

Highland Community Planning Partnership

Chief Officers' Group – 11 August 2016

Agenda Item	6.
Report No	COG 15/16

Fuel poverty in Highland

Report by: Cathy Steer, Head of Health Improvement on behalf of the Highland Affordable Warmth Partners Group (HAWPG)

Summary

Members of the Highland Affordable Warmth Partners Group (HAWPG) have prepared this report to highlight: levels of fuel poverty in Highland; Highland contribution to national and local initiatives and consultations; local implementation of national schemes; examples of local action.

Highland Affordable Warmth Partners Group (HAWPG) is chaired by Highland Council or Home Energy Scotland. Partners include: Citizens Advice Scotland; Energy Action Scotland; Energy Saving Trust; Highland Council; Home Energy Scotland; Lochalsh & Skye Housing Association; NHS Highland

1 Levels of fuel poverty in Highland

1.1 Background

Fuel poverty is defined as a household having to spend more than 10% of its income on all household fuel use to maintain satisfactory heating. "Extreme fuel poverty" is when a household has to spend more than 20% of household income.

Fuel poverty rates in Highland are high, as can be seen from the map in Appendix 1. The most recent statistics from the rolling Scottish House Condition Survey show:

Households in fuel poverty (brackets = extreme fuel poverty)		
	Highland Council area	Scotland
2011-13	50% (18%)	36% (10%)
2012-14	55% (23%)	35% (10%)

Pensioner households in fuel poverty (brackets = extreme fuel poverty)		
	Highland Council area	Scotland
2011-13	69% (28%)	54% (15%)
2012-14	72% (36%)	51% (15%)

Sources:

	http://www.gov.scot/Topics/Statistics/SHCS/keyanalyses/LAtables2013 http://www.gov.scot/Topics/Statistics/SHCS/keyanalyses/LAtables2014
2	Highland contribution to national and local initiatives and consultations
2.1	<p>Scottish Rural Fuel Poverty Task Force:</p> <p>The Task Force is a Scottish Government initiative to develop actions relevant to rural and remote properties to enable these to feed into the development of fuel poverty policy and inform new energy efficiency programmes which will make use of devolved powers. It is a 'short life' group which will last for no more than one year. The remit of the Task Force is to develop a set of actions which (1) would make it significantly easier and more affordable for people living in rural and remote Scotland to keep their homes warm; and (2) will be fed into the further development of fuel poverty policy and energy efficiency programmes.</p> <p>The organisations represented on the Task Force have extensive knowledge of the issues facing the fuel-poor in rural and remote rural Scotland both at a strategic level, and also on-the-ground practical experience of working with households to improve the energy efficiency of their homes. Highland & Islands-based individuals are well represented on the Task Force, which is chaired by Di Alexander (Lochaber Housing Association) who brings a wealth of experience in rural housing and related issues.</p> <p>The Task Force is currently developing an action-oriented plan that they believe will address the unique factors that contribute to such high levels of fuel poverty which exist in rural Scotland. The plan will be presented to the Cabinet Secretary for communities, social security and equalities in late September 2016. <u>Update by Bob Grant, Centre Manager, Home Energy Scotland, (Inverness office)</u></p>
2.2	<p>CAS</p> <p>Citizens Advice Scotland (CAS) is planning to carry out research into the advice needs of off-gas-grid consumers in the Highlands later in 2016. CAS will engage with key agencies, including community planning partners, as part of the research and will share the results once they are published.</p> <p>The Citizens Advice Bureaux in Highland continue to provide fuel poverty and energy efficiency advice in a number of areas, funded by SSE, using monies distributed via CAS <u>Update by Carol Greer, Development Officer, Citizens Advice Scotland (Inverness)</u></p>
2.3	<p>Competition & Markets Authority (CMA) investigation into the UK energy market</p> <p>HAWPG responded to the CMA investigation into the UK Energy Market in 2015 by highlighting issues faced by many Highland customers. The CMA's interim findings were published in March 2016. The report has made some significant recommendations in addressing the UK energy market with specific recommendations, including:</p> <ul style="list-style-type: none"> • A requirement that the approximate 700,000 households across the UK who are on non-Economy 7 restricted meters are allowed to switch to cheaper single-rate tariffs without requiring a meter replacement

