

# **EXECUTIVE SUMMARY**



## **AN ACTION PLAN TO DELIVER AFFORDABLE WARMTH IN RURAL SCOTLAND**

**Proposed by the Scottish Rural Fuel  
Poverty Task Force**



**Scottish Government**  
Riaghaltas na h-Alba  
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## Background

Fuel poverty levels are significantly higher in rural Scotland (settlements with 3000 people or less) than in the rest of Scotland. **Over half of all rural and remote households live in fuel poverty**, which means that they need to spend more than 10% of their disposable incomes on their essential domestic energy needs, including keeping their homes warm. **Nearly two-thirds of the remote households live in fuel poverty, including 23% who live in extreme fuel poverty**, this means they need to spend over 20% of their incomes to keep their homes warm and meet their other home energy requirements.

In recognition of the serious and persistent nature of the rural fuel poverty problem, the Scottish Government set up an independent and broadly-based **Rural Fuel Poverty Task Force** in August 2015. Its remit was to produce a report during September 2016, setting out a realistic and practicable set of actions to:

- a) make it significantly easier for people living in rural and remote Scotland to keep their homes warm; and
- b) feed into the further development of fuel poverty and energy efficiency programmes.

Whilst welcoming existing Scottish Government commitments, the Task Force is advocating a carefully considered series of actions that it believes must be delivered if fuel poverty and inequality in rural Scotland are to be tackled more effectively.

Such actions should be treated as priorities by not only the Scottish and UK Governments but by other leading players, including the principal utility companies and the energy regulator Ofgem, with vital partnership support provided at all levels by local authorities and other bodies committed to tackling rural fuel poverty.

## The distinct rural dimensions to fuel poverty in Scotland

The Task Force has identified and evidenced 21 separate dimensions that can result in fuel poverty in rural and remote rural Scotland. These are identified in more detail in Chapter 1 of the Task Force Report. The main drivers of rural fuel poverty identified include amongst other things.

- significantly higher costs of rural living
- higher energy bills that come with living in predominantly “off-gas” areas; the much greater reliance on fuels more expensive than mains gas
- higher than average energy consumption levels, particularly the further north you live
- the added impacts of weather exposure on the fabric of houses combined with greater age and poorer condition of rural housing.
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- greater proportion of privately rented or owned homes lived in by older people, often single people living alone;
- higher cost of electricity provided to most rural consumers by the two predominant suppliers in the North and South of Scotland “regions”, increased in the north region by the additional 1.2p per unit network cost levied by the north’s predominant supplier
- the weak response by electricity consumers, particularly those with electric heating, to switch supplier. This could save householders a third or more on their bills; and
- the cumulative effect on rural fuel poverty levels plus the added resulting health care costs;
- the inadequacy of key indicators used to identify rural aspects of fuel poverty or measure programme outcomes properly.

## Guiding Principles

The Task Force has set out three fundamental guiding principles, with recommended actions, on which the Task Force believes Scottish Government should base and develop an affordable warmth delivery strategy. These are:

Principle 1: Fairness and social justice should be every household’s right, wherever in urban or rural Scotland they happen to live.

Principle 2: All vulnerable households should receive the most effective practical help and support they need to keep their homes warm and at a cost they can afford.

Principle 3: The progress made by Scottish Government in its strategic approaches to eliminating fuel poverty from peoples’ lives should be set within a statutory framework for delivery which is rigorously measured and held to annual account by the Scottish Parliament.

The Task Force has recommended actions which they consider will address each of the following key strategic aspects that impact on rural fuel poverty.

- Indicators and assumptions
- The domestic energy market and prices
- Consumer engagement
- Vulnerability and health care
- House improvement, tenure and supply chain issues
- Economic and community development impacts
- Remediation programme effectiveness

These are detailed in Chapters 3 to 9 in the Task Force Report and consideration has also been given to which body should have strategic responsibility for taking each action forward.

## Conclusion

The Task Force concluded by calling for a “Rural proofed plan for effective delivery”. This includes specific rural fuel poverty targets and expected programme outcomes.

Delivering the recommended action plan requires that top strategic priority should be given to:

- Eradicating rural fuel poverty within a defined timescales, with clear targets and milestones.
- ensuring that all vulnerable households, no matter where they live, receive the type and level of personalised outreach support they need to resolve their fuel poverty problems properly, with an Energy Carer pilot to test and extend the effectiveness of home-delivered, area-based service provision dedicated to ensuring high quality, affordable warmth outcomes;
- the commitment that remediation programmes prioritise off-gas areas;
- setting up a non-transactional price comparison website where *all* prices can be compared on *all* tariffs charged by suppliers of *all* domestic fuels in *all* distinct market areas of Scotland;
- encouraging and supporting customers to switch tariff and supplier to achieve big reductions in their electricity bills;
- making certain the indicators and assumptions used to inform policies and programmes are fit for rural purpose and that they are developed and improved on the basis of thorough measurement and assessment of the before-and-after outcomes of the interventions made, especially to the well-being of those helped;
- ensuring that the share of public investment allocated to tackling rural and remote Scotland’s fuel poverty and affordable warmth issues demonstrably matches their identified needs and wider social and economic benefits generated; and
- finally, appointing an independent Affordable Rural Warmth Implementation Group to support the Scottish Government’s National Outcome of “tackling the significant inequalities in Scottish Society” by monitoring the progress made in tackling all aspects of the rural fuel poverty problem and providing regular reports to Scottish Government and the Scottish Parliament.



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