

Consultation response

Periodic Report Consultation Response

The Scottish Fuel Poverty Advisory Panel

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To: Dr Allan Minister for Climate Action
cc: Ms Martin Cabinet Secretary for Net Zero and Energy, Fuel Poverty Policy
Officials

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Introduction

This document sets out the Scottish Fuel Poverty Advisory Panel's response to the Minister for Climate Action's invitation to offer views and to inform Scottish Government's periodic report on fuel poverty progress in Scotland, since the publication of the Scottish Government's Tackling fuel poverty in Scotland: a strategic approach, was published in December 2021.

The fuel poverty landscape

Rates of fuel poverty have risen from 24.6% of households, with 12.4% in extreme fuel poverty in 2019, to 31% in fuel poverty and 18.5% in extreme fuel poverty in 2022.¹ These figures from the 2022 Scottish House Condition Survey (SHCS) show that since 2019, previous progress made in reducing fuel poverty rates has effectively been reversed. The fuel poverty landscape has changed significantly since 2019 when The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 was passed: dramatic household energy price inflation has led to increasing numbers of households entering fuel poverty, as well as deepening the level of fuel poverty in already fuel poor households. Energy price rises and fragile household incomes have created a significant new challenge in tackling fuel poverty². Low-income households are most affected by the inflationary rises of the last three years because of the rises in energy and food prices. Said another way – the Scottish Government's Tackling Fuel Poverty Strategy was written at a time when fuel poverty rates were declining, but this trend stopped in 2019. Now, the fuel poverty crisis is even more acute.

We, the Scottish Fuel Poverty Advisory Panel, recognise and have noted that, Scotland's fuel poverty targets will now need to be delivered against a backdrop of high and fluctuating energy prices, with intelligence suggesting that energy prices will continue to be high until the late 2030s.³ We expect, based on the Scottish Government's fuel poverty modelling conducted between the SHCSs, to see even higher rates of fuel and extreme fuel poverty reported. The increased proportion of those in extreme fuel poverty as a percentage of those in fuel poverty is something that was not envisaged in the original strategy and will require different interventions to address. The fuel poverty targets were legislated for by the Scottish Government in the context of the current devolved framework and therefore despite the even more challenging fuel poverty landscape, there's an onus on the Scottish Government to demonstrate what impact its strategies and policies are having on fuel poverty rates. This requires a reclarification of timescales and of where responsibility sits for the actions set out in the Fuel Poverty Strategy, which refer to a mix of reserved and devolved policy areas.

¹ Scottish Government (2024) [Scottish House Condition Survey: 2022 Key Findings - gov.scot \(www.gov.scot\)](https://www.gov.scot)

² House of Commons Library (2024) [High cost of living: Impact on households - House of Commons Library \(parliament.uk\)](https://www.parliament.uk)

³ Scottish Fuel Poverty Advisory Panel (2024) [The-Scottish-Fuel-Poverty-Advisory-Panel-Annual-Report-2023-2024.pdf \(fuelpovertypanel.scot\)](https://fuelpovertypanel.scot)

Figure 1: Estimates of fuel poverty and extreme fuel poverty since 2012



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

Our role

We have a dual-role in the context of the Scottish Government's progress towards achieving Scotland's fuel poverty targets. Firstly, as a statutory consultee on the Scottish Government's preparation for its periodic report – [this response](#) – and secondly, to scrutinise and comment on the published periodic report itself. We intend to share our response to the latter before summer recess 2025. Our approach to our work is required to be informed by evidence from a wide range of sources and stakeholders, including those with lived experience and the organisations that support them, and to provide an independent view of Scottish Government's progress towards and likelihood of achieving Scotland's statutory fuel poverty targets.

How we have approached this consultation response

In preparing the response, we have drawn from previous published advice and recommendations to Ministers. We have chosen to focus on Annex B of the consultation - the 6 questions which it is suggested should be considered. We have not specifically addressed the areas set out in Annex A of the consultation document (these include, for the reporting period, the steps taken and their costs, and the specific steps taken to address the four fuel poverty drivers, in particular the impact of poor energy efficiency, to meet the fuel poverty targets) for the reasons set out below.

As we have already noted in our [reflections and recommendations](#) to Ministers on the Scottish Government's [Tackling fuel poverty in Scotland – a strategic approach](#), the limitations of the strategy and the delays in establishing a monitoring and evaluation framework for the strategy (which we understand are a function of the

wider issue around the prioritisation of fuel poverty and a lack of suitable governance arrangements), make it hard to discern how the Scottish Government can demonstrate its progress towards achieving Scotland's fuel poverty targets by its policies, programmes, strategy implementation and other activities to address the fuel poverty drivers. The costs of the Scottish Government's fuel poverty policies and programmes have not been systematically quantified, and the strategy does not set out a timeframe of what it hopes to achieve within this 2021-2024 reporting period. Then there are the wider environmental impacts. In essence there are three issues which hinder our assessment of the Scottish Government's progress:

- The strategy was wide and all-encompassing and considered the wider drivers of fuel poverty and the policy areas where these could be addressed. But there wasn't a suitable programme structure put in place to support this as the strategy moved to delivery.
- This was compounded by the energy and cost of living crises, and although some interim interventions were developed by the SG, the strategy was not refined, nor areas for priority identified.
- The delays to the monitoring and evaluation framework has made tracking the Scottish Government's progress against delivery problematic. Although it would have been unrealistic for a monitoring and evaluation framework to be in place on publication of the strategy, it is now approaching three years since publication and the lack of a monitoring and evaluation framework disappointing.

We have, however, noted what progress there has been in implementing the action plan contained in the strategy as at May 2024 (Annex A presents information provided by the Scottish Government as at 10 May 2024) although we have expressed reservations about whether a number of the strategy policy actions will support delivery of fuel poverty targets. We acknowledge that in 2024 the Scottish Government has been developing a monitoring and evaluation framework for the strategy, and we have commented on the drafts we have seen.

Consultation questions response

1. What barriers or challenges might people living in fuel poverty currently face in Scotland in terms of being able to heat their homes according to their needs?

Introduction

We have approached our response to this question by reflecting on what we have heard from those living in fuel poverty – either directly or through the organisations which support them.

The barriers and challenges which those living in fuel poverty experience in heating their homes to a comfortable temperature for health and wellbeing can be best set out under the four drivers of fuel poverty. Fuel poverty is not inevitable but the four drivers of fuel poverty – and how they interconnect – can make the approach to mitigations and solutions complex.