	<ul style="list-style-type: none"> • A transitional price control for the 4 million households who are on prepayment meters • An Ofgem-controlled database which will allow rival suppliers to contact – by letter only – domestic and micro-business customers who have been stuck on their supplier’s default tariff for 3 years or more, to offer them better deals. <p>Taken together, if fully implemented, these changes will result in significant reduction in energy costs for households in Highland who are currently restricted on the tariffs available to them. The final report is due to be published in June 2016.</p> <p style="text-align: right;"><u>Update by Bob Grant, Centre Manager, Home Energy Scotland, (Inverness office)</u></p>
<p>2.4</p>	<p>Ofgem: consultation on operation of the Voluntary Redress Scheme</p> <p>Energy companies are licensed by Ofgem who can impose a financial penalty if a licensee is found to have breached Ofgem rules. In such instances, the licensee can make a proposal to Ofgem for making “voluntary redress” (via payment to third sector organisations) so as to avoid further formal procedures. Considerable amounts of funding can be made available via voluntary redress to some third sector organisations across the UK.</p> <p>Ofgem have notified HAWPG that they expect to consult during summer 2016 on new options for the future voluntary redress policy, in particular how funding available through voluntary redress is managed and distributed across the UK. Members of HAWPG will respond to this consultation with the aim of increasing the impact of funding on addressing fuel poverty, making the system fairer, more transparent and accessible so that more charities of all sizes can benefit. This approach would benefit those addressing fuel poverty in Highland.</p> <p style="text-align: right;"><u>update by Alison Craig, Operations Manager, Home Energy Scotland (Inverness office)</u></p>
<p>2.5</p>	<p>Horizon-scanning: possible implications for energy bills:</p> <p><u>Scotland’s National Marine Plan</u></p> <p>HAWPG members are aware of potential cost implications for energy consumers in northern Scotland and the islands arising from the National Marine Plan’s section on submarine cables. The cost of investment in the distribution network to protect existing submarine electricity cables would be met by consumers in the distribution area. This further underlines the need for all agencies to consider how they can best tackle fuel poverty across Highland. Consultation on the Marine Plan took place during 2015 and early 2016 and the following links give further background.</p> <ul style="list-style-type: none"> • Q <i>How much will electricity bills increase by due to the policies detailed in Chapter 14 of Scotland’s National Marine Plan?</i> http://news.ssepd.co.uk/media/146852/faq-submarine-cable-final.pdf (pages 4-5) • Scotland’s Marine Plan: http://www.gov.scot/Resource/0047/00475466.pdf (chapter 14 refers) • http://news.ssepd.co.uk/submarinecables/information/ <p style="text-align: right;"><u>update by Margaret Brown, NHS Highland</u></p>

3 Local implementation of national schemes

3.1 Home Energy Efficiency Programme Scotland (HEEPS)

HEEPS is the Scottish Government initiative to tackle fuel poverty and increase energy efficiency in homes. It is a cluster of programmes including:

1. Area-based schemes, administered by local authorities
2. Scottish Energy Efficiency Programme (partnership with local authorities)
3. *Warmer Homes Scotland*. Initial contact/referral through Home Energy Scotland.

HEEPS in Highland

1. Area-Based Schemes (ABS)

Highland Council has a partnering contract in place with E-On to provide Energy Company Obligation (ECO) contribution to the Council's HEEP-ABS fund and to plan, manage and undertake all suitable works in connection with the programme. (NB **ECO** is a UK government **energy** efficiency obligation placed on large energy companies to help reduce carbon emissions and tackle fuel poverty). Funding is limited and there are criteria for acceptance. The property must be: of solid wall construction; heated by oil, solid fuel or electricity; privately owned or rented (holiday homes excluded); within council tax bands A, B or C; subject to successful assessment survey. Remote and rural areas with off-gas properties are being prioritised.

