

Minutes of Meeting on Monday 18th and Tuesday 19th of March 2024

Venue: AB1, 48 Huntley Street Aberdeen

Time: 18th 12:30 pm – 18:00 pm and 19th 08:30 am - 1:30 pm

Type: in-person

ATTENDEES:

Panel: Matthew Cole (Chair), Alister Steele, Kirsten Jenkins and Fraser Stewart

Secretariat: Philippa Brosnan, Roanna Simpson, and Trisha Melvin

Apologises: Margaret Corrigan

NHS Grampian: Jillian Evans (Head of Health Intelligence and Divisional General Manger, Public Health, NHS Grampian), **SCARF:** David Mackay (CEO of SCARF), **Energy Systems Catapult:** Dr Rose Chard (Consumer Insight Manager) and Rebecca Sweeney (Living Lab Business Leader) – joined the Panel on the 18th of March at 14:00 – 17:00

Gren Energy Ltd (Ignis Wick Energy Centre and district Heating Scheme): Matt Baker, Chief Growth Officer at Gren Energy – joined the Panel on the 19th of March 09:00 am – 10:00 am

Aberdeen Heat and Power (AH&P): Jennifer Ritchie (Business Manager), Jean Morrison (AH&P Director), Sandra MacDonald (AH&P Director and Aberdeen City) – joined the Panel on the 19th of March 10:00 am – 1:00 am

AGENDA ITEM 1: Welcome

Matt welcomed everyone to the meeting. Matt went through the agenda noting the full agenda and stakeholder engagement sessions on both the afternoon of the 18th and the morning of the 19th. Matt advised the Panel that Hasan has unfortunately had to withdraw from the UK Boardroom Apprenticeship Scheme and has, therefore, stepped back from his Panel role too. Matt also noted Maggie's feedback for the meeting and her apologies.

Trisha talked through the housekeeping arrangements.

Matt advised the Panel that they may be dotting around a bit in terms of discussions of the papers but if everyone was happy to start, we would have a working lunch.

AGENDA ITEM 2: Papers

Sign off the minutes from the 6th of February – The Panel agreed to sign off the papers from the 6th of February. Trisha will publish them on the website and share with the Fuel Poverty policy/sponsorship team.

Action Log – There is an outstanding action for the Secretariat to organise a virtual meeting with Home Energy Scotland to speak to them about their workplan. The Panel agreed that they still wanted to do this and Philippa will take this forward.

Dashboard – The Panel went through the dashboard, discussed key risks and agreed to amend the budget risk rating.

Framework Agreement with the Scottish Government – The Panel are concerned that the Framework agreement is not yet signed off.

Input to Poverty and Inequality Commission’s Annual Consultation (scrutiny report)
– The Panel agreed a contribution, based on some of the research they have commissioned, which it would like to offer to PIC for their scrutiny report.

Strategic Plan – Following a final review by the Panel members, Matt has signed off the Strategic Plan. Roanna has updated the logic model and added the connectors between the goals, activities, and the outcomes. The Panel proposed a clearer way of visually presenting the connectors, and Roanna will take this away and update the logic model.

Research – Kirsten and Roanna gave an update on the Panel’s recent research commission “potential unintended consequences of decarbonisation technology and how these could be mitigated”. Kirsten also noted that two of her MSc students are very likely to do their dissertations on fuel poverty-related topics provided by the Panel. Another student would also like to do a fuel poverty related topic and the Panel offered some thoughts on what this could be.

Human Rights Bill – The Panel didn’t have any questions on the briefing provided by the Secretariat on the likely future duties for the Panel which will probably be included in the Bill.

Monitoring & Evaluation Framework - The Panel noted the update paper which the Fuel Poverty Team provided on the Fuel Poverty Strategy Monitoring Framework and that a further discussion on the Monitoring Framework will be held with the Fuel Poverty Team at the next Panel meeting on Tuesday 16th of April. The Panel discussed its role – to provide a supportive critique of the developing framework – and it will continue to engage with, and offer written feedback to, the Fuel Poverty Team on the framework iterations. Roanna will bring her analytical skills, on behalf of the Panel, to supporting this process.

