm Homes Bill would disproportionately negatively affect people with a disability.</p> <p>Under the new definition there will be a reduction in the fuel poverty rate of households where at least one member has a long-term sickness or disability, from 38% to 29%. However, the inclusion of an income threshold in the fuel poverty definition, means that these households are more likely to be able to afford to keep their homes warm to a higher heating regime standard and to pay for other housing energy costs, so will not be disadvantaged by the change in the definition.</p>

				<p>We would welcome responses on whether the proposals would have any disproportionate effects on people because of their disability.</p>
<p>Advancing equality of opportunity</p>	<p>X</p>			<p>The evidence suggests that 29% of households where at least one person has a long term sickness or disability will be considered fuel poor under the proposed new definition compared to 23% of households with no long-term sickness or disability. Whilst these rates are lower than the current definition, people with some long-standing health problem are still more likely to benefit from the Fuel Poverty Strategy and Warm Homes Bill.</p> <p>For vulnerable households, where at least one member has a long-term sickness or disability or is aged 75 or over, an enhanced heating regime will be implemented. This removes the potentially harmful impact of a 5° C temperature difference between different rooms in the home for households where there is vulnerability to cold-related health impacts. The new heating regime will also increase their required fuel bill cost and for some households this may be sufficient to tip them into fuel poverty and fall within the group to be helped by fuel poverty programmes.</p>

Promoting good relations among and between disabled and non-disabled people			X	The Fuel Poverty Strategy and forthcoming Warm Homes Bill are unlikely to impact on the promotion of good relations between disabled and non-disabled people.
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Do you think that the policy impacts on men and women in different ways?

Sex	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	There is no evidence to suggest that, overall the Fuel Poverty Strategy and forthcoming Warm Homes Bill would disproportionately affect either sex. We would welcome responses on whether the proposals would have any disproportionate effects on people because of their gender.
Advancing equality of opportunity			X	Under the proposed new definition, the fuel poverty rate will reduce by a similar amount for both male and female headed households. The evidence suggests that female-headed households living in fuel poverty are more common than in Scotland as a whole (53% of fuel poor households compared to 42% of all Scottish households), so it is likely they will benefit slightly more than male-headed households from Fuel Poverty Strategy and the forthcoming Warm Homes Bill. However, this is no different to the existing fuel poverty definition.

Promoting good relations between men and women			X	We do not think that our proposals will have any effect on good relations between men and women.
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Do you think that the policy impacts on women because of pregnancy and maternity?

Pregnancy and Maternity	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	There is no information in either the SHCS or the Census relating to pregnancy and maternity. We do not anticipate that the Fuel Poverty Strategy and forthcoming Warm Homes Bill would have particular impacts on this group but would welcome consultation responses from individuals or representative groups that would give us more information.
Advancing equality of opportunity	X			The fuel poverty rate for families with children increases from 16% to 23% under the new definition. There are no specific changes in the definition related to children, however, 90% of the UK Minimum Income Standard is higher for families with children than for those without children. More families with children are now considered fuel poor and fall within the group to be helped by fuel poverty programmes.
Promoting good relations			X	We do not think that our proposals will have any impact on good relations due to pregnancy and maternity.

Do you think your policy impacts on transsexual people?

Gender reassignment	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	We do not know of any reason why the Fuel Poverty Strategy and forthcoming Warm Homes Bill would affect individuals under the gender reassignment protected characteristic. However, we would welcome any comments from individuals and representative groups.
Advancing equality of opportunity	X			Whilst we do not have fuel poverty data specific to transsexual people, other data suggests that this group is more likely to live in the private rented sector, where the fuel poverty rate is likely to increase with the proposed new definition from 33% to 41%. It is therefore possible that fuel poverty rates may also increase for this group, if they had similar incomes and fuel costs to households in the private rented sector overall. If so, they may have potential to benefit more from fuel poverty programmes.
Promoting good relations			X	We do not think that our proposals will have any impact on promoting good relations with transsexual people.

Do you think that the policy impacts on people because of their sexual orientation?

Sexual orientation	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	We do not know of any reason why the Fuel Poverty Strategy and forthcoming Warm Homes Bill would disproportionately affect people due to their sexual orientation. However, we would welcome any comments from individuals and representative groups.
Advancing equality of opportunity	X			We think that there will be positive impacts as the Fuel Poverty Strategy and Warm Homes Bill will result in warmer, more affordable and energy efficient homes with householders across Scotland having the ability to make choices on their energy use.
Promoting good relations			X	The Fuel Poverty Strategy and forthcoming Warm Homes Bill are unlikely to impact on the promotion of good relations between people of different sexual orientation.

Do you think the policy impacts on people on the grounds of their race?

Race	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	We do not know of any reason why the Fuel Poverty Strategy and forthcoming Warm Homes Bill would disproportionately affect people due to their race. However, we would welcome any comments from individuals and representative groups.

Advancing equality of opportunity	X			<p>We think that there will be positive impacts as the Fuel Poverty Strategy and Warm Homes Bill will result in warmer, more affordable and energy efficient homes with householders across Scotland having the ability to make choices on their energy use. It remains important to ensure that where advice and information is provided, it is made available in a format / language that is accessible to individual groups.</p> <p>Whilst we do not have fuel poverty data specific to ethnic minority households, data from the Census indicates that such communities are largely concentrated in urban locations. The fuel poverty rate under the new definition for households in urban areas shows a small decrease from 30% to 27%, compared to a large decrease in rural areas from 35% to 20%. In addition, data available from the Households Below Average Income dataset, indicates that over a third of people from minority ethnic groups were in poverty after housing costs were taken into account compared with 18% of people from the White – British group. These factors suggest that minority ethnic households may be less likely to fall out of fuel poverty under the new definition and less likely to fall out of the scope of fuel poverty programmes.</p>
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Promoting good race relations			X	We do not think that our proposals will have any impact on the promotion of good race relations.
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Do you think the policy impacts on people because of their religion or belief?

