

THE SCOTTISH
FUEL POVERTY
ADVISORY PANEL



Workplan

April 2024 – March 2025

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Introduction

The transition to net zero offers the opportunity to create a more equitable energy system with the prospect of an end to fuel poverty, if this transformation is accompanied by fair energy prices and supportive policy choices. A point which we make in our Strategic Plan (April 2024 to March 2027). We recognise that there is a tension between immediate crisis relief and long-term measures to eradicate fuel poverty, and how the current fiscal challenges facing the Scottish and UK Governments are exacerbating this tension. Along with many other organisations, we have highlighted how high energy prices, in spite of prices starting to reduce over the last year, have pushed already high fuel poverty rates even higher¹. High energy prices are currently the primary driver of fuel poverty in Scotland. The impact on those in fuel poverty of the net zero driver of energy system reform, coupled with higher and more volatile energy prices, underpin the four thematic areas in this, our first annual workplan (April 2024 to March 2025). These four themes are the funding landscape, rural fuel poverty, heat networks, and fuel poverty and health outcomes.

Fuel poverty is not inevitable. We are at an epoch changing moment as the energy market restructures to one supplied predominantly through renewables and away from fossil fuels, presenting a real opportunity to achieve lower and less volatile energy prices. There is a key question to be answered around how this transition can tackle fuel poverty head-on, rather than solely avoiding detriment, although avoiding detriment is vital too. This question is a thread which runs through our four themes:

- ❖ whether the current funding landscape is effectively supporting the transition while protecting those in immediate need
- ❖ whether the transition is working for those in the deepest fuel poverty – particularly those living rurally
- ❖ where the role of heat networks lies in the transition and what models work well in alleviating fuel poverty, and,
- ❖ whether taking a public health approach to fuel poverty can improve health outcomes for the fuel poor while facilitating the energy transition.

We will use research to underpin our exploration of these four themes – working within the resource constraints of our small organisation.

¹ The House of Commons Library (February 2024), [Gas and electricity prices during the 'energy crisis' and beyond , February 2023](#) - “Under the January to March 2024 direct debit price cap the average annual bill for typical gas and electricity consumption is £1,928. This is below the £2,380 level under the Energy Price Guarantee from October 2022 to June 2023, but 59% higher than in Winter 2021/22.

We will use our findings to offer advice to the Scottish Government – shining a light on issues and also good practice, as a lever to influence the UK Government, and as an opportunity to support further collaboration across the fuel poverty landscape in Scotland and beyond.

Who we are

The Panel is an independent advisory Non-Departmental Public Body (NDPB), established under The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019, set up to support Scottish Ministers and others to help eradicate fuel poverty in Scotland.

We are a small organisation of five **panel members** – four of whom work 12 days a year – with the chairing member working 15. We are supported by a Secretariat of 3.

What we do

The Panel provides an independent voice for Scottish Ministers on fuel poverty matters, fostering co-operation across the fuel poverty landscape, and fulfilling its statutory duty of monitoring Scottish Ministers' progress towards meeting Scotland's statutory fuel poverty targets. This includes assessing the likelihood of the Scottish Government meeting those targets, how the four drivers of fuel poverty are being addressed, and how effectively the implementation of Scotland's Tackling Fuel Poverty Strategy is working to deliver the targets and address the fuel poverty drivers.

Our March 2024 to April 2027 Strategic Plan sets out our strategic goals for the next three years which underpin our vision and mission.

The Panel's vision is for:



A Scotland where everyone lives in an energy efficient home and has access to affordable clean energy – a Scotland where no one lives in fuel poverty.

The panel's work is driven by its mission to:



strengthen fuel poverty policy, legislation and practice in Scotland and the UK



eradicate fuel poverty and increase resilience by engaging with people with lived experience and those who support them



by advising Scottish Ministers, scrutinising progress, and advocating for action.

In establishing our workplan, we have drawn on our principles, particularly that of “understanding”, to shape our priorities. We do so in the light of what people affected by fuel poverty and organisations supporting and supplying services to them, have told us about fuel poverty in Scotland now. Our principles are that we are:

Independent

Undertake work that is independent and objective.

Collaborative

Work in an inquisitive, consultative, and collaborative way, including in the development, delivery and sharing of our thinking and advice.

