

# The Sutherland Picture

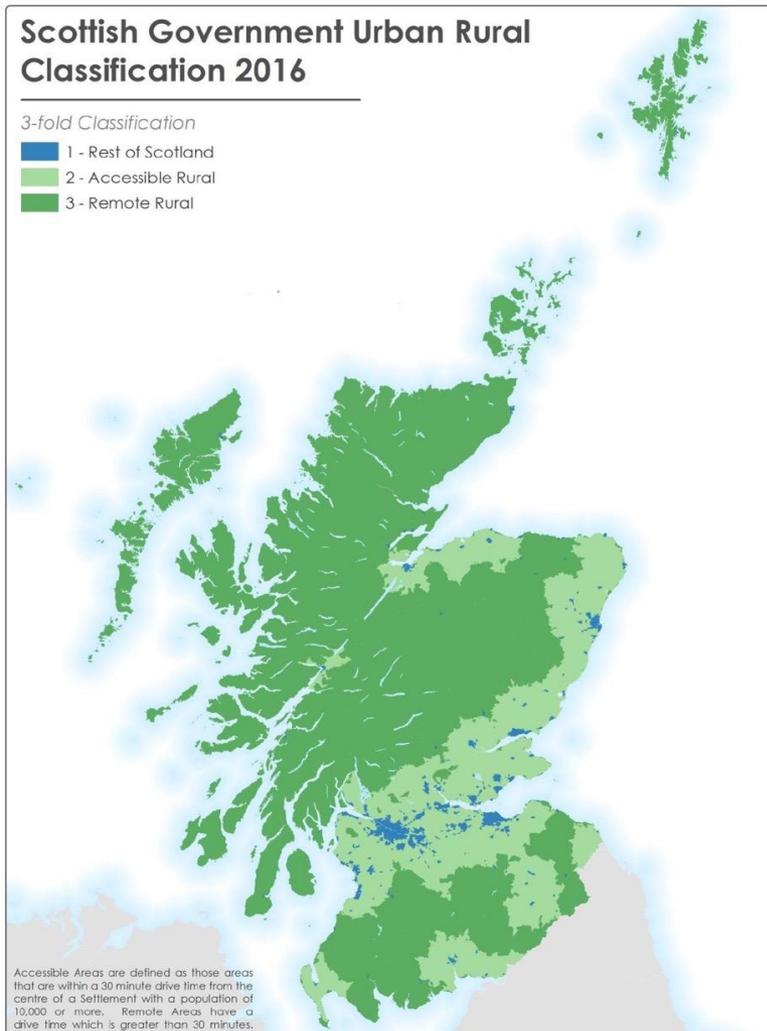
Presentation for the Sutherland Fuel Poverty Conference  
by Di Alexander,  
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and a  
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Fuel Poverty sub-group

October 8<sup>th</sup>, 2021

# The latest S.C.H.S. evidence

- Scottish House Condition Survey (published Dec 2020)
- **33% of all households living in 'remote rural Scotland' are living in '*extreme*' fuel poverty**
- **A further 9% are living in 'ordinary' fuel poverty**
- **= a total of 42% fuel poor households**
- These figures compare with: 11% of households in the 'rest of Scotland' living in '*extreme*' fuel poverty plus a further 13% living in 'ordinary' fuel poverty = 24% total

# The urban/rural classification system



- ‘Remote rural Scotland’ (as defined) contains 6% of Scotland’s population and – unsurprisingly – includes the whole of Sutherland !
- Map 2.3 from ‘Scottish Government Urban rural Classification 2016’ available online: <https://www.gov.scot/publications/scottish-government-urban-rural-classification-2016/>

# Scotland's new fuel poverty definition

- Fuel Poverty Act (Scotland) 2019
- Since 2019 a Scottish household is considered to be fuel poor if, after their housing costs + some other eligible costs have been deducted, more than 10% of their income is required to pay for their reasonable domestic energy needs
- ***Extreme fuel poverty is when 20% or more of a household's income is required to pay for fuel***
- NB The Fuel Poverty Act sets a statutory target of reducing *extreme* fuel poverty to 5% by 2030 (not long!)

