

**Towards 2016 - The Future of Fuel Poverty Policy in Scotland**

**A Report by the Scottish Fuel Poverty Forum**

**September 2008**

## Foreword

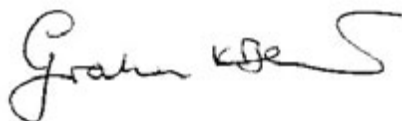
Successive Scottish Governments have recognised that fuel poverty can no longer be an acceptable part of Scottish life; and the target of eradicating fuel poverty "as far as is reasonably practicable by 2016" is not just a worthy aspiration but a statutory commitment.

Significant steps have been taken towards that target in recent years, and many people have been lifted out of fuel poverty, but recent price rises are pulling too many people back into the daily struggle that fuel poverty represents.

We were challenged to come up with a strategy to make the most effective use of existing resources, and we have tried to do so. The approach must be holistic, looking at all the factors in fuel poverty: energy efficiency and energy use, energy prices and tariffs, and incomes. It must maximise funding from different sources by developing synergies between them. And, given the funding constraints, it must be targeted to make the most impact.

The Energy Assistance Package which we propose includes advice on tariffs to address the energy prices people pay, a benefit and tax credit check to maximise their income, and an energy audit with follow up to provide physical means of reducing their energy use. We believe it will make a real difference to many people who are currently struggling.

But we do not believe that this Package alone will take us to the 2016 target. That requires a step change in investment, as soon as is reasonably practicable. Governments in London and Edinburgh must work together on this with energy companies and others if we are to show that we mean it when we say that fuel poverty is unacceptable.

A handwritten signature in black ink, appearing to read 'Graham Blount', with a stylized flourish at the end.

Rev Graham Blount,  
Chair of the Scottish Fuel Poverty Forum

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# 1. Background and Approach

On 22 May 2008, Nicola Sturgeon, the Cabinet Secretary for Health and Wellbeing, made a Statement to the Scottish Parliament and published a Review of Fuel Poverty in Scotland<sup>1</sup>. In her Statement, she announced the reconvening of the Scottish Fuel Poverty Forum with an independent Chairperson. She asked the Forum to advise the Scottish Government on how it could improve progress towards the target to eradicate fuel poverty as far as is reasonably practicable by 2016, within the available public resources, and report to Ministers with recommendations by the early autumn on the future shape of fuel poverty programmes.

The full remit and membership is provided at Annex A.

In presenting the Review, the Cabinet Secretary wrote: "The Scottish Government is committed to creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. There is no place for fuel poverty in such a society."

The Forum met a number of times over the summer period, and this report summarises its conclusions on the best way forward for tackling fuel poverty. Evidence from a range of sources was provided to the Forum in the course of its deliberations, and this is available in a separate report.

We were very conscious as we met that the context for our discussions was changing. Further substantial energy price increases of 30% and more were announced during the four months we have been meeting. The obvious potential for these to erode the advances achieved in recent years through the Central Heating programme, Warm Deal and other energy efficiency improvements adds urgency to the challenge of finding the most effective ways of tackling fuel poverty.

The key factors affecting fuel poverty are energy efficiency and energy use, energy prices and tariffs, and incomes. Any one of these factors can, if moving in the wrong direction, put more people in fuel poverty. The Forum therefore identified that the approach to fuel poverty needed to be integrated and holistic, not least because this would assist in getting maximum leverage from funding.

It is not within the current powers of the Scottish Government to solve this problem on its own, as the factors influencing fuel poverty are a complex mix of reserved and devolved issues. Energy efficiency is largely the responsibility of the devolved administrations, although the activity of the energy companies in this area is regulated on a GB basis along with energy markets more generally. Responsibility for benefits and tax credits and the resultant impact on incomes is reserved to Westminster, however the Scottish Government has a role to play in encouraging the uptake of benefits and tax credits. Current funding streams mirror this complexity, with funds from the Scottish Government, the UK Government and the energy companies. Recommendations have been made on each of these areas.

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<sup>1</sup> <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/access/FP/fuelpovertyreview>

Current Scottish Government spend on fuel poverty programmes is £45.9m per annum, of which, to date, £40m was allocated to the Central Heating Programme, £2.5m to the Warm Deal within private homes managed by Scottish Gas, and £2.5m to the Warm Deal within the social sector managed by Registered Social Landlords, and the remainder used for research and policy development.

Energy companies face legal obligations under the Carbon Emissions Reduction Target (CERT) to deliver energy saving targets by improving domestic energy efficiency. This energy saving target is met through provision to householders of measures such as cavity wall and loft insulation, energy efficient boilers, appliances and light bulbs. While CERT is not a Fuel Poverty Programme, a significant proportion of these savings (at least 40%) is aimed at vulnerable customers and can help alleviate fuel poverty. CERT is funded from all domestic energy bills and thus represents a redistribution among energy company customers, rather than direct investment by the UK Government.

Compared to its predecessor scheme, the Priority Group has been reduced from 50% to 40% of the total, and enlarged to include all those aged over 70. The Fuel Poverty Advisory Group in England has suggested that this has led to rather less focus on low income households and somewhat poorer targeting on fuel poverty under CERT than its predecessor, with less well off customers subsidising the better off customers to a greater extent. It would be a concern to us if this were happening in Scotland.

If CERT investment in Scotland were proportionate by population it would be equivalent to provision of investment in energy saving measures of around £100m per annum in Scotland. We do not currently have a breakdown of CERT activity levels in Scotland, but energy companies have, in principle, agreed to provide these in future.

Fuel poverty is defined in Section 95 of the Housing (Scotland) Act 2001 as ‘the inability to keep the home warm at affordable cost’, but what is currently measured is all energy use. Energy use in the home is changing and this will have an impact on future energy bills and fuel poverty levels. A report<sup>2</sup> by the Energy Saving Trust - the Ampere Strikes Back – suggests that by 2010 the consumer electronics sector will be the biggest single user of domestic electricity, overtaking the traditionally high-consuming sectors of refrigeration and lighting. By 2020, entertainment, computers and electronic devices will account for 45% of electricity used in the home. More energy is also increasingly being used by those living with health care needs at home.

Following a consultation earlier this year, a new framework will be developed to ensure that all in Scotland can share in the opportunities provided by sustainable economic growth. The framework is expected to confirm how ambitious targets to create a wealthier and fairer Scotland will be achieved. These targets are to increase the overall income and the proportion of income earned by the three lowest income deciles as a group by 2017, and to narrow the gap in participation between Scotland's best and worst performing regions by 2017. The Review of Fuel Poverty in Scotland highlighted that the poor targeting of the current fuel poverty programmes does not fit well with the Scottish Government’s commitment to tackle poverty and disadvantage. While fuel poverty has distinctive dimensions, we believe it must be part of this framework.

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<sup>2</sup><http://www.energysavingtrust.org.uk/uploads/documents/aboutest/TheAmpereStrikesBack%2024thJuly07.pdf>

On average, pensioner couple households spent £1,474 on domestic energy in the year to April 2007 and £1,551 in the year to April 2008; single pensioner households spent £1,113 on domestic energy in the year to April 2007 and £1,192 in the year to April 2008, and low income households (defined as those households whose income lies in the lowest 20 percentile, i.e. in the bottom 2 deciles) spend an average of £974 per year on domestic energy in May 2006, £1,073 per year in April 2007 and £1,129 per year in April 2008.

