

## Scottish Rural Fuel Poverty Task Force

Meeting – 20 August 2015

### Discussion paper

#### Background

Members of the Scottish Rural Fuel Poverty Task Force were asked to complete a questionnaire to record the key issues and factors identified by their organisation that highlight amongst other things the cause and impact of fuel poverty in rural areas and the role of the Task Force in working together to achieve a set of SMART actions to achieve the overall aim of the Task Force.

Questionnaires were evaluated and form the basis of this paper which will:

- generate discussion on the main issues surrounding fuel poverty in rural areas,
- enable members to consider how they may work co-productively to on specific issues and;
- develop an action plan with the overall aim of producing a paper by the end of the Task Force life time.

#### Summary of key themes

Of the responses collated many members identified common key issues and themes relating to both the cause and impact of rural fuel poverty in rural areas. Some responses included information that was not necessarily specific to rural areas, and the group will need to consider how these issues feature in the work they take forward. All responses to the questionnaire have been collated under each of the questionnaire headings and are detailed in **Annex A** attached. However, key themes identified have been summarised below.

It was recognised by many members that fuel poverty is one of a multitude of problems facing rural consumers and this may not be their primary concern. This presents an engagement challenge as issues such as lack of jobs, poor public transport, diminishing essential public services, lack of good quality and affordable housing or other factors may be perceived as more pressing. It was highlighted that the success of the Task Force outcomes will require a long term commitment by Scottish Government that includes well thought out policies which are backed by a strategic delivery plan.

All members who returned questionnaires were willing to work under the principles of co-production to contribute to the outcomes of the Task Force. However, members highlighted that their input must be balanced with their existing organisational responsibilities and also constraints on time and resources. This is particularly relevant for smaller organisations. Consideration must also be given to how the Task Force will manage multiple sources of evidence and will maintain impartiality whilst also seeking to influence. Discussions may also need to take place over the difference between presentation of evidence in a timely and effective manner, and lobbying.

A number of organisations are able to offer the Task Force access to a body of evidence, research documents and case studies which highlight the issues experienced by rural householders and consumers. The Task Force will need to consider how best to utilise the available information to the benefit of the overall aim and objective of the Task Force.

Task Force members have indicated that they are happy to consider and comment on on-going Scottish Government policy development as it is recognised that a major part of the Task Force work in representing the rural fuel poor will be influencing policy and future energy efficiency programmes. However, it was acknowledged in some responses that different organisations within the group may have very differing views on policy issues and it may be difficult to agree on a collective response. It was also noted that care will be needed to ensure the Task Force does not become politically aligned.

In advance of the meeting to be held on 20 August members may wish to give consideration to these further questions:

- What does a rural fuel poverty free Scotland look like?
- How do we get there?
- By when?
- How the available evidence can be shared and utilised by the Task Force to take forward actions resulting from discussions?

Ann McKenzie  
Head of Fuel Poverty Policy  
Better Homes Division

## COLLATED RESPONSES FROM TASK FORCE MEMBERS

### 1. KEY ISSUES IDENTIFIED THAT DEMONSTRATE BOTH THE CAUSE AND IMPACT OF FUEL POVERTY IN RURAL AREAS AND WHAT MAKES THIS DIFFERENT TO NON RURAL AREAS.

#### **Personal circumstances**

Lower incomes

Reliance on seasonal and low pay employment

Estate and agricultural workers are often the hidden fuel poor

Higher living costs, particularly for islands, puts pressure on household budgets and this means a given income level will have a lower value compared to an urban area

Access to amenities – banks/Post Office – restricts finances

Small pensions which often result in the individual being ineligible for funded energy efficiency measures but households remain in serious fuel poverty.

Hidden poverty and stigma attached to seeking help

Changes to DWP rules may have a further impact on existing fuel poor households

Households often have to choose whether to heat or eat and there are health implications whatever choice is made

Aggravated health conditions e.g. asthma, elderly care and deterioration of circulatory and pulmonary conditions

Increased admissions to hospitals and increased requirement for care and other healthcare services

Reticence to move to renewable technology with anecdotal problems encountered by early adopters

#### **Property issues**

Lack of choice, cost and accessibility of different fuel types

Reliance on unregulated fuels – lack of dual fuel deals

Energy costs – higher electric costs in Highlands and Islands; tariffs – some effective lock-ins due to meter types resulting from heating system installed

High proportion of private rented sector properties – often a lower standard and less energy efficient

The inability to afford the required energy efficiency improvements together with the inability to meet the eligibility criteria for existing schemes - HEEPS:ABS is based on Council Tax banding but this is not a reliable indicator of income levels in many rural areas.