Key findings are that:

- High energy prices are making energy unaffordable for many, leading people in fuel poverty to develop unsafe coping strategies which can include more frequent and uncontrolled self-disconnection (for those who pre-pay) and, (for those with any payment arrangement), extreme energy rationing.
- Entrenched low incomes are resulting in “negative budgets” and energy debt accumulation. Energy debt can be with the supplier – Ofgem now report nearly £4 billion⁴ in energy debt – and we know that further energy debt also exists on credit cards, and in loans too – including those that are not subject to regulation.
- Poor energy efficiency of homes predisposing and reinforcing behaviours like self-disconnection and energy rationing, and not all are able to access help and support to improve household energy efficiency, and,
- Sub-optimal energy usage because of poor energy literacy – understanding of the most effective use of heating systems – especially low carbon ones, the availability of expert advice and the capacity to engage with it, as well as challenges faced by consumers in engaging with the energy supply system and some aspects of supplier behaviour. In addition, the slow pace of the Smart meter roll out, as well as issues, with legacy meters, is preventing people from accessing the best tariff for their circumstances.

⁴ Ofgem (2024) [Debt and Arrears Indicators](#) | Ofgem

Evidence

High Energy Prices

 <p>"It's good when you live above someone – you get some residual heat from their flat – but it's difficult if you have lots of outside walls."</p>	<p>Of the fuel poverty drivers, high energy prices are currently the primary driver of fuel poverty in Scotland. In spite of the recent reduction in energy prices (the Price Cap fell from £1,928 in January 2024 to £1,690 in April 2024 and £1,568 in July 2024 before rising again to £1,717⁵ in October 2024, energy prices remain some 34% higher than before the energy price crisis⁶. This has left a legacy of huge consumer energy debt⁷ and many households are struggling to pay their energy bills⁸. Intelligence suggests that energy prices will continue to be high until the late 2030s⁹, therefore Scotland's ambition to eradicate fuel poverty by 2040 must be considered within the context of continuing high energy prices.</p>
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Ofgem's Energy Price Cap is the accepted reference point when considering energy prices. However, the Energy Price Cap does not protect all customers and, being based on average consumption patterns, underestimates the energy costs for many households (those with electric heating or alternative fuels – primarily those living rurally) because it is based on a dual-fuel gas and electricity model. We have heard about the huge barrier which high energy prices present to keeping warm, particularly for those off the gas-grid or using alternative fuels. The "pay more, use less" issue which these households face because it takes more electricity to heat an energy inefficient home to any level of warmth, let alone recommended ones, leads many to under consume or ration.¹⁰ It is not surprising that those with lived experience are passionate about the need for an energy discount mechanism – to protect them from high, and unaffordable, energy prices through consumer protections and interventions that recognise that the prevailing cost to heat a home is unachievable for many. We have heard the lived experience of those suffering fuel poverty struggling to keep warm and the strategies they've developed to try to cope. These range from food rationing, eating hot food rarely or not at all, staying in bed,

⁵ [Energy price cap | Ofgem](#)

⁶ House of Commons Library (2024) [Gas and electricity prices during the 'energy crisis' and beyond - House of Commons Library \(parliament.uk\)](#).

⁷ Consumer Scotland (2024) [energy-en23-01-energy-affordability-consumer-scotland-energy-tracker-winter-2023-24-briefing.pdf](#)

⁸ Citizens Advice Scotland (2024) [stressed_about_debt_impact_evaluation.pdf \(cas.org.uk\)](#)

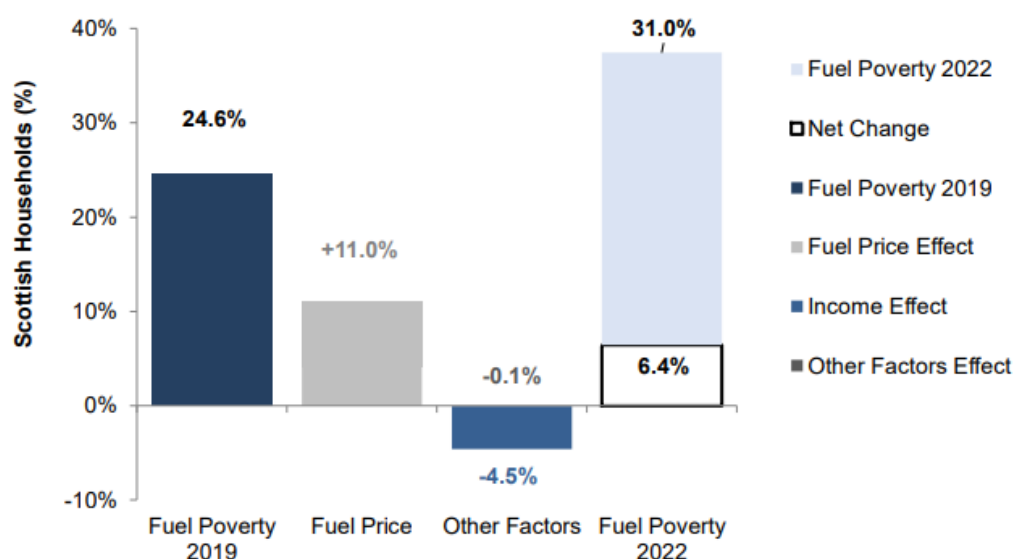
⁹ Cornwall Insight (2023) [New forecast warns power prices to remain elevated until late 2030s - Cornwall Insight \(cornwall-insight.com\)](#)

¹⁰ The Scottish Fuel Poverty Advisory Panel (2024) [Energy rationing an increasing coping mechanism for dealing with fuel poverty - Fuel Poverty Scotland \(fuelpovertypanel.scot\)](#)

always wearing outside clothing inside, only heating when the children are at home, among other coping strategies.

The capacity of households to afford energy (heating and cooking costs) has been significantly reduced by the energy crisis and the unprecedented energy price rises which followed. The 2022 SHCS survey showed that increases in fuel prices had the largest impact on the increase in the fuel poverty rate between 2019 and 2022, as show in figure 2 below.¹¹ This correlates with significant increases in Scotland's fuel poverty rates.

Figure 2: Contributions to change in fuel poverty rate between 2019 and 2022



Source: Scottish Household Survey 2022

The systemic inflationary impact caused by the energy crisis has altered domestic energy costs and household income. High energy prices have eroded household incomes, which in many cases were already fragile due to pressure from inflation (affecting energy and other commodities including food and transport) and the legacy of the pandemic.