However, as already noted, since 22 May there have been substantial further increases in energy prices, and these are impacting on many households across Scotland. The rise in energy prices across the six big energy companies for both electricity and gas has averaged 34% over the last year. The long term trend in domestic prices has been upward and this is driven by wholesale global prices. This brings with it a risk of very high levels of fuel poverty in Scotland. The last published Government statistics on the numbers of fuel poor are from the Scottish Housing Condition Survey (SHCS) of 2005/06<sup>3</sup>. These showed around a quarter of households were estimated to be fuel poor. However, it was also calculated that, all other things being equal, every 1% increase in energy prices since then will have increased the number of fuel poor households by 8,000. Energy Action Scotland's estimate is that 850,000 (29%) of households are likely to be fuel poor in Scotland.

The long term outlook for energy costs is that they are likely to rise further. A scenario for cheap energy in the future is not likely especially if the economy continues to be fossil fuel dependent. A low carbon economy with both large and small scale renewables combined with significant energy improvements would deliver stability in the longer term.

While current fuel poverty programmes have undoubtedly contributed to improving the energy efficiency of Scotland's homes, the substantial price increases seen since 2006 have limited their impact upon fuel poverty levels. Chapter 5 of this report outlines the options we considered for the future of the programmes to ensure that available resources are targeted effectively at the fuel poor. However, while it is our remit to work within existing resource levels, it should be recognised that in light of rising energy costs, it is difficult to see how sufficient progress can be made within these constraints. Investment needs to come from Scottish Government, UK Government, energy suppliers and other sources, with greater integration of existing funding streams. Current investment levels, both from Government and other sources, are wholly inadequate, given the growing scale of the problem. Substantial further investment will be needed to meet the statutory 2016 target.

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<sup>3</sup> <http://www.scotland.gov.uk/Topics/Statistics/SHCS>

## **2. Aims and Objectives of Action on Fuel Poverty**

### **Overall aim:**

To ensure progress towards the target to eradicate fuel poverty as far as is reasonably practicable by 2016.

### **3 Key Objectives:**

1. To provide a comprehensive approach that addresses all three of the factors affecting fuel poverty: energy prices paid, income levels and energy efficiency investment.
2. To future proof housing stock against fuel poverty, by improving the energy efficiency of the stock and therefore reducing future energy use and contributing to carbon saving, as this will maximise the impact of other measures that affect fuel poverty.
3. To maximise the impact of Government and other funding, through synergy and coordination of funding streams.

## **3. Devolved Policy Issues**

### **3.1 Definition and Measurement of Fuel Poverty**

We recognise there are a number of potential problems and anomalies with the current measurement of the numbers of people in fuel poverty. We are concerned that the measurement of fuel poverty underestimates the impact of fuel poverty on families with young children under five. We understand that, up until 2002, the full Satisfactory Heating Regime was applied to households with children under five<sup>4</sup>, and we believe that a more accurate picture of fuel poverty would be achieved by re-applying the Full Satisfactory Heating Regime. To preserve continuity in the available data, we do not suggest that the definition is changed but recommend that both sets of figures should be provided in future SHCS publications.

Furthermore, we note that the measurement of fuel poverty is based on a theoretical level of energy use at a standard price, rather than actual spend, which may mean that some of the improvements recommended here, such as switching from a standard tariff to a discounted tariff, will not impact on the official numbers of fuel poor. Information from the Scottish House Condition Survey indicates actual spending by pensioner households was less than the projected cost of keeping their homes reasonably warm, suggesting they may be rationing their own energy to save money, while families with young children are spending more in order to maintain warm homes. “Flagship or Flagging” - a recent report<sup>5</sup> by Age Concern (England) - found that, as a result of the rising cost of living, two-thirds of pensioners are cutting back on the amount of gas and electricity they are using.

### **3.2 Holistic Approach**

We believe that an effective response to the seriousness of the situation must embody a holistic approach, in the form of an Energy Assistance Package that addresses both the home and the householder. The package which we propose includes advice on tariffs to address energy prices paid, a benefit check to maximise income, and an energy audit with follow up to provide physical means of reducing energy use.

Education and advice on effective use of energy are key to this and should proactively target those most likely to be fuel poor. Beyond the installation of specific energy efficiency measures, all grant schemes should include energy advice and income maximisation advice; and these must be seen as independent and streamlined, recognising that a one stop and face to face approach will be most effective. We must build on the experience of how people access and use advice.

Income maximisation measures should build on existing knowledge and practice through current infrastructure, such as Citizens Advice Direct and the Scottish Helpline for Older People. Exploring ways of integrating benefits and tax credits uptake from enquiries to Energy Saving Scotland Advice Centre (ESSac) network<sup>6</sup>, companies and Government programmes would be of considerable benefit.

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<sup>4</sup> <http://www.scotland.gov.uk/Resource/Doc/933/0039911.pdf>

<sup>5</sup> [http://www.ageconcern.org.uk/AgeConcern/Documents/Pension\\_Credit\\_Report.pdf](http://www.ageconcern.org.uk/AgeConcern/Documents/Pension_Credit_Report.pdf)

<sup>6</sup> <http://www.energysavingtrust.org.uk/scotland>



### **3.3 Specific Issues**

(a) Houses off the gas grid – of which Scotland has more than a proportionate share – represent particular difficulties. A wider range of solutions should be offered here, particularly sustainable solutions such as micro-renewables (building on the emerging findings of the Renewables Pilot which were shared with the Forum prior to their publication), micro-generation and community-scale combined heat and power. Where such measures have the potential to reduce fuel poverty, there should be targeting in carbon reduction schemes to maximise reductions in fuel poverty.

(b) For other hard to treat properties – where fuel poverty is harder to eradicate – those insulation measures (e.g. external and internal wall insulation) that are known to work should be included more widely as part of any grant programme. Further research may be needed on ensuring the most effective technologies for some property types (e.g. high rise blocks and tenements).

### **3.4 CERT Activity in Scotland**

While CERT activity originates in agreements between the UK Government and the energy companies, we welcome the formation of the Scottish Government's CERT Strategy Group. We welcome that an agreement, in principle, has been reached through that Group for energy companies and Scottish Government to work together to deliver at least pro rata CERT investment in Scotland, to report activity levels in Scotland and to support an integrated approach to fuel poverty. Suppliers are expected to achieve at least 40% of the carbon savings under CERT from priority group customers; we would expect the Scottish Government to work with the energy suppliers to maximise the amount of these savings that benefit the fuel poor. Our proposals would contribute significantly to making it easier for energy companies to access information and people in Scotland.

On 11 September 2008, the Prime Minister announced details of a £1 billion package of measures over 3 years to tackle fuel poverty, including a 20% increase in CERT spending and a new £350 million Community Energy Saving Programme which would target fuel poor areas. The measures to be included under CERT will be subject to consultation and we urge the Scottish Government to use this opportunity to make representation to ensure that CERT measures and those to be included in the Community Energy Saving Programme reflect the unique nature of the Scottish housing stock.

### **3.5 Bulk Purchasing**

Consideration should also be given to bulk purchasing by Government on behalf of fuel poor customers. The concept of bulk purchasing was endorsed by the IPPR<sup>7</sup> who calculated that around 2 million people could save around £83.5 million a year on gas and that 3.6 million people could save around £76.7 million on electricity. Such proposals deserve further scrutiny and consideration.

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<sup>7</sup> IPPR press release 9th April 2006: <http://www.ippr.org.uk/pressreleases/?id=2058>

### **3.6 Partnership with Local Authorities**

We note that Local Authorities share responsibility with Scottish Government for reaching the 2016 target for eradication of fuel poverty. Single outcome agreements already include outcomes and indicators aimed at poverty and inequalities, emissions reduction and climate change, but they do not all include a specific indicator on fuel poverty. We recommend that partnership working by the Local Authorities and Scottish Government to achieve the target continues, and we expect this will be reflected in the Local Housing Strategies.