# The high cost of 'remote rural' living

- Professor Hirsch will share his latest Minimum Income Research research evidence later
- The bottom line is it is that the basic cost of living is 15% and 30% more in Sutherland than it is for the average UK urban household
- **BUT** this does not include remote rural Scotland's higher domestic energy costs, as Prof Hirsch will explain later

# The lower level of average incomes

- Latest HIE survey shows incomes in Caithness & Sutherland to be only 87% of national average incomes
- 58% of respondents to the recent Sutherland Affordable Warmth survey indicated that they had an income of less than £20,000 a year.
- So, not just lower than average incomes but significantly lower than average *disposable* incomes (as Professor Hirsch will explain) because of the significantly higher costs of living in remote rural areas including Sutherland

# The energy performance of housing

- A much higher proportion (54%) of the housing stock in 'remote rural Scotland' is poorly insulated than in 'the rest of Scotland'
- Weather effects – greater exposure to cold, wind and wind-driven rain makes houses more prone to rapid heat loss and serious fabric defects

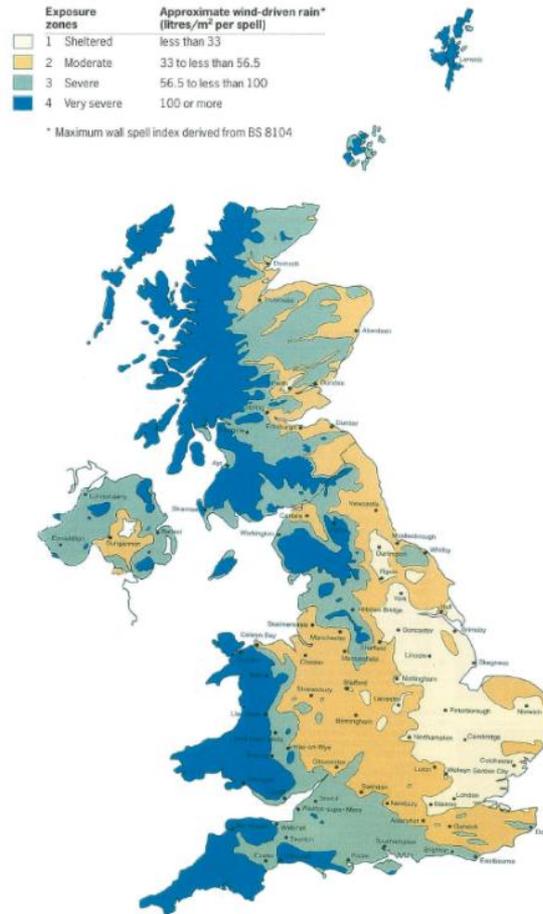
**Table 24: Energy Performance Certificate rating by 3-fold Urban Rural category, 2019**

	Remote Rural	Accessible Rural	Rest of Scotland
<b>BC (69 - 91)</b>	<b>16%</b>	<b>29%</b>	<b>49%</b>
<b>D (55 – 68)</b>	<b>30%</b>	<b>41%</b>	<b>42%</b>
<b>E (39 – 49)</b>	<b>30%</b>	<b>18%</b>	<b>8%</b>
<b>FG (01 – 38)</b>	<b>24%</b>	<b>13%</b>	<b>2%</b>

Source: Scottish House Condition Survey 2019 (Using Scottish Government Urban Rural Classification 2016)

- Table adapted from: <https://www.gov.scot/publications/rural-scotland-key-facts-2021/pages/3/>

# Wind and wind-driven rain !



- Map from “An Action Plan To Deliver Affordable Warmth In Rural Scotland” October 2016 report to Scottish Government by the Scottish Rural Fuel Poverty Task Force. Available online: <https://www.gov.scot/publications/action-plan-deliver-affordable-warmth-rural-scotland-proposed-scottish-rural/pages/15/>