The energy debt, which many fuel poor households now carry, can be a barrier to heating homes according to need. Data from Ofgem shows that the total value of energy debt and arrears owed by customers to suppliers across Great Britain has risen substantially since 2018. After sustained increases during 2021 and the first half of 2022, the value stayed relatively steady until Q1 2023, after which it has risen sharply. Between Q1 2024 and Q2 2024, it rose by 12%, from £3.31bn to £3.70bn, equating to a 43% increase from Q2 2023.¹² Data from Citizens Advice Scotland (CAS) shows that in Scotland the average energy debt for their network's client base in 2023/24, was around £2300, rising to £3047 for those in accessible/remote rural

¹¹ Scottish Government (2024) [Scottish House Condition Survey: 2022 Key Findings - gov.scot \(www.gov.scot\)](https://www.gov.scot)

¹² Ofgem (2024) [Debt and Arrears Indicators | Ofgem](#)

areas. This was significantly above the UK market-wide average of £1761 for consumers with no repayment plan in place¹³. We have heard that debt levels are likely to be even higher than CAS' estimates because of the way Ofgem calculates debt arrears. We also know that households already in debt are more likely to self-disconnect or to ration their energy.¹⁴ While recognising that there are costs which need to be recovered, the “socialisation” of debt – where standing charges go up to cover supplier losses through consumer debt makes energy even more expensive.

Case study from Citizens Advice Scotland showing how energy debt can impact on a person's health and wellbeing:

A West of Scotland CAB has been supporting a terminally ill client who struggled to manage their energy bills and therefore accrued arrears. The client stated that due to their terminal illness, they need to keep the heating on for longer periods of time to stay warm. However, with the rising costs of energy, they cannot afford the costs, adding further detriment to their deteriorating health. The client stated that due to issues with their mental health, they had difficulty reading their meter and submitting regular readings, resulting in a debt of over £2,600. Despite being on the priority services register, the client found supplier assistance limited: a one-time meter reading with only one attempt and a potential month-long wait, or quarterly readings with potentially inaccurate estimates. Furthermore, after consistent bill payments, the supplier claimed the amount stated on the pre-printed bill was not the actual amount owed. The client found the billing information complex and misleading, and especially difficult as they struggled with reading comprehension.¹⁵

A mechanism for cost recovery of consumer energy debt is accepted but for some the way this is collected as a daily or weekly charge can have a detrimental impact on those who pre-pay since this charge, alongside any standing charges, must be collected prior to any energy being consumed. Further, when a payment for a daily or weekly charge is missed, it is the first thing that is collected next time a person who is pre-paying tops up. When energy debt is also being recovered through pre-payment meters, it can cause further hardship¹⁶. And as charges continue to be charged whether a household has disconnected or not a debit balance that will be collected as priority continues to accrue even when energy is not being consumed. Energy debt, and the lack of financial resilience which often accompanies it, is a barrier to people heating their homes according to their needs.

Advice agencies play a critical role in supporting those in fuel poverty, including with energy debt. The Panel's engagement across the third sector has made clear the significant increase in the demand for advice services and energy advice¹⁷ but also the difficulties inherent in current funding structures to meet this. We have repeatedly heard how annual funding cycles erode the efficiency of advice agencies through

¹³ Citizens Advice Scotland (2024) [cas_affordability_and_debt_response_may_2024.pdf](#)

¹⁴ [Ibid](#)

¹⁵ [Ibid](#)

¹⁶ Scottish Fuel Poverty Advisory Panel (2024) [Standing-Charges-Consultation-Response.pdf \(fuelpovertypanel.scot\)](#)

¹⁷ Citizens Advice Scotland (2024) [the_cost_of_keeping_warm_policy_briefing.pdf \(cas.org.uk\)](#)

staff retention issues (where short-term contracts and funding uncertainty are causing staff to be put on redundancy notices), as well as the constant need to divert resource to bidding for the next funding round/grant. This, in the face of growing need and demand.

The model for advice agency needs to be right too. There are different models of advice, including that delivered online, via the 'phone and in person. Each plays an important role in the accessibility of advice, including for those with low digital literacy. The value of trusted, community relationships in advice is one we hear time and again. We have also heard about the transformative outcomes for those on fuel poverty when the right type of advice is in place. Holistic, trusted advice can, for example, begin with a crisis payment and lead to home efficiency measures and a benefits' check raising income. Advice agencies need support too – they are mostly charitable often, at least partially staffed by volunteers, engagement with the third sector needs to take account of this. The lack of access to advice and – the right type of advice – is a barrier to people heating their homes in line with their needs.

Case study from Tighean Innse Gall (TIG) showing the value of advice agencies' providing holistic support:

Mrs D lives in a privately owned property. She contacted TIG as she was recently bereaved and finding it impossible to afford her heating bills as a result of only being able to work part-time due to a number of health conditions. She was connected to a district heating scheme and had arranged with the company to have her meter removed from the house. This left her with plug-in heaters as her only heating option and with no hot water other than what she boiled in a kettle or a pan. TIG were able to organise for this meter to be replaced. They also applied for their Warm Home Discount on her behalf, as well as securing Adult Disability Payment and funding from the Point and Sandwich Trust, a local organisation using income generated by community wind power to support the local area. TIG also obtained prepayment electricity vouchers to help with ongoing heating costs. In total a client financial gain in excess of £9,000 was achieved.

On top of this financial gain, the relationship established with the client allowed TIG to successfully apply on the client's behalf to have fully funded solar panels installed on their property, as well as obtaining additional energy saving measures including LED light bulbs and an air fryer.

The client said "my quality of life has changed and the service was amazing. The staff dealing with me were lovely and went above and beyond".

The interdependencies in the GB energy market are complex and the link between gas and electricity prices inflates the cost of electricity. Scotland is a part of the integrated GB energy market, with the benefits and disbenefits which this brings. However, it is difficult for those struggling to heat their homes – many via electricity with higher costs than for those using gas – to see the degree to which their


communities are hosting renewable generation and transmission assets¹⁸ while electricity prices remain stubbornly high. This issue is not being treated with sufficient urgency.

As the GB energy market transitions away from fossil fuels to renewables, it is recognised that market reform is needed, and this is challenging.¹⁹ This transition is a real opportunity to achieve lower and less volatile energy prices, but it is essential that fuel poor and vulnerable households are prioritised so that a just transition can be achieved and fuel poor households protected. In the meantime, the consequences for those in fuel poverty with electric heating systems struggling with heating bills well above the Ofgem Price Cap levels can often mean energy debt, energy rationing and self-disconnection in any combination. There are other weaknesses in the regulatory framework, too, as the Ofgem Price Cap does not recognise the average costs for those who use unregulated fuels such as heating oil nor properly reflect the real cost for optimum home heating for those who are not 'average', nor does it consider the fuel poverty gap. The pace of GB energy market reform is one significant barrier to reducing electricity prices. Whilst reform itself does not address fuel poverty, this lowering of prices would bring significant potential to lift households out of fuel poverty, enabling people to heat their homes according to their needs.