### **3.7 Other Policies which Impact on Fuel Poverty.**

We note that a number of policy areas will have an impact on fuel poverty, and we recommend that future policy decisions around, for example, the Climate Change Bill should include specific targets and measures for the residential sector which help tackle fuel poverty. Recognition must be given within the Climate Change Bill that an early focus on domestic energy efficiency (ideally with a target and an action plan to deliver them) will yield multiple policy and practical benefits if priority could be given to people in fuel poverty.

Building standards and planning policy changes must also take into account how they can help reduce fuel poverty. Emerging carbon reduction schemes and other building-related policy changes (such as building standards, planning policy changes, an obligation to provide renewable heat, and specific measures for the residential sector) must all take into account how they can help reduce fuel poverty.

### **3.8 Energy Efficiency Investment**

Raising the standard of the private rented sector would be beneficial to many fuel poor households. The forthcoming consultation on reducing emissions from existing domestic buildings should consider whether Government should set minimum energy efficiency standards for properties at point of sale or rental as a means to raise the standard of private rented and owner occupied sector. Another option would be to make the Scottish Housing Quality Standard (SHQS) mandatory for private sector housing as it is currently for social housing. An alternative approach might be to raise the minimum repairing standard rather than the quality standard. Regardless of how it is set, the minimum standard could be raised over time, and is in our view only acceptable if accompanied by corresponding financial support.

We believe that a finance scheme consisting of low interest loans should be made available to those more able to pay, and to landlords of those in fuel poverty; these loans could either be paid back from energy savings or at point of sale of the property. Private landlords can also claim a tax deduction under section 312 of the Income Tax (Trading and Other Income) Act 2005, if they install energy saving measures in houses which they let. The Landlords' Energy Saving Allowance (LESA)<sup>8</sup> allows them to claim up to £1,500 per property, and the energy saving items covered are loft, cavity wall, solid wall, hot water system and floor insulation and draught proofing. Currently Government grant support exists for microgeneration but not for insulation (except under the Warm Deal).

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<sup>8</sup> <http://www.hmrc.gov.uk/budget2007/bn63.htm>

We believe that energy companies should look more closely at engaging in energy services and in providing long term contracts for higher value measures such as heat pumps, solar thermal, external insulation and CHP, where funding could be mortgaged by the individual or community through subsequent savings they make on their energy bills.

### **3.9 Scottish Fuel Poverty Forum**

We believe that the Forum has an ongoing independent role both in monitoring programmes and in advising Scottish Ministers and others on further actions required, including fuel poverty proofing other Scottish Government policies such as the emerging anti-poverty framework. In the short time available for completion of this report, we have been unable to consider adding further bodies to the membership of the Forum; however, we believe that this should now be reviewed to ensure that the Forum is representative of relevant stakeholders. A formal link should also be established between the Scottish Forum and the equivalent bodies elsewhere in the UK.

## 4. Reserved Policy Issues

### 4.1 For the Westminster Government

*(a) Social Tariffs* While we recognise the steps already taken to promote social tariffs, such as the Ofgem guidance that any social tariff offered must be at least as low as the company's cheapest offer including on-line tariffs, we believe that further work is needed to ensure these are shaped to benefit the most fuel poor.

However, the UK Government should ensure that social tariffs to vulnerable fuel poor customers are mandatory and that the minimum standards should be strengthened, particularly around clarity of eligibility criteria from each company. Government should ensure that social tariffs are offered on a basis that is the lowest tariff offered, with broadly similar eligibility criteria across the companies, possibly proportionate to market share. Social tariffs should also be linked to energy advice.

*(b) Data Sharing* We welcome recent commitments by the DWP to share data with energy companies to allow targeting of social tariffs and energy efficiency advice for pensioners, but there is a need to extend this to benefit all low income households vulnerable to fuel poverty.

*(c) Carbon Emissions Reduction Target* CERT guidance is currently linked to the cheapest carbon savings, but needs to take into account actual housing stock differences and carbon outputs, such as where Scottish housing has larger cavities than the GB average, to ensure that islands and remote areas are not excluded from benefiting from CERT measures. It should also allow for increased carbon savings based on geography and harsher climate – information which is readily available.

*(d) Smart Meters and Pre-Payment Meters (PPM)* Smart meters should be rolled out to fuel poor and other customers as soon as possible, in light of the benefits to companies and customers from accurate billing, and energy efficiency benefits from better informed customers. Smart meters should also support expansion of microgeneration. We recommend that Government work with energy suppliers to promote this, and work with the regulator and suppliers to end the practice, adopted by some energy companies, of charging more for PPMs for those customers in or vulnerable to fuel poverty.

Earlier this year, in the UK Budget, it was announced that discussions were to take place with energy suppliers on reducing the PPM differentials before winter and that the UK Government would legislate if sufficient progress was not made. This was reiterated in the September announcement. We welcome this undertaking.

*(e) Switching Suppliers* Some vulnerable customers need help with switching suppliers. The limits of its applicability should also be noted, i.e. some customers who have a debt to the existing supplier, or who use a dynamic teleswitch meter cannot switch, while there are limited options for those who are off the gas network.

**(f) Energy Complaints** The new arrangements for dealing with energy complaints come into force on 1 October 2008, when Energywatch will be merged with the Scottish Consumer Council and Postwatch and renamed as *Consumer Focus Scotland*. Consumers will get basic advice from Consumer Direct and have recourse to an Ombudsman if problems are not resolved. Vulnerable customers in need of additional support can be referred to the Extra Help Unit in Consumer Focus. These arrangements rely on a much improved level of complaints handling by energy companies who will have to adhere to new Complaint Handling Standards set out by Ofgem. Where this does not materialise, fuel poor customers need to know where to turn for support and then get that support in resolving issues with their supplier. There is a concern that the loss of Energywatch will increase the burden on other advice providers. We see an ongoing monitoring role for the Scottish Fuel Poverty Forum in ensuring that the new arrangements do not disadvantage fuel poor customers and in fact deliver a better standard of service to them.

**(g) Cold Weather Payments** The UK Government recently announced (September 11, 2008) an increase in the level of Cold Weather Payments from £8.50 to £25 per week. The criteria, and the amount paid under Cold Weather Payments have been criticised as too restrictive. A cold snap of six days followed by a day's respite followed by a further six days does not result in a payment even though heating costs would be high. The criteria, amount paid and qualifying groups should all be reviewed.

In addition, we discovered from the DWP's evidence that DWP offices receive a considerable number of calls during spells of cold weather from people asking whether they would get a cold weather payment. One simple recommendation would be for the DWP to 'warm transfer' all enquiries re cold weather payment to the ESSac network for energy efficiency advice.

**(h) Winter Fuel Payments.** The UK Government currently spends around £2 billion per annum on Winter Fuel Payments. The correlation between entitlement to a winter fuel payment and fuel poverty is poor and there are a significant number of fuel poor households who do not currently receive any payment who need it. In addition it is questionable whether this level of investment strikes the right balance between symptom relief (support for a current energy bill) and prevention (investing in energy efficiency to reduce future energy bills).

DEFRA are currently consulting on the effectiveness of both Cold Weather Payments and Winter Fuel Payments. A thorough review is required to ensure a better fit with fuel poverty (including regional weighting according to temperature, payment in spring to help with winter bills) and a better balance between symptom relief and prevention in overall budgets. This should consider the following:

- Winter Fuel Payments should be extended to low income families and other vulnerable groups.
- Payments should be weighted for different regions, allowing colder regions to receive a higher payment than at present, while less cold areas would continue to receive the current level of payment. This would reflect temperature differences and fuel choices.
- Payment in the spring rather than December would help more directly with energy costs.

- Similarly, a discount from energy bills could be more effectively linked to fuel poverty than a universal benefit.

