



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Social Justice and Social Security Committee

**Thursday 25 November 2021**

**Session 6**



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**SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE**

**11<sup>th</sup> Meeting 2021, Session 6**

**CONVENER**

\*Neil Gray (Airdrie and Shotts) (SNP)

**DEPUTY CONVENER**

Natalie Don (Renfrewshire North and West) (SNP)

**COMMITTEE MEMBERS**

- \*Jeremy Balfour (Lothian) (Con)
- \*Miles Briggs (Lothian) (Con)
- \*Foyso Choudhury (Lothian) (Lab)
- \*Pam Duncan-Glancy (Glasgow) (Lab)
- \*Marie McNair (Clydebank and Milngavie) (SNP)
- \*Emma Roddick (Highlands and Islands) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

- Ariane Burgess (Highlands and Islands) (Green)
- Elizabeth Leighton (Existing Homes Alliance Scotland)
- Robert Leslie (THAW Orkney)
- Frazer Scott (Energy Action Scotland)
- Evelyn Tweed (Stirling) (SNP) (Committee Substitute)
- Alastair Wilcox (Citizens Advice Scotland)

**CLERK TO THE COMMITTEE**

Claire Menzies

**LOCATION**

Virtual Meeting



# Scottish Parliament

## Social Justice and Social Security Committee

Thursday 25 November 2021

*[The Convener opened the meeting at 09:09]*

### Proposed Fuel Poverty Strategy

**The Convener (Neil Gray):** Welcome to the 11th meeting in 2021 of the Social Justice and Social Security Committee. Apologies have been received from Natalie Don, and Evelyn Tweed is attending as her substitute.

The committee will take evidence on the proposed fuel poverty strategy, which was laid in Parliament on 9 November. The Parliament has 40 days to consider it before the Scottish Government publishes its finalised strategy. This morning, we will consider whether the proposed strategy would help to reduce fuel poverty in Scotland.

After the public meeting, the committee will have an informal session in which we will speak to people who are experiencing fuel poverty. The informal session has been co-ordinated by colleagues in our participation and communities team, supported by Tighean Innse Gall—TIG for short—Uist Council of Voluntary Organisations, Inclusion Scotland, Glasgow Disability Alliance, Changeworks and Firsthand Lothian. A note will be taken of the session and published on our website. The evidence that we receive today, in both the formal meeting and the informal evidence session, will be used to inform the committee's letter on the proposed fuel poverty strategy to Michael Matheson, the Cabinet Secretary for Net Zero, Energy and Transport.

We understand that our colleagues on the Net Zero, Energy and Transport Committee have invited the cabinet secretary to provide oral evidence on the proposed fuel poverty strategy. We will therefore ensure that that committee is kept informed of the evidence that we hear today.

I welcome Ariane Burgess MSP, who is the convener of the Local Government, Housing and Planning Committee. Fuel poverty is a cross-cutting issue, and we are pleased to have Ariane join our meeting. I also welcome Alastair Wilcox, senior policy officer at Citizens Advice Scotland; Robert Leslie, manager of Tackling Household Affordable Warmth Orkney; Elizabeth Leighton, director of the Existing Homes Alliance Scotland; and Frazer Scott, chief executive officer of Energy Action Scotland.

I invite colleagues to start posing questions. We are a wee bit tight for time—the meeting needs to finish before 10 o'clock—so I encourage colleagues to direct their questions to whichever witness they would like to answer them. Please keep questions and answers brief. The first questions are from Foyso Choudhury.

**Foyso Choudhury (Lothian) (Lab):** People who have pre-payment meters will have an immediate increase in their fuel bills, on top of their budgets being squeezed by the cost of living. Those using pre-payment meters tend to be on low incomes. Non-payment can lead to their having no fuel and people can get into debt as a result of standing charges. However, there is no way of quantifying fuel debt in Scotland. That debt can be hidden on credit cards and in overdrafts.

What can the proposed fuel strategy do to support people who are struggling with fuel debt? What can the Scottish Government do to increase take-up of the warm home discount? When does the Government estimate that the warm home discount will be fully rolled out in Scotland?

