

THAW Orkney

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THAW Orkney briefing: Net Zero, Energy & Transport Committee Inquiry into Rising Energy Prices

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Introduction

THAW (Tackling Household Affordable Warmth) Orkney is a single-issue charity formed in 2014 with the mission of working for households in all Orkney communities to reduce levels of fuel poverty and achieve affordable warmth.

Our core service delivers:

- Specialist advice on energy matters and efficiency, energy monitoring and assistance with utility debt
- Advice and guidance on the Scottish Government energy efficiency programmes and assistance with third party support through these schemes in relation to energy efficiency measures
- Support and advice with budgeting, benefits and income maximisation
- Health and Wellbeing support
- Advocacy and supported referrals to other organisations for additional help
- Cosy Home Packs (small energy efficient and thermal items for households)
- Emergency fuel support

The Energy Price Rise Impact

From the perspective of a small, island-based charity, trying to meet the increasing demand we have seen for our services ahead of the 1st April Energy Price Cap rise and since, while dealing with our own precarious funding situation, has been hugely challenging and overwhelming.

Due to funding uncertainties, we lost a full-time staff member to a permanent contract elsewhere in February, and their replacement then left in April for a permanent contract elsewhere. We are likely to lose another staff member to a permanent post within weeks. The bottom line is that no one paying a mortgage and with dependent children will stay with an organisation that is facing such financial uncertainty when there are permanent posts available elsewhere.

In the 'Emergency Energy Support' section below we have outlined the support delivered in the 2021-22 financial year, which increased by 111% on 2020-21, which was in itself exceptional due to the pandemic lockdown.

However, in the month of April, since the price cap rise, we have distributed another record amount to clients - £11,105 in 83 awards, compared to £3882 in 42 awards in April 2021, representing a 186% year-on-year increase, an early indication of the effects of the electricity price hike.

At the very least, frontline services such as ours need funding stability and additional resources to allow us to meet the continuing demands of a growing number of clients, which are referred to us from a network of almost 20 referral partners, as well as self-referrals.

Emergency Energy Support

In the short term, until the UK Government takes any action on electricity prices - such as the shifting of social and environmental tariff costs into general taxation – and until energy efficiency work can be accelerated to make a difference to more households every year, the kind of emergency energy cost support provided through the Scottish Government’s Winter Support Fund will be critical, especially for off-gas areas.

In the financial year to 31st March 2022, THAW Orkney secured £120,603 of emergency energy support for clients, the majority of which was for electricity vouchers, but also solid fuel and heating oil. These were issued in 1,019 awards averaging £118. This compares to £57,011 of awards in the previous financial year, with 778 awards averaging £73.

Over 75% of financial awards secured by THAW Orkney were for tenants of either Orkney Housing Association Ltd or Orkney Islands Council, or people in emergency accommodation provided by Orkney Islands Council. Tenants in these homes received £97,243 of financial support via THAW Orkney, largely electricity vouchers but also Fuel Bank Foundation heat fund payments and small energy efficient items or thermal clothing in our Cosy Home Packs. This was worth an average of £110 per award, but many awards, especially through the Scottish Government’s Home Heating Support Fund, were significantly higher, sometimes writing off debt and giving ‘breathing space’ to deal with other debt.

Orkney Islands Council also awarded THAW Orkney £41,400 of the Flexible Funding for Local Authorities award that it received from the Winter Support Fund. This was used to enhance existing voucher values to reflect the higher electricity costs, including an enhancement of £90 to an existing £30 voucher for families, specifically aimed at helping tackle Child Poverty figures.

Poor Customer Service Experience

Poor customer service from energy companies has seen staff time eaten up with what should be straightforward issues, such as transferring balances on prepayment meters when new meters are installed.

As an example, one of our development and support officers last week spent an entire afternoon on the case of a client who had not had the balance on her meter transferred, and also had a key for her previous meter with a substantial sum of money on it. On the second day, after 2 hours and 40 minutes on hold, the staff member was connected to a ‘rather rude’ customer service representative, who did not even apologise for the wait.

It appeared that the supplier would need to wait for a photograph of the old meter balance, taken by the engineer who did the work, to arrive as evidence of the balance on the old meter. They then investigate it - this can take 1-2 weeks. Once

agreed on the figure the supplier said they would contact the client and ask if they want a cheque or top up code.

With regards to the credit on the old key, the staff member has emailed copies of the receipts requesting that these be added to the meter or new key. It is understood this may also take some time.

The two issues that arise from this case study are that the duration of calls are unacceptably long, taking up valuable time that could be spent helping other clients, and secondly the waiting time for clients to receive the credit on their meter are also unacceptable. These people are on extremely tight budgets and cannot wait for weeks to receive their own money back.

Conclusions

The requirement for emergency energy support is going to continue until other medium- to long-term solutions can be found, and the frontline services delivering this kind of support, along with other more intensive support to households with increasingly tight budgets, need to be given stability in terms of funding to help with staff recruitment and retention issues currently being experienced.

Contact

For further information, please contact Robert Leslie, THAW Orkney manager.