**(i) *Benefits System*** Funding for welfare advice provision can be very effective in helping people access their entitlements, as well as providing support for related issues such as accessing employment, housing advice and money advice. It is vital, both in terms of fuel poverty and a wider poverty agenda, that this lack of awareness of entitlement is addressed. However, even where full entitlements are received, the benefit and tax credit safety net for low income households currently leaves too many households below the income poverty line, exacerbating fuel poverty. Benefit and tax credit rates and eligibility should be reviewed and up-rated, to take account of rising energy costs. We see a role for the Forum in assisting in any future review of how the benefits system can really benefit the fuel poor.

## 4.2 For Energy Companies

**(a) *Social Insurance and Maintenance Contracts*** Social Insurance and Maintenance Contracts for renewing boilers for fuel poor customers should be explored by energy companies. These might be provided to those eligible for social tariffs that have been given a free central heating system. They might, for example, provide an emergency 24 hour call out service, an annual maintenance check and a free boiler at the end of the boiler's useful life; a guarantee of parts availability beyond 7 years might extend the useful life of systems. The energy companies' social spend might be one source of funding for this.

**(b) *Carbon Reducing Technologies*** Leasing carbon reducing technologies to customers could be a valuable option for the fuel poor and all other households as we would see this also as a considerable benefit to carbon saving targets. We recommend that the business case and delivery options for financing innovative schemes are explored.

**(c) *CERT Additional Measures*** Before new measures can be added to CERT they must go through a rigorous accreditation process, administered by Ofgem. The key focus of CERT is carbon reduction therefore any new measures added to CERT would be required to demonstrate their cost effectiveness in achieving a carbon reduction and having an impact on fuel poverty. Energy companies should use the flexibility they have to use CERT to maximise impact on fuel poverty, and to support the measures under Stage 4, as outlined in section 6 of this report.

**(d) *Social Tariffs*** .Where energy suppliers offer a social tariff, it must be, at least, the lowest tariff they offer by any payment method. Energy companies should each ensure that their social tariffs have clear eligibility criteria and are widely publicised and fully accessible to all who need the information (for example, to cover different languages and formats, including large print and Typetalk).

**(e) *Pre-Payment Meters*** For fuel poor customers, paying more for their energy through a pre-payment meter compounds their difficulties. Companies, Government and Ofgem all have a role to play in ending the practice of charging more for those fuel poor energy customers who use this method of payment. Those energy companies who have not aligned their PPM tariffs with their other tariffs, should give a guarantee that fuel poor customers will not pay more for using a PPM.

## 4.1 For Ofgem:

**(a) CERT and Fuel Poverty** CERT activity will tend to be biased towards the non-fuel poor, if activity is focused on where carbon savings can most cost effectively be achieved and those who proactively seek energy efficiency measures. We are concerned that CERT measures are not being marketed at the priority group and would hope that our recommended Energy Assistance Package will go some way to redress that for Scotland. We recommend that Ofgem should monitor the impacts of CERT on fuel poverty, as well as the carbon impacts. As noted above, compared to its predecessor scheme, the Priority Group has been reduced from 50% to 40% of the total, and enlarged to include all those aged over 70. The Fuel Poverty Advisory Group in England has suggested that this has led to rather less focus on low income households and somewhat poorer targeting on fuel poverty under CERT than its predecessor, with less well off customers subsidising the better off customers to a greater extent. It would be a concern to us if this were happening in Scotland.

We welcome the agreement, in principle, by the energy companies and the Scottish Government in the CERT Strategy Steering Group to provide annual carbon savings for Scotland. Ofgem should also monitor where companies' CERT activity is taking place, and in particular should gather Scottish statistics separately.

**(b) Social Initiatives** Ofgem should report on what is spent under energy companies' social initiatives in Scotland. Social initiatives cover: social tariffs; other rebates or tariff discounts; trust fund contributions; funding for partnerships with intermediaries and for benefit entitlement checks; energy efficiency initiatives that are additional to existing statutory obligations; and costs of aligning pre-payment meter tariffs with lower tariffs where this is effectively targeted at fuel poor and vulnerable customers. Ofgem could also report on details of social tariffs and which companies offer them.

**(c) Energy Markets** The Ofgem market probe reports at the end of September. We hope that it will include robust proposals for tackling any disadvantage it finds for customers in general and fuel poor customers, in particular. The following would also be welcome:

- mandatory minimum standards for social tariffs;
- companies and Ofgem reviewing the rules around transferring customers with debt;
- companies and Ofgem to review debt collection strategies in light of rising prices; and
- carbon savings taking into account actual climatic conditions.

Ofgem also has a role to play in ensuring that fuel poor PPM customers do not pay more and should consider regulation if this is not addressed. The Forum recommends that Ofgem plays a more active role in ensuring that the market works for fuel poor customers and not against them.

## 5. Potential Options for Future Programmes

Four broad options for future fuel poverty programmes were considered, as set out in the table below:

- (a) reverting to the Programmes prior to the Cabinet Secretary’s statement in May;
- (b) continuing with the current temporary prioritisation of the Central Heating Programme since May;
- (c) extending the current Programmes to reach a broader range of fuel poor groups; or
- (d) redesigning the Programmes in a different way.

Options	Description	Reason for rejection
Revert	Revert to pre-22 May Programmes: <ul style="list-style-type: none"> <li>• Free central heating for private sector pensioner households who have none or have a broken system, and replacements of partial and inefficient systems for those who receive the Guarantee Element of Pension Credit or are aged over 80 - using majority of Government funding;</li> <li>• Warm Deal insulation programme for those on passport benefits by Government and separate funding for Local Authorities; and</li> <li>• Separate CERT programme of insulation and other measures.</li> </ul>	Insufficiently well targeted: many in fuel poverty are not eligible and many of those receiving the programme are not in fuel poverty.
Continue	Continue with post-22 May Programmes: <ul style="list-style-type: none"> <li>• Central heating for priority groups over 60: those with no central heating, or those with a broken system and either aged over 80 or who receive the Guarantee Element of Pension Credit;</li> <li>• Warm Deal insulation programme for those on passport benefits by Government and separate funding for Local Authorities; and</li> <li>• Separate CERT programme of insulation and other measures.</li> </ul>	Although an improvement on ‘revert’ above, this is still insufficiently targeted on fuel poverty. It also lacks synergy with CERT.
Extend	Extend current Programmes: <ul style="list-style-type: none"> <li>• Central heating for priority groups over 60, plus some sub-set of families on passport benefits. Include renewable heating options where connection to gas not an option; and</li> <li>• Energy companies take over Warm Deal work from Government under CERT.</li> </ul>	This has insufficient synergy with other programmes like CERT.



Redesign	Redesigned Programme with new approach: <ul style="list-style-type: none"> <li>• One coordinated fuel poverty package;</li> <li>• Holistic approach to help with all aspects of fuel poverty;</li> <li>• Three checks provided: a benefit and tax credit check to maximise income, a tariff check to minimise the price paid per unit of energy, and an energy efficiency check; and</li> <li>• Standard energy efficiency measures funded by energy companies under CERT, and enhanced energy efficiency measures funded by Government.</li> </ul>	Recommended package.
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We considered each of these options against the aim and objectives we had agreed, and noted that the Redesign option was most likely to meet these objectives.

The following section sets out in more detail the Redesign option that we recommend.