**The Convener:** Would you like a particular witness to respond to those questions?

**Foyso Choudhury:** No—they are for whoever feels comfortable answering them.

**Alastair Wilcox (Citizens Advice Scotland):** On your first question, you are absolutely right that pre-payment meter users are among the first people to be hit by any price rise. As has been well publicised over the past two or three months, energy prices are increasing substantially this winter. What is perhaps less well understood is that it is not just a winter crisis. We already expect the price cap to increase by another 40 per cent in the spring, based on market analysts' economic modelling that has come out in the past couple of weeks. That figure might go up or down, but it is set to be a painful spring. The cost of supplier failures is likely to put an upward pressure on energy bills for the next two to three years.

We were very hopeful that the strategy would engage with the extent of those problems and bring forward a suite of policy interventions to begin to address not just the immediacy of the need this winter but the longer-term cost of living challenge and the energy affordability issues that we expect to see over the next few years.

09:15

The £41 million in Barnett consequentials that the Scottish Government has committed to providing in order to support households that are struggling with energy affordability this winter is, of course, extremely welcome. I understand that some of that will be emergency support for

customers who are on pre-payment meters, and that some will go towards the continuation of the successful intervention that was introduced last year as a response to Covid. What is missing in the strategy is anything that goes beyond this winter. That should be a concern—it is certainly a concern for Citizens Advice Scotland.

It is fair to say that the warm home discount scheme has become very political. We and many other stakeholders, some of whom are here today, are growing increasingly concerned at how little time is left to introduce a scheme that can be made to work next year. We are working hard to try to influence the Scottish Government's thinking on the issue, because a number of things have been suggested that we cannot yet support. We remain hopeful that the Scottish Government will engage further with stakeholders to make sure that that important fuel poverty support is in place in time for next spring and that it works in the interests of consumers in Scotland over the next four years or so.

**Frazer Scott (Energy Action Scotland):** Foyso Choudhury is right to raise the issue of people with pre-payment meters suffering greater detriment than people with credit meters. A number of actions are required to support people.

I share a lot of the concerns that Alastair Wilcox has just expressed about support not being made available over a longer period. The strategy lays out some supports for this winter, but the legacy of the expected increase in energy prices in the spring and the failed energy companies is likely to be with us for a considerable time, which is of great concern. That is likely to add significantly to the number of households that are in fuel poverty.

We estimate that, as a result of the first wave of energy price rises, more than 100,000 additional households will join those that endure fuel poverty. It does not feel fair that more than one in four households in Scotland live in fuel poverty, because we are a wealthy nation. Two thousand more people die every winter than over the summer months, largely as a consequence of living in fuel poverty.

It is particularly difficult for pre-payment meter customers; they are charged a higher rate and standing charges have a huge impact as the winter begins. Many households simply switched off their supply, but their standing charges will have built up every day, so the first day that they put credit in their meter, it is likely that that will provide no heat whatsoever but will simply pay off the standing charges that accrued over the summer. That is a great concern.

It is fantastic that there is crisis support, and it is good that there is support from energy suppliers at the same time, but we need continued price

protections for our most vulnerable households, including pre-payment meter customers, to ensure that they pay a fair and reasonable price for the energy that they consume.

It would be good to see a swifter acceleration of the roll-out of smart pre-payment meters across Scotland, because the evidence that we have provided over the past year shows that such meters provide huge economic benefit for householders. There are also benefits in relation to the time that householders spend topping up, the journeys that they have to go on to top up and the additional administrative costs for energy suppliers. Those factors would largely be removed, the playing field would be levelled and the difference in price between credit meters and pre-payment meters would narrow.

A lot of positive stuff can be done, but it is not clear how the strategy will interact with all those components for pre-payment meter customers. At the moment, those customers are more likely to be in fuel poverty than people with credit meters. Much more needs to be done, but not all of it is in the control of the Scottish Government, so we need support and lobbying for the changes that are required in the areas in which we do not have that control.