Religion or belief	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	The Fuel Poverty Strategy and forthcoming Warm Homes Bill are unlikely to impact on unlawful discrimination related to religion or belief.
Advancing equality of opportunity	X			Whilst we do not have fuel poverty data specific to households with different religions or beliefs, Census data indicates that minority religions are largely concentrated in urban areas. The fuel poverty rate under the new definition for households in urban areas shows a small decrease from 30% to 27%, compared to a large decrease in rural areas from 35% to 20%. This suggests that minority religious households may be less likely to fall out of fuel poverty under the new definition and less likely to fall out of the scope of fuel poverty programmes.
Promoting good relations			X	We do not think that our proposals will have any impact on promoting good race relations.

Do you think the policy impacts on people because of their marriage or civil partnership?

Marriage and Civil Partnership²	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination				Not required – see footnote

² In respect of this protected characteristic, a body subject to the Public Sector Equality Duty (which includes Scottish Government) only needs to comply with the first need of the duty (to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010) and only in relation to work. This is because the parts of the Act covering services and public functions, premises, education etc. do not apply to that protected characteristic. Equality impact assessment within the Scottish Government does not require assessment against the protected characteristic of Marriage and Civil Partnership unless the policy or practice relates to work, for example HR policies and practices.

Stage 4: Decision making and monitoring

Identifying and establishing any required mitigating action

Have positive or negative impacts been identified for any of the equality groups?	No negative impacts have been identified but there are expected to be positive impacts for advancing equality of opportunity.
Is the policy directly or indirectly discriminatory under the Equality Act 2010 ³ ?	There is no evidence that the Fuel Poverty Strategy and forthcoming Warm Homes Bill are directly or indirectly discriminatory under the Equality Act 2010.
If the policy is indirectly discriminatory, how is it justified under the relevant legislation?	N/A
If not justified, what mitigating action will be undertaken?	N/A

Describing how Equality Impact analysis has shaped the policy making process

The equality impact analysis has helped to highlight areas where we do not have enough evidence on people with protected characteristics to make a fully informed decision on the effect of the Fuel Poverty Strategy and Warm Homes Bill on them. It has also helped to shape our plans for engagement during the consultation by identifying areas where we do not have sufficient information. The results of this engagement will feed into the development of both and will be outlined in the final EQIA.

There have been no implications for costs of resources arising from the EQIA analysis, though we will also engage with fuel poverty representative groups to consider cost, timing and enforcement implications as part of the consultation phase.

Positive impacts from the Fuel Poverty Strategy and forthcoming Warm Homes Bill include:

- All people living in fuel poor households in Scotland, including those with protected characteristics as outlined above, are likely to benefit from the implementation of the Fuel Poverty Strategy and forthcoming Warm Homes Bill.
- Positive impacts include people enjoying warmer, more affordable and energy efficient homes.

³ See EQIA – Setting the Scene for further information on the legislation.

The EQIA has looked at whether there would be any disproportionate negative effects on people with protected characteristics and has not identified areas of concern. However, we will seek further views in the consultation by encouraging representative groups to respond and reviewing the EQIA to take account of any responses to the consultation.

Monitoring and Review

We recognise that monitoring and evaluation is an important part of the Fuel Poverty Strategy and will include in the consultation, detailed proposals for the monitoring and evaluation of outcomes and will encourage all interested parties to engage in the consultation to inform the Strategy.

Fuel Poverty encompasses a wide range of policy issues and we will convene a Cross-Ministerial Summit with relevant Ministers with an interest in these issues in autumn 2017 to harness opportunities for joint-working across portfolios and inform development of the Fuel Poverty Strategy and forthcoming Warm Homes Bill.

Responses to this consultation and engagement with stakeholders will inform the Fuel Poverty Strategy and forthcoming Warm Homes Bill.

Stage 5 - Authorisation of EQIA

Please confirm that:

- ◆ This Equality Impact Assessment has informed the development of this policy:

Yes No

- ◆ Opportunities to promote equality in respect of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation have been considered, i.e.:

- Eliminating unlawful discrimination, harassment, victimisation;
- Removing or minimising any barriers and/or disadvantages;
- Taking steps which assist with promoting equality and meeting people's different needs;
- Encouraging participation (e.g. in public life)
- Fostering good relations, tackling prejudice and promoting understanding.

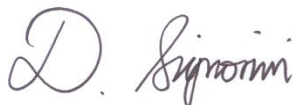
Yes No

- ◆ If the Marriage and Civil Partnership protected characteristic applies to this policy, the Equality Impact Assessment has also assessed against the duty to eliminate unlawful discrimination, harassment and victimisation in respect of this protected characteristic:

Yes No Not applicable

Declaration

I am satisfied with the interim equality impact assessment that has been undertaken for the Fuel Poverty Strategy and Warm Homes Bill and give my authorisation for the results of this assessment to be published on the Scottish Government's website.

A handwritten signature in black ink, appearing to read 'D. Signorini'. The signature is written in a cursive style with a large initial 'D'.

Name: David Signorini

Position: Depute Director and Head of Better Homes Division

Authorisation date: 3 November 2017



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