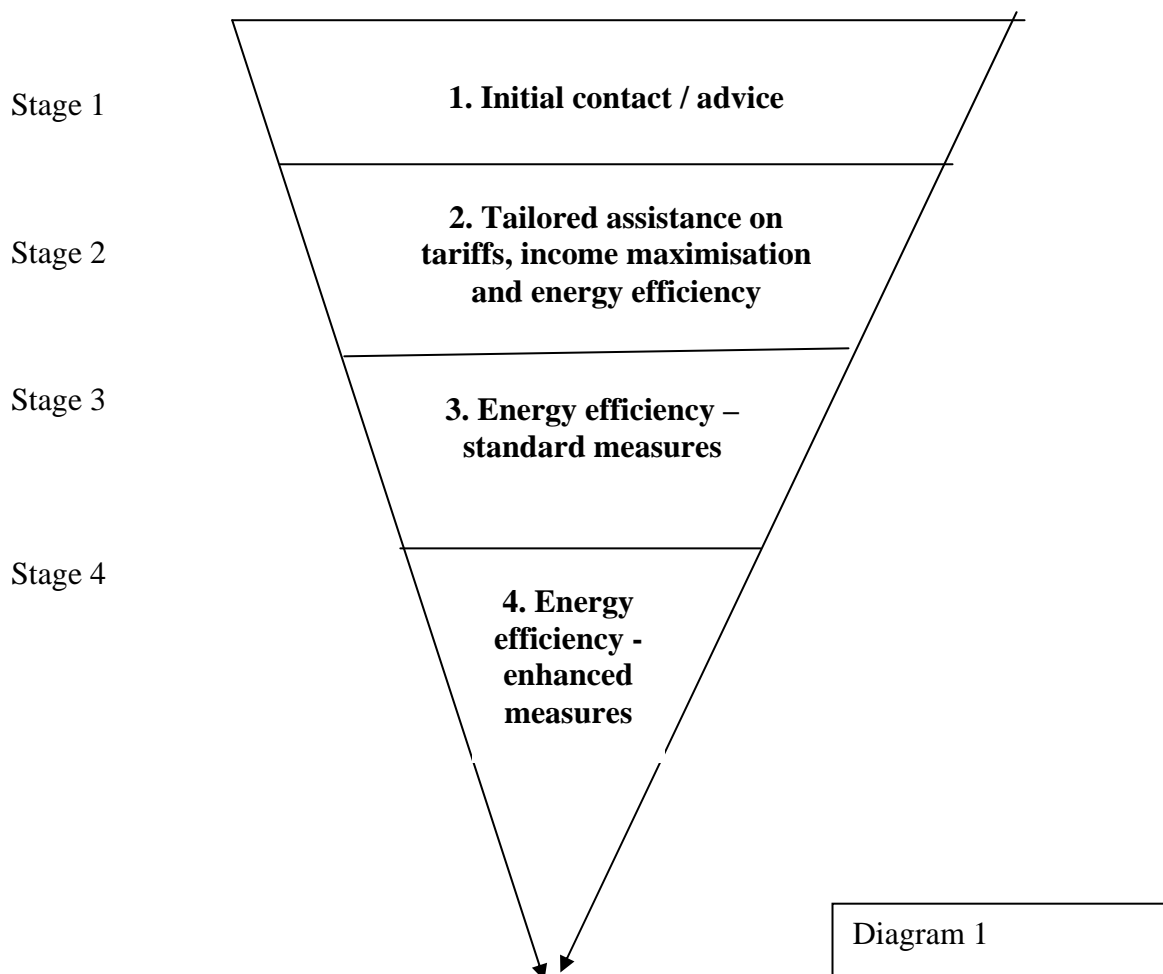
## 6. A Redesigned Fuel Poverty Programme for the Future

We recommend a redesigned future fuel poverty programme - an 'Energy Assistance Package', aimed at helping the fuel poor in Scotland in a holistic way, building on existing advice networks, with greater integration of funding streams and with energy companies contributing to the package and Government concentrating on areas that cannot be funded through CERT or other sources.

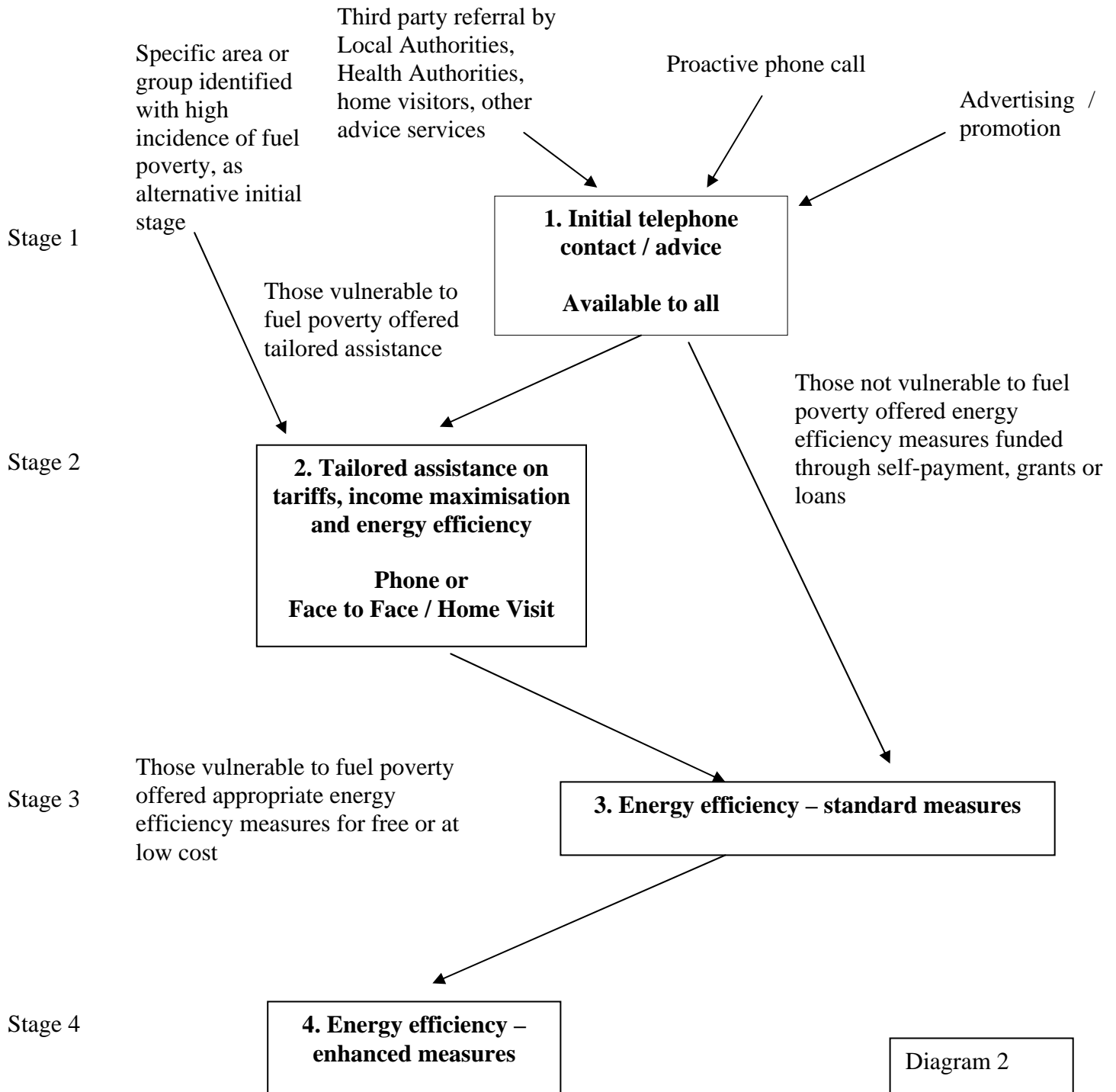
*The Package would have the following stages:*

- Initial advice - telephone check;
- Follow up tailored assistance on all three aspects of fuel poverty; and
- Assistance with installation of physical energy efficiency measures – both standard measures that will be cost effective carbon reducing measures to be funded under CERT or other sources, and other more enhanced measures.