There have been challenges in gaining properties that comply with the scheme conditions and a lot of effort has been made to ensure that properties can be included. The scheme has included properties from areas across Highland.

Year	No of properties received external wall insulation	No of properties received cavity wall insulation
2013-14	300	0
2014-15	506	50
2015-16	345	0
2016-17	246 programmed	0

2. Scottish Energy Efficiency Programme (SEEP)

In 2018, the Area Based Scheme is to be replaced with a new Scottish Energy Efficiency Programme (SEEP). This will be a partnership with local government to take a more holistic approach to area building emissions and will include both domestic and non-domestic properties. The SEEP programme will commence in 2018 and run over 15-20 years.

The Scottish Government have called for pilot projects to help determine the scope of the SEEP programme. Highland Council have submitted a proposal for Gairloch that builds around the heating replacement for the school and includes a small district heating scheme for the sheltered housing around Seaforth House, along with energy monitoring and insulation measures to homes in the area. The value is expected to be in the region of £100m to £200m per year and draw in funding from the new Scottish energy company obligation, taking the full scheme value to the region of £4-8bn.

3. Warmer Homes Scotland:

In September 2015, the Scottish Government launched this new fuel poverty scheme which is being delivered by 'Warmworks' – a joint venture between Changeworks, the Energy Saving Trust, and Everwarm. Eligibility criteria apply.

Data from Warmworks for Highland indicate that customer satisfaction measures are above 97%. Highland statistics to 14 June 16:

1. 551 completed surveys
2. 210 completed measures
3. 256 cancelled referrals
4. 198 in progress referrals

Main cancellation reasons are related to timescales or that the householder did not qualify, didn't want the upheaval or did not want to make a financial contribution. Main challenges with delivering in rural Highland are: delivery timescales (materials to site); low volume of referrals; high volume of cancellations.

The Scottish Government now permit Warmworks to proceed with the installation of a new oil boiler in situations when the oil tank and base does not meet OFTEC regulations in cases where there is not an immediate health and safety risk. This should reduce cancellations as prior to this, customers had to pay to replace their oil tank and base, prior to install, if it did not meet OFTEC regulations, or else their application was cancelled. In Highland, a total of 12 companies are installing measures under the scheme: three of these have permanent workforce/base in the Highland region.

update by Alison Craig, Operations Manager, Home Energy Scotland (Inverness office) and Nicola Mcleod, (Warmworks)

3.2 Home Energy Scotland

During the year ended 31 March 2016, Home Energy Scotland advisors provided energy advice to a significant number of Highland households who struggled to heat their home and /or who worried about their fuel bills. Advice is given on a range of ways to save money including installing insulation, upgrading a boiler, advice on how to use the heating system and controls, buying and using appliances and other ways to reduce wasting energy. Most advice is provided by telephone, is impartial and up-to-date with a high focus on quality whereby all calls are recorded and a selection are quality monitored with feedback.

Advisors refer households for income maximisation checks; tariff checks; *Warmer Homes Scotland* national fuel poverty scheme; and to specialist energy advisors for advice on suitability of their home for the Highland Area-based scheme for external wall insulation; and for those interested in renewable systems if appropriate. Advice is provided on finding installers and assessors. Highland tenants of Registered Social Landlords are also offered a supplier-switching service provided by Citrus Energy.

Home Energy Scotland delivered a successful 'Keeping Warm in Older Homes' event aimed at people living in older properties in partnership with Inverness Civic Trust and which was oversubscribed after 2 days promotion. It informed householders living in traditional buildings about a range of measures they can make and help them make informed decisions, particularly when they are offered external or internal wall insulation, so that they protect the structural integrity of their home for the future.

