

THE SCOTTISH  
**FUEL POVERTY**  
ADVISORY PANEL



**The Scottish Fuel Poverty  
Advisory Panel – Strategic Plan  
2024-2027**

**April 2024**

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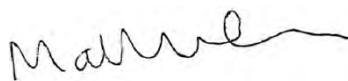
# Foreword – Scottish Fuel Poverty Advisory Panel Chair

This is the Scottish Fuel Poverty Advisory Panel's first strategic plan. The current Panel was appointed at the beginning of 2022, and we have worked across Scotland, and beyond, to shape the Panel's role and establish its voice. We have listened to a broad range of stakeholders – those with lived experience of fuel poverty, with the third sector (advice agencies and housing associations), national (the Scottish and UK governments) and local government, the energy sector (retail and network energy companies and trade associations), the regulator (Ofgem) and the Energy Ombudsman. This has been against a backdrop of the most challenging of times for those suffering fuel and extreme fuel poverty.

The beginning of the energy price crisis coincided with the set-up of the Panel. Since when, energy costs have spiralled resulting in government intervention in the domestic energy markets and contributing to the budgetary challenge of high inflation across both domestic and national budgets. The energy price crisis has made debate on the most supportive and effective policies and programmes to alleviate and end fuel poverty, and the wider cost of living crisis, more important than ever. This debate is also undoubtedly made more difficult by the uncertainty created by the ongoing threat to energy security, caused by global conflicts and the challenge of the drive to net zero.

Our transition to net zero allows us to change the energy system for all. And accompanied by fair energy prices and supportive policy choices could facilitate the eradication of fuel poverty. It is critical however that the approach to net zero delivery does not inadvertently deepen, rather than mitigate, fuel poverty. The context for the drive to net zero – the hardship being experienced by those in fuel, and extreme fuel poverty, in Scotland now – needs to inform net zero strategy, policy and delivery at every level. The proportion of Scotland's households, which have been living in fuel poverty over the last two years, is at a level that would have been unthinkable when the Scottish Government first published its Tackling Fuel Poverty – a Strategic Approach in October 2021 – just over 2 years ago. [The findings of the, recently published, Scottish House Condition Survey, estimate that in 2022, 31% (around 791,000 households) were living in fuel poverty and 18.5% (472,000 households) of those living in fuel poverty experienced extreme fuel poverty.]

These challenges make the Panel's work and engagement, and what it can bring to the Scottish and UK debate on fuel poverty, pivotal. We have endeavoured to reflect this in our strategic plan.



Matthew Cole

# Introduction

## Our role

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<sup>1</sup> in Scotland. The Panel does this by providing 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.

## Fuel poverty – the context

Scotland faces the challenge of developing and delivering policy to meet its fuel poverty challenge within the context of a wider integrated energy system which covers three separate administrations. There is, of course, commonality in experiences of fuel poverty across the UK. However, the Panel's view is that Scotland does have particular challenges because of its colder climate, population distribution and lower income levels, and the implications of these for heating needs, accessibility to cheaper energy sources and the means to pay for it.

## Fuel poverty targets

Scotland's statutory fuel poverty targets, set out in The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act, 2019, identify key dates by which Scotland's fuel poverty rates should reduce (the interim targets) and the date by which fuel poverty should, effectively, be eradicated (they are listed below). Fuel poverty describes the struggle to afford satisfactory levels of energy provision, comfort, and warmth. Scotland's fuel poverty definition<sup>2</sup> is based on advice from an independent panel of experts. In Scotland, a household is in fuel poverty if **both** of the following things are true:

1. In order to maintain a satisfactory heating regime, total fuel costs necessary for the home are more than 10% of the household's adjusted (i.e. after housing costs) net income; (in extreme fuel poverty if more than 20% of the adjusted net income is required) and,

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<sup>1</sup> The Panel uses the term "fuel poverty" as this aligns with legislation, policy and the wider naming convention for describing the struggle to afford satisfactory levels of energy provision, comfort, and warmth. The Panel's conceptualisation of "fuel poverty" is wider than the term suggests – "fuel poverty" for the Panel equates to energy poverty.

<sup>2</sup> See [blog](#) on the Panel's website for an explanation of Scotland's fuel poverty definition and graphic.