Whilst we are illustrating these as separate stages, the organising principle is integration of the whole. We would see, for example, stages 1 and 2 being closely integrated and delivered together where possible; likewise stages 3 and 4.



## ENERGY ASSISTANCE PACKAGE



*A number of key questions were raised around any redesigned programme:*

- **Who?** Who to reach, how to identify the fuel poor?
- **What?** What measures to offer the fuel poor?
- **How?** How to deliver the measures?
- **Impact?** What is the impact on fuel poverty?

Each of these questions is considered within the format of the increasing filtering shown in Diagram 1, setting out a series of options of approach to address individual circumstances with tailored responses.

## Stage 1. Initial Advice

### ***Who?***

All would be encouraged to ring – this will be a universal service, fully accessible (for example, to include language interpretation and Typetalk) and available to all those who are fuel poor and those who are not. If the household is unlikely to be fuel poor, they will be passported to a CERT provider. At least one of the elements of tailored assistance will be available for all those most likely to be fuel poor.

### ***What?***

This would be an initial telephone advice covering both fuel poverty and energy efficiency objectives, in which households vulnerable to fuel poverty would be captured and referred on to the next stages, offering follow up of benefit and tax credit check, tariff check and energy efficiency check. The script for this initial contact would cover low income, high energy spend and energy efficiency of the home. Those who are clearly not fuel poor would be encouraged to take up CERT measures and signposted to available loan schemes. We believe this fits well within the wider objective of joining up advice services.

In addition to a publicised self-referral phone-line, agencies would be supported to make third party referrals to this service - e.g. local authorities and health authorities where individuals have been hospitalised for cold-related illnesses (such as *Warm and Well* in Edinburgh), home visitors of any sort, carer organisations, other advice services, and landlords. There would also be direct links to other support outwith the package

While the majority of initial contacts would be through the telephone advice service, there would also be a door-to-door service in areas where a high incidence of fuel poverty is identified (e.g. through Local Housing Strategy, Energy Saving Trust ward maps or other means). We believe this approach has potential for synergy with the £350m Community Energy Saving Programme funded by the energy companies and recently announced by the UK Government.

### ***How?***

A cost effective way of delivering this must be put in place. There must be a system to ensure the quality of advice, such as the provider(s) must be accredited under the Scottish National Standards for Information and Advice Providers<sup>9</sup>. There must also be programmes of awareness raising. Training and support will be required for third parties to know to refer their customers or contacts into the universal scheme.

We see distinct advantages of a regional approach with national overview and believe this will be the most effective way to identify and address the fuel poor. To avoid duplication of existing Scottish Government funded networks and build on existing practice, this should be delivered by the existing ESSac network. It is essential that there is tightly integrated management and operation of the 4 stages, as these cannot be effectively delivered through one organisation; the integration across different parts must be seamless in operation for the customers.

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[http://www.scottishhousingregulator.gov.uk/stellent/groups/public/documents/webpages/hmcs\\_009123.pdf](http://www.scottishhousingregulator.gov.uk/stellent/groups/public/documents/webpages/hmcs_009123.pdf)

***Impact?***

The package would aim to have contact with around 15% of Scottish households, or c350,000 each year. The number of contacts received, and the number and direction of follow-ups, would be monitored and recorded. We anticipate more than one-third of the contacts may be identified as fuel poor, and taken forward to Stage 2.

## **Stage 2. Follow up assistance**

### ***Who?***

This service would be available to all those vulnerable to fuel poverty identified through the initial check at Stage 1.

### ***What?***

This would be closely integrated with Stage 1 initial advice (possibly within the same phone call), and would comprise follow-up assistance, covering help with benefit and tax credit claims, checking eligibility for social tariff, and a home energy audit as appropriate. Follow-up might be either by telephone or face to face depending on individual requirements.

### ***How?***

This should be delivered through the ESSac network in an integrated partnership with others, making use of the expertise available (e.g. Scottish Helpline for Older People and Citizens Advice Direct for benefits and tax credits check, and building on the experience from the Central Heating and Warm Deal Programmes). It should link into advice already offered by local authorities and other agencies.

In developing advice on the tariffs check, the current pilot in England, being conducted by eaga and due to report in October, could be built upon. We would also want to provide for switching between suppliers. Again, quality of advice must be assured, such as through providers being accredited under the Scottish National Standards, and advice must be available in different formats to be accessible, e.g. for visually impaired, hard of hearing, other languages etc.

### ***Impact?***

This would aim to build up to assisting 5% of Scottish households, c115, 000 each year (i.e. one third of initial contacts). We would expect significant impact in maximising income through benefit and tax credit uptake and in reducing energy bills. For each case, estimates of the increase in benefits and tax credits claimed, saving in annual energy bills from the tariff check and saving in energy bills and carbon from energy audit would be recorded. This will require significant feedback information loops. The costs and benefits of telephone service referrals and the door to door approach would be evaluated through a programme of call-backs to a representative sample within 12 months to judge long term impact.

### **Stage 3. Energy efficiency – Standard Measures**

#### ***Who?***

For these purposes those in fuel poverty would be defined as those in the CERT priority group with the exception of those over 70 who are not on the guarantee element of pension credit.

#### ***What?***

A standard package of energy efficiency measures would be delivered to each house, covering the most cost effective measures – loft insulation, water tank insulation, cavity wall insulation, and draught proofing; other measures, e.g. real time displays, would be added if changes are made to allow these under CERT. Those in fuel poverty would be guaranteed access to this package at no cost to the customer, while others would be referred on at Stage 1 or 2 to appropriate help, which might include subsidised insulation measures under CERT or financial loans, grants or other assistance.

#### ***How?***

Effective functioning of this depends on the energy companies' agreement, through a national collective approach agreed as part of the ongoing work of the CERT strategy steering group. We would expect that energy companies would be able to commit jointly to funding cavity wall insulation and loft top-ups for every referral of a fuel poor household throughout Scotland up to 2011, i.e. commit to meet all demand. If other standard insulation measures are not funded under CERT, other means to fund and deliver these will be required. Government could provide some back-up funding in particular circumstances to the non fuel poor, e.g. where subsidy is required to prevent one householder in a tenement or 4 in a block stopping measures being undertaken.

#### ***Impact?***

This process would aim to assist all fuel poor households that can take CERT measures, perhaps 2% or 40,000 households, for whom we would expect a significant reduction in energy bills, and increase in energy efficiency of their homes. Standardised carbon and energy bill savings would be recorded from each measure, and there would be “before and after” assessments for a representative sample to assess actual carbon and energy savings.



## **Stage 4. Energy efficiency – Enhanced Measures**

### ***Who?***

We believe that the 2016 target can only be met if all those who receive current Warm Deal benefits and remain fuel poor after Stage 3 have access to an enhanced package. However, due to currently limited resources, we recommend those most affected by fuel poverty are prioritised in the short term rather than assigning priority on a first come first served basis.

We recommend that in the short term the programme should prioritise those who receive Warm Deal benefits and live in a private sector house which has poor energy efficiency. We propose that energy inefficient houses are defined as where an energy audit has shown that the performance of house is rated as an F or G on an Energy Performance Certificate. We expect this to pick up hard to treat homes and those without central heating systems.

The Forum recognises that improving the performance of such properties will potentially be expensive and will not on its own take all of these households out of fuel poverty; however the SHCS shows that the combination of claiming these welfare benefits and living in a home with very poor energy efficiency is a good proxy for fuel poverty.

