

Scottish Energy Insights and Coordination Group

Report to the Scottish Government

May 2023

Consumer
Scotland
Luchd-Creachtach A'ao

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1. Summary

- 1.1. The Scottish Energy Insights and Coordination Group (SEIC) was formed following discussion at the First Minister's Energy Summit in August 2022. The group was convened by Consumer Scotland and brought together representatives of frontline advice bodies supporting energy consumers in Scotland: Advice Direct Scotland, Age Scotland, Changeworks, Citizens Advice Scotland, Energy Action Scotland, Energy Ombudsman, Energy Saving Trust, Inclusion Scotland, Scottish Federation of Housing Associations, and the Wise Group.
- 1.2. SEIC met three times between November 2022 and March 2023, with members also contributing through research material and individual meetings. The focus of the group was on understanding the impacts on consumers from sharply rising energy prices – which remain at levels around double those paid as recently as October 2021 - and to consider ways in which impacts could be mitigated in the near term.
- 1.3. There was a very high degree of consensus among SEIC members across all aspects of the discussion, with agreement that groups most impacted by energy affordability problems are:
 - Prepayment Meter (PPM) users; in addition to higher costs, failure of some energy suppliers to follow existing rules on PPM installations and problems with delivery of support payments have been widely covered
 - Disabled people, especially those with higher heating needs or dependent on electrically powered medical equipment, for whom affordable energy is an absolute essential
 - Those on lower incomes, many of whom were already likely to be in or at risk of fuel poverty before recent price rises
 - Electric heating users, whose already higher heating costs have risen further, and whose problems can be compounded by time of use tariffs
 - Women, who are consistently more likely to experience affordability issues than men
- 1.4. While many in these groups were already at greater risk of fuel poverty, SEIC members emphasised that the depth of problems presented by consumers has deepened. In particular, levels of both arrears and formally managed energy debt are continuing to rise. This is a warning sign of future problems which will extend beyond the short term, even if prices fall as now predicted in the next few months.
- 1.5. Further, the range of those seeking advice has widened considerably beyond those previously affected, meaning that targeting of support using passport benefits is no longer a sufficient response.
- 1.6. Overall, demand for advice services has increased massively, with more consumers seeking urgent advice on affordability, government grants, or in some cases, simply because they were unable to contact their energy suppliers directly due to long call waiting times. These circumstances are exacerbating pressures on both advice agencies and individual advisers.

1.7. Recommendations identified by SEIC members follow from the issues above:

Improvements to energy supplier customer service responses are urgent and essential

1.8. Improvements are needed both to benefit consumers directly and to reduce pressures on advice agencies so that they can better serve consumers in greatest need. While SEIC members are already engaging with Ofgem in this area, formal solutions take time, and influence on suppliers by the Scottish Government could help deliver improvements more quickly. As above, discussions are also needed on suppliers' approach to debt management.

The Scottish Government should continue to provide short term financial support and review targeting to cover gaps as UK Government schemes change

1.9. Support provided over 2022-23 has at least stabilised impacts on consumers – albeit at levels of fuel poverty of around 35% of households. The value of support provided by the Scottish Government through the Fuel Insecurity Fund is recognised.

1.10. SEIC members welcome recent announcements on the continuation of the fund and would also welcome discussion on how best to target it in future, to ensure available resources are best targeted to those left in need due to gaps in other Government support.

Changes to long term financial support, with clarity on the outcomes to be achieved, are also required

1.11. Although energy prices are expected to decline from recent peaks in 2023, they will remain at levels much higher than was the case in 2021. Long term financial support will be needed as a result, and the group considers there are two interlinked aspects to this.

- Firstly, there is a growing need to review the focus of, and interaction between, energy related benefits provided to target groups by the Scottish Government, to ensure that limited resources are used as effectively as possible
- Secondly, it is likely that a social tariff will be introduced at GB level; whether funded through taxation or by a levy on bills, resources will be limited. Discussion is needed in Scotland to ensure that any tariff is well targeted and complementary to public benefits

Delivery of energy efficiency schemes in Scotland can be improved

1.12. Group members strongly support the view that long term delivery of energy efficiency measures and low carbon technologies are essential to reduce energy costs in a sustainable way. We believe there are immediate opportunities to help achieve this.