AGENDA ITEM 3: Warm Homes Prescription Trial (WHPT)

The Panel welcomed Jillian Evans (NHS Grampian), Dr Rose Chard and Rebecca Sweeney (Catapult) and David Mackay (SCARF). The Panel heard about how the effective partnership between the three organisations had enabled the success of the WHPT through:

- providing a trusted offer which the participants – all particularly vulnerable to the cold because of existing cardiovascular and respiratory illness – could engage with
- the WHPT benefitted 446 people over the Winter of 2022-2023 – as well as the tangible heating the trial offered, people were also helped to understand how to use their heating to best effect and also, consider and take up measures to make their homes more energy efficient.
- there are strong links between those living in fuel poverty and poor health outcomes – so WHP offers the opportunity to improve health outcomes as well as

reducing demand on primary and secondary health services. There was a discussion of how the WHPT could be mainstreamed – the need for strong engagement from key parties and navigating the funding needs, was discussed.

The Panel observed that:

- the collaborative model [health, local energy advisers, Catapult expertise] clearly worked really well: the “trusted offer” in tandem with delivery by a local, known organisation was clearly key to take up and the positive results
- bringing a greater focus to positive health outcomes of warmth for those in fuel poverty is critical and should be reflected across the fuel poverty policy landscape
- being warm enabled those involved in the trial to be receptive to the second wave offer of energy efficiency improvements to their homes, helping to reduce the severity/likelihood of fuel poverty. Warmth as an enabler to behavioural change is an interesting and helpful finding for policy makers

AGENDA ITEM 4: Session Closing for day 1

Matt drew the meeting to a close. Matt asked the Panel for their reflections on the day. The Panel found the sessions really useful, and that having a block of time to speak to a few stakeholders was very useful.

The Panel agreed to have a working breakfast and meet back at the venue for 8:30 am.

Tuesday the 19th of March 2024

AGENDA ITEM 1: Welcome

Matt welcomed everyone to the meeting. He went through the agenda noting the busy morning with stakeholder sessions and Panel business. Matt noted the first session was by phone to speak to Matt Baker, Chief Growth Officer at Gren Energy Ltd who own Wick Energy and District Heating Scheme, followed by the Business Manager and two of the Directors at Aberdeen Heat and Power – a local district heating scheme.

AGENDA ITEM 2: Ministerial response to the Panel’s recommendations on the Scottish Government’s Tackling Fuel Poverty Strategy

The Panel briefly discussed the Minister for Energy, Just Transition and Fair Work’s [letter](#) and asked the Secretariat to write acknowledging it and thanking the Minister.

AGENDA ITEM 3: Wick Energy Centre and District Heating Scheme

The Panel welcomed Matt Baker to the meeting, introduced themselves and outlined the Panel’s role. Matt Baker gave an overview of Gren and went on to explain about Wick District Heating Project and its business model. The Panel discussed and tested the benefits and challenges of the Wick business model. There are clear benefits in helping to alleviate fuel poverty but there are challenges around sustainability and the best model for service delivery in the long term.

AGENDA ITEM 4: Aberdeen Heat and Power (AH&P)

The Panel welcomed Jennifer, Sandra, and Jean to the meeting. Following introductions Jennifer gave an overview of AH&P and how it works, including the network of streets where AH&P provide power, as well as heat cost comparisons. Their model, as a local arms-length company, with a single investor (Aberdeen Council), and a primary objective of alleviating fuel poverty, underpins their success and enables their customer-focussed approach. This pays dividends in terms of their support for those in fuel poverty – and they have a contented customer base. The energy crisis did present a significant challenge to them. They have plans to decarbonise their scheme – and also plans to extend their network. These will require some substantive infrastructure work.