I join in Alastair Wilcox's concern about the warm home discount and the uncertainty that surrounds what will happen, over the coming period, on the energy company obligation. I am particularly concerned that Scotland could well get a poor deal in any settlement. It has been proposed that 9 per cent of funding for the warm home discount and the ECO be allocated to Scotland. Figures from the Office of Gas and Electricity Markets show that, in 2019, Scotland received 10.1 per cent of the warm home discount investment. Scotland has at least 15 per cent of the United Kingdom households that are in fuel poverty. If we are to take control of the issue, referring to our starting position on fuel poverty—which is considerably higher in Scotland than it is in any other part of Great Britain—feels like a far better way of arguing for a fair settlement.

**The Convener:** Does Foyso Choudhury have another question?

**Foyso Choudhury:** I do not have another question on that theme.

**The Convener:** How about on the next theme?

**Foyso Choudhury:** Fuel poverty decreased until 2017, but it then seemed to flatline. If the yearly average decrease continues, we will miss the interim target for reducing fuel poverty by seven years, and the final target by 10 years. Can it be guaranteed that the strategy will meet our fuel poverty targets?

**The Convener:** Does anybody want to come in on how we could do better at ensuring that the strategy meets our fuel poverty targets?

**Elizabeth Leighton (Existing Homes Alliance Scotland):** Thank you for inviting me, as the director of the Existing Homes Alliance—a coalition of organisations that includes Citizens Advice Scotland and Energy Action Scotland, which are also represented on the panel today. We work together in focusing on two of the drivers of fuel poverty: the poor energy efficiency of our homes and how energy is managed in the home. However, we are concerned that those efforts should be taken forward as part of a coherent programme that addresses all four drivers, including income and energy price, which we have been talking about.

We are very concerned that the strategy does not set out a credible course for meeting the statutory fuel poverty targets. I was surprised to see that the interim targets are barely referenced in the strategy—there is a reference to them only in the introduction, and they are not spelled out. Given that the 2030 target is only eight years away, that is very concerning.

The actions that are listed in the strategy are not set against the outcomes that they are expected to deliver. That raises the question of how they match against the percentage reduction in fuel poverty rates that are expected if we are to meet the statutory targets. If we compare that with what has been done on the climate change plan—which clearly sets out actions against an emissions envelope that has to be met by a certain date—we see how the fuel poverty strategy is falling short.

To answer the question, we are very concerned that it is unlikely, as it stands and given how the strategy is currently set out, that we will meet our targets. As Frazer Scott said, it is a tragedy that we have such high rates of fuel poverty in such a wealthy country, given that those could be addressed through solutions that we know could be deployed.

I have other points on how we can improve energy efficiency and on how to use energy in the home, but I can make them later, when we get on to that.

**The Convener:** Thank you. Given that no other witnesses have indicated that they want to come in, I move to a question from Miles Briggs.

**Miles Briggs (Lothian) (Con):** Research has found that uptake of the warm home discount in Scotland is relatively low. What are the key reasons for that, and how can that benefit be made more widely accessible to those experiencing fuel poverty? Perhaps I could bring Frazer Scott back in first.

**Frazer Scott:** When I read the briefing paper for the meeting, I was not quite sure about that point, because I think that the evidence shows that Scotland received 10.11 per cent of the 2019-20 warm home discount allocation. Proportionally, that is in keeping with, if not slightly higher than, our percentage of the population. One of the big issues with the warm home discount is that it is a finite sum of money. There are two aspects to it: the core group of people who automatically receive it because they meet the criteria, and the applicant group, who are an eligible group of households in difficult circumstances. However, the envelope of investment is not sufficient to meet the needs of all those households.

That is the biggest concern: people who are eligible for support are unable to access it, and yet they have a huge need for that support. The sum of £140 is a huge support to families in difficult circumstances—albeit it has stayed the same for almost a decade—and this winter in particular, as we face price rises, it is even more valuable. We argue that the sum should be higher and should be more reflective of the current situation, but it is not.