Understanding

Be respectful and supportive listeners to all, particularly offering a safe space for those with lived experience of fuel poverty to share their insights, understanding and views.

Transparent

Be open and transparent, bringing our Code of Conduct principles to all that we do.

Dynamic

Provide visionary and dynamic advice and input to both long term challenges and the response to immediate need.

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Our workplan is also shaped by our seven strategic goals:

1. We will advocate for the eradication of fuel poverty by relationship building, and through evidence-based policy development and delivery in Scotland, and in the UK where appropriate.
2. We will be informed by evidence from a wide range of sources and stakeholders, including those with lived experience and the organisations that support them.
3. We will offer insights and reflections to support Scottish Government to improve short-term and long-term responses to Scotland's shifting fuel poverty landscape.
4. We will provide an independent view of Scottish Government's progress towards and likelihood of achieving Scotland's statutory fuel poverty targets.
5. We will advocate for actions and solutions to address the drivers of fuel poverty across, and in line with, all the relevant policy areas which contribute to National Performance Framework outcomes.
6. We will champion and foster a collaborative approach to challenging fuel poverty drivers and other structural causes, identifying and encouraging actions to address fuel poverty with stakeholders across the public, private and third sectors.
7. We will establish and maintain a strong values-led governance framework to ensure the effectiveness of the Panel.

Annex A shows how the work we have planned maps to our strategic goals.

2024-2025 Workplan

Our April 2024 to March 2025 workplan sets out key themes which we intend to explore during this year. We will use the output from this work to offer reflections and advice to enable the Scottish Government, and others, to make tactical responses to fuel poverty and improve the foundations for their strategic approach to eradicating fuel poverty.

The four themes we will be exploring are:

1. understanding funding and how it's targeted to mitigate fuel poverty.
2. the systemic impact of rural and remote fuel poverty.
3. heat network models and what works for those in fuel poverty.
4. opportunities to relieve and prevent fuel poverty through a public health lens.

We will also work on emerging priority fuel poverty issues as well as other priorities, such as our statutory scrutiny responsibilities and governance work.

1. Mapping the fuel poverty funding landscape

The fuel poverty funding landscape, like the policy landscape it flows from, is complex. Funding for policies delivering on fuel poverty come from a variety of sources, including the UK and Scottish Governments, local authorities and the third sector. Within the Scottish Government, fuel poverty alleviating funding sits within a number of different directorate budgets. To add to this complexity funds are raised in a number of ways, including general taxation and industry levies.

We recognise, and have highlighted, the tension between (a) the tactical support needed for those suffering fuel poverty now and (b) the strategic approach needed to prevent (i) those in fuel poverty remaining fuel poor and (ii) others at risk of falling into fuel poverty in the future from becoming fuel poor. We have commented specifically on the ending of the Fuel Insecurity Fund, the potential to redesign the devolved cold weather benefits to target those suffering fuel poverty more effectively and, beyond this, how a holistic approach to relieving fuel poverty by the UK Government could eradicate it completely through a well-designed energy discount mechanism.

We will map different funding streams, their objectives and where the balance lies between immediate fuel poverty relief and longer-term prevention. In doing this, we will explore the following questions:

- ❖ How much funding has been allocated by governments?
- ❖ Is the money allocated being spent?
- ❖ What are key strengths and limitations of funding streams?
- ❖ Are there gaps in funding?

We will also hold a roundtable to test views on the impact of the Fuel Insecurity Fund.

2. The systemic impact of rural and remote fuel poverty

In August 2023, we visited [Inverness](#) and heard from those living in rural fuel poverty in the Highlands and Islands, alongside several organisations working to support them. We recognise how important it is that the voice of those in fuel poverty is heard in the current debate, including on the future of the UK's energy system. This debate is live as the UK Government and Ofgem consult on the future shape of the energy system, and critically, the consumer protections within it. The Scottish Government is also acting and responding by moving towards publishing its Energy Strategy and Just Transition Plan. It has also set out its view of the framework for future domestic heat in buildings policy through its consultation on a Heat in Buildings Bill.