The Panel observed that:

- having the primary objective of alleviating fuel poverty has worked really well
- the local authority role in financially underpinning (single investor) AH&P has obviously been key to sustaining, as well as enabling, the development of the district heat scheme and looks like a very effective model
- AH&P is a really good example of how an on the ground fuel poverty initiative is mitigating and protecting from the fuel poverty driver of high energy prices in spite of the reserved nature of energy pricing, which the UK Government control.

AGENDA ITEM 5: Workplan and Annual Reports

Philippa spoke to the papers setting out the Panel's thoughts to date on its workplan activities for the coming year [24-25] and the shape and content of its first annual report.

AGENDA ITEM 6: Panel Reflections

Matt invited reflections on the meeting, saying that he had found the previous twenty-four hours very interesting and informative. The Panel agreed and liked how the organisation of the meeting had allowed more time for deeper. Matt thanked everyone for their time and drew the meeting to a close.

Next meeting is the 16th of April 2024 in Edinburgh.

News items and Reports:

The news items and reports set out below do not necessarily reflect the views of the Scottish Fuel Poverty Advisory Panel. They are produced for the Panel's awareness of news items of interest, emerging research across the fuel poverty landscape, stakeholder views and, of course, current estimates of fuel, and extreme fuel poverty, in Scotland.

Scottish Government estimates of fuel poverty and extreme fuel poverty – calculated at the point of price cap changes

Scottish Fuel Poverty Advisory Panel – March 2024								
SG Fuel Poverty estimates	April 2024 – June 2024	Jan 2024 – Mar 2024	Oct 2023 – Dec 2023	July 2023 – Sept 2023	April 2023 – June 2023	Oct 2022 – March 2023	Oct 2021	Oct 2019
Ofgem Price Cap	£1,690	£1,928	£1,834	£2,074	£2,500	£2,500	£1,277	£1,170
Number/percentage of households in fuel poverty	790,000 (31%)	840,000 (34%)	830,000 (33%)	850,000 (34%)	920,000 (37%)	860,000 (35%)	663,000 (26.5%)	613,000 (24.6%)
Number/percentage of households in extreme fuel poverty	490,000 (20%)	570,000 (23%)	530,000 (21%)	580,000 (23%)	720,000 (29%)	600,000 (24%)	359,000 (14.4%)	311,000 (12.4%)

Key Announcements / NEWS/Publications –

Consultations

1. Climate change - draft Scottish National Adaptation Plan 3 – consultation launched 31st of Jan. closes the 24th of April [\[here\]](#). There appears to be some cross-over with the FP Strategy actions, e.g. “the adaptation of Scotland’s historic environment and traditional buildings” but no reference to fuel poverty.
2. Supporting the planning system - Investing in Planning: 3 consultations on resourcing Scotland’s planning system [\[here\]](#) – consultations launched on 29th of Feb. and closing on 22nd & 31st of May). This is 3 consultations, the third focusses on proposals to allow the “National Planning Framework and Local Development Plans to be amended in response to newly emerging or urgent matters, such as changes to energy policy”. [Read across to SFPAP’s priority areas for action in its recommendations on the FP Strategy (1. Intensify the focus on improving the energy efficiency of Scotland’s housing stock through improved planning and accelerated investment. This should include developing strategic partnerships with housing, energy, and advice sectors to leverage capabilities and deliver holistic solutions. In doing this, the particular challenges and opportunities of Scotland’s rural and island communities should be recognised).
3. DESNZ has published a call for evidence on default energy tariffs – launched on 23-02-24, closing 22-04-24 [\[here\]](#).
4. Ofgem has published a consultation on supplier of last resort – launched on 09-02-24, closing 05-04-23 – the focus is on further reducing costs to consumers on supplier failure [\[here\]](#)