My take on the warm home discount is that it does a valuable job for those who receive it, but a large number of people who need support are disappointed every year when their applications are rejected. The envelope is not significant enough to accept all people who could—and, in my view, should—receive the warm home discount.

**The Convener:** That is helpful. If any other witnesses wish to come in, please do as Alastair Wilcox has just done and type R in the chat function.

**Alastair Wilcox:** The question possibly has its roots in research that Citizens Advice Scotland did about two years ago. We published a report last year. The member is absolutely correct that, given the number of people in Scotland who receive the warm home discount relative to the number who are eligible for it, the majority of those who are eligible are not currently getting it. Frazer Scott is right to point out that part of the problem is that we are talking about a finite pot of money. The Department for Business, Energy and Industrial Strategy has made proposals to increase the pot of money, and the working assumption is that that will increase the amount of money that comes to Scotland by about £10 million a year, which will be a considerable boost to what we have been getting historically.

Frazer is also right that the historical trend has been that consumers in Scotland have been disproportionately good at making applications for the warm home discount. We have had more applications than our population numbers suggest

would be our fair share—for want of a better expression—of the existing pot of money. The problems come from a lack of knowledge among some people. A lot of people have to make annual applications. Some people also have difficulties making applications. There is also a challenge around differential eligibility criteria, so someone could be eligible for the warm home discount through one supplier but not through the supplier that they are with. The lack of understanding of that among consumers is a factor, but so, too, is the design of the scheme.

In our report, we made a series of recommendations to try to make it a bit more straightforward for people to access the help that they are entitled to. The recommendations are on the application process and better use of data matching, but we also talk about the criteria and trying to ensure that they better reflect the definition of fuel poverty in Scotland.

A variety of things could be done. BEIS has made proposals and the Scottish Government has ideas of its own. However, the on-going uncertainty around the warm home discount and, it should be said, the energy company obligation is driving a lot of the concerns in the sector. That is not just among people like us—even suppliers do not know what they are expected to do next year. With regard to delivering a workable scheme that will deliver benefits for consumers, the longer that drags on, the higher the risk that we end up with something that will continue to be very imperfect.

09:30

**Robert Leslie (THAW Orkney):** I agree with what Frazer Scott and Alastair Wilcox said about access to the warm home discount. The staff at THAW spend a lot of time securing the discount for clients who, for one reason or another, are unable to complete the form. The discount is maybe not uppermost in the minds of folks who need it most.

With regard to what Frazer said, 10 years ago, when I came into the energy side of things, the warm home discount was £130; it went up to £140, but it has not shifted at all since then. We looked at a household of people with storage heating on the total heating, total control tariff in Orkney. In 2011, they spent £740 on heating over the winter but, this year, they would have to spend £1,780 for the same amount of heating, so that is the difference in the cost of electricity for a winter. The warm home discount is welcome but, because it has stayed the same, it is making a much lower impact for folk who receive it.

**Miles Briggs:** I want to get the witnesses' views on the financial level of the benefit. The Citizens Advice Scotland written submission says that

receiving the warm home discount has “no material impact” on the rates of fuel poverty for the households that receive it. Is it the witnesses' view that the discount is not at the right level or that it is not being effectively targeted in order to reduce fuel poverty? That question goes back to Alastair Wilcox, because his submission pointed towards the discount not having that impact. Is that because of the current level?

**Alastair Wilcox:** It is difficult to deny that that is a factor. However, we should remember that, currently and historically, all consumers pay for the warm home discount through their bills. This year, it is costing us all about £14 per household. The BEIS proposal to increase the size of the pot would extend that cost to about £20 per household. There is a tension that we should acknowledge in relation to the size of the pot and the scale of the burden that we place on households. Excluding fuel-poor households from contributing to the levy is difficult—no one has been able to find a solution to that so far.

It is worth saying that the reason why the warm home discount does not statistically make much difference to whether somebody is in fuel poverty is largely a result of the fuel poverty gap being greater than £140. In our research a couple of years ago, we looked at a data set from the Scottish household survey and found that, in 77 per cent of the sample that we took from the data, the median fuel poverty gap was greater than £250, so the £140 warm home discount makes people less fuel poor but, statistically, they are still fuel poor.