¹⁸ Scottish Government (2024) [Record renewable energy output - gov.scot \(www.gov.scot\)](https://www.gov.scot)

¹⁹ House of Commons Library (2023) [Why is cheap renewable electricity so expensive on the wholesale market? \(parliament.uk\)](https://parliament.uk)

Low income

 <p>"I feel I'm closing in on myself."</p>	<p>Low incomes make paying for energy challenging, and often impossible, particularly in an era of high energy prices. Fuel poverty is an intersectional issue where multiple coalescing points of vulnerability determine a household's risk of fuel poverty. We do know that those with low incomes are often those with higher energy needs – those with disabilities, chronic health conditions, the very young and the elderly. We also know that low incomes cause people to ration fuel and, for some, to self-disconnect their energy supply altogether – impacting their health, wellbeing and overall capacity²⁰. Fuel rationing and disconnection also have wider negative impacts. For example, where households are experiencing child poverty and/or more than one person has health issues, and/or the household has debt and arrears. There is also then the wider strain this places on supporting services and those who deliver them.</p>
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We have heard about how low income and energy debt are impacting mental and physical health and general wellbeing. Cumulative issues with meters – pre-payment, Smart meters (or the lack of) or a general mismatch between heating systems and meter types – can cause or deepen fuel poverty. Dramatic changes in health or other personal experiences can trigger fuel – and wider poverty – with frightening speed.

We have heard from those with disabilities or suffering poor health where their energy needs are greater than others, and for some the additional costs of running medical equipment too. Energy rebates are provided for certain medical equipment, such as oxygen concentrators. While efforts are being made to support some users of other medical equipment, such as home dialysis²¹, there is no support available

²⁰ Scottish Fuel Poverty Advisory Panel (2023) [Energy rationing an increasing coping mechanism for dealing with fuel poverty - Fuel Poverty Scotland \(fuelpovertypanel.scot\)](#)

²¹ In September 2023 [Kidney Care UK](#), highlighted that Scotland, unlike England and Wales, has no national guidelines for the reimbursement of the additional energy costs incurred as a result of home dialysis. It is therefore at the discretion of each of the 14 NHS Health Boards to decide if, what, when and how they reimburse. Since then, on 1 February 2024 the Scottish government confirmed the introduction of [their first-ever national guidelines for reimbursement for people on home dialysis in Scotland](#). The guidance has been sent to health board chief executives and will be reviewed in six to

for users of other, equally critical equipment. Citizens Advice Scotland have cited evidence of disabled households going without a cooked meal so that medical equipment can be charged.²²

Citizens Advice Scotland has also highlighted that, in spite of financial inclusion checks, there is a cohort of low-income households who simply do not have enough to afford their energy needs, and this clearly reads across to the levels of energy debt, fuel rationing and self-disconnection. The UK benefits' system, as it stands, does not take into account essential expenditure – including energy, and energy and heating costs vary so much by household that there is no clear link between optimum household energy demand and benefits paid. A point made by those who advocate for an essentials' guarantee, including an allowance for an energy cost component, to be integrated into the social security system.²³ There are then aspects of the UK benefits' system which are a challenge to people in heating their homes to a comfortable level.

Data suggests that it is higher prices, lower energy efficiency and higher energy use needs for rural communities which drives fuel poverty, rather than low incomes.²⁴ In 2022, almost a quarter (24%) of fuel poor not income poor households lived in rural areas in Scotland (compared to 17% of the total Scottish population living in rural areas).²⁵ However It is also possible that lower incomes in rural areas do also present as a barrier to overcoming fuel poverty. Research by Changeworks utilising data from the SHCS shows that the median income in remote and rural areas of Scotland was £24,000 before housing costs (compared to £27,716 in Scotland as a whole) and £19,200 after housing costs (compared to £25,012 in Scotland as a whole)²⁶.

Data from the Scottish House Condition Survey 2022 shows that rural areas of Scotland have a higher reliance on unregulated fuels²⁷:

- over one quarter (27%) of rural dwellings use oil as their primary heating fuel, compared to 1% of urban dwellings.
- 5% of rural dwellings use LPG bulk or bottled²⁸
- 2% use solid mineral fuel

12 months to ensure that it is achieving the intended effect of improved energy support for people who choose to dialyse at home. It covers people of all ages and on all modalities of dialysis and should not depend on income.

²² Citizens Advice Scotland (2024) [cas_affordability_and_debt_response_may_2024.pdf](#)

²³ Joseph Rowntree Foundation (2024) [Guarantee our Essentials: reforming Universal Credit to ensure we can all afford the essentials in hard times | Joseph Rowntree Foundation \(jrf.org.uk\)](#)

²⁴ Cross Party Group in Scottish Parliament on Poverty (2024) [CPG-on-Poverty-Rural-Report-May-24-DE_design.pdf \(povertyalliance.org\)](#)

²⁵ Scottish Government (2024) [Scottish House Condition Survey: 2022 Key Findings - gov.scot \(www.gov.scot\)](#)

²⁶ Changeworks (2023) [A-Perfect-Storm-Fuel-Poverty-in-Rural-Scotland.pdf \(changeworks.org.uk\)](#)

²⁷ Unregulated fuels are those which are not regulated by Ofgem, including oil, LPG, coal, biomass, and firewood.


²⁸ Urban comparisons are not available for LPG, solid mineral fuel and biomass due to small sample sizes.

- 2% use biomass²⁹

The lack of regulation, consumer protection and prices control for unregulated fuels for heating leaves people even more exposed to price volatility than those customers using electricity and gas. This can be a factor in eroding income for those using unregulated fuels.

It does appear that rurality is a barrier to enabling households to heat according to need and shines a light on the geographical dimension to fuel poverty too.

Poor energy efficiency of the home

 <p>“It’s good when you live above someone – you get some residual heat from their flat – but it’s difficult if you have lots of outside walls.”</p>	<p>Poor energy efficiency of the home is an important driver of fuel poverty. However, even those living in an EPC A, B, or C-banded³⁰ home can be fuel poor. According to the SHCS 2022, 27% of households living in dwellings rated EPC band C or better were fuel poor and 12% were in extreme fuel poverty.³¹ The question of where the costs fall for delivering net zero, in which decarbonising heat in homes plays a significant part, is one which governments, consumer advocacy, Ofgem and industry are grappling with³². But wherever these costs ultimately fall, they have the potential to negatively impact those suffering fuel poverty unless protecting people from and preventing fuel poverty is at the front and centre of the heat transition. Net zero heating systems have the potential to decrease fuel poverty, but an unintended consequence is that they may also deepen it³³. As Scottish Government accelerates the transition to low-carbon heating systems, there is also a question of impacts on fuel poor households. Such heating systems can</p>
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²⁹ Scottish House Condition Survey (2024) [Scottish House Condition Survey: 2022 Key Findings - gov.scot \(www.gov.scot\)](https://www.gov.scot)

³⁰ [Scottish Housing Condition Survey: 2022 Key Findings](#) reports that in 2022, 27% of households living in dwellings rated EPC band C or better were fuel poor.