- If, after deducting fuel costs, housing costs, benefits received for a care need or disability, and childcare costs, the household’s remaining adjusted net income is insufficient to maintain an acceptable standard of living.

Scotland’s fuel poverty definition, unlike those in the other administrations, takes account of both the energy efficiency of the home and the household’s financial capacity to heat, and provide energy, according to the needs of the household.

The four administrations across the UK each have a different definition of fuel poverty as well as different targets. This can cause confusion. There are similarities in the definitions but also key points of difference. The UK Government, for example, would not assess someone living in a house with an EPC rating in the A to C range as fuel poor, regardless of their income level or the price of energy. But under the Scottish definition of fuel poverty, low income and high energy prices are key drivers of fuel poverty. To meet Scotland’s targets, overcoming the challenges which these present, in addition to poor energy efficiency and how energy is used in the home, are critical to alleviating and, ultimately, overcoming fuel poverty.

### Scotland’s fuel poverty level and targets

**Figure 1: Fuel poverty and extreme fuel poverty rates, Scotland, 2012-2022**

Source: [Scottish House Condition Survey](#), 2022

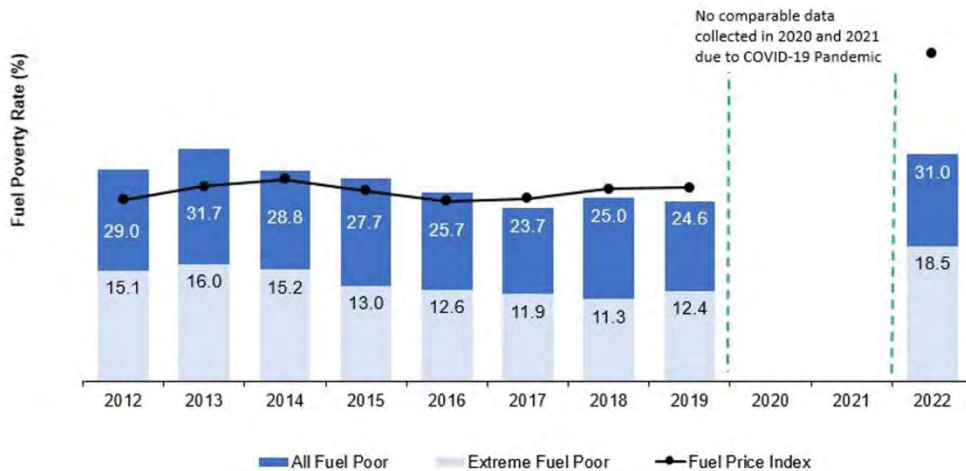


Figure 1, above, shows that in 2022 31% of all Scottish households were estimated to be in fuel poverty, of which 18.5% were estimated to be in extreme fuel poverty. This is a considerable increase on 2019 when 24.6% of Scottish households were estimated to be in fuel poverty and 12.4% were estimated to be in extreme fuel poverty.

**Target:** In the year 2040, as far as reasonably possible, no household in Scotland is in fuel poverty – no more than 5% of households in Scotland are in fuel poverty, no more than 1% of households in Scotland are in extreme fuel poverty, the median fuel poverty gap is no more than £250.

**Interim Targets:** In the year 2035, no more than 10% of households in Scotland are in fuel poverty, no more than 3% of households in Scotland are in extreme fuel poverty, and the median fuel poverty gap is no more than £300.

In the year 2030, no more than 15% of households in Scotland are in fuel poverty, no more than 5% of households in Scotland are in extreme fuel poverty, and the median fuel poverty gap is no more than £350.

### Fuel poverty drivers

The 4 drivers of fuel poverty, identified in The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act, 2019, go to the heart of the societal challenges which both historically, and now, make fuel poverty a profoundly difficult problem to overcome. Fuel poverty, along with other forms of inter-linked poverty – child and food poverty – lead to physical and mental harms.