# Hard-to-heat house types

- Proportionately many more, older, detached, larger houses, in poorer condition and with hard-to-heat and hard-to-treat features like solid walls, attic roofs & extensions
- Rural houses of all types and ages are larger than urban ones by almost a third (31%)

**Table 22: Property type by 3-fold Urban Rural category, 2019**

	Remote Rural	Accessible Rural	Rest of Scotland
Detached house	57%	50%	18%
Semi- detached house	22%	25%	22%
Terraced house	14%	18%	20%
Flat/Maisonette	7%	7%	39%

Source: Scottish Household Survey 2019 (Using Scottish Government Urban Rural Classification 2016)

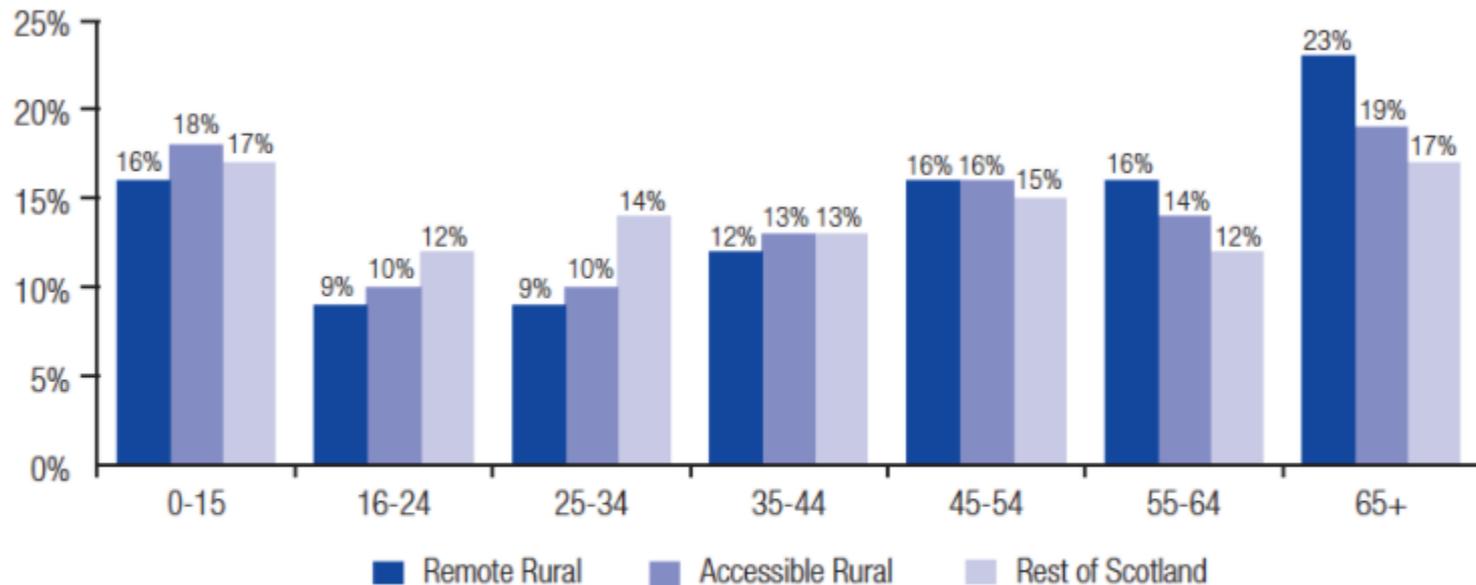
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# Typical heating system problems

- ***“We have problems with our heating system but can’t afford to get it sorted.”***
- ***“We know we need to change from fossil fuel but can’t afford to do so.”***
- ***“ The windows are old and need replaced but there are no council grants any more and I can’t afford to get new ones as I have very little spare.”***
- ***“We can’t afford to carry on with the costs of the storage heaters to heat our house for our family.”***

# The 'remote rural demographic'

Figure 2: Age distribution of population by geographic area, 2013



Source: Mid-year population estimates based on data zones, National Records of Scotland

(Using the Scottish Government Urban Rural Classification 2013-2014)

Figure from: <https://www.gov.scot/publications/rural-scotland-key-facts-2015/pages/2/>