³¹ [Scottish Housing Condition Survey: 2022 Key Findings](#) notes that the lowest rates of extreme fuel poverty are associated with higher energy efficiency standards. Only 12% of households living in dwellings rated EPC C or better were in extreme fuel poverty, compared to 23% for dwellings in band D and 32% for dwellings in band E.

³² Energy Research Demand Centre (2024) [Energy prices are going down, but the burden on those least able to pay remains too high - Energy Demand Research Centre \(edrc.ac.uk\)](#)

³³ The Scottish Fuel Poverty Advisory Panel (2024) [Scottish Fuel Poverty Advisory Panel has Commissioned Research - Fuel Poverty Scotland \(fuelpovertypanel.scot\)](#)

	create more efficient and warmer homes, yet electricity remains four times ³⁴ the cost of gas. This price discrepancy risks inadvertently increasing bills without dedicated support and protection for those in fuel poverty, or a wider reconfiguration of current energy markets to align electricity and gas prices.
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We have heard from those living in fuel poverty of their reluctance to heat when they know it will go straight out of ill-fitting windows, how mould and damp is an issue – sometimes an underlying poor fabric issue, sometimes exacerbated because people can't afford to heat. The affordability of home efficiency measures across the public and private sectors is a barrier to improving the warmth of homes.

Progress is being made in improving the energy efficiency of Scotland's housing stock, but progress is not fast. In 2022 52% of Scottish homes had an EPC rating of C or above compared with 45% in 2019.³⁵ According to data from the Office for National Statistics (ONS), up to March 2024, 50% of English and 44% of Welsh homes had an EPC rating of C or above.³⁶ We know that those living in more energy efficient houses are less likely to be in fuel poverty, with the lowest rates of fuel poverty associated with higher energy efficiency standards.³⁷ Although we also know that in social housing fuel poverty rates are relatively higher, in spite of the fact that social housing stock is more energy efficient than the owner occupied or private rented sector³⁸. This is an example of the complex interaction of the fuel poverty drivers - a cohort of those living in highly energy efficient houses are also fuel poor. In these cases, in spite of mitigating poor energy efficiency as a driver of fuel poverty, the low-income driver is still keeping some people in fuel poverty. For example, according to the SHCS, in 2022 27% of households were fuel poor despite being rated in EPC bands A-C.³⁹

The lack of affordable, energy efficient housing continues to be a barrier to progress on reducing fuel poverty and the almost 26% cut to the housing budget in the 2023-2024 budget, albeit that there was a partial reversal of this with the announcement of £80 million-pound building on the National Acquisition Programme.⁴⁰ It is uncertain, however, whether with its focus on acquisitions and voids, this funding will necessarily deliver more energy efficient housing. It should, however, increase Scotland's affordable housing supply even though the overall cut to the 2023-2024

³⁴ [New energy price cap level for April to June 2024 starts today | Ofgem](#)

³⁵ Scottish Government (2024) [Scottish House Condition Survey: 2022 Key Findings - gov.scot \(www.gov.scot\)](#)

³⁶ Office for National Statistics (2024) [Energy efficiency of housing in England and Wales - Office for National Statistics \(ons.gov.uk\)](#)

³⁷ Scottish Government (2021) [fuel-poverty-strategy-analytical-annex.pdf \(www.gov.scot\)](#)

³⁸ Scottish Government (2024) [Scottish House Condition Survey: 2022 Key Findings - gov.scot \(www.gov.scot\)](#)


³⁹ Ibid

⁴⁰ Scottish Government (2024) [Boosting housing supply to tackle homelessness - gov.scot \(www.gov.scot\)](#)

housing budget must challenge the deliverability of the Scottish Government’s affordable housing target of 110,000 affordable homes by 2032. An increase to the affordable housing supply is welcome but even if the Scottish Government meets its 2032 target, the delivery of 110,000 home will not have a significant impact on the overall energy efficiency of the housing stock, given that there are in excess of 2.5 million households in Scotland⁴¹.

There is a “no detriment” principle set out in the Scottish Government’s Heat in Buildings’ Strategy⁴² which commits to the principle that no one in fuel poverty who is transitioning to a low carbon heating system should be in a worse position as a result. There is a barrier to this being achieved where policy synergies are not made between prioritised, low carbon heating systems, such as heat pumps, and the complementary house insulation needed to run these systems efficiently. A thermally efficient home is a prerequisite for heat pumps to heat homes efficiently and affordably and yet we have heard of cases where the lack of a whole house approach to efficiency measures has resulted in, for example, the installation of a low carbon heating system deepening rather than mitigating fuel poverty for households. (We heard recently about examples of this in Na h-Eileanan Siar). This illustrates how an overemphasis on new technology can push households into fuel poverty because their home or circumstances didn’t match well with low carbon technology and prevent them from heating their homes to a comfortable level.

How energy is used in the home

	A lack of understanding of both home heating and the wider energy market, as well as varying levels of supplier understanding of individual circumstances, can and does lead to increased fuel poverty. Those suffering fuel poverty, and those vulnerable to fuel poverty, can be lifted out of and protected from fuel poverty through consumer protections and interventions that recognise that the prevailing cost to heat a home is unachievable for many.
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The smart meter rollout is lagging behind in Scotland, and particularly in a number of rural local authorities⁴³. Smart meters facilitate access to cheaper tariffs – particularly

⁴¹ [Households and Dwellings in Scotland, 2023 | National Records of Scotland \(nrscotland.gov.uk\)](#)
⁴² [Scottish Government \(2021\) Heat in Buildings Strategy - achieving net zero emissions in Scotland's buildings - gov.scot \(www.gov.scot\)](#)
⁴³ [House of Commons Committee of Public Accounts \(2023\) Update on the rollout of smart meters \(parliament.uk\)](#)

needed by those on those on electric heating systems where their energy bills are higher. Further, a significant percentage of smart meters which have been rolled out are not operating in “smart” mode, again impacting the access to cheaper energy tariffs (data from DESNZ shows that 3,794,000 (11%) as at the end of March 2024 are not operating in smart mode)⁴⁴.

We have also heard the lived experience of people with electric heating who are living in fuel poverty, where there is a mismatch between their heating type and their meter type resulting in them being on a more expensive energy tariff and further deepening their fuel poverty. There also continue to be issues with energy suppliers unable to install new meters at new network connections at the pace required.

We have heard many accounts of those, helped by advice agencies, who do not use their heating systems in an optimal way. Sometimes this is because of the installation of a new heating system, including low carbon ones, where the householder is unclear about how to use it.

Being cold not only affects physical health and wellbeing but also affects capacity to engage with measures which would help, such as energy efficiency interventions. This lack of capacity can be unlocked by trusted holistic energy advice services. There are barriers to engaging with suppliers⁴⁵, for example, being able to get through on the phone/speak to someone who can help, this can also cause people to be afraid to use energy and lead to fuel rationing. Again, this is an area where advice can be transformative.

⁴⁴ Department for Energy Security and Net Zero (2024) [Q1 2024 Smart Meters Statistics Report \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

⁴⁵ Ofgem (2024) [Consumers' experiences of debt and affordability support from suppliers | Ofgem](#)

2. In your opinion have actions undertaken by Scottish Government since 2021 (such as those outlined in the Fuel Poverty Strategy: “Tackling Fuel Poverty in Scotland”) either helped to improve fuel poverty OR helped to alleviate the impacts of fuel poverty for (a) Vulnerable Households and (b) People in fuel poverty in rural areas specifically.

Introduction

As noted above (p. 5) the absence of an operationalised monitoring and evaluation framework hinders our ability to respond to this question objectively. There are few evaluative links between policies, their fuel poverty impact, and the progress towards realising the fuel poverty targets, it is therefore hard to quantify what actions taken by the Scottish Government have helped to lessen the impact of fuel poverty. We recognise that the monitoring and evaluation framework is in development but in the interim, our response to this question is inevitably subjective – although we have drawn on our evidence reviews in responding and on our observations and engagement.

There are a number of capital and revenue funds which will be helping to mitigate and alleviate fuel poverty. The majority of these are discussed in the response to Question 3 – here, we focus on winter-specific and crisis revenue funding.

Key findings are that:

- Crisis funding has a key role to play in the temporary mitigation of fuel poverty and in preventing some households from falling into fuel poverty.
- Specific targeting at vulnerable groups such as households with a disabled child is very effective.
- Crisis funding is an enabler, creating the support network and capacity for those struggling to heat their homes to pursue energy efficiency measures, which has a more permanent effect in reducing and lifting people out of fuel poverty.
- There is a structural disadvantage to rurality, with available fuel types and housing conditions meaning many rural households pay more for their energy and use less.
- The changes to the Winter Fuel Payment and the loss of the Fuel Insecurity Fund will both impact on fuel poverty levels.

Evidence

(a) Vulnerable households, including people living in fuel poverty?

There are several Scottish Government funds – some now closed – which have provided crisis support and support during cold weather for vulnerable households.

Table 1: Scottish Government crisis funds and cold weather benefits

Fund	2022-2023 spend	2023-2024 spend	Purpose	Evaluation
Winter Heating Payment	£19,905,500	£23,004,500	Helps people on low-income benefits who might have extra heating needs – paid automatically once a year (in winter 2023 to 2024 it was £55.95).	No evaluation of this relatively newly devolved benefit yet.
Child Winter Heating Payment	£5,751,000 (26,830 payments made)	£7,165,000 (30,400 payments made)	A payment to help disabled children and young people and their families with increased heating costs over winter – paid automatically once a year (in winter 2023/2024 it was £235.70).	<ul style="list-style-type: none"> • The vast majority of recipients had an increased ability to heat their homes during the coldest winter months. • Participants stated that they were able to keep the heating on for longer, for example, during the night, in order to meet their child's needs. • It helped to mitigate against additional heating costs over the winter. • Some highlighted that an additional stressor would be having to choose between whether to pay for the heating or to cut back on food spend. • The health of their child was dependent on the heating being on for longer, and that CWhA helped them to do this.

				<ul style="list-style-type: none"> The automated process was praised.⁴⁶
Scottish Welfare Fund (Crisis Grants and Community Care Grants)	£56.0 million	TBC	Comprises two different grants which can be applied for depending on a person's circumstance (low income is a criterion but not necessarily in receipt of benefits). SWF legislation enables it to only provide occasional discretionary support –it is not designed to provide ongoing financial assistance or a regular source of income. Thus, the SWF cannot provide regular support to meet ongoing living costs such as ongoing energy costs	<ul style="list-style-type: none"> There was a strong consensus that the amount allocated for administration of the SWF was inadequate and needed to be very substantially increased for local authorities to continue to administer the Fund in line with the guidance and current target decision times. Despite the stated purpose of the SWF being to address one-off need, in recent years there has been a substantial increase in repeat applications and awards for Crisis Grants in particular. The Fund is coming under considerable pressure to extend beyond the original definition of 'crisis', and that local authorities need a clearer steer from the Scottish Government on this issue.
Fuel Insecurity Fund (FiF)	£10 million initially but doubled to £20 million at the Emergency Budget Review	£30 million	First established as a crisis fund to help households struggling with their energy costs who were at risk of severely rationing, or self-disconnecting	There is no published evaluation of the Fuel Insecurity Fund but findings from the Scottish Fuel Poverty Advisory Panel's Crisis Funding Roundtable, and the Scottish Government's intention for the funding, are noted in the text below.

⁴⁶ Scottish Government (2022) [Methodology - Child Winter Heating Assistance: evaluation report - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/methodology-children-winter-heating-assistance/evaluation-report/pages/11/)

			entirely. The 2023-24 FiF was allocated to organisations to support those experiencing or at risk of fuel poverty.	
Winter Fuel Payment (WFP) (devolved on the same basis as the Winter Fuel Payment – eligibility now restricted to passport benefits).		c. £30 million (it is estimated it will assist between 110,000 to 130,000 older people in Scotland this year, dependent on Pension Credit take-up).		<i>Evaluation was relevant to the previous non-means tested version of the WFP.</i>

We have heard⁴⁷ that crisis funding was a very valuable tool in mitigating the immediate impact of fuel poverty. Specifically, this includes the benefits flowing from Scottish Government's Fuel Insecurity Fund (FiF), established in the winter of 2020 and closed in March 2024, to help households struggling with their energy costs who were at risk of severely rationing or self-disconnecting entirely⁴⁸. Support was provided for households on any tariff and using any type of fuel.

The FiF enabled:

- The rapid deployment of Home Heating Support Fund grants to those struggling with the escalating gas, electricity and oil prices (through Advice Direct Scotland).
- More than 85,000 households, including those with prepayment meters and at risk of imminent disconnection to be helped (through the Fuel Bank Foundation).⁴⁹
- More than 55,000 households across Scotland to be helped with advice, support with bills and energy- saving items (via Social Landlords).⁵⁰

⁴⁷ Scottish Fuel Poverty Advisory Panel (2024) Crisis Funding Roundtable Findings – not yet published

⁴⁸ Scottish Government (2023) [Fuel Insecurity Fund: FOI release - gov.scot \(www.gov.scot\)](https://www.gov.scot)

⁴⁹ Scottish Government (2023) [Boosting Fuel Insecurity Fund - gov.scot \(www.gov.scot\)](https://www.gov.scot)

⁵⁰ Scottish Federation of Housing Associations (2024) [Fuel_support_fund_v2.pdf \(hact.org.uk\)](https://hact.org.uk)

- One-to-one mentoring for households, as part of a longer-term approach to tackling poverty and its causes (by the Wise Group).⁵¹

Crisis intervention also seems to act as an enabler for a wider conversation about longer term measures and support than can be provided through existing programmes such as Warmer Homes Scotland and Home Energy Scotland, and the Area Based Schemes.⁵² This is particularly relevant when considering how crisis help can be targeted via those organisations supporting marginalised communities who can for many reasons, struggle to access ‘mainstream’ support programmes.

It is clear from the evaluation of the Child Winter Heating Payment that it is playing a valuable role and is providing vital support in supporting vulnerable households⁵³, some of whom are likely to be in fuel poverty or at risk of experiencing fuel poverty. There is currently great demand for the Scottish Welfare Fund⁵⁴. This includes demand for help with heating costs, provided through Scottish Welfare Fund Crisis Grants. The narrowing of the eligibility for WFP and the impact this is likely to have on low-income pensioners in tandem with the closure of the FiF and the evidence of greater demand on the SWF (seen even before the loss of the FiF and the changes to WFP), is of great concern. (This is discussed further in the response to Question 5 – p 40).

(b) People in fuel poverty in rural areas specifically?

According to the 2022 Scottish House Condition Survey (SHCS)⁵⁵, the fuel poverty rate for rural households was higher (35%) than the fuel poverty rate for urban households (30%). Additionally, the rate of fuel poverty for remote rural households (47%) is higher than for all other areas.⁵⁶ Furthermore, levels of extreme fuel poverty were higher in rural areas (25%) compared to urban areas (17%) in 2022. Like fuel poverty, rates of extreme fuel poverty were highest for remote rural households (35%).

The lack of SHCS data for 2020 and the enforced changes for 2021 mean that the Scottish Government cannot produce local authority estimates for 2019-2021. Therefore, the most up-to-date local authority data from the Scottish Housing Condition Survey covers 2017-2019.⁵⁷ This data shows that seven local authorities

⁵¹ Wise Group (2024) *Relational Mentoring Interim Impact Report*

⁵² This was also a finding of the Warm Homes Prescription Trial which while focussing on the outcome of keeping vulnerable people warm and well, also showed how being warm made the trial participants receptive to energy efficiency measures. [Warm Home Prescription recommended by 93% of health professionals \(catapult.org.uk\)](#)

⁵³ Scottish Government (2024) [Child Winter Heating Assistance: evaluation report - gov.scot \(www.gov.scot\)](#)

⁵⁴ Scottish Government (2023) [Scottish Welfare Fund Statistics: annual update 2022-2023 - gov.scot \(www.gov.scot\)](#)

⁵⁵ These are the most up-to-date SHCS survey findings. Findings from the 2023 SHCS are due in early 2025.

⁵⁶ Scottish House Condition Survey (2024) [Scottish House Condition Survey: 2022 Key Findings - gov.scot \(www.gov.scot\)](#)

⁵⁷ Scottish Government (2021) [Supporting documents - Scottish House Condition Survey: Local Authority Analysis 2017-2019 - gov.scot \(www.gov.scot\)](#)

had significantly higher fuel poverty rates than the national average (24%). These were:

- Na h-Eileanan Siar (40%)
- Highland (33%)
- Argyll and Bute (32%)
- Moray (32%)
- Dundee City (31%)
- Shetland Islands (31%)
- Orkney Islands (31%)

Data produced by Energy Action Scotland (EAS) and published in 2023 in a Changeworks report on fuel poverty in rural Scotland⁵⁸ is more up to date than the 2022 SHCS data, providing fuel poverty levels by local authority as of 1 April 2022. These estimates extrapolate the 2019 SHCS local authority level fuel poverty data using an uplift percentage estimated by the Scottish Government. The uplift sought to illustrate the impact of the energy price cap increase in April 2022. It should be noted, however, that this data is not as reliable as the outputs from the SHCS.

The fuel poverty rates in selected rural local authorities as modelled by Energy Action Scotland at 2022 prices, are as follows:

- Na h-Eileanan Siar (56%)⁵⁹
- Highland (47%)
- Argyll and Bute (46%)
- Moray (46%)
- Shetland Islands (44%)
- Orkney Islands (44%)
- Scottish Borders (41%)
- Dumfries & Galloway (41%)

There is a structural disadvantage to rurality. The rural poverty premium makes energy, food security and transport costs higher in areas where, typically, incomes are lower. Energy costs for many rural households mean paying more and using less (including those with electric heating or alternative fuels).

The Scottish Government has provided three tranches of the Islands' Cost Crisis Emergency Fund to support island local authorities during the cost-of-living crisis – allocating an initial £1.4 million in 2022-23 to help islanders most impacted by the cost-of-living crisis. An additional £1 million was allocated in July 2023, and a further £1 million was announced in May 2024.⁶⁰ The funding is split across the following local authorities: Argyll and Bute; Highland; Na h-Eileanan Siar; North Ayrshire; Orkney, and Shetland. How local authorities use the funding is at their discretion,

⁵⁸ Changeworks (2024) [A-Perfect-Storm-Fuel-Poverty-in-Rural-Scotland.pdf](https://changeworks.org.uk/A-Perfect-Storm-Fuel-Poverty-in-Rural-Scotland.pdf) (changeworks.org.uk)

⁵⁹ A recently published detailed study of fuel poverty in Na h-Eileanan Siar, on a data survey conducted in April 2023, are congruent with the EAS modelling - 57% of homes there are estimated to be experiencing fuel poverty with 44% for extreme fuel poverty

⁶⁰ Scottish Government (2024) [£5 million for Scotland's island communities](https://www.gov.scot/resources/documents/2024/05/£5-million-for-Scotland's-island-communities/) - gov.scot (www.gov.scot)

though a proportion is designated for capital spend. For example, Argyll and Bute Council have utilised the funding to provide grants to food banks, free school meal top ups, and love local gift cards.⁶¹ The Highland Council has used the funding to provide a non-recurring cost of living payment of £127 per eligible household to households living in Skye, Raasay, Muck, Eigg, and Rhum.⁶²

Rural areas will also have benefited from the crisis funding outlined a point (a) above (pp. 20-23).

⁶¹ Argyll and Bute (2023) [ISLANDS COST CRISIS EMERGENCY FUND.pdf \(argyll-bute.gov.uk\)](#)

⁶² [Grants - Islands Emergency Cost Crisis Fund | The Highland Council](#)

3. In your opinion have actions undertaken by Scottish Government since 2021 (such as those outlined in the Fuel Poverty Strategy: “Tackling Fuel Poverty in Scotland”) helped reduce the impact of the following driver on fuel poverty in Scotland?: Why or why not? Please explain your answers, making reference to which Scottish Government actions since 2021 you feel have been the most or least helpful in tackling each driver

Introduction

The fifty-five actions in the Fuel Poverty Strategy can be roughly mapped to the fuel poverty drivers with around thirty of them focussing on the poor energy efficiency driver, around seventeen on low income and with the remaining eight actions split across the other two drivers of high energy prices, inefficient use of heat in the home, and evidence-gathering and monitoring. (This categorisation of the actions across the drivers is, of course, subjective). Annex A contains a note of the 55 actions and their status as of May 2024.

Key Findings

- The Scottish Government has shown its ambition to improve the energy efficiency of buildings through its Heat in Buildings Strategy. Some progress has been made in improving the energy efficiency of Scotland’s housing stock with 52% of Scottish homes having an EPC rating of C or above in 2022 compared with 45% in 2019. Tackling energy efficiency alone does not insulate households from fuel poverty.
- Progress has been made around the legislative framework for improving energy efficiency, for example, The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022⁶³ and the commitment to introduce a Heat in Buildings Bill⁶⁴ in this year’s Programme for Government. However, it is not clear whether the Local Heat and Energy Efficiency Strategies are yet resulting in energy efficiency improvements.
- In 2022-2023, the Scottish Government spent in the region of £162 million on its main energy efficiency schemes for domestic building energy efficiency. A common theme across the literature reviewed and from stakeholders is that, even where funding schemes are well designed and effective, the money available is not enough to match the scale of fuel poverty. Funding programmes may be effective, but it is not necessarily possible to evidence their direct effect on fuel poor households since this is not necessarily measured.
- The Heat in Buildings Strategy is rooted in decarbonisation. Net zero interventions increase the risk of fuel poverty trade-offs.

⁶³ The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022 (legislation.gov.uk)

⁶⁴ Programme for Government 2024-25: Serving Scotland (www.gov.scot)

- Warm Homes Discount directly lowers bills for those who receive it but there are accessibility issues with how it operated in Scotland compared with the rest of the UK.
- The Scottish Government is actively advocating for reform to energy support for low income and vulnerable household, for example the introduction of a social tariff to mitigate high fuel prices for vulnerable households.
- There are several broad funding measures in place to increase income, but it is not possible to assess their impact on low income as a driver of fuel poverty because there are no measures in place to support this analysis.
- Advice services are crucial to mitigating inefficient use of heat in the home – building energy literacy, creating capacity to engage with vulnerable consumers and supporting the correct use of new low carbon heating systems. To date the Scottish Government has not taken advice to review the design of energy advice services, including their funding model.
- To date, actions in the strategy relating to Gypsy Traveller community have not been progressed. A general focus on marginalised communities, including the Gypsy Traveller community perspective with their challenges of poor energy efficiency coupled with largely unregulated fuel, could be an alternative approach going forward.

Evidence

a) Poor energy efficiency?

Energy efficiency is a devolved area of responsibility, and the Scottish Government has shown its ambition to improve the energy efficiency of buildings through its Heat in Buildings Strategy. In 2022-2023, the Scottish Government spent in the region of £162 million on its main energy efficiency schemes for domestic building energy efficiency.⁶⁵ The Scottish Government has committed to spending at least £1.8 billion during the lifetime of this parliament to “catalyse action and accelerate the deployment of energy efficiency and low and zero emissions heating systems, protect those in fuel poverty, grow and develop our supply chains, create jobs and maximise local and national economic benefits.”⁶⁶ Despite the significant expenditure, progress to increase the energy efficiency of Scotland’s housing stock is not moving fast enough. This is a point made by many others across the stakeholder landscape too⁶⁷ including in responses to the Scottish Government’s Heat in Buildings Bill Consultation – among them our own⁶⁸. The Heat in Buildings Strategy is rooted in decarbonisation – although it does set out some principles for protecting those in fuel poverty from potential negative impacts of decarbonisation. And, outwith the Scottish Government’s control, but escalating the need for an

⁶⁵ Scottish Fuel Poverty Advisory Panel’s “Fuel Poverty Funding in Scotland” evidence review – not yet published – shows that across total spending on Warmer Homes Scotland, Area Based Schemes, the Social Housing Net Zero Fund and Home Energy Scotland grants and loans, totalled almost £166.2 million in 2022 to 2023.

⁶⁶ Scottish Government (2021) [Heat in Buildings Strategy - achieving net zero emissions in Scotland's buildings - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/heat-in-buildings-strategy/pages/achieving-net-zero-emissions-in-scotland-s-buildings.aspx)

⁶⁷ [Decarbonising heat in homes \(audit.scot\)](https://www.audit.scot/publications/decarbonising-heat-in-homes) “Unless the scale and pace of activity significantly increase the Scottish Government’s ambition will not be met”,

⁶⁸ [Consultation on Heat in Buildings Bill \(HIBB\) - Fuel Poverty Scotland \(fuelpovertypanel.scot\)](https://www.fuelpovertypanel.scot/publications/consultation-on-heat-in-buildings-bill)

energy efficient housing stock beyond the driver of carbon emission reduction are high energy prices and the inflationary impact on incomes, particularly for the poorest and therefore those most likely to be suffering fuel poverty. A focus purely on net zero interventions, however, increases the risk of fuel poverty trade-offs.

Given the devolved responsibility which the Scottish Government has for energy efficiency, it makes sense that the majority of the Strategy actions hone in on energy efficiency.

As we have already noted above (pp. 15-17) poor energy efficiency of the home is an important driver of fuel poverty. However, even those living in an EPC