

SJSS Committee Meeting - 25 November - Fuel Poverty Evidence Session

THAW Orkney briefing

THAW Orkney is a single-issue charity formed in December 2014 following two workshops involving community groups and various statutory and third sector organisations.

This was in response to a recognition that a coordinated and partnership approach was needed to tackle fuel poverty issues in the islands, which are off the mains gas network and so reliant on electricity or unregulated fuels for heating.

Along with Orkney's wetter and windier climate, old and hard-to-treat housing stock, higher living costs and lower incomes, our lack of fuel choice gives us some of the highest fuel poverty rates in the country.

THAW Orkney's mission is 'To work for households in all Orkney communities to reduce levels of fuel poverty and achieve affordable warmth.'

We currently have a staff team of six, funded by the British Gas Energy Trust (BGET), The Robertson Trust, Scottish and Southern Electricity Networks and local funding sources. However, due to a lower level of funding from BGET this year we have two fewer full-time staff than last year and are attempting to secure funding locally to fill that gap.

We can support folk by giving information and advice on how to best use the energy in their homes; referring them to the national energy efficiency programmes, both of which are run in Orkney by Warmworks; helping them with their fuel bills; referring them to Orkney CAB for debt issues; trying to increase their income and helping them budget.

We can also help access emergency fuel support so people can keep their electricity on, keep their oil tank full, or even get bags of solid fuel for them. We also provide Cosy Home Packs to help folk keep warm in their houses.

THAW Orkney secured over £344,000 to support clients in 2020-21, covering the pandemic lockdown period. This helped with energy costs, income maximisation, heating systems, and white goods - including:

- £28,948 of emergency electricity vouchers
- £3920 of Warm Home Discount
- £3288.99 of Fuel Bank Foundation heat fund for oil or solid fuel
- £24,774 from the Scottish Government's £4 million Home Heating Support Fund
- £43,232 of Attendance Allowance
- £19,681 of Personal Independence Payments
- £10,080 of Employment and Support Allowance
- £7,599 of debt written off

- £2000 of Council Tax reductions
- 132 Cosy Home Packs
- 22 new heating systems and 37 new energy efficient white goods under the SSE-funded Aiming Beyond Cancer (ABC) project

The 778 emergency fuel awards secured for households last year were worth over £57,000, compared to just over £6000 of electricity vouchers issued in the previous year, so an increase in demand for support of around 850%.

With the ending of the Universal Credit uplift and the rocketing of electricity prices, we are anticipating at least the same level of demand this winter, and beyond.

This year we have already heard of folk turning off their electric heating and using makeshift heating sources involving biofuel cans, which raises issues of fire safety as well as affordable warmth.

We have also had a case where a client referred to us for emergency electricity support had turned off everything possible – including heating - while they awaited a refund from the NHS for the cost of electricity to operate essential medical equipment in their home. This kind of choice shouldn't be happening anywhere, but especially not in a community that annually generates more clean green electricity from renewable sources than it can use – around 130% latterly.

THAW Orkney staff say that the majority of clients they are dealing with right now are self-rationing, self-disconnecting, or using some kind of coping strategy to stay warm.

We are in the process of ordering up duvets to put in our Cosy Home Packs instead of blankets, partly due to rising prices or non-availability of the thermal blankets we used to get, but we also think folk will find them useful if unable to heat their homes 24/7.

We are seeing a significant increase in need for electricity support already, for example, vouchers issued via the Fuel Bank Foundation, for which we are a referral partner, have stepped up from seven in each of August and September, to ten in October and eight in just the first two weeks of November. The Fuel Bank Foundation has increased the value of vouchers from £30 to £49 from November, which is a help, but this is still based on usage in a dual fuel house somewhere on the UK mainland, and doesn't go so far on electricity up here, where folk could be spending £8 to £10 a day or more maybe. Folk are allowed up to three vouchers within a six-month period.

A longer-term solution to fuel poverty that has been hinted at during recent workshop sessions around Orkney's Child Poverty Action Plan is on increasing the energy efficiency of Orkney's emergency housing stock, around 70 units at present. THAW Orkney receives a high level of referrals from emergency housing due to the nature of the situation these folk are in as well as the poor energy efficiency of many of the units they are put in, along with high rents due to the fact that they are fully furnished.