It is important to view the warm home discount as part of a package of support, rather than the silver bullet that will solve fuel poverty. It is just one aspect of our armoury and should be viewed not in isolation but as part of a package of measures that could be used to impact more meaningfully on fuel poverty rates.

**Frazer Scott:** I agree totally with Alastair Wilcox's analysis of the impact that a single measure in isolation can have. Without it, things would be much worse for many of the households that receive it, but he is right to point out that it is part of a package of support. The strategy identifies a number of things that would have an impact on people's income in relation to their energy costs.

There might be a question later about the winter fuel payment, for which Scotland is set to take responsibility, and which is a much larger tool in the toolbox, with £180 million allocated to it. Its purpose is to help people with their energy costs, but it does not appear to be fully aligned with fuel poverty and the fuel poverty strategy. It is not well targeted, because it does not target fuel-poor households, but no change is proposed to the



automatic receipt of the winter fuel payment for pensioners. Because the payment is not means tested, pensioners of all income brackets receive it, including several thousand wealthy people who live outside Scotland in European Union countries. Given the fact that responsibility for that payment is coming to Scotland, I would like it to be much better aligned as a tool in the toolbox. The winter fuel payment has about five times the level of investment that the warm home discount has, so it could have a much greater impact than is planned for now.

The cold weather payment, which also supports people on benefits and lower incomes, is proposed to be a flat £50. Again, that is not targeting fuel-poor households and is not able to recognise the diversity of situations that people have across Scotland. Robert Leslie was quick—and right—to point out that the cost of the average energy bill in Orkney is much higher, at almost double the United Kingdom average. Therefore, the payment's level of value to a household living in that circumstance is a lot less, because it buys a lot less warmth and comfort. The investments that the state provides to support people ought to achieve equity in comfort for them.

I like to think that we could see better alignment of the winter fuel payment and the warm home discount, to bring about the changes that we need to fill the median fuel poverty gap that Alastair Wilcox identified as so important. That is the balance that takes people out of fuel poverty, so we need to focus on making the biggest impact on that. With the tools in the toolbox that we have now, we could align things a lot better and make better use of the quantum that they give us.

**The Convener:** That has been helpful. How could the Scottish Government better target the winter fuel and cold weather payments? In particular, given your comment about the size of the investment in the winter fuel payment, what could be done to better target that?

**Frazer Scott:** I would like the whole thing to be seen as a single strategy to target those with the lowest incomes. It might be unpopular to say it, but people who do not need the winter fuel payment because their shoulders are broader should not receive it. It should be targeted at those who need help the most and should be scaled in a way that is responsive to their circumstances. In our written submission, we pointed out the gap between an all-electric home, where electric heating is the source, and a gas home. At this point in time, the payments buy people different amounts of comfort and warmth and therefore have a different impact on their health and wellbeing. Some equity and scaling could be provided within all that.

We also need to see it as a much bigger test of our ability to organise those resources, and I like

to think that we would not see people miss out on the cold weather payment. Because of our climate in Scotland, the triggers for the cold weather payment have occurred more frequently here. In some parts of Scotland, where that trigger will happen frequently over the whole winter, the £50 flat payment will not service people's needs at all, so they will miss out. They would have received more payments under the old scheme than they will receive under what is proposed in the strategy. They will receive a flat £50 against £75 with perhaps five or six weekly triggers across some parts of the Highlands and Islands, where all-electric heating is in play in far greater proportions.

We could do a lot better at targeting those on the lowest incomes. I would like to think that, over time, we could also target those who live in the poorest quality housing as well, but I feel as though we are not quite there yet.

**Marie McNair (Clydebank and Milngavie) (SNP):** I thank the witnesses for giving us their time.

The pre-pandemic levels of fuel poverty in Scotland needed to be tackled, and that is the purpose and challenge of the strategy. How will Covid-19 impact on the scale of that challenge? At the pandemic's worst, were there particular challenges in obtaining access to fuel? For example, did enforced isolation mean that people on low incomes who rely on pre-payment meters struggled to top up their pre-payment cards?