- Firstly, devolution of Winter Heating Payment means that the Scottish Government now has details of some 400,000 households, of which the great majority are likely to be in fuel poverty. The Scottish Government should explore data sharing to target energy efficiency improvements towards those households
- Secondly, area-based energy efficiency programmes have underspent in recent years, and part of the reason for this is the lack of multi-annual funding. While appreciating that UK Treasury rules are an issue, the group believes that the achievement of long

term Scottish Government aims in relation to both fuel poverty and carbon emission reduction requires an equally long term, sustained approach to delivery, across financial years

- Thirdly, many agencies continue to highlight problems associated with poor energy efficiency in the Private Rented Sector, in which the need for action remains critical

Investment in the energy advice sector is needed to ensure delivery of Scottish Government aims

- 1.13. SEIC members unanimously recognise the impacts on both individual advisers and organisations as a result of dealing with greater numbers of consumers in circumstances for which solutions are increasingly challenging. Job satisfaction and motivation for advisers has fallen at the same time, as these depend on delivering long term solutions for clients meaningfully, especially those for whom mentoring support is needed. However, demand means that adviser time is currently spent on short term fixes for immediate problems.
- 1.14. Larger advice organisations can and are already taking action to help support their staff. However, the group considers that Scottish Government support is needed to make similar support available for those in smaller organisations and would welcome discussion on how to achieve this.
- 1.15. In addition, many advice agencies, and advisers themselves operate on short term contracts, with associated short term bidding, recruitment and reporting all taking time away from service delivery for clients. As with energy efficiency, action on the part of the Scottish Government to improve security of support across multiple financial years is necessary to ensure the energy advice sector can deliver the Scottish Government's agreed long term policy aims in relation to both fuel poverty and climate change.

2. Introduction

- 2.1. Over the autumn of 2022, the Scottish Government convened two energy summits^{1,2}. Those meetings brought together representatives of energy companies, consumer groups and advice organisations to identify actions to mitigate the impacts of rising energy costs on both domestic consumers and businesses.
- 2.2. One agreed outcome of the summits was that a group of advice organisations should be established to share information and ensure coordination of future responses at strategic level.
- 2.3. Consumer Scotland took forward the development of the group, subsequently known as the Scottish Energy Insights and Coordination Group ('SEIC') and provided secretariat functions for its duration. The overall aim of the group was to contribute towards understanding of the impacts of rising energy bills on consumers; the assistance sought by consumers from advice providers in response; and how packages of assistance might be improved in future as a result.
- 2.4. Following from this, the group was established with three broad objectives, which were to:
- identify trends in consumer experience relevant to the energy crisis
 - consider areas where additional support is required
 - support Consumer Scotland's research in relation to energy policy
- 2.5. SEIC was intended initially to be a short-life working group, running until April 2023. In addition to Consumer Scotland, member organisations and their representatives were:

Organisation	Representative
Advice Direct Scotland	Andrew Bartlett
Age Scotland	Adam Stachura
Changeworks	Laura Webb
Citizens Advice Scotland	David Hilferty
Energy Action Scotland	Frazer Scott
Energy Ombudsman	David Pilling
Energy Saving Trust	Harry Mayers
Inclusion Scotland	Susie Fitton
Scottish Federation of Housing Associations	Cassandra Dove

¹ The Scottish Government news release describing the first summit and outcomes is here [FM hosts energy summit - gov.scot \(www.gov.scot\)](https://www.gov.scot/news/2022/10/13/fm-hosts-energy-summit-gov-scot/)

² The description of the second summit is here [Tackling the energy cost crisis - gov.scot \(www.gov.scot\)](https://www.gov.scot/news/2022/10/13/tackling-the-energy-cost-crisis-gov-scot/)