Fuel Poverty News

5. Ofgem price cap announcement [\[here\]](#) - 23/02/24 and Fuel Bank comment on energy price cap [\[here\]](#) pointing out that even with the falling price cap, energy bills are still 50% higher than they were before the energy crisis.
6. The Existing Housing Alliance has published its summary response to the HiBB consultation [\[here\]](#) and highlighted the risk of Scotland failing to meet its FP and net zero targets [\[here\]](#) 04-03-24
7. The Regulatory Review Group (independent SG advisers) has written to the Cabinet Secretary for Wellbeing Economy, Net Zero and Energy in response to the HiBB consultation highlighting the challenges around supply chain readiness and capacity, and regulatory oversight [\[here\]](#) – 28-02-24
8. The Daily Record has published an article about PIC’s consultation response on PAWHP. There is a reference to the **Panel** (“outside panel”) which PIC’s response, primarily, endorsed [\[here\]](#) 04-03-24
9. The House of Commons Library has published a report, setting out how fuel poverty varies across the UK, policies addressing FP, and stakeholder comment on FP [\[here\]](#) 19-02-24

Fuel Poverty Driver 1: high energy costs.

10. Briefing on the rising cost of living by the House of Commons Library – sets out the impact of energy prices on the UK inflation rate [\[here\]](#) – 08-03-24
11. House of Commons brief on gas and electricity prices shows that, in spite of the fall in prices heralded by the April-June price cap reduction, typical bills will still be almost 40% higher than in winter 2021/22. The brief also points out that, although the EPG has not been invoked since July '23 due to price cap drops, the scheme will finish at the end of this month (March '24) [\[here\]](#) 23-02-24
12. The SG published an action plan to address rural depopulation – the Panel heard at their Aug. meeting about how FP is a factor in rural depopulation [\[here\]](#) 16-02-24

Fuel Poverty Driver 2: low household income

13. Age Scotland reports that more than £1.5 million of benefits for older people are going unclaimed – [\[here\]](#) 05-03-24
14. Citizens Advice Scotland reports that Over 270,000 people missed a council tax payment in 2023 | Scottish Housing News [\[here\]](#)
15. Euan's Guide reports that people with disabilities are having to cut back on food and medical necessities as a result of high energy prices [\[here\]](#) 15-02-24
16. A report on Existing Housing Need in Scotland highlights that more than a quarter of Scotland's population are in housing need and this includes those in energy inefficient properties which they cannot afford to heat [\[here\]](#) 24-01-24
17. The SG has announced an extension to the eligibility for Best Starts Food (money every four weeks to help pay for healthy food from pregnancy until a child turns three) which will “ see an estimated 20,000 people able to access money to help with the cost of food shopping for the first time” [\[here\]](#) 26-02-24
18. The Royal Society of Edinburgh published a report on the economic contribution of the third sector highlighting the huge economic impact of the third sector [\[here\]](#) 13-12-23
19. Scottish Power [SP Energy Networks] has announced the next round of its Net Zero on community groups but including some which support those suffering fuel poverty [\[here\]](#) 06-02-24
20. The UK Gov. announced the third cost of living payment [CoL payments will benefit more than 680,000 people across Scotland] [\[here\]](#) 06-02-24 but there are no plans to continue them, after these 3rd payment [\[here\]](#) 30-01-24 & this was confirmed in the UK Spring budget
21. A PQ from Alan Whitehead, Shadow Minister (Climate Change and Net Zero) asked whether the UK Gov. is exploring “expanding [Warm Home Prescription]...or looking for alternative ways in which the health system and fuel poverty prevention can go hand in hand?”. In her response, Victoria Atkins, Secretary of State for Health, and Social Care, said that WHP is an “excellent example of local collaboration between the NHS, local government and other partners.” [\[here\]](#) 05-03-24
22. A zine has been published by the Energy Demand Research Centre, telling some lived experience stories of living in fuel poverty [\[here\]](#)

23. Energy Demand Research Centre have also published a blog showing that energy costs may be reducing but the burden on those least able to pay remains high [\[here\]](#)
24. In Nov. 2023 Glasgow Caledonian launched a database to showcase anti-poverty projects across Scotland [\[here\]](#)

Fuel Poverty Driver 3: poor energy efficiency of the home.