The recently published [Scottish House Condition Survey \(February 2024\)](#)², which contains data for 2022, found a fuel poverty rate for rural households of 35% versus an urban rate of 30%, with a rate of 47% for remote rural households. Those reliant on electric heating systems as their primary heating source, which is more common in off-gas grid, often rural areas, experienced fuel poverty rates of 46%. These figures speak for themselves. Whilst the impact on energy bills of being off-grid is starting to be better understood, we do not have the sense that this is true of the impact of being on/not having access to the optimum metre to match heating type.

We will explore the following:

- ❖ How does metering work for those living in fuel poverty?
- ❖ Has anything changed since Changeworks published its seminal [report](#) last year offering solutions to rural poverty?
- ❖ What could change which would immediately have positive impact on those in fuel poverty?

We will visit na h-Eileanan Siar [the Western Isles] to hear about these rural fuel poverty issues in one of the places where they are being experienced most acutely.

² Introduction - Scottish House Condition Survey: 2022 Key Findings - gov.scot (www.gov.scot)

3. Heat network models and what works for those in fuel poverty

We have a statutory role under section 35(3) and 54(3) of the Heat Networks (Scotland) Act 2021 for guidance on reviews, designation, and variations of heat network zones by local authorities and for any regulations relating to determining heat network consent applications or modifying heat network consents. Given the potential to offered by heat networks support and lift people out of fuel poverty (which we have seen first-hand through our engagement with Aberdeen Heat and Power), the Scottish Government's heat network ambition set out in its [Heat in Buildings Bill Consultation](#), and the fact that all Scottish Local Authorities will now have a Local Heat and Energy Efficiency Strategy, we are keen to understand and explore:

- ❖ What heat network models work best for those in fuel poverty?
- ❖ Can community benefits be used to take forward heat networks for the benefit of those in fuel poverty?
- ❖ What does good practice look like for fuel poverty-alleviating heat networks and what role can local authorities and the Scottish Government play in fostering these?

We will hold a roundtable to explore these, and other questions, on heat networks.

4. Fuel poverty through a public health lens

We are convinced that there are substantive opportunities to relieve and prevent fuel poverty through taking a public health approach. The Panel heard, during its visit to [Aberdeen](#), how the Warm Homes Prescription Trial piloted there supported people with health conditions living in areas of socio-economic deprivation to stay warm. The pilot also enabled the vulnerable to make energy efficient changes to their homes to reduce and safeguard from the negative health effects of living in a cold home. This example of social prescribing had positive effects for those in fuel poverty, while also offering the promise of how a shift to preventative spend can save money for health services down the line while alleviating the suffering caused by fuel poverty. We expect this theme of a public health approach to fuel poverty to run through the whole lifetime of our April 2024 - March 2027 Strategic Plan. Engaging with other public bodies, health services and the wider stakeholder community, we will begin to explore:

- ❖ The links between fuel poverty and health – building on our previous conversations.
- ❖ The public health outcomes of social prescribing initiatives, such as Warm Homes Prescription, modelled by Catapult Energy Systems, and potentially where social prescribing has been used effectively in other policy areas.
- ❖ How funding might be re-purposed to alleviate fuel poverty while supporting the sustainability of Health services.

We will engage with Public Health Scotland and others in our work on this theme.

5. Other priorities

Our intention, using the small resources we have to best effect, is to work responsively, flexibly, and proportionally so that we can react to, and offer our thinking on, emerging fuel poverty issues. We will fulfil our scrutiny obligations and continue to consolidate the governance infrastructure that, as a relatively new organisation, we have started to build.

Scrutiny

- ❖ We will continue to support Scottish Government as it works to develop a monitoring and evaluation framework for its Tackling Fuel Poverty Strategy.
- ❖ In the first quarter of 2025, the Scottish Government will produce its first periodic report setting out how its progress towards meeting the 2040 fuel poverty targets. We have a statutory role in offering our views on this report during the drafting period. We will then offer our own formal response and wider reflections on Scottish Government's progress in our subsequent annual report for April 2024 to March 2025.
- ❖ We will publish our first annual report (January 2022 to March 2024) covering the first two years of our operation in summer 2024.
- ❖ We will produce a research plan to underpin this April 2024 to March 2025 workplan, in the summer, and will share research findings with Scottish Government, other public bodies and third sector organisations, taking every opportunity to collaborate where possible.
- ❖ We will offer the Poverty and Inequality Commission our reflections, from a fuel poverty perspective, on the Scottish Government's progress on the implementation of the Tackling Child Poverty Delivery Plan.