1. **Low incomes** leave people unable to afford to heat their homes to a comfortable level, as well as meet other energy requirements for cooking, lighting and, for some, running medical equipment. People may go into energy debt even when energy usage is rationed.
2. **High energy prices** present an affordability threat with some on low incomes feeling compelled to ration or self-disconnect their energy – as well as putting many into debt even when energy usage is rationed.
3. **Poor energy efficiency of the home** means that energy is used inefficiently as no, or sub-standard, insulation, often coupled with expensive heating systems, leave people unable to afford to heat their homes.
4. **Energy usage in the home**, underpinned by behavioural and cultural links, is complex but poor energy literacy, as well as supplier behaviours, can and does lead to under-consumption of energy, and can impact on levels of fuel poverty.



# Strategic plan

## 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.

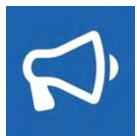
## The panel's work is driven by its mission:



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



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



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

In working to realise its vision and achieve its mission, the Panel aims to foster an ethos supported by these principles:

### 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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The lifetime of the Scottish Fuel Poverty Advisory Panel's three-year strategic plan (2024-2027) takes us to within three years of Scotland's first statutory interim fuel poverty target in 2030. The plan is grouped around seven strategic goals. Six of these goals focus on key areas where the Panel believe optimal policy delivery is needed to shift fuel poverty in both the short and long term. In its seventh goal, the Panel commits to rigour in its governance and operations.

Alongside this strategic plan, the Panel has published a logic model which is a visual representation of how the Panel expect its strategic goals (inputs) to be achieved (outcomes) through its work (outputs). The strategic goals will inform the Panel's annual work plans. The logic model is a dynamic tool which will support the Panel in responding to change in the wider environment and any associated impact on the fuel poverty landscape, over the lifetime of this plan. The logic model will also help the Panel to communicate any changes in its strategic direction. The Panel will work to identify indicators, rooted in its outputs, to evaluate the effectiveness of this strategic plan and will provide updates on progress in its annual reports.

A key aspect of the Panel's role is to support Scottish Ministers in their understanding of how they can work towards achieving their statutory fuel poverty targets. The Panel's strategic plan therefore aligns closely with areas of strategic priority for Scottish Ministers in their work to eradicate fuel poverty by 2040.



# 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.**

The majority of levers which will enable Scotland to eradicate fuel poverty – achieving its fuel poverty targets – notably energy policy and pricing, and supporting vulnerable consumers through structural interventions such as tariff support (often called “social tariff”) are reserved to Westminster. However, the Scottish Government has levers through its local government and housing, economic development, health, planning and buildings’ powers to have a significant impact in reducing and preventing fuel poverty through improving the energy efficiency of Scotland’s housing stock. The Panel sees a key role for itself as building relationships to influence decision makers. The Panel wants those committed to eradicating fuel poverty in Scotland, at a national and regional level, to have a clear line of sight on which policies and levers are working.

What will we do?

- Engage with Ministers and policy leads across Scottish Government to influence Scottish Government’s thinking and contribute to the development of evidence-based policies
- Build relationships with decision-makers to establish the Panel and create influencing opportunities.
- Continue to develop our relationship with the Committee on Fuel Poverty (England) and explore fuel poverty advisory connections in Wales and Northern Ireland.
- Actively engage in Scottish and UK Government consultations – this includes by preparing to fulfil our statutory consultee role on heat networks and/or the effectiveness of funding streams for different aspects of home energy upgrades across Scotland.

How will we know if this is making a difference?

- Invitations to participate in key groups, roundtables, and evidence sessions across the public sector – government (Scottish; UK and Local Authorities) and third sector organisations – and wider energy sector and regulator groups.
- We are able to demonstrate learning from the Committee on Fuel Poverty for England as well as sharing our own learning with them

- There is evidence that fuel poverty policy is prioritised across the Scottish Government and that fuel poverty links are made across the policy landscape.
- Invitations to comment on fuel poverty issues by the media.

## **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.**

The Panel believes that strong evidence and robust data is essential to understand what is working to eradicate fuel poverty and what is not. The modelling of fuel poverty data, based on the annual Scottish House Condition Survey, is sophisticated but there is an inevitable time lag of over a year before the full results are released, and updated projections based on the previous survey, whilst helpful, are selective. It is important, too, to shine a light on current experiences of fuel poverty and we will seek opportunities to work with lived experience groups as we do not have the resources to run one for ourselves.

What will we do?