25. The Energy & Climate Unit has published an assessment of the cumulative savings to the UK's energy bill (if investments had happened over the last decade - 70 bn). It describes high energy costs as “baked in” and a headline figure is that the cost of climate change and the limited role out of net zero technologies, is adding £4,350/annum to some household bills, and estimates that receiving all the applicable technologies could have saved a household £1,900/annum. [\[here\]](#) 05-02-24
26. Royal College of Physicians survey shows that housing condition is impacting health and adding pressures to primary health services [\[here\]](#) 05-03-24
27. Regen published a report (*provided by Fraser*) exploring the potential for community onshore wind projects to power local heat pumps/heat networks – relieving fuel poverty and tackling emissions – 29-02-24 [\[here\]](#)
28. The Institute for Public Policy has published a report which suggests that a thousand percent increase is needed in retrofitting homes to achieve SG's 2045 net zero target. They have taken a JT approach to financing this and made 5 recommendations – including full grants for low income and vulnerable households and strategic retrofit funding for social housing providers [\[here\]](#) 29-02-24
29. The House of Commons Library published a briefing on the energy efficiency of the UK housing stock, with an interesting breakdown across the four administrations [\[here\]](#) 09-02-24
30. SCARF, social enterprise whose purpose is to alleviate fuel poverty and champion energy efficiency, has put out an open invitation for others to see how they are using ECO4 flex programme funding [\[here\]](#) – 15-02-24 – *SCARF presented to the Panel during their visit to Aberdeen.*
31. Scottish Futures Trust was commissioned by SG to write a report on heat network delivery models. It makes recommendations on interventions which the SG could make in relation to certain heat network delivery models [\[here\]](#) 20-02-24
32. Our Scottish Future published a report in September 2023 on “Delivering net zero for heat in buildings” - it has a useful setting out of devolved v. reserved powers in Appendix 2 [\[here\]](#) – Sept. 2023
33. Audit Scotland published a report on the NHS in Scotland – highlighting the importance of a need to shift to prevention [\[here\]](#) 22-02-24

Scottish Government / Parliament updates & Westminster updates

34. The First Minister announced changes to the Cabinet, following Michael Matheson's resignation [\[here\]](#) 09-02-24 – *see Annual Report paper for new Cabinet roles and responsibilities.*
35. The Scottish Budget was passed at Holyrood on 27-02-23 [\[here\]](#) – there continues to be significant coverage of the over the 27% cut to the housing line - and local authority sector disquiet – both before and after the bill was passed - [\[here\]](#), [\[here\]](#) &