	<p>Home Energy Scotland also delivers affordable warmth visits for the most vulnerable or refers these households to local partners such as Lochalsh and Skye Energy Advice, particularly to assist with progressing through the <i>Warmer Homes Scotland</i> scheme.</p> <p>Home Energy Scotland works with a range of local partners to reach the most vulnerable households including:</p> <ul style="list-style-type: none"> • Highland community groups: including Stratherrick and Foyers Community Development Trust; Greening Kyle; Arisaig Community Trust; Melness and Tongue Community Development Trust; Garve and District project; a joint Calman / Changeworks project delivering affordable warmth visits. We support community groups to access additional funding for fuel poverty work e.g through Climate Challenge Fund, Ofgem voluntary redress funding to increase capacity. • NHS Highland, Highland Council, Scottish Fire and Rescue and Citizens Advice under the <i>Healthy Homes for Highland Partnership</i> (see below). <p>Home Energy Scotland is now promoting a Referral Portal to partners to allow third sector and statutory partners to refer their clients to Home Energy Scotland. This portal will provide feedback on referrals made and outcomes achieved for partners' clients.</p> <p>Home Energy Scotland has developed a facility which makes it easier for energy advisors to refer to affordable warmth services provided by local partners.</p> <p><u>*Provisional statistics for Home Energy Scotland activity in Highland for year ended 31 March 2016:</u></p> <ul style="list-style-type: none"> • Highland households enquiring about HEEPS: 2,750 • Highland households taking up HEEPS: 2,578 <ul style="list-style-type: none"> ○ Those receiving energy advice: 2,425 ○ Income maximisation referral: 706 ○ Tariff check referrals: 485 ○ Area-based scheme referrals: 39 ○ Warmer Homes Scotland referrals: 410 <p>Note *Provisional indicates these statistics have been approved by Scottish Government but are not as yet published. <u>update by Alison Craig, Operations Manager, Home Energy Scotland (Inverness office)</u></p>
4	Examples of local action
4.1	<p><i>Healthy Homes for Highland (HHH) referral scheme</i></p> <p>HHH brings a number of key Highland partners together with the aim of reaching Highland's most vulnerable households. A specialist from Home Energy Scotland and an NHS Health Improvement Policy Officer have been working together to promote HHH to NHS Highland staff (including allied health professionals, district nurses, midwifery teams) to encourage them to refer vulnerable clients to HHH services. Clients referred to HHH are offered home fire safety visits, energy advice and money advice. Home Energy Scotland have also promoted HHH to District Partnerships across Highland. In 2015, Citizens Advice Scotland and Changeworks developed an e-learning module for HHH which can be accessed from the Changeworks website and from the 'learnpro' section of NHS Highland's website.</p> <p>However, referrals to date have been low. In future, it is planned to place more focus on offering affordable warmth visits for the most vulnerable, in order to ensure these affordable warmth visits</p>

