### THE SCOTTISH FUEL POVERTY ADVISORY PANEL

### **Breakout 2: Fuel Poverty Strategy**

Matthew Cole, Chair of the Scottish Fuel Poverty Advisory Panel

Kirsten Jenkins, Member, Scottish Fuel Poverty Advisory Panel









# Role of the Panel

• Established on 19th September 2019 with current members appointed on 1st January 2022.

*"an advisory non-departmental public body (NDPB) which provides independent advice to Scottish Ministers on fuel poverty and scrutinises their progress towards delivering Scotland's 2040 fuel poverty targets and consider the extent to which policies and programmes are addressing the four drivers of fuel poverty"* 

- Help the Scottish Government work on short, medium and long-term fuel poverty issues and potential solutions.
- Includes how support can best be provided to those in, or entering, fuel poverty by e.g.,
  - providing an independent voice for Scottish Ministers,
  - fostering co-operation across the fuel poverty landscape,
  - monitoring Scottish Ministers' progress towards Fuel Poverty Targets and delivering their <u>Fuel</u> <u>Poverty Strategy</u>.

# Meet the Panel

Matthew Cole, Chair of the Scottish Government's Fuel Poverty Advisory Panel

- Heads of the Fuel Bank Foundation.
  Independently chairs the Energy Switch Guarantee.
- Matt advocates and provides a voice on some of the unique energy-related issues encountered by the most vulnerable groups in society.

### Kirsten Jenkins, Member

- Senior Lecturer in Energy, Environment and Society at the University of Edinburgh.
- Programme Director for the Energy, Society and Sustainability MSc.
- Managing Editor for the journal *Energy Research and Social Science*.
- Works on research grants related to fuel and transport poverty, inclusivity in the energy transition, and Just Transitions with a strong interest in rural issues.



# Meet the Panel



#### Alister Steele, Member

- Former Managing Director of Castle Rock Housing Association, leading the development and implementation of the organisation's energy and fuel poverty strategies.
- Co-founded and chaired Our Power, a not-for-profit energy supply business.
- Board member of Communities Housing Trust and Allia Social Impact Investments.
- Awarded the MBE in June 2014 for services to social housing and regeneration in Edinburgh.



### Margaret Corrigan, Member

- Recently retired managing front-line fuel poverty services.
- She understands how difficult it is as she was a single parent with one income trying to juggle bills while keeping her child warm. She strives to be the voice of those families who still struggle to get by each day.

#### Fraser Stewart, Member

- Just Transitions Lead at Regen.
- Fraser has recent lived experience of fuel poverty, growing up in an area of high deprivation, and works closely with communities and families experiencing the issue every day.
- Strong knowledge of policy processes, design, and analysis at local, Scottish, and UK level.

# Strategy Recommendations

**R1 –** That the Scottish Government should <u>complete its required 5-year review</u> of the Strategy by the dissolution of this parliament in May 2026.

**R2** - The SFPAP supports the Scottish Government's intention to complete an interim update to the Strategy this year. The SFPAP advises the Scottish Government to *include a strategic delivery plan in this update*.

**R3** - As part of the Strategy update, SFPAP recommends that the Scottish Government <u>adopt an outcomes-centred</u> <u>approach</u> which underpins the strategic vision of eradicating fuel poverty – enabling a clear line of sight between the vision and the actions needed to realise it.

**R4** - As part of the Strategy update, SFPAP recommends that the Scottish Government <u>map the high-level policy</u> <u>landscape for those policies directly supporting the delivery of fuel poverty targets</u> - those which fall both within devolved competence and those which are reserved.

**R5 –** The Scottish Government to <u>set out and test the relative impact of the drivers of fuel poverty</u> in achieving both the interim - 2030 and 2035 - and the 2040 statutory fuel poverty targets in its Strategy update.

## Strategy Recommendations

**R6** - In updating the Strategy, the SFPAP advises that the Scottish Government <u>maximise the potential to work with the</u> <u>SFPAP in 2023/24 to increase the understanding of fuel poverty through the creation of a joint research plan</u>.

**R7 –** The Strategy update should <u>review the investment needed to improve the energy efficiency of homes and develop an</u> <u>accelerated rolling 5-year programme with measurable outcomes</u>.

**R8** - The Strategy update should consider <u>capability mapping and how sector-wide organisations and NGOs committed to</u> <u>tackling fuel poverty – across housing, energy, and advice sectors – can be leveraged to support the delivery of fuel</u> <u>poverty targets.</u>

**R9** - The Strategy update should <u>explore the value in building on the Scottish Government's Energy and Anti-Poverty</u> <u>Summits</u> to create effective collaboration and a partnership approach to support delivery of the Fuel Poverty Strategy.

**R10**- The <u>structural importance of advice and advocacy in tackling fuel poverty needs greater emphasis in the Strategy update</u> and suggests these are built into the plan for delivering the Strategy to give the advice and advocacy sector stability.

## Strategy Recommendations

**R11** - The Strategy update should bring a <u>stronger focus to the opportunities which the Scottish Government has to</u> <u>influence the UK Government on energy market reform</u> to protect low-income households.

**R12** - The Strategy update should bring <u>a stronger focus to the opportunities which the Scottish Government has to</u> <u>influence the UK Government on social tariffs</u>.

**R13** – The Strategy update should include a *focus on analysis and identifying eligibility criteria* when crisis support is provided. This would enable an assessment of the key Fuel Insecurity Fund, alongside other central and local funds, to identify potential gaps in the targeting of energy cost and managing energy debt financial support.

**R14** - The Strategy update should <u>set out an approach to improving health outcomes</u> for those suffering fuel poverty, such as implementing the Warm Homes Prescription model.

**R15** - The SFPAP advise the Scottish Government that, in consultation with the SFPAP, an <u>outcomes-based monitoring</u> <u>and evaluation framework should be created</u> in 2023/24 as part of the work to update the Strategy.

# Social Tariff Recommendations

"A new approach to provide financial support for energy bills for low income, vulnerable and disadvantaged households to ensure that they can sufficiently heat their homes, aiming to reduce levels of fuel poverty and eradicate extreme fuel poverty; protect health and address inequalities by ensuring everyone has satisfactory levels of energy provision, comfort, and warmth".

#### Headline points:

- To replace the Warm Homes Discount.
- A significant unit rate *and* standing charge discount. Advantages include that:
  - a. It can be automatically applied and does not require vouchers, which will increase the uptake,
  - b. It will remove the burden of paying standing charges, one of the factors leading to self-disconnection,
  - c. It will ensure the recipients' entitlement to means tested benefits remain unaffected,
  - d. It will ensure the investment is used for the purpose for which it's intended (i.e., keeping a home warm, rather than repaying energy debt).
- Anyone on mean tested benefits automatically eligible, e.g., households on Universal Credit and Housing Benefit,
- A second route for those not qualifying for the means tested benefits. Qualification criteria include: (1) low income, (2) modest income and expensive to head home, e.g. houses off the gas grid, (3) medical conditions that requires a higher heating regime or electrified medical equipment, or (4) receipt of Carers Allowance

# Social Tariff Recommendations

The value of the tariff's discount should be targeted and tapered according to:

- 1. different definitions of fuel poverty across the UK,
- 2. the price of energy,
- 3. household's individual circumstances., e.g., (a) household incomes, (b) necessary fuel costs including unregulated fuels, and (c) a household's location, including additional needs in remote and island communities, and (d) time of year.

Responsibilities and approach:

- The discounted unit rates / standing charge tariffs are set by Ofgem or an independent body,
- UK Government should administer an eligibility criteria to ensure consistency and accountability,
- Costs covered through general taxation by, for example, reviewing the non-targeted non-taxable status of the Winter Fuel Allowance and ringfencing taxation from the energy sector,
- Scottish Government to considers reforming the current Winter Weather Payments and developing a Scottish Energy Supplement to address any specific Scottish circumstances not covered sufficiently by any successor to Warm Home Discount.

## Questions, Answers and Discussions



Who should receive a social tariff?

Who is responsible for the social tariff?

What is the mechanism by which it is delivered?



<u>https://fuelpovertypanel.scot/</u> enquiries@fuelpovertypanel.scot @scotfuelpov