- Hold regular invited evidence sessions to gather evidence with cross-stakeholder representation, be open to approaches to provide evidence to the panel and meet at least once a year outside the central belt.
- Engage with the Poverty and Inequality Commission's Experts by Experience Panel, and other experts by experience
- Engage with the Scottish Government on the Panel's learning from its evidence-gathering to advocate for a Scottish Government research plan.
- Work with partnership organisations to understand the fuel poverty evidence base, including utilising their engagement with people with lived experience to bring their evidence base, and that of their networks, to research opportunities.
- Take ownership of discrete, targeted research with regular conversations on research needs, topics, and opportunities.
- Scan for things that work, including good practice examples of successful new technology projects.

How will we know if this is making a difference?

- We are able to show the evidence-thread running through our engagement with people with lived experience of fuel poverty and the advice and briefings we provide.
- We are able to demonstrate that our research is helpful to others working in the fuel poverty landscape and that it is a conduit to useful and productive conversations.

- We are able to demonstrate how we have facilitated useful connections between those researching fuel poverty.

### **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.**

The Panel recognises that there is a tension between immediate crisis relief and long-term measures to eradicate fuel poverty. The current fiscal challenge facing the Scottish and UK Governments is exacerbating this tension. The Panel is of the view that the extent of the commitments to address the current levels of fuel poverty are a policy choice. The Panel will use its independence, its opportunities for stakeholder engagement and its evidence-informed approach, to highlight value-adding fuel-poverty mitigating actions to both the Scottish and UK Governments.

What will we do?

- Promote the message that it is not inevitable for people to suffer fuel and extreme fuel poverty.
- Discuss and reflect on the current fuel poverty evidence picture and provide insights.
- At Ministerial and official level, seek opportunities to provide evidence to relevant committees in both parliaments.
- Regularly follow up with the Scottish Government to see what action they have taken/whether their thinking has developed in response to our advice and recommendations.

How will we know if this is making a difference?

- We will be invited to listen, provide our expertise and reflect what we are hearing by those with lived experience of fuel poverty, public (governments, parliaments and public bodies) with the third sector (energy and advice agencies and housing organisations – among others), and the energy sector.
- We will be invited to participate in consultations and comment on the fuel poverty elements of other organisations' programmes and work plans.
- We will see tangible threads running from our advice and recommendations through to policy development and delivery in Scottish Government strategy and approaches.

#### **4. We will provide an independent view of Scottish Government's progress towards and likelihood of achieving Scotland's statutory fuel poverty targets.**

The Scottish House Condition Survey estimate that in 2022 31% of households in Scotland were living in fuel poverty, with 18.5% of households in extreme fuel poverty.<sup>3</sup> The contrast between these fuel poverty figures and the first of the statutory interim targets<sup>4</sup> show the extent of the challenge to achieve Scotland's statutory fuel poverty targets. The Panel is passionate about shining a light on progress towards meeting the targets, what is working and what isn't, and where accountability sits for delivery.

What will we do?

- Include a status update on the Scottish Ministers' progress towards meeting Scotland's fuel poverty targets in our annual reports, circulating it widely, including to all MSPs.
- Support the Scottish Government in developing a monitoring and evaluation framework for the fuel poverty strategy.
- Offer our reflections to the Scottish Government when they are preparing their 2021-2024 periodic report, as set out in the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019, during the first half of 2025.
- Offer our reflections to the Scottish Government when they are reviewing their Fuel Poverty Strategy, assuming they have not done this before, as set out in the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019, during 2026.
- Advocate for the Scottish Government to publish fuel poverty and extreme fuel poverty estimates each time these are updated – including the disaggregated picture across Scotland to show where fuel poverty and extreme fuel poverty is at its highest.

How will we know if this is making a difference?

- The Scottish Government has developed a robust monitoring and evaluation framework with our support.
- We will see more referencing of policies contributing to fuel poverty reduction as well as fuel poverty targets in policy and government publications
- It will be clear how accountability and responsibility for fuel poverty reduction in Scotland and the UK are attributed.

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<sup>3</sup> <https://www.gov.scot/publications/scottish-house-condition-survey-2022-key-findings/pages/3-fuel-poverty/>

<sup>4</sup> Scotland's first statutory interim target is that in 2030 no more than 15% of households in Scotland are in fuel poverty, no more than 5% of households in Scotland are in extreme fuel poverty, the median fuel poverty gap is no more than £350.