Old and inefficient housing stock that is largely made up of detached properties dispersed over a wide area and consisting of various different building types

Construction and design of buildings – Solid wall, timber framed, room in roof make insulating effectively a challenge.

Significant ventilation heat loss in buildings – weather and climate impacts and higher exposure index.

Requirement to heat homes all year because of geographical situation of Islands – not recognised by DECC.

Lack of small/starter homes being built means big spaces to heat for 1-2 person households  
Less social housing – greater reliance on private rented sector properties that are in poor repair

Supply chain – availability and affordability with lack of trust where installers are from outwith the area.

## **Other issues**

A bureaucratic complexity in accessing solutions leads to inertia and acceptance of the status quo

Less access to personal/face to face advice services (less rural householders access free insulation and benefit checks – partly lack of knowledge and belief it is not appropriate for them)

Intervention measures introduced by UK and Scottish Government are not fit for purpose in rural areas

Difficult to reach customers

Broadband access/speed and cost – Less able to get on line to switch energy suppliers and unregulated fuels have fewer (if any) switching options.

SMART meters - These use wireless technology similar to mobile phone signals so rural locations and 3G signal will impact on the use of Smart meters.

## **2. THE BARRIERS TO ADDRESSING FUEL POVERTY IN RURAL AREAS AND HOW THESE BARRIERS DIFFER TO NON RURAL AREAS.**

Insufficient Government attention until now

Programmes of help and assistance are often based on carbon saving not social need

Difficult to identify individuals in fuel poverty because they are typically dispersed rather than concentrated in one geographical area

Lack of access to advice support and information – in particular on the ground advice and assistance.

Tenure – more private rented housing/security of tenure

Estate/Agricultural and Crofting tenure

PAS2030 and the ability for small rural areas to actually meet the requirement. Urban areas have much easier access to accredited installers

Confusing range of slightly different programmes and funding streams available. Can lead to customer apathy and lack of understanding what households may be eligible for.

One energy supplier is controlling most of the market and being the only supplier offering a total heating control type tariff. Many households do not know to shop around for a cheaper tariff and even fewer try and switch supplier.

Many schemes are designed to deliver large numbers of measures – rural areas cannot provide economies of scale resulting in more expensive measures

Lack of funding for insulating rural homes as frequently solid wall rather than CWI in urban locations

ECO mechanics – ECO split for rural is very small and SIMD is a poor proxy for fuel poverty

Many properties are “hard to treat” due to policy rules rather than technical achievability

Significant under occupancy of large detached family homes

Schemes continue to focus on retro-fit when new build may be the most appropriate in the long term

## **3. WHAT OUTCOMES TASK FORCE MEMBERS HOPE TO ACHIEVE AS A RESULT OF THEIR PARTICIPATION**

An explicit Scottish Rural Fuel Poverty policy

Clear, evidenced recommendations to Government on how best to address fuel poverty from rural Scotland

Development of a clear common evidence base/agreement on nature and extent of rural fuel poverty

Methods to identify “groups” of rural fuel poor and the appropriate technical solutions for them

ECO support – How can ECO, and its successor better support those living in rural areas, and in particular remote rural areas

A review of how investment is targeted to achieve parity for the worst fuel poor areas which have struggled to compete with easier to treat but less fuel poor areas

Specific rural targeted programmes with better designed schemes that are not a one-size fit all approach that are measured against social need not carbon saving

More targeted schemes/support for rural consumers coupled with strategic measurement and impact assessment which determines the success of a scheme re the impact on the customer not just the number installations

Sustainable energy supply chain – overcome the supply chain barriers resulting in access to lower cost energy supplies – both electricity and unregulated fuels

A significant move towards heat being delivered by district or communal heating in rural areas

Using renewable energy closer to where it is generated in rural areas

SMART meters – these will not fully benefit properties that rely on unregulated fuel types – however metering solutions for oil do exist and this fuel type is prevalent in rural areas .