Within this group, we recommend prioritising those in energy inefficient homes who are most seriously impacted by fuel poverty. As a starting point, we would suggest prioritising the following groups: low-income families with children under 5 and/or with children with disabilities under 16 and on income support or maximum child tax credit; households in which someone receives both Disability Living Allowance and Council tax benefit; and those over 60 who are in receipt of the guarantee element of pension credit. These criteria should be reviewed annually.

There is a concern that some people with acute or pre-existing health conditions could be affected by cold or damp housing and may not be included in the above groups. We would want these to be included but further work is needed to define who these are. Some element of fast tracking will always be needed, for those in most urgent need. As at Stage 3, there would have to be flexibility in mixed tenure buildings.

Under this Package more fuel poor households will be reached than under the existing Programmes; also more fuel poor households will be reached in Stage 4 and the measures will be more effective at alleviating fuel poverty. There is a further need to explore equity release schemes and/or development of the Scheme of Assistance<sup>10</sup> process for those who are not entitled to help under Stage 4.

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<sup>10</sup> The Housing (Scotland) Act 2006 creates a new scheme of assistance for housing purposes, based on the principle that individual owners (including owners of privately rented houses) have primary responsibility for maintaining their properties in good condition, with assistance available when necessary. This scheme allows local authorities to provide assistance for house repairs, improvements, adaptations and construction, as well as the acquisition or sale of a house. The assistance can take various forms, including grants, standard and subsidised loans, practical assistance, information or advice.

### ***What?***

This stage would cover a range of enhanced energy efficiency measures beyond the standard CERT-funded insulation available under Stage 3 above for private sector households. It would be a more concentrated intervention focussing on a small number of households but, as it is focussed on the fuel poor, it will reach a higher percentage of fuel poor households than current programmes. The measures offered will be very varied and offered on a tailored basis to suit the requirements of individual properties; these may include energy efficient appliances, boiler renewals, hard to treat insulation measures and central heating systems with condensing boilers, but the approach would be flexible, so that, for example, other measures could be added easily at a later date if an efficiency case could be made. Renewable heating systems and external and internal wall insulation would be available for the fuel poor who are off the gas grid, and assistance for mobile homes and caravans would be included. We recommend appropriate, cost effective measures for each home are provided.

To ensure geographical spread, regional budgets should be set or a target set for the number of houses to be assisted in each region, based on the proportion of Scotland's fuel poor in each region according to the latest SHCS results.

### ***How?***

A cost effective way of delivering this is essential; we believe that may be through a managing agent on behalf of Government either nationally or regionally. Regional delivery with national standards would allow greater flexibility to target resources in areas of greatest need.

Delivery would require partnership between a CERT provider and Government for those elements, where partial carbon savings could be claimed under CERT, but would not be cost effective for the energy company alone.

It may be necessary to use 2009/10 as a transition year in which to continue the current CHP and Warm Deal arrangements whilst the new Energy Assistance Package gears up.

We welcome the National Lending Unit being set up over the next 18 months under provisions in the 1988 Housing Act, which will be able to provide standard and subsidised loans, where home owners borrow against the house and repay on sale. This could be extended to provide a vehicle for energy efficiency loans.

Further research and development are needed to trial alternative measures which could be added to the package of measures at a later stage. Specifically, pilot studies are required to address fuel poverty in tenements, and in tower blocks.

The proactive approach in selected areas with a high incidence of fuel poverty has potential for including the option of a street by street area-based intervention.

### ***Impact?***

This stage would aim to have a significant impact on a number of homes each year, householders could expect a significant reduction in energy bills, and increase in energy efficiency of their homes. We expect a significantly higher proportion of these households to be fuel poor than under existing programmes, so that the absolute number of fuel poor households reached should be higher. For comparison, on the latest Survey statistics, the Central Heating Programme may have reached fewer than 6,000 fuel poor households last year, whereas more than two thirds of the groups set out as the priority for Stage 4 above would be fuel poor households, over 7000 of the total likely to be assisted each year. A 'before and after' fuel poverty assessment would be carried out for all dwellings and measures would be revised in the light of these results.

## 7. Recommendations

<b>FOR SCOTTISH GOVERNMENT</b>
<b>Fuel Poverty Programmes</b>
<i><b>Recommendation 1:</b></i> Replace existing fuel poverty programmes with an Energy Assistance Package (EAP) delivered via the ESSac network that addresses both the home and the householder and includes tariff advice, welfare benefit and tax credit advice, and energy audit with access to grants and loans to improve energy efficiency.
<i><b>Recommendation 2:</b></i> Join up funding streams to fund the Energy Assistance Package. Both Government-funded and CERT measures should be available through a single point of access (the ESSac network), and could be further augmented through top-up funding or low-interest loans, or equity release, in order to maximise the energy efficiency improvement achieved through a single batch of measures.
<i><b>Recommendation 3:</b></i> Explore ways of integrating welfare benefits and tax credits advice into enquiries made to the Energy Saving Scotland Advice Centre network, energy supply companies and government grant programmes.
<i><b>Recommendation 4:</b></i> While fuel poverty has distinctive dimensions, it should be part of the broader tackling poverty framework. Within this context grant funding should be targeted at those in greatest need.
<i><b>Recommendation 5:</b></i> The Energy Assistance Package should offer a wider range of measures to homes off the gas grid, such as micro-renewables, building on the findings of the Scottish Government Renewables Pilot, micro-generation and community-scale solutions.
<i><b>Recommendation 6:</b></i> Insulation measures that are known to work for hard to treat properties should be included as part of the Energy Assistance Package.
<b>Fuel Poverty Definition</b>
<i><b>Recommendation 7:</b></i> Provide fuel poverty statistics both including and excluding an enhanced Satisfactory Heating Regime for families with children under 5.
<b>Scottish Fuel Poverty Forum</b>
<i><b>Recommendation 8:</b></i> Scottish Fuel Poverty Forum should have an ongoing role in both monitoring programmes and advising Scottish Ministers on further actions required.
<i><b>Recommendation 9:</b></i> Membership of the Scottish Fuel Poverty Forum should be reviewed to ensure that it is representative of relevant stakeholders.
<i><b>Recommendation 10:</b></i> A formal link should be established between the Scottish Forum and the equivalent bodies elsewhere in the UK.

<b>CERT Activity in Scotland</b>
<i><b>Recommendation 11:</b></i> Scottish Government should, via the CERT Strategy Group, make Scotland attractive for CERT suppliers to work in, including better access to information and people, in order to maximise the impact of CERT activity on fuel poverty in Scotland.
<b>Local Authorities</b>
<i><b>Recommendation 12:</b></i> Local Authorities and Scottish Government should work together to deliver the 2016 target and reflect this in Local Housing Strategies and others where appropriate.
<b>Other Policy Areas</b>
<i><b>Recommendation 13:</b></i> Recognition should be given within the Climate Change Bill that an early focus on domestic energy efficiency (ideally with a target and an action plan to deliver it) will yield multiple policy and practical benefits if priority could be given to people in fuel poverty.
<i><b>Recommendation 14:</b></i> All emerging carbon reduction schemes and other building-related policy changes (such as building standards, planning policy changes, an obligation to provide renewable heat, and specific measures for the residential sector) should all take into account how they can help reduce fuel poverty.
<b>Energy Efficiency Finance Scheme</b>
<i><b>Recommendation 15:</b></i> An Energy Efficiency Finance Scheme consisting of low interest loans should be made available to those more able to pay, and to landlords of those in fuel poverty through the Scheme of Assistance. Loans could either be paid back from energy savings or at point of sale of the property.
<b>Level of Scottish Government Funding for Fuel Poverty</b>
<i><b>Recommendation 16:</b></i> At the next spending round there needs to be a significant increase in the level of Government investment devoted to tackling fuel poverty.
<i><b>Recommendation 17:</b></i> If additional money from other sources can be found over the next two years (including underspend from other budgets and any new money from Barnett consequential), this should be directed to additional interventions for fuel poor households under stage four of the Energy Assistance Package.
<i><b>Recommendation 18:</b></i> Consideration should be given to bulk purchasing by Government on behalf of fuel poor customers.