**Alastair Wilcox:** I do not think that it will come as a shock to anybody to hear that we expect the Covid-19 crisis to have made fuel poverty worse. The economic damage that it has caused in the short and medium term has been significant, particularly for certain households. It is inconceivable that fuel poverty will have gone down, because fuel prices are going up and household incomes are being squeezed. We do not know for how much longer those cost pressures will exist, but they are not likely to be short term.

Of course, we will not actually see the impact of Covid-19 on the official fuel poverty statistics until we get an update on the Scottish house condition survey. We will start to see the data flowing through when the survey is updated either at the end of the year or the beginning of next year. The cost-of-living crisis that we will see this winter will start to feed through into the statistics from about the end of next year. We will have to wait for the official numbers, but our working assumption is that fuel poverty will have been made more challenging. The strength of the economic recovery is a factor in how long it will take us to get back to pre-pandemic levels of fuel poverty.

As I think the convener said at the beginning of the meeting, fuel poverty is a multifactorial issue. Many things play into whether somebody is in fuel poverty. That is why it is important that the strategy gets to grips with and brings forward ambitious, detailed and coherent plans across all four drivers of fuel poverty. In some areas, the ambition is there but, in others, it is not as well developed.

We have a genuine concern that the funding that is required to deliver the statutory targets is not yet there. There are also concerns about regional equality in how the strategy will deliver the targets, particularly in relation to rural and island fuel poverty. We know that extreme fuel poverty is disproportionately higher in rural and island areas than in more urban areas. It is a requirement of the strategy and the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 that fuel poverty is eradicated—or next to eradicated—in all local authority areas in Scotland.

Beyond the place-based approach for energy efficiency, it is difficult to see how the strategy is mapping out a comprehensive and coherent plan to tackle the depth of fuel poverty in more rural areas. That is a real concern for us and many other stakeholders. We hope that the Scottish Government produces more ideas and detail on how it will engage with the scale of that challenge, because it will be extremely difficult to fix and, if we do not fix it, we will not achieve a just transition.

**The Convener:** Absolutely—thank you.

**Elizabeth Leighton:** Last year, the Scottish Government did research to project the impact that Covid would have on fuel poverty, and it found that the rate could rise from the current official statistic of 25 per cent up to nearly 30 per cent. As Alastair Wilcox said, the effects of the increase in fuel prices will compound that issue.

Covid made us realise how important our homes are for our health. Cold and damp homes are bad for respiratory health, as well as for the health of children and for mental health and wellbeing. Therefore, another reason to address the quality of our homes is to improve the health and wellbeing of everyone, and a lot of evidence is emerging that doing so has a positive impact.

09:45

As Alastair said, we have some good programmes, which are outlined in the strategy, but it is clear that they are just touching the tip of the iceberg. About 18,000 to 20,000 households are reached by our fuel poverty programmes—the national programme as well as the area-based scheme. They are excellent programmes and they are adapting in order to reach the challenges of

decarbonising heat, as well as making homes much more energy efficient.

That is very positive, and there is also a commitment that there will be no detriment to those who are living in fuel poverty. However, only about 20,000 households are being reached at the moment, so we need much bigger scaled-up programmes that look at a more collective approach to bulk-buying energy solutions and different ways for people to pay for their energy, such as using a third party to reduce capital costs, or community asset ownership. Those are all models that the Government could support as part of an effort to fuel poverty proof our housing stock, so that we eliminate housing as a driver. It does not eliminate fuel poverty but it eliminates housing as a driver. That is in our control and can be done through the strategy.

**Robert Leslie:** I will pick up on the point about tackling the depth of fuel poverty in rural and island areas such as Orkney. When the definition of fuel poverty changed to 10 per cent of income being required to pay for fuel, the fuel poverty rate in Orkney dropped from 57 per cent to 30 per cent, but the rate of extreme fuel poverty only shifted from 23 to 22 per cent, which was only a 1 per cent decrease. I am wary of any hope of meeting the interim target of getting the extreme fuel poverty rate down to 5 per cent by 2030 for every local authority area, because places such as Orkney are not going to get there.

Elizabeth Leighton talked about fuel poverty proofing homes by increasing their energy efficiency but, to do that, we will need a huge upscale in the workforce here. An indirect impact of Covid is that the building trade has overheated. Nobody is interested in retrofitting, so we need to find a way of making that something that the trades want to do. At the moment, we do not have the necessary size of workforce to retrofit properties across Orkney in the timescale that we have been looking at for the target.

**The Convener:** If it is okay, I will bring in Jeremy Balfour to ask his question and ask Frazer Scott to respond to it first.

**Jeremy Balfour (Lothian) (Con):** I have a couple of questions. First, what difference do the witnesses think that it would make if the Scottish Government amended the forthcoming adult disability payment to ensure that those who receive the enhanced daily living component are able to claim the winter heating assistance payment? This has been picked up on already, but would that target funds in a better way than is being done at the moment? That question might be best for CAS.

**The Convener:** Frazer Scott, if you come in at this stage, we can then quickly turn to Alastair

after that. Please keep the answers tight, because I am keen to bring in Evelyn Tweed and Pam Duncan-Glancy for some quick questions before we wrap up.

**Frazer Scott:** Absolutely. I support Jeremy Balfour's point. I agree that we need to use all the tools that we have to support the most vulnerable people in society, and we need to ensure that adequate support is provided across the benefit system that we have.

We are fortunate in Scotland that we have taken on a more responsible position on energy costs for people with a disability. In England, the consultation on the warm home discount excluded people with a disability as a specific category, whereas, in Scotland, we have the child winter heating assistance payment, which is an incredibly important support for families with vulnerable people. I want much more support to be extended at this particular point, due to the size of the challenge that we face.

To go back to the point about the impact of Covid, if we accept that the energy crisis is part of that, we see that the impact is absolutely massive and will far exceed the experimental analysis that the Scottish Government did, which suggested a fuel poverty rate of 29 per cent. An energy bill rise of at least £500 is set to come in the spring, which could push average UK bills up to something like £2,000. That will have a huge impact on our ability to make an inroad into fuel poverty, because we are about to take a huge step back with regard to the number of people who are in need. That rise will likely cause an increase not just in the number of people who are in fuel poverty, but of those in extreme fuel poverty, whose circumstances are dire and desperate. That is the key aspect: we must not forget that extreme fuel poverty costs lives, so more people will die as a result of that increase. For us, the biggest scandal is that people die when they do not need to.

**The Convener:** Thank you, Frazer. Alastair, you were specifically referenced by Jeremy Balfour, so do you want to come in briefly?

**Alastair Wilcox:** Thank you, convener; I will be as brief as I can and I am happy to follow up in writing, if it would help the committee.

Jeremy Balfour is right that we should be using every tool in our arsenal to tackle fuel poverty. It is not currently evident that we are thinking holistically enough about that, even in the strategy. Although some of the actions and proposals that the Scottish Government has brought forward in the strategy are welcome, more things can be done.

We know that the work that is being done on enhanced heating regimes has identified that households with people who have severe

disabilities are more likely to require an enhanced heating regime, and that is more likely to push households into fuel poverty. We need to think about how we can use things like the welfare system to address that.

However, it is not always just about how much money we spend and whom we give it to, but about how we spend it. Increasing somebody's income has a lower impact on fuel poverty than reducing their fuel bills. There are different ways of spending the same money on the same people that would have a greater impact on the statistical issue of fuel poverty. If we had more time available today, we could probably go into greater detail, so I am happy to follow that up with Jeremy Balfour or anybody else who is interested in discussing that.

**The Convener:** Thank you, Alastair. If colleagues have further questions, it might be useful for us to follow them up with the panel members in writing. Due to the technology issues, the meeting started later, but it was always going to be a tight evidence session. We can discuss those questions after the meeting.