The Orkney Partnership, our Community Planning Partnership has said it will consider reviewing the cost and energy efficiency of accommodation used for homelessness/emergency housing in Orkney to reduce costs for families at time of crisis during 2021-23. However, given the high number of referrals we receive, I have suggested that this be strengthened to 'The Partnership will urgently review...' these properties.

In recent weeks we have also had a property on one of Orkney's islands that has a porch that is not in a fit state to be insulated or draught-proofed, and yet there is no funding available nationally or locally at this time that will remedy this for this client.

From my first reading of *Tackling Fuel Poverty in Scotland – a strategic approach*, I am heartened to see the recognition of the differing rates and depths of fuel poverty across Scotland, and the ambition of the Scottish Government to address that where it has the powers, and to demand change from the UK Government where powers remain reserved.

However, having outlined above some of the issue we have in Orkney, I am wary of pledges such as that to introduce a new housing standard so that all homes, no matter their tenure, are required to meet the same standards.

Ensuring folk are lifted out of poverty in such situations would often require five figure sums to sort houses ahead of energy efficiency work and would be hugely expensive in areas like Orkney. In addition, we would need to see a massive increase in our trades workforce. The supply chain is thin right now, with new-builds keeping local firms busy. Retrofit needs to be made a more attractive option, and having a local workforce would be key to issues of trust, given the outcome of previous schemes where firms came in, did a poor job, and left.

The provision of enabling measures will also require intensive work by trusted, local organisations such as THAW Orkney to work with vulnerable households to secure the funding and get work done ahead of energy efficiency work. This would require additional funding for staff time as from recent experience unless the process becomes streamlined it is very time-consuming.

If the strategy is to reduce poverty in Scotland, then UK action is critical in some key areas.

A fundamental example for those on electric heating would be the removal of environmental and social obligation costs from electricity bills and onto gas or into general taxation, which would make a huge positive impact on households in Orkney who are self-rationing or self-disconnecting this winter, and possibly next summer if the price cap increases to levels being forecast.

I understand that there are discussions ongoing around this between consumer bodies, Ofgem and HM Treasury, but any changes might be 18 months away - so another two winters. I did suggest to a civil servant in the Affordability Unit of the Department for Business, Energy and Industrial Strategy, during an Energy Consumers Commission meeting back in April, that Orkney should a pilot area to remove these charges on household bills, as a way of acknowledging this energy

injustice being done to islanders who live in such an energy-rich community. I'm not holding my breath on that.

Without going into too much more depth, the actions already in place and those planned to raise household incomes by putting money in the pockets of those that need it most is really encouraging. THAW Orkney staff are looking forward to the re-opening of the Scottish Government's Home Heating Support Fund, from which we were able to secure almost £25,000 in a month last year, helping wipe out significant debt and give households some breathing space.

The actions listed under raising household incomes, and the idea of Community Wealth Building – especially if this secures energy efficiency work for local firms rather than firms from the Scottish mainland - will go a long way to creating more stable economic conditions for many families, giving them the breathing space - to deal with other issues in their lives.

The crossover between fuel poverty, child poverty and food insecurity are well recognised in a community like Orkney and the fact that these are seen as interlinked in the strategy is welcome and should go a long way to breaking down some of the silo thinking around these issues. It is all about poverty and folk having to make choices they shouldn't need to.

The strategy is ambitious, and the scale of work can't be underestimated, but organisations such as THAW Orkney can play a key role in reaching the households that need to be reached as part of the work outlined within the table of actions.

However, to allow such Third Sector organisations as ourselves to play a key partnership role in ensuring this strategy and its actions do effectively address poverty in Scotland, longer term funding periods would be crucial. At the moment, as outlined above, THAW Orkney has funding to the end of this financial year, probably in common with many other similar organisations. Funding of such organisations for at least 3-5 years would allow for planning ahead for the kind of intensive work required at a local level in communities throughout Scotland.