**FOR THE WESTMINSTER GOVERNMENT**

**Recommendation 19:** The UK Government should ensure that social tariffs to vulnerable fuel poor customers are mandatory and that the minimum standards are strengthened, particularly around clarity of eligibility criteria from each company.

**Recommendation 20:** Government should ensure that social tariffs are offered on a basis that is proportionate with market share and is the lowest tariff offered regardless of payment method.

**Recommendation 21:** Carbon savings via CERT should be revised to reflect impacts in Scotland, taking account of actual Scottish housing stock differences and carbon outputs to make sure that islands and remote areas are not excluded from benefiting from CERT measures. There should also be allowance for increased carbon savings based on geography and harsher climate; information which is readily available.

**Recommendation 22:** DWP should share data with energy companies to allow targeting of social tariffs and energy efficiency advice, extending currently agreed data sharing to benefit all low income households vulnerable to fuel poverty.

**Recommendation 23:** Smart meters should be rolled out to fuel poor and other customers as soon as possible.

**Recommendation 24:** The UK Government work with energy suppliers and Ofgem to end the practice, adopted by some energy companies, of charging more for PPMs for those customers in or vulnerable to fuel poverty, legislating if required.

**Recommendation 25:** A thorough review of both Cold Weather Payments and Winter Fuel Payments is required to ensure a better fit with fuel poverty. This should consider the following: less restrictive criteria for Cold Weather Payments; extending Winter Fuel Payments to low income families and other vulnerable groups; payments to be weighted for different regions; payment in the spring rather than December; and a discount from energy bills rather than the current payment system.

**Recommendation 26:** The DWP should 'warm transfer' all enquiries re cold weather payment to the Energy Saving Scotland Advice Centre network for energy efficiency advice.

**Recommendation 27:** Benefit and tax credit rates and eligibility should be reviewed and uprated, to take account of rising energy costs and the need to minimise fuel poverty.

## FOR ENERGY COMPANIES

**Recommendation 28:** Social Insurance and Maintenance contracts for maintaining and renewing boilers for fuel poor customers should be explored. Funding within the energy companies' social spend might be one source for this.

**Recommendation 29:** Energy companies should explore the business case and delivery options for leasing carbon reducing technologies to customers.

**Recommendation 30:** Energy companies should be willing to integrate CERT within the holistic approach of the Energy Assistance Package, including use of Flexibility to contribute to Stage 4 measures where this is cost effective.

**Recommendation 31:** Energy suppliers should each ensure that their social tariffs have clear eligibility criteria, and are widely publicised and accessible to all who need the information.

**Recommendation 32:** Energy companies should provide that fuel poor customers will not pay more for using a PPM.

## FOR OFGEM

*Most of the following would require action by the UK Government to change the framework within which Ofgem operates.*

**Recommendation 33:** Ofgem should gather Scottish CERT statistics separately and monitor where CERT is spent.

**Recommendation 34:** Ofgem should explore the overall redistributive impact of CERT between fuel poor and non-fuel poor customers in Scotland.

**Recommendation 35:** Ofgem should monitor the impacts of CERT on fuel poverty, as well as the carbon impacts, and report on what is spent under social initiatives in Scotland. Carbon savings under CERT should be assessed taking into account geography and climate.

**Recommendation 36:** Ofgem should work with the UK Government to ensure that social tariffs are mandatory with minimum standards that provide clear eligibility criteria.

**Recommendation 37:** Ofgem should play a role in ensuring that fuel poor PPM customers do not pay more and consider regulation if this is not addressed. With energy companies, Ofgem should review debt collection strategies in light of rising prices.

**Recommendation 38:** The Ofgem market probe should include robust proposals for tackling any disadvantage it finds for customers in general and fuel poor customers in particular.

## **8. Annexes**

### **8.1 Remit and Membership of the Forum**

*To advise the Scottish Government on how it can improve progress towards the target to eradicate fuel poverty as far as is reasonably practicable by 2016, within the available public resources.*

The Forum will build on the findings of the Scottish Government's review, and gather other evidence and opinions as required. Proposals for reform should fall broadly within the envelope of existing fuel poverty budgets, and must take into account the current mix of reserved and devolved powers and interactions with other policies and funding streams, such as under the Carbon Emissions Reduction Target (CERT). Recommendations must be provided to the Scottish Government by early September if they are to shape the Central Heating and Warm Deal programmes for 2009/10.

*Specifically, between now and late summer, the Forum should:*

- Consider the findings of the review of fuel poverty programmes to date, and any other evidence required.
- Advise Ministers on options for refocusing the policy and funding to better achieve the target of eradicating fuel poverty.
- Recommend changes to be made in the short term, within current legislative powers and delivery mechanisms.
- Recommend changes to be made in the longer term, which might require changes to legislation and/or delivery mechanisms.
- Recommend a long term role and remit for the stakeholder forum in monitoring progress on eradicating fuel poverty.

#### **Membership**

*The Forum is chaired independently by Rev Graham Blount and the following organisations are members:*

- Age Concern Scotland
- Children's Fuel Poverty Coalition
- Citizens Advice Scotland
- COSLA
- Energy Action Scotland
- Energy Saving Trust
- Energywatch
- Friends of the Earth Scotland and Association for the Conservation of Energy
- Help the Aged
- OFGEM (as observers)
- Poverty Alliance
- Scottish and Southern Energy
- Scottish Gas
- Scottish Federation of Housing Associations
- Scottish Power
- Shelter
- The Scottish Home Energy Conservation Act Officers Network



## **8.2 List of Evidence received by the Forum**

*Oral Evidence was provided by the following:*

- Eaga Partnership
- Fuel Poverty Advisory Group for England
- Ofgem
- Scottish Association of Landlords
- Scottish Gas
- Scottish House Condition Survey Team
- Scottish Rural and Property and Business Association
- Warm Zones Ltd

*Written evidence was provided by the following:*

- Aberdeen Heat and Power Co
- Aberdeenshire housing Partnership
- AVC PR Partnership Ltd
- Bill Butler – MSP Anniesland Glasgow
- Cassiltoun Housing Association
- Changeworks
- Church of Scotland
- Co-operative Development Scotland
- Comhairle nan Eilean Siar
- Diana Findlay
- Energy Retail Association
- Fife Council
- Inclusion Scotland
- Linthouse Housing Association
- MacMillan Cancer Support
- Northern Ireland Fuel Poverty Task Force
- Port of Leith Housing Association
- Poverty Alliance
- Prospect Community Housing
- Scottish Federation of Housing Associations (SFHA)
- Scottish Government Energy Efficiency Team
- Traprain Consultants
- West Dunbartonshire Council
- West of Scotland Senior's Forum

## **Glossary**

CHP	Central Heating Programme
CERT	Carbon Emissions Reduction Target
DEFRA	Department for Environment, Food and Rural Affairs
DLA	Disability Living Allowance
DWP	Department for Work and Pensions
EAP	Energy Assistance Package
EAS	Energy Action Scotland
ESSac	Energy Saving Scotland Advice Centre
EPC	Energy Performance Certificate
EST	Energy Saving Trust
IPPR	Institute for Public Policy Research
LESA	Landlords' Energy Saving Allowance
OFGEM	The Office of the Gas and Electricity Markets Authority
PPM	Pre-Payment Meters
SHCS	Scottish Housing Condition Survey
SHQS	Scottish Housing Quality Standard