- [\[here\]](#). The DFM, in her budget speech [\[here\]](#), committed to prioritising affordable housing if more capital came to Scotland as a result of the UK Spring Budget but the £293m consequentials flowing from the Spring budget, do not include a capital uplift see [\[here\]](#) for budgetary impact on Scotland – Feb-Mar 2024
36. UK Spring Budget – from an energy policy perspective, Cornwall Insights have noted: i) the continuation of the energy profits’ levy (windfall tax) to 2029 or “until energy prices return to normal levels” (ii) Up to £120m increase for the Green Industries’ Growth Accelerator to support the expansion of low carbon manufacturing supply chains across the UK (iii) explore the potential to expand nuclear power options (iv) published the parameter for CfD round 6 – with significant offshore wind content. See [\[here\]](#) for Spring budget – 06-03-24
 37. The Scottish Housing Condition Survey was published on 29-02-24 data is for 2022 [\[here\]](#). The estimated fuel poverty rates are: 31% (around 791,000 households) in fuel poverty and 18.5% (or 472,000 households of the 791,000 households in fuel poverty) in extreme fuel poverty. *The Panel is having a briefing on key findings from SG statisticians on 25-03-24.* The figure of almost a third of households living in fuel poverty is now being routinely referenced (e.g. EAS March online conference, Scottish Housing News etc.)
 38. The Scottish Parliament’s Local Government, Housing and Planning Committee has launched an inquiry into Scotland’s Housing to 2040 Strategy [\[here\]](#) 15-02-24
 39. A Westminster debate was held on 06-03-24 on the introduction of energy rebates for the Highlands & Islands – see Hansard record [\[here\]](#) and briefing [\[here\]](#). The proposal is that where renewable power generation is significantly above local usage, eligible consumers should receive rebates. 4 of the MPs for the Highlands & Islands spoke very compellingly at this debate [Drew Hendry SNP, Ian Blackford SNP, Alastair Carmichael Lib Dem & Jamie Stone Lib Dem]. Ms Solloway – Parliamentary Under Secretary of State (Minister for Energy Consumers and Affordability) and Kerry McCarthy – Labour Spokesperson for Energy also contributed.
 40. The Scottish Government published its Child poverty cumulative impact assessment – update, estimating the impact of SG policies on child poverty rates [\[here\]](#) 28-02-24
 41. DESNZ has published the responses to its 2023 call for evidence on innovations in the energy retail market. There are interesting points to note on vulnerable consumers. Cornwall Insights have characterised the key messages as: 1) market-wide ½ hourly settlement (MHHS) & the smart meter rollout were identified as key enablers of innovation in the retail market (2) Effective delivery of these programmes is key & proposals were suggested for increasing smart meter coverage (3) Improving price signals to align retail incentives with a decarbonised energy system and unlock the value of demand-side flexibility (4) The need to rebalance relative gas and electricity prices which will be important in incentivising the take up of low carbon technologies [\[here\]](#) 23-02-24
 42. UK Gov. published some new measures in response to Ofgem’s price cap announcement [UK Gov. seeks views on making standard default tariffs more flexible] – see *consultation link above*; scheme to help customers repair/replace smart meter in-home displays after one-year warranty; companies to receive £10 million funding to test new technologies and tariffs with customers to make the most of cheap, low-carbon power [\[here\]](#) 23-02-24

43. The Westminster Industry and Regulators Committee has suggested that there is a pressing need to reform UK regulators (including Ofgem) with, for example, evidence on Ofgem noting the problematic nature of “tensions and trade-offs between different objectives”. e.g. between the affordability of customer bills and the need for infrastructure investment to secure energy supplies and pursue environmental objectives. The Committee is recommending greater clarity of objectives and the creation of a new Office for Regulatory Performance [\[here\]](#) 08-02-24
44. In the wake of Committee pre-budget scrutiny work, SPICE has published an insight paper on accountability in budget scrutiny – looking at the impact of the Scottish Parliamentary Committees, including common themes raised by committees with SG. The 3 main cross-committee themes which it identifies, resonate with the Panel’s recommendations to date: (1) SG needs longer-term financial planning and multi-year funding, in its overall spending plans - including a need to balance short-term pressures and preventative spend (2) SG needs to make its strategic focus and priorities clear in several areas, and link this clearly to spending decisions (3) SG needs to better demonstrate the link between policy and spending decisions and National Outcomes and do so in a holistic and cross-portfolio way. This includes evidencing decisions, explaining reasoning, and reprioritising of spend where needed. [\[here\]](#) 31-01-24
45. More tangentially, Our Scottish Future has produced a paper advocating greater devolution of power to local authorities in support of greater: LA collaboration, place-based policy development; LA capability; fiscal autonomy with multi-year budgets, and also, the replacement of council tax with the property tax [\[here\]](#) – 12-02-24