SMART meters do exist for domestic oil systems and rely on Broadband and mobile phone signals so rural locations and 3G signal will impact on their use.

If retrofit becomes a mandatory requirement more money for local authorities to administer and monitor

More local installers/contractors working on Government and supplier obligations with support for up-skilling of contractor base for installations and maintenance

Greater co-ordination by delivery partners with improved strategic thinking – to incorporate health, housing, education, transport, economic, environment, technology and innovation in finding solutions

Improved health and housing stock, including more social housing

Stricter enforcement of landlords to improve the conditions of their properties.

#### **4. HOW MEMBERS SEE THESE OUTCOMES BEING ACHIEVED**

Sharing of knowledge, experience, networks, research/evidence and networks

Agreeing a set of outcomes for the Task Force and a work programme for reaching these.

This will result in the production of prioritised recommendations for action, with timeframe and indications of who should do what.

Scottish Government to engage SIMD review team on this topic

Up-skilling local contractors – South Lanarkshire College provided training in Highlands and Islands and this could be rolled out to other areas

Explore the potential costs/benefits of providing metering solutions to those in rural areas using oil

Explore the options to reduce the costs of oil and LPG for householders

Examining international rural examples, from e.g. Canada, New Zealand, USA and other parts of Europe

Bringing in experts/Calling for evidence - Bringing in those providing solutions from the third sector, as well as private sector and Local Authorities

#### **5. THE SCOTTISH GOVERNMENTS AND OTHER BODIES/ORGANISATIONS ROLE IN FACILITATING AND DELIVERING THE DESIRED OUTCOMES.**

Negotiation of Scotland Bill settlement

Positive dialogue with UK Government and energy suppliers regarding the impact to Scotland of any new proposals being considered for ECO and beyond

Project what will happen if the status quo is maintained

Ensure politicians understand the benefits and challenges of the local focus

Pressure UK Government to equalise the standard domestic supply charge  
 Negotiation with non-regulated fuel suppliers on fuel clubs etc.  
 Frame Scottish Government energy efficiency programmes to better tackle whole house approach with more appropriate criteria. Affordable warmth/social need should be the primary concern and carbon savings a welcome secondary benefit  
 Derogation of PAS2030  
 Provide funding for locally delivered face to face advice and support services involving a range of local organisations and insist that local delivery is local.  
 Ensure the reporting of outcomes takes place through a variety of routes – local authorities – business development, Community planning boards, training department, community groups, and sustainability reports  
 Support for rural businesses re Scottish Government procurement rules  
 Scottish Rural Parliament to host Twitter hours on the this subject  
 Scottish Rural Parliament to consider hosting a workshop at the next (interim) meeting of the SRP in November – *SRP was founded in February 2014 and will sit once every 2 years*  
 SRUC's Rural Policy Centre to work with other stakeholders to produce policy briefings  
 SRUC's Rural Policy Centre to profile the work of the Task Force within the 2016 *Rural Scotland in Focus* Report – potentially as a case study

## **6. HOW MEMBERS SEE THE GROUP INFLUENCING STAKEHOLDERS TO ADDRESS FUEL POVERTY IN RURAL AREAS**

Influencing the shape and delivery of new programmes provided under the Scotland Bill  
 Evidence base arguments  
 Frame recommendations as opportunities in the context of Scotland's Economic Strategy  
 Demonstrate link between proposed interventions and National Outcomes  
 Positive discussion and ideas based focus  
 Through encouraging the enterprise agencies to attempt to stimulate the local energy efficiency industry, equal to their enthusiasm for developing the renewables industry  
 Through convincing the health and social care sector of the cost and health savings of facilitating warm homes  
 Examining Case studies/research– life and access research on how other countries with similar problems have dealt with this  
 Through showing how addressing rural fuel poverty also addresses other outcomes  
 Through showing the cost of NOT addressing rural fuel poverty e.g. pressure on health and social care services and budgets  
 Creating better working partnerships  
 Greater representation of rural issues to decision makers  
 Through social media