- The publication of our annual and other reports, advice, statements and letters, will demonstrate our independent voice.

## **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.**

The Panel believes that the complex and interlinked nature of fuel poverty across devolved and reserved powers and, within Scotland, across different policy areas, make the focus on the relevant national performance outcomes essential. The Panel is committed to taking all opportunities, both strategic and tactical, to highlight how the impact of the fuel poverty drivers can be reduced for the benefit of those suffering fuel poverty. The Panel recognises that an unprecedented national effort is needed to decarbonise heating systems. It believes that Scottish Government need strong delivery plans and milestones to achieve this decarbonisation through their Heat in Buildings' policies, programmes and legislation.

What will we do?

- Develop these priorities as key themes for work and map against the National Performance Framework outcomes. These key themes could include energy market reform, remote rural and island fuel poverty, investment in energy efficiency for Scotland's housing stock, the role of advice services, measures to improve health outcomes, and overlap with other policy areas delivering on statutory impact.
- Develop proposals on good practice, researching to identify other issues that the Panel should be advocating for and disseminating good practice.
- Develop relationships with stakeholders involved in policy areas relevant to net zero, identifying strategies relevant to fuel poverty where the Panel can helpfully influence.

How will we know if this is making a difference?

- We will see our ideas and proposals tested and adopted.

## **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.**

It is widely recognised that cross-sectoral (public, private and third) connection, cooperation, and collaboration is essential to the reduction of fuel poverty (both in the immediate crisis relief and in the longer-term solutions for fuel poverty) – home efficiency measures and cheaper energy. The Scottish Government has convened anti-poverty and energy summits and co-ordinated working groups on vulnerable consumers and rural poverty. These have shown the value in cross-sectoral discussion and action.

### What will we do?

- Develop a strategic stakeholder map, for the lifetime of this strategic plan, to focus and underpin our stakeholder engagement.
- Co-ordinate with public bodies, whose work touches on fuel poverty, to create consistent and impactful messaging on fuel poverty, including the Poverty and Inequality; Just Transition and Human Rights Commissions – as well as Consumer Scotland and Public Health Scotland.
- Champion collaborative discussions across sectors including cross-sectoral roundtables on fuel poverty research to facilitate better co-ordination of fuel poverty messaging.
- Participate, where relevant, in external events and engagements.

### How will we know if this is making a difference?

- We will be able to demonstrate close cooperation with other public bodies develop with a poverty focus.
- Our views, and those we collaborate with, will be referenced in reports and policy documents.
- Our media impact and website traffic will increase.
- We will be invited to contribute at events.

## **7. We will establish and maintain a strong values-led governance framework to ensure the effectiveness of the Panel.**

The Panel's primary role is an advisory one, but it is also a public body established by statute. It is important that the Panel has an effective values-led governance framework which supports it in both its key advisory function and its culture of listening, transparency and sharing. The Panel will build on the governance foundations it has begun to establish.

### What will we do?

- Build workplans which can be responsive to change.
- We will build on the governance infrastructure created over the last 18 months, including developing a robust approach to annual reporting and risk management and engaging with the Scottish Government's Public Service Reform agenda.
- Working with our Sponsor Team, we will develop a succession plan, informed by our strategic goals and skills' matrix.
- We will publish our first Framework Agreement with Scottish Government and revisit it as it approaches its third anniversary.



How will we know if this is making a difference?

- There is a strong awareness of the Annual Report across the fuel poverty stakeholder landscape.
- Annual work plans are delivered to plan, or within agreed adjustments to the plans.
- As we mature, and potentially welcome new members or retire current members, the Panel will continue to represent the range of skills required by [The Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019](#).

### **The next three years (2024-2027)**

As the Panel works to deliver on its strategic goals, it will produce annual work plans which will be rooted in the areas for action set out in this strategic plan. The Panel will annually assess – reporting in its annual report – how effectively it is delivering on its strategic goals.

The Panel welcomes comments on this plan and approaches for collaborations – [enquiries@fuelpovertypanel.scot](mailto:enquiries@fuelpovertypanel.scot).