	<p>are offered where they are most needed. It is planned to do this by:-</p> <ul style="list-style-type: none"> • developing a pilot with a small number of GP Practices to encourage them to refer their most vulnerable clients for an affordable warmth visit; as well as refer more able patients for Home Energy Scotland advice; and • working with Scottish Fire and Rescue 'community safety advocates' who deliver home safety visits to the most vulnerable. <p>The commitment of partners to Healthy Homes for Highland is strong, however using HHH branding to promote partners' services is now under review.</p> <p style="text-align: right;"><u>Update by Margaret Brown, NHS Highland; Alison Craig, Home Energy Scotland</u></p>
<p>4.2</p>	<p>Sutherland</p> <p>Sutherland has the highest levels of fuel poverty in the Highland Council area. Local actions include:</p> <ul style="list-style-type: none"> • Sutherland District Partnership set up a Fuel Poverty Task Group in October 2015. Early actions were to raise awareness and train frontline NHS and Local Authority staff. Training was provided by Home Energy Scotland, and SSE provided room temperature cards for distribution via frontline staff such as home carers. • Staff from NHS Highland, Home Energy Scotland and the Chair of Sutherland District Partnership met in June 2016 to plan an innovative project in East Sutherland where inpatients at Migdale and Lawson Memorial hospitals will be referred to Home Energy Scotland at point of discharge. Planning is current at an early stage, but it is intended to implement this during summer 2016, evaluate progress in the autumn and consider rolling out across other parts of Sutherland thereafter. <p style="text-align: right;"><u>Update by Deirdre Mackay, Sutherland District Partnership; Lorraine Coe, District Manager NHS Highland</u></p>
<p>4.4</p>	<p>Lochalsh & Skye</p> <p>Lochalsh & Skye Energy Advice Service (LSEAS) has been engaged in both local and national activity over the past year. Donnie MacKay, Energy Advice Manager, is on the Scottish Rural Fuel Poverty Task Force and this has been a significant area of work. LSEAS have been able to bring to the task force extensive, practical experience of working with people in fuel poverty in their homes and finding solutions that are specific to their situation.</p> <p>LSEAS has also increased the level of third party support that it provides to people going through the <i>Warmer Homes Scotland</i> scheme. In an off-gas area, particularly where oil tanks and meter changes are a potential sticking point, this can involve arranging and attending multiple visits by energy suppliers, electricians, plumbers and surveyors. By providing advice, support and a point of contact for all the organisations and contractors involved in each case, every client has completed the process. This is a significant achievement and illustrates the level of support that some clients need, but in most other areas do not receive.</p> <p>The service was also successful in securing funding from Energy Action Scotland for a programme of activity that will take place later in the year. It will be aimed specifically at households that are affected by damp and involve monitoring temperature levels, humidity levels, energy use, household practice and running costs. By closely observing and intervening to make changes in a property's regime, we hope to develop our skills in assessment and identify workable solutions.</p> <p style="text-align: right;"><u>Update by Moira Scobbie, Energy Advisor, LSEAS</u></p>

4.5 Energy Action Scotland (EAS) – training events across Highland 2015-16

EAS, a national charity which campaigns to end fuel poverty, obtained funding to deliver *Stay Warm Stay Well* training across Scotland during 2015-16. In Highland, 72 frontline staff attended courses in Inverness, Wick, Brora, Easter Ross and Fort William between November 2015 and January 2016. Members of Highland Affordable Warmth Group promoted these courses widely and supported delivery. EAS are currently seeking funding to deliver more courses and some of these will be Highland.

Update by Barbara Atterson, Development Manager, Energy Action Scotland

5. Recommendation

The COG is asked to:

- Note the issues raised and the activity reported by various HAWPG members.
- Agree that action to address fuel poverty be included within Locality Plans for areas with significantly poorer outcomes/disadvantage.

Authors: Various HAWPG members as listed throughout. Collated on behalf of the HAWPG by Margaret Brown, Policy Officer, Health Improvement Team, NHS Highland

Date: July 2016

Useful links

- Scottish Rural Fuel Poverty Task Force: <http://www.gov.scot/Topics/Built-Environment/Housing/warmhomes/fuelpoverty/fuel-poverty-task-force>
- Citizens Advice Scotland <http://www.cas.org.uk/about-us>
- Competition and Markets Authority <https://www.gov.uk/cma-cases/energy-market-investigation>
- Ofgem - Voluntary Redress Scheme <https://www.ofgem.gov.uk/publications-and-updates/allocation-voluntary-redress-payments-context-enforcement-cases>
- HEEPS: <http://www.gov.scot/Topics/Built-Environment/Housing/warmhomes/eap>
- Highland Council energy & sustainability http://www.highland.gov.uk/info/1034/land_and_property/279/the_property_service/4
- Home Energy Scotland <http://www.energysavingtrust.org.uk/scotland/home-energy-scotland>
- HHH [http://www.highland.gov.uk/info/997/housing_advice/529/healthy_homes_for_highland e-learning module](http://www.highland.gov.uk/info/997/housing_advice/529/healthy_homes_for_highland_e-learning_module) <http://www.changeworks.org.uk/healthy-homes/>
- Sutherland District Partnership http://www.highland.gov.uk/meetings/committee/110/district_partnership_-_sutherland
- Lochalsh & Skye Energy Advice Service <http://www.lsha.co.uk/energy-advice>
- Energy Action Scotland <http://www.eas.org.uk/>

Changeworks fuel poverty map of Highland:

