

Energy Consumers Network

Note of Third Meeting

The Wise Group, Glasgow

Friday, February 9th 2024

Chair	Lewis Shand Smith
Age Scotland	Lyndsay Clelland
Changeworks	Laura Webb
Consumer Scotland	Grace Remmington, Kate Morrison
Energy Action Scotland	Frazer Scott
Energy Saving Trust	Harry Mayers
Fuel Bank Foundation	Matt Cole
SFHA	Eli Harji
Trust Alliance / Energy Ombudsman	Craig Wilson
The Wise Group	Ewan McCall

Secretariat

Consumer Scotland

Andrew Faulk

Observer

Ofgem

Adam Cochrane-Williams

Welcome and Introductions

1. The Chair welcomed members of the Network to the meeting.
2. Apologies were received from Pamela Stewart (Advice Direct Scotland), David Hilferty (Citizens Advice Scotland) and Dan van der Horst

Note of previous meeting

3. Agreed without changes.

Scottish Energy Advisory Board (SEAB)

4. The Chair reported that a meeting of SEAB had taken place on December 6th 2023, the day after the last Network meeting. However, there had been limited opportunity for discussion of issues raised by ECN members, or for feedback from any of the other Strategic Leadership Groups (SLGs) which focus on energy networks, renewables, offshore wind, and oil and gas.
5. A brief consultation exercise for SEAB members is current underway on the future role of SLGs, exploring ways in which delivery of their function could be improved.

6. Members agreed it was essential that consumer experiences were highlighted as part of overall discussion on the low carbon transition, and that the role of the ECN as the only SLG with that remit within the SEAB structure was critical.

Action

- The Chair will respond to the current consultation, highlighting the importance of the opportunity to raise ECN members' issues at SEAB as a standing item.

Green Heat Finance Task Force

7. The Chair continues to contribute to this group, and noted that the next group report will focus on how to finance works at scale. A further issue raised but yet to be addressed relates to the attractiveness of financial packages for individual consumers.
8. Both issues closely relate to the current Scottish Government consultations discussed below.

Members' Updates and 2024-25 Work Plans

9. Energy Ombudsman

- A drop in the number of cases had been observed recently, although this is likely to be a result of the normal pattern over the festive period.
- Following email exchanges with other members, cases associated with the restart of force fitting of PPMs are being closely monitored. However, as the restart date was 8th January and only for some suppliers, no trends are yet visible; the Ombudsman can take cases only after 8 weeks have passed after consumers and energy suppliers have reached deadlock.
- In the coming financial year, the Ombudsman will focus on Relevance, Reach, and Remit. Actions most relevant to the ECN under those headings are:
 - o promoting Ombudsman services to, and engaging with, under-represented groups; and
 - o looking at emerging markets where there is currently a lack of ADR provision, likely to cover heat networks in Scotland)

10. Energy Saving Trust

- Recent trends have continued; while overall numbers seeking advice are down slightly, the absolute numbers of low income households needing the full range of assistance is up. The overall pattern is that a more intense level of help is needed, including crisis support referrals to other ECN member organisations (Fuel Bank Foundation, Advice Direct Scotland).
- Record numbers of calls are being referred to Warmer Homes Scotland, although some of this may be demand from the 5 month period during which there was a gap in contract provision.
- EST clarified that WHS support was available to those in the private rented sector subject to certain conditions, as well as to owner occupiers.

- Plans for 2024-25 are expected broadly to continue; EST's work plan is currently with the Scottish Government for approval.

11. Age Scotland

- Survey results show that many older people are still struggling, with more energy enquiries to the Age Scotland helpline than any other topic. Housing is in second place, but with close links to energy efficiency.
- A current helpline issue is applications for Warm Home Discount being blocked as a result of lack of on line access for certain suppliers.
- Currently administering a £50,000 pot of targeted support from SGN, and working with Age UK to encourage older people to sign up to the Priority Services Register.
- For 2024-25, looking at older peoples' experience of the private rented sector, and also accessing / barriers to energy efficiency more generally.

12. Consumer Scotland

- Energy work relates to the overall organisational aims of ensuring all consumers can participate in a fair and sustainable economy. Continuing to build the evidence base to identify how service delivery can be improved and more active participation on the part of consumers can be enabled.
- 2024-25 plans will concentrate on energy affordability, current consumer experience of low carbon technologies, and of rural energy consumers, heat network advocacy, and longer term networks engagement, as part of RII03.
- The results of continuing energy tracker survey and of research on disabled consumers' experience of energy markets, currently being conducted through advocacy bodies will be available in coming months

13. Energy Action Scotland

- Current issues include the slow pace of the smart meter roll out, particularly in relation to RTS, as well as access to priority supplier phone numbers for agency staff and continuing campaigning on the need for a social tariff.
- Looking ahead to 2024-25, expecting to do more on issues affecting people living in park homes and those with medical equipment and / or higher heating needs.
- The next iteration of the Scottish House Condition Survey is due out at the end of February 2024, using 2022 data. EAS anticipates that the SHCS is likely to understate the experience of fuel poverty, however, given that inflation has not been fully reflected in many income sources, meaning that pressures on other household spending will make energy even less affordable.
 - o In response, it was noted that the Fuel Poverty Advisory Panel has asked that the SHCS disaggregate data, to split out changes in fuel poverty as a result of improvements in housing, distinct from changes caused by rising energy prices

14. SFHA

- Housing Associations are currently working through the implications of the abolition of the Fuel Insecurity Fund of cuts to housing supply programme; noted that recent [polling data](#) says 8/10 Scots agree there is a housing crisis.
- Important to identify how energy efficiency and low carbon aims can be delivered in this context. SFHA has commissioned IPPR / Oxfam to consider how a just transition can be funded and what financial mechanisms might be needed to do so. The report should be available soon and will be circulated to the Network.

15. Fuel Bank Foundation

- Distributing about £250k per day in short term support across GB, of which 32% is in Scotland. The disproportionately high figure in Scotland is both positive and negative; FBF's local network is better developed with some 220 partners, but that in itself is a reflection of the greater need.
- 91% of the client group use PPMs and partners find it difficult to encourage even medium term actions if short term pressures are overwhelming
- There is also evidence of different coping strategies – some clients prioritise electricity top ups, for example, on the basis that a single bill is easier to manage than two, even if gas is a cheaper fuel.
- Work in Scotland will be severely impacted by the closure of the Fuel Insecurity Fund
 - o This point was echoed by all members

16. Ofgem

- Recognise the high volume of consultations at present, but keen to emphasise the value of partners' input. Noted that some 40,000 responses were received on the recent standing charge consultation.
- Affordability and debt are continuing issues, with bad debt estimated now to be around £3bn.
- Looking ahead, further work will be undertaken to further improve standards of customer service; Ofgem are developing metrics for this at present, and also looking towards the development of reputational incentives
- Options for reforms to price cap proposals are expected in March, exploring how price protection might operate alongside increasing take up of Time of Use tariffs
- Gearing up for regulating heat networks at present too, with further engagement

17. Changeworks

- As highlighted by others, the Fuel Insecurity Fund closure was disappointing; Changeworks has quantified and described the support the FIF has enabled over recent years and is happy to share this with the ECN.

- Some things that were planned are now not happening as quickly, if at all. Changeworks has developed a consistent long-term advice and advocacy service for the RSL sector which it had hoped the FIF would partially fund.. Changeworks anticipates that the funding impact will be worse for smaller partners and charities, resulting in the loss of essential support to communities
- Noticed a move among funders to count quite light touch interventions as ‘reach’ rather than real world delivery – a focus on outputs rather than outcomes. Looking to work with organisations such as [HACT](#) to better understand and influence the models being used for Social Return on Investment.
 - o Other members agreed with this point and gave additional examples
- For 2024/25, looking to do more on next steps to implement LHEES
- Also looking to expand services in the Highlands and Islands, on the basis that remote areas are less likely to be targeted by the private sector because of delivery costs, constraints and low volumes (compared to the central belt).

18. Wise Group

- Patterns described by others are familiar, particularly concerns about the focus on light touch interventions, which suggest a narrow interpretation of value for money
- In contrast, recently launched the Relational Mentoring report at the UK Parliament, which is an example (funding through FIF) of a much deeper and more substantive intervention. Headline numbers show the contrast in work required to make a substantial difference across different aspects of peoples’ lives – nearly 25,000 engagements and 7,400 activities through a wide range of agencies and partners were needed to provide support for 1,500 people
- Looking to expand further in the north of England in 2024/25, building on existing work in the area

19. Radio Teleswitch meters (RTS)

- A number of members raised concerns about RTS following the publication of Ofgem’s [open letter](#) on the subject. Consumers using RTS typically depend on storage heating and are in many cases unable to switch tariff or supplier.
- There is uncertainty among both consumers and ECN members on what support is available. There is also a lack of confidence that current approaches will deliver improvements for these consumers and in some cases, loss of the existing signal may result in some consumers being without heating entirely.
- Difficulties are compounded by the lack of smart meter connectivity in some areas, and by the presence of load managed areas, which restrict consumer choice even if replacement meters are in place.
- EST noted they have proposed that RTS problems should be added to the Scottish Government’s list of issues to be addressed by the rural energy consumers group.

Action:

- Members agreed that, in the first instance, there would be value in the ECN collating experience of RTS meter issues encountered by their clients, together with supplier responses.
- There would also be value in contacting Energy UK, and possibly Scottish Power and Ovo as the main two suppliers involved in Scotland.

20. Heat in Buildings Bill and New Net Zero Standard for Social Housing Consultations

- The Scottish Government gave a presentation on the consultations. Questions raised by ECN members and responses are below
- What consideration has been given to supply chain issues?
 - o Risk of lack of capacity is recognised; need acknowledged both for reskilling those already in the sector, as well as increasing numbers of new entrants
- Not clear how energy efficiency in flats will be addressed, and the impact this will have?
- Extending the discussion on flats, how will businesses (on the ground floor of blocks of flats) be integrated?
 - o Aiming for balance between simplicity / cost, and noted that a [working paper](#) on energy efficiency in tenements accompanies the consultation. Consideration is being given to how best blocks can be treated as a single building in this respect.
 - o Agree that the proposed approach is unlikely to have significant impact in some cases
- There seems limited consideration of fuel poverty, especially given the existing Fuel Poverty Act is intended to encourage thinking with other strategies?
 - o Consultees should feel free to raise this and similar issues in responses
- How will regulations avoid the installation of heating systems which have low capital costs but high running costs, particularly in the PRS?
- Could consideration be given to ways in which landlords could be incentivised to avoid this, as is the case under heat with rent approaches run by some social landlords at present?
 - o Consultees should raise this in responses
- Will Short Term Lets and Agricultural tenancies covered?
 - o STL yes, same approach as for owner occupiers
- The 'list of measures' approach is narrow and, combined with exemptions, could perhaps mean that decarbonisation and reductions in fuel poverty might both be limited
- It is not clear whether the cost cap would be applied to a building, householder, or combination of these

Action: members agreed to share their responses with the Network and that the ECN itself should make a short submission collating the key points from the individual organisations.

21. Date of next meeting

- The next meeting will be a shorter, online session in the week beginning April 15th and will focus on agreeing material to be raised at the subsequent SEAB meeting.