# The Sutherland demographic

- **The latest (2019) Highland Council population projections show that Sutherland has the highest proportion (38.5%) of over-60s anywhere in Highland (average 29.6%)**
- **Moreover, the proportion has been rising steadily – by about 0.5% per annum over the last 8 years – and seems set to continue**
- **Notwithstanding, Sutherland's total population is projected to go on falling - from 13,506 (2019) to 12,219 (2039)**

# The huge fuel price inequalities –why ?

- Mainly because we don't get mains gas in Sutherland
- AND have to rely much more heavily on electricity

**Mains gas costs 4p a unit *but* electricity 18p/unit ... And there's a huge price difference**

So, if your home consumes 10,000 units a year and you use 70% mains gas for space and water heating and 30% electricity (OFGEM's split for the average UK h/hold) your bill would be **£820 a year**

**BUT**, if you rely totally on electricity, then your annual bill for the same usage and number of units would be **£1,800 a year**

# The lived experience in Sutherland

- This is what some of the 393 responses to the online affordable warmth survey carried out in Sutherland recently are telling us:
- ***“Energy costs are set to double and I’m already struggling : I don’t know how we’ll get through with higher costs.”***
- ***“My energy bill is around a third of my income , never mind 10%”***
- ***“It seems no matter what I do my electric rises without warning.”***

# How some people cope with the cost

- ***“Wintertime is torture: I have to pay for 2 bags of coal a week and try to ration this out as I’m on Universal Credit and can’t afford to heat the home and feed myself.”***
- ***“I can’t keep my house warm enough in winter unless I run the heating all the time I’m in. I usually heat the living room with the fire and then use blankets.”***
- ***“Just try to put basic storage heaters on as it’s extremely expensive and struggle to pay the extra on the bills on top of the monthly direct debit.”***

# The real live fuel costs in Sutherland

- ***“Pay SSE £200 a month at present and this seems likely to increase. The cost per unit has gone up so much : £2,400 a year out of my income”***
- ***“In winter often use 2 large bags of logs, sometimes 3 @£48 plus smokeless fuel @ £13 a bag : £175 to £250 a month depending on how cold it gets.”***
- ***“We’re on the Total Heating Total Control tarriff . It used to cost £90 a month a few years ago but now it’s £223 a month”***

# And what's happening to fuel prices ?

- LSHA's October 2021 Electricity Price Update tells us:
- **In Spring 2021 still 3 suppliers charging just under 13p a unit for a single rate credit meter**
- **6 months later the cheapest option costs 19p a unit**
- **9 suppliers have gone bust in a fortnight**
- **So 'switching' is now virtually pointless as you will be likely moved to the Energy Pricecap tariff of 20p/unit**
- ***And* the Pricecap will go up again next April ... .**
  
- **PS If you have storage heaters, Economy 7 is the best off-peak tariff (annual fuel bill for 10,000 units = £1,673 a year but if on THTC then it's £2,075 a year**

# Clean, green and locally generated

- Magnus Davidson will be telling us much more about the amount of clean, green energy generated in the Highlands & Islands and mostly exported to the rest of Scotland and the UK (3 times more than we need for ourselves in H&I)
- ***“Why is electricity so expensive here when we produce so much locally ?“***
- ***“Friends in the Central Belt can get much cheaper electricity supply rates than we can despite us generating so much up here.”***

# So, how best to tackle the problem ?

- We need a new, dynamic and genuinely collaborative and mutually supportive approach between Governments and locally trusted organisations – all 3 have key roles
- Scottish Govt's new Fuel Poverty Strategy – Dec 2021
- Westminster Govt/Ofgem must act on fuel prices etc...
- Invest in good, trusted local orgs like ESCAB/KOSDT (with support from regional & national ones) to deliver *energycare* services to all vulnerable Sutherland h/holds
- Plus a raft of practical, well-funded and *fully rural-proofed* support mechanisms not one-size-fits-all ones.
- Maximise the problem-solving opportunities to deliver added social, economic and health benefits for Sutherland