Governance

- ❖ As the current Panel enters the third year of its appointment, we will work with the Scottish Government to produce a succession plan informed by our strategic goals and skills' matrix.
- ❖ As a relatively new body, we will consider what further formation and development we, and our supporting Secretariat, need to deliver our work priorities and our wider strategic plan – reflecting any gaps in our skills' matrix.
- ❖ We will continue to work with the Scottish Government and the National Records of Scotland to further develop our document management plan to national standards.
- ❖ We will formalise our risk management approach.

Collaboration and engagement

- ❖ Collaboration and engagement will underpin all workplan activity. In delivering this plan, we will seek every opportunity to engage with and listen to those with lived experience of fuel poverty, with central and local government, parliamentary committees, third sector organisations, the regulator, and players in the energy sector. We will also actively engage with other public bodies where there is a connected interest in fuel poverty and its effects.
- ❖ Specific collaboration will include strengthening our engagement with Ofgem and building our relationship with the Committee on Fuel Poverty in England and the Fuel Poverty Advisory Panel in Wales.

How we will monitor the delivery and success of this plan

- ❖ Delivery - we plan to meet in-person six times over the lifetime of this plan (April 2024 to March 2025), with online meetings in between these as needed. We will use our meetings to check in, modify if needed, and monitor the delivery of our workplan.
- ❖ Success: we will monitor the success of this plan by identifying indicators to evaluate the effectiveness of this plan and will provide an update in next year's annual report. This will be contained within the work to evaluate the success of our [Strategic Plan 2024-2027](#).

The new First Minister has set out that his top priority is to eradicate child poverty³. We would suggest that this cannot be achieved without a similar priority to eradicate fuel poverty. With almost a third of Scottish households living in fuel poverty, many of these will be households with children⁴. Like the eradication of child poverty, the eradication of fuel poverty would transform the lives of a third of Scotland's households now and protect future life opportunities too. Through the delivery of our March 2024 to March 2025 workplan, we intend to facilitate changes, and build foundations, which will help to bring our vision of a Scotland where no one lives in fuel poverty closer.

We welcome comments on this plan and approaches for engagement and or collaboration – enquiries@fuelpovertypanel.scot.

³ Letter from John Swinney to Sir Keir Starmer, [Tackling child poverty: letter from First Minister John Swinney to Sir Keir Starmer - gov.scot \(www.gov.scot\)](#) – energy costs comprise around a fifth of the JRF essentials' guarantee which the First Minister advocates.

⁴ According to the Scottish House Condition Survey (SHCS) in 2022 27% of families were in fuel poverty and 10% were in extreme fuel poverty. In the SHCS 'families' are defined as "households which contain at least one child aged under 16.

Annex A

Our work themes mapped against our seven strategic goals

Workplan themes		Strategic Goals						
		Advocate for the eradication of fuel poverty by relationship building, and through evidence-based policy development and delivery in Scotland, and in the UK where appropriate.	Be informed by evidence from a wide range of sources and stakeholders, including those with lived experience and the organisations that support them.	Offer insights and reflections to support Scottish Government to improve short-term and long-term responses to Scotland's shifting fuel poverty landscape,	Provide an independent view of Scottish Government's progress towards and likelihood of achieving Scotland's statutory fuel poverty targets.	Advocate for actions and solutions to address the drivers of fuel poverty across, and in line with, all the relevant policy areas which contribute to National Performance Framework outcomes.	Champion and foster a collaborative approach to challenging fuel poverty drivers and other structural causes, identifying and encouraging actions to address fuel poverty with stakeholders across the public, private and third sectors.	Establish and maintain a strong values-led governance framework to ensure the effectiveness of the Panel.
1.	understanding funding and how it's targeted to mitigate fuel poverty	✓	✓	✓		✓		
2.	systemic impact of rural and remote fuel poverty	✓	✓	✓		✓	✓	
3.	heat networks and how these work for those in fuel poverty		✓	✓	✓	✓		
4.	fuel poverty through a public health lens		✓	✓	✓	✓		
5.	Other work	✓	✓		✓		✓	✓