I am keen to bring in Evelyn Tweed, followed by Pam Duncan-Glancy, to ask their questions one after the other, and then we can go round the room quickly to see whether we can get some answers to those questions.

**Evelyn Tweed (Stirling) (SNP):** It is good to see the witnesses today.

My question is on the effect that the use of premature technologies is having on fuel bills. Can you tell me how wide that issue is? What can we do to fix it? That question goes to Alastair Wilcox.

**Pam Duncan-Glancy (Glasgow) (Lab):** I have a number of questions specifically around supporting groups that are most likely to experience fuel poverty, including disabled people and people in various regions of Scotland, such as rural regions, and what the fuel poverty strategy says on that. I am keen to hear more from Alastair Wilcox about what else, apart from increasing incomes, we can do to address that.

I also have a question for Robert Leslie about rural fuel poverty. As you know, some local authorities have said they have concerns with the Government in relation to the £6,000 grant limit for retrofitting social housing. Notwithstanding the point that you made about recruitment, how do you think that the Government could provide sufficient support to local authorities?

Finally, do you have any thoughts on innovative retrofitting financial solutions, such as the people-powered retrofitting programme that is happening in Portsmouth?

**The Convener:** I am keen to draw the session to a close at 09:59, so we will start with Alastair,

followed by Robert and, if possible, we will follow up in writing anything that we cannot get to before we close.

**Alastair Wilcox:** I am not sure that I would characterise them as premature technologies, but I understand where the question is coming from. It is very difficult to get a handle on how widespread the issues are, because the data is not particularly well understood at the moment. We have certainly seen pockets of issues springing up in a variety of locations in Scotland, so it is not just one specific technology.

We think that there are a variety of reasons why people are experiencing poor outcomes when the modelling suggests that they should not. Because it is a complex issue, with a variety of inputs and drivers, there is not one straightforward answer. However, it is really important to make sure that we work to understand what is causing those issues and where they are happening.

It is equally important that the Scottish Government comes forward with money so that, if mistakes have been made, people have access to funds in order to rectify the mistakes. In its response to the draft heat in buildings strategy, the energy consumers commission made that specific request to Government but, so far, it has gone unanswered. Retrofitting homes is technically very complicated, and every home is unique, so people do not always have enough understanding of how the technologies interact in a retrofit scenario. Therefore, where genuine mistakes are made in employing technologies in any given home—because of a lack of good data, rather than somebody consciously making the cheap choice rather than the right choice—it is probably fair and just to allow social or private landlords or homeowners to access funding to allow them to put right those mistakes, rather than burdening them with really high fuel costs going forward. The strategy could have addressed that but has not done so yet.

On support for specific groups of people, it is probably fair to say that the strategy does not do enough yet, but I am conscious of time, so would it be okay to follow that up with a more comprehensive answer in writing?

**The Convener:** Absolutely. Thank you, Alistair.

Robert, you were asked about local authority funding and what can be done around retrofitting.

**Robert Leslie:** I am glad to say that an island uplift gives us slightly more than the £6,000 that Pam Duncan-Glancy referenced. I have been encouraged to hear the local authority convener in Orkney talking about spending some of the council's rainy day cash, so perhaps the Scottish Government and Orkney Islands Council can work together. It would be really good if the local

authority could come up with matched funding for houses that require more than the national level of grant. However, as Alastair Wilcox said, retrofitting is complex, and we cannot do it street by street in Orkney, because we have lots of detached, older homes so, whatever way we do it, it will be really expensive.

**The Convener:** Thank you very much to all the panel members; we have really appreciated your time this morning. As I mentioned, we need to wind things up, because the committee will now go into an informal session.

If there are any points that the witnesses feel they did not have the opportunity to raise, they are welcome to follow those up in writing to the committee. I will speak to colleagues after the meeting about any questions that they might have had but were not able to ask, and we can follow those up with the witnesses, if that is okay.

Our next meeting will be held on 2 December, when we will hear from Social Security Scotland.

*Meeting closed at 10:00.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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