- 2.6. SEIC met on three occasions, in late November 2022, late January 2023 and mid-March 2023.
- 2.7. The Chair of the group was Lewis Shand Smith, who was already Chair of the Energy Consumers Committee, (ECC). The ECC is both a committee of the Consumer Scotland board, and also a Strategic Leadership Group contributing to the Scottish Government's Scottish Energy Advisory Board (SEAB)³; Lewis attends SEAB meetings and was able to provide direct feedback from SEIC discussions to the SEAB meeting at the end of January 2023.
- 2.8. Secretariat for the group was provided by Andrew Faulk. Other staff of Consumer Scotland, including Douglas White, Kate Morrison, Jane Williams, Grace Remmington, Andrew Denholm, Alastair Malcolm, and Alistair Hill also contributed throughout.
- 2.9. This paper provides a summary of the group discussions and associated work.

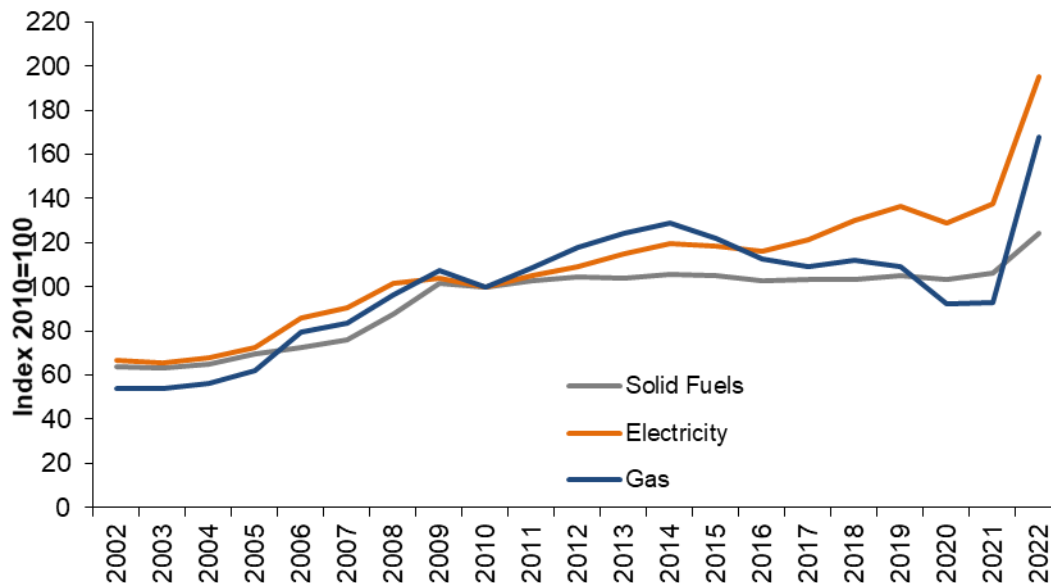
³ <https://www.gov.scot/groups/scottish-energy-advisory-board/>

3. Background to the Discussion

Trends in Energy Prices

3.1. Recent months have seen historically unprecedented energy prices. The scale and speed of those increases are clearly evident from UK Government statistics, below, which show trends over a twenty year period, indexed at 2010:

GB Fuel price indices in the domestic sector in real terms⁴



3.2. The UK Government introduced an Energy Price Guarantee (EPG) to cap gas and electricity unit rates, complemented by a payment of £400 for all households. The combination of these measures meant that the median annual bill was effectively £2,100⁵ until April 2023.

3.3. Regular and additional payments to certain households on the basis of age and / or receipt of particular benefits were also made in 2022-23 by the UK Government⁶. Further regular and additional payments on top of those above were made to targeted groups by the Scottish Government^{7, 8, 9, 10}.

3.4. In March 2023, the UK Government announced the continuation of the EPG at the £2,500 pa level, following lobbying by a wide range of organisations include SEIC members¹¹, together with an extension of targeted support¹². However, the end of the universal EBSS

⁴ [Domestic energy price indices - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/domestic-energy-price-indices) – February 2023 release

⁵ This is a combination of the energy price cap at £2,500 and £400 payment for which all GB households were eligible in 2022/23.

⁶ [Cost of Living Payment 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/cost-of-living-payment-2022)

⁷ [Child Winter Heating Assistance - mygov.scot](https://mygov.scot/nhs.uk/child-winter-heating-assistance)

⁸ homeheatingadvice.scot

⁹ [Winter Heating Payment - mygov.scot](https://mygov.scot/nhs.uk/winter-heating-payment)

¹⁰ [Fuel Insecurity Fund extended to help fuel poor households - gov.scot \(www.gov.scot\)](https://www.gov.scot/government/statistics/fuel-insecurity-fund-extended-to-help-fuel-poor-households) – the fund was in part delivered by SEIC members SFHA and ADS

¹¹ For example, [Call for energy support scheme to be extended for three months | Consumer Scotland](https://www.consumer.scotland.gov.uk/news/call-for-energy-support-scheme-to-be-extended-for-three-months)

¹² [Energy bills support extended for an extra three months - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/energy-bills-support-extended-for-an-extra-three-months)

means that the bills paid by most consumers will rise. While Ofgem has announced that the price cap will be set at £2,074 from the start of July¹³, this will still leave many consumers' bills over the winter of 2023-24 at levels close to double those of October 2021.

Trends in the Experience of Energy Consumers in Scotland

- 3.5. While the trends in energy prices above show the broad pattern, there was already recognition that some consumers were more likely than others to face challenges in paying for the energy they need to maintain adequate levels of comfort.
- 3.6. Consumer Scotland has, since spring 2022, commissioned YouGov to carry out a series of polls of energy consumers in Scotland to provide their views of energy affordability and associated issues¹⁴. In addition, a central function of SEIC has been the provision of detailed updates from frontline advice bodies on the trends they see among their clients in relation to energy.
- 3.7. Survey data shows that across all demographics, energy affordability has declined as prices have risen. Around one-third of all consumers find it difficult, or very difficult pay for energy. In total, just over two-thirds of consumers report that their household is rationing energy.
- 3.8. Both data and front line agency experience demonstrated a very high degree of consensus that those consumers struggling to pay energy bills are more likely to be:
 - Prepayment Meter (PPM) users, who were twice as likely to report affordability issues as those paying by direct debit. In addition, failure of some energy suppliers to follow existing rules on PPM installations and problems with delivery of support payments have been widely covered in the media¹⁵
 - Disabled people, especially those with higher heating needs or dependent on electrically powered medical equipment, for whom affordable energy is an absolute pre-requisite¹⁶
 - Those on lower incomes, many of whom were already likely to be in or at risk of fuel poverty before recent price rises¹⁷
 - Electric heating users, whose already higher heating costs have risen further, and whose problems are compounded by time of use tariffs, which generally mean daytime electricity costs are even higher than the current price cap
 - Women are consistently more likely to experience issues with affordability than men

¹³ [Customers to pay less for energy bills from summer | Ofgem](#)

¹⁴ [Consumer Spotlight on Energy | Consumer Scotland](#)

¹⁵ <https://www.bbc.com/news/business-64491243> ; [Millions of pounds worth of energy vouchers not cashed - BBC News](#)

¹⁶ [Cost of living \(euansguide.com\)](#)

¹⁷ [Tackling fuel poverty in Scotland: a strategic approach - gov.scot \(www.gov.scot\)](#)

3.9. In addition, other groups of consumers are being affected severely, but not necessarily in large numbers – this includes, for example, those living in accommodation where heat, power or both are provided communally.¹⁸

3.10. Consumer Scotland tracking data show that while problems with affordability worsened considerably between spring 2022 and autumn 2022, the situation had not further declined, at least over the early part of winter 2022-23. This suggests that financial support provided by governments had stabilised circumstances - although at levels which were already causing severe detriment for many consumers.

3.11. Further, poor customer service on the part of some energy suppliers is exacerbating the impact of rising prices. Consumer Scotland polling in November 2022 found that less than half (45%) of consumers agreed that ‘their supplier made it easy to contact them’. This proportion had fallen from a comparative figure of 51% in Spring 2022.

Experience of Advice Services

3.12. Following from the circumstances described above, all SEIC members reported significantly increased demand for the front line advice services they provide. Further, there was universal agreement that:

- Clients are presenting with deeper and wider problems – levels of debt are rising, and it is rare for people to be in debt only for energy, with the majority also experiencing financial problems for a wider range of essential goods or services
- The range of clients affected includes both the groups above historically recognised as at greater risk of fuel poverty, but also those affected for the first time. Among the second group are people in work, with income above benefits thresholds

3.13. Poor customer service performance on the part of some – but not all - energy suppliers was highlighted by all front line providers as exacerbating affordability issues. Specifically, problems described included: long delays in answering calls to mainstream consumer lines; inadequate resolution of problems; and as a consequence, a growing need for repeat calls.¹⁹

3.14. In addition to concerns about service standards, it is important to emphasise the very large growth in both arrears and formal debt, experienced by group members and evidenced across the sector by Ofgem data²⁰.

3.15. Ofgem’s advice to consumers is that their first action, if concerned about any aspect of their bills or affordability, should be to contact their supplier²¹. It is of immediate and ongoing concern that there are barriers in some cases to them taking this action. We are

¹⁸ [Energy bills: British flat dwellers with communal heating could sue operators | Energy bills | The Guardian](#)

¹⁹ One member of the group provided data which showed that wait for an answer from the standard line accounted for 56% of total call time to one supplier over a one month period, and also that the proportion of repeat calls needed to resolve clients’ issues had risen.

²⁰ Feedback from group members is consistent with Ofgem data showing significant increases in both arrears and debt [Debt and Arrears Indicators | Ofgem](#)

²¹ [Get help if you can't afford your energy bills | Ofgem](#)

aware that Ofgem is currently considering these issues, which have been raised by many stakeholders across GB.

- 3.16. In addition to the immediate problems this causes for consumers, for SEIC members and other frontline advice organisations and partners, inadequate customer service is far from an academic issue. While the extent varied, all agencies reported increased demand from consumers who would normally deal with issues directly with suppliers themselves, but who sought agency assistance because they were unable to get through.
- 3.17. Assisting those consumers – through no fault of their own - is taking time that could and should be more effectively used in support of longer term income maximisation or energy efficiency aims for those in greater need of support. This is negatively impacting access to services for consumers at a time when affordability concerns mean demand is already high.
- 3.18. SEIC members were universally clear that these circumstances require significant action to address consumers’ problems comprehensively and should in no way become acceptable as the ‘new normal’. These are linked but separate issues – improvements in service standards and long term solutions to managing unsustainable levels of debt among consumers unlikely ever to be able to repay it are both needed.

Impacts on Advice Services and Individual Advisers

- 3.19. For larger organisations, it has been possible to respond to these challenges, at least to some extent, by increasing their staff complement, re-allocating staff employed on other areas, or a combination of both. Support from the Scottish Government to increase the adviser staff resource available has been critical in this, and that support is both recognised and welcomed.
- 3.20. However, increasing capacity sufficiently is not generally an option open to smaller organisations, or to advisers working alone or in small groups in other settings such as Housing Associations. The patterns of financial support for advice services also detract from delivery for the majority of providers:
- Funding is typically offered within single financial years; even if funding is renewed, short term contracts make it challenging to offer long term contracts to advisers. This in turn leads to staff turnover, particularly in smaller organisations
 - The fragmented and compartmentalised nature of support also means that both applying for funds, setting up new services, recruitment and reporting to multiple funders takes staff away from serving clients
- 3.21. All members agreed that individual advisers were facing increased levels of pressure and discussed this in some detail. The group identified three interlocking problems faced by advisers as individuals²²:

²² One member of the group provided an introduction to staff of the Money Advice Scotland. MAS have been running an adviser support programme since 2020, with a number of parallels to the SEIC debate. [Adviser wellbeing | Money Advice Scotland](#)

- Pay is generally low given the pressures involved in the job, especially as these have increased in line with decline in clients' circumstances
- Progression opportunities are often limited in smaller organisations
- Precarity is a concern for many; advisers themselves may be on short term contracts and worried about their own energy bills

3.22. While these issues detract from the quality of work experience of advisers, the disadvantages have historically been offset to some extent by a sense of purpose and achievement. SEIC members strongly believe job satisfaction is a central part of the motivation for advisers, and that satisfaction ultimately comes from helping secure enduring solutions for their clients.

3.23. Unfortunately, that sense of achievement is also now being undermined by the circumstances faced by clients. In many cases, advisers are no longer able to identify solutions, as time is taken up dealing with energy suppliers and providing temporary fixes, such as fuel vouchers, which themselves offer increasingly less help for those in debt and dealing with current levels of energy costs.

3.24. The response to this again varies by size of organisation and setting. Larger organisations have put in place peer group and other support measures such as mental health first aid programmes for advisers. For smaller organisations, or for individual energy advisers based within other organisations, however, such measures are less practical. In the short term, members agreed there was a need to share good practice and replicate appropriate support structures.

3.25. However, members were equally clear that a long term approach to adviser welfare involves addressing the pressures which cause stress, rather than simply treating the symptoms. In this case, restoring a sense of purpose and job satisfaction ultimately requires action to address all of the substantive issues highlighted in this report: when there is greater opportunity for advisers to deliver long term integrated solutions for clients, we believe job satisfaction levels will also again rise.

3.26. It is, however, critical also to highlight the importance of addressing issues caused by short term contracts among the energy advice community. Some members gave examples of staff who had left the sector, not necessarily for higher paying positions, but certainly for jobs with greater security of contract.

4. Conclusions and Approach to Recommendations

4.1. Following from the discussion above, there was a very high degree of consensus among SEIC group members on the impact on consumers of rising energy costs, and the consequent impacts on the advice and support services designed to assist consumers in greatest need. While SEIC group members naturally reflected detailed circumstances of the clients with and for whom they work, their combined experiences strongly reinforced and were consistent with the overall picture set out in representative surveys.

4.2. Building on that agreement of the current situation, a range of both technical and wider support measures were suggested which would, in the view of group members, help mitigate impacts of rising energy prices on consumers in Scotland. These measures are summarised below. However, it is important to emphasise that:

- Firstly, the speed and magnitude of change in both energy markets and associated responses are unprecedented and seem likely to continue. We therefore concentrate on proposals which are durable; by this, we mean that measures proposed will bring long term benefits to consumers in Scotland, regardless of further short term volatility
- Secondly, the great majority of the measures we highlight are already in the public domain – indeed, given the attention paid to the energy sector, it would be surprising if this were not the case. We hope, however, that group endorsement and re-iteration of these measures will encourage take-up
- Thirdly, we recognise the spending and capacity constraints facing government in the short term. While recognising the need for public spending proportionate to stated Scottish Government goals on fuel poverty and climate change, we concentrate on measures which we consider are achievable in the short and medium terms

4.3. We would, however, emphasise that the shared discussion around impacts on the advice sector and individual advisers of dealing with the energy crisis is new. While some members had touched on those issues in individual discussions, it was not until the first meeting of the group that the extent and depth of the issues facing all advice agencies became clear.

5. Recommendations

Improvements to energy supplier customer service responses are urgent and essential

- 5.1. Survey work by Consumer Scotland, the frontline experience of SEIC member organisations, and work by Ofgem – particularly in relation to PPM customers as outlined above²³ - all demonstrate that some suppliers are not meeting acceptable standards of service for their customers in Scotland. Restoring and maintaining these standards is essential.
- 5.2. In the view of SEIC members, the goal should be that regulation of the retail energy market ensures service standards for all customers and energy companies' economic drivers are consistent with each other to minimise consumer detriment from the start. Retrospective action, such as the issuing of fines after things have gone wrong, has limitations in the extent to which it can drive necessary culture change.
- 5.3. This is particularly the case in a market context such as currently exists, where there is little consumer switching and therefore a key principle of consumer choice is restricted. As above, there are already indications at time of writing that the competitive market is re-opening as wholesale prices fall²⁴. We expect there will be a short term boom in switching given pent up demand, and there is an associated risk that suppliers will prioritise gaining new customers ahead of service improvements to existing ones.
- 5.4. Consumer Scotland is already contributing towards Ofgem's Future Retail work, with input informed by evidence from SEIC members, and a consultation by Ofgem on the future approach is expected in spring 2023. Consumer Scotland intends to facilitate a group discussion between Ofgem and SEIC members as part of that process.
- 5.5. While the Scottish Government does not have direct responsibility for customer service issues, they were nonetheless included in the outcomes from the First Minister's energy summits, and further emphasis of the need for significant improvement would strengthen the case for action.

The Scottish Government should continue to provide short term financial support and review targeting to cover gaps as UK Government schemes change

- 5.6. From July 2023, Ofgem has announced that market prices for median energy bills will fall below the level of the UK Government energy price guarantee, at £2,074. However, this will still leave bills at levels around double the levels paid by consumers in October 2021.
- 5.7. Levels of fuel poverty in Scotland before recent price rises were already at levels widely regarded as unacceptable: 24.6% of households were in fuel poverty 2019, and the current Scottish Government estimate is now around 35% of all households²⁵. This figure is consistent with the proportion of consumers reporting energy affordability problems in Consumer Scotland's affordability tracker.

²³ [Energy regulator outlines next steps on forced Prepayment Meter \(PPM\) installations | Ofgem](#)

²⁴ [Ovo launches energy deal below government price cap - BBC News](#)

²⁵ [Cost of Living Bill - Key Statistics \(www.gov.scot\)](#)

- 5.8. SEIC members appreciate that the Scottish Government has already acted in this area, and that the help provided, such as through the Fuel Insecurity Fund, has assisted many households, often those – especially on low incomes but above benefit thresholds – who are excluded from other support.
- 5.9. The Scottish Government should commit to retaining the Fuel Insecurity Fund for winter 2023-24, and to working with SEIC members and others to discuss how best to target it.
- 5.10. Even against the wider background, the combination of research and direct experience of SEIC members shows that the consequences of declining energy affordability for disabled people and those with severe health conditions are stark.
- 5.11. Insights from SEIC members and Consumer Scotland’s tracker survey²⁶ provides evidence to support future Scottish Government action to prioritise support for disabled people, particularly those dependent on the use of medical equipment to remain in their own homes. This could be done in two ways:
- Firstly, by linking payments to equipment provided or maintained by the NHS; our understanding is that a system for this already exists, but is not used by all Health Boards in Scotland
 - Secondly, by increasing Winter Heating Payments, as the majority of the 400,000 households in receipt of this payment include a disabled adult or child. Given the underlying qualifying benefits for WHP, all recipients are very likely to be in fuel poverty, meaning this benefit is well targeted

Changes to long term financial support, with clarity on the outcomes to be achieved, are also required

- 5.12. A number of significant reports in recent years²⁷ have included recommendations that energy-related benefits under the control of the Scottish Government should be reviewed, to ensure that those benefits are consistent with understanding of fuel poverty in Scotland. In practice, this has not yet happened; rather, the trends have been for new funds to be allocated in addition to existing spend.
- 5.13. Given the growing affordability need demonstrated above, the increasing quantum of benefits devolved to Scotland, and the pressure on government spending, the need for this discussion is ever more pressing, and the Scottish Government should take this forward as soon as practicable.
- 5.14. In addition, SEIC members are already involved in early discussions about scale and eligibility for a future, GB-wide social tariff. Regardless of whether funding for a future social tariff comes from general taxation or a levy on energy consumers, resources and eligibility will necessarily be limited. For those resources to be directed most effectively - and for the systems to be clear as possible to, and demonstrably fair for, consumers - it is essential that

²⁶ Consumer Scotland forthcoming publication on energy price rise impacts on disabled people – [Publications | Consumer Scotland](#)

²⁷ For example, from 2016: [A Scotland without fuel poverty is a fairer Scotland: report - gov.scot \(www.gov.scot\)](#)

there is long term clarity on complementary, direct financial support through the benefits system.

Delivery of energy efficiency programmes in Scotland can be improved

- 5.15. Throughout the group discussions, SEIC members have consistently recognised that improvements to energy efficiency are an essential element of energy affordability. It is important to emphasise that, while increased funding is very likely to be required to meet existing policy commitments in the longer term, the immediate recommendations here are more about timing and use of resources, rather than the absolute amount of money.
- 5.16. One of the long standing problems in addressing fuel poverty has been that, although the overall understanding of the numbers and types of households affected is clear, identification of, and engagement with, individual households on both energy efficiency and income maximisation has proven more difficult; Consumer Scotland data shows that consumer awareness of energy efficiency schemes, despite considerable effort, remains relatively low.
- 5.17. We believe that the devolution of Cold Weather Payments (UK Government) to Winter Heating Payment (Scottish Government) presents an opportunity to change this to a significant extent. Our understanding is that the Scottish Government now has the personal details of some 400,000 households eligible to receive those payments.
- 5.18. Group members recognise that the vast majority of those households are likely both to be in fuel poverty, and to be eligible for support under existing Scottish Government schemes. There is therefore a clear opportunity to join up different aspects of Government by making direct links to promote energy efficiency measures directly to WHP recipients.
- 5.19. Further, address level data would allow existing Energy Performance Certificates (EPCs) to be used, where available, to assess the extent to which measures currently available are suitable for the houses concerned. Where different measures are needed, that information should inform future energy efficiency programmes.
- 5.20. More widely, funding for the Scottish Government's energy efficiency programmes²⁸ are determined each financial year. Scottish Government figures show that area-based schemes, run by and at Local Authority level, have in many areas underspent consistently in recent years²⁹.
- 5.21. There is a consensus view that in-year funding means that Local Authorities, as the lead delivery bodies, are unable to offer long term contracts to suppliers. That in turn means that those companies are not in a position to invest in their staff or to time work across financial years. This is contributing to underspends and, ultimately, a lack of delivery of measures for consumers, leading to unnecessarily higher bills.

²⁸ <https://www.gov.scot/publications/area-based-schemes/>

²⁹ [Area Based Schemes: allocation per local authority - gov.scot \(www.gov.scot\)](#)

6. The Future of the Group

Original aims of the group

- 6.1. As set out in the introduction, SEIC was established as a short life working group, to run until the end of March 2023. Given that timescale, group members emphasised at the first meeting the importance of focusing on practical, immediate, and focused recommendations, and we have sought to achieve that.
- 6.2. However, it is clear that many of the issues discussed will require work over the medium term to address. In addition, feedback from members suggests that they recognise the value in the exchange of experience which has taken place to date. While other fora exist covering technical subjects such as energy efficiency, members are not aware of settings which allow in-depth discussion of energy retail and customer services issues. Equally, members are understandably keen not to continue to meet without a clear purpose.
- 6.3. Further, it was originally intended that SEIC members would collectively be able to provide both qualitative and quantitative information which could be synthesised to produce a more comprehensive picture of the experience of energy consumers in Scotland than is currently available. While this remains the intention, compatibility, data protection and associated legal issues mean it will take further work to achieve this aim.
- 6.4. As the convening organisation and provider of the secretariat, Consumer Scotland set out initial proposals for the future of the group which were agreed by SEIC members. Consumer Scotland is now considering how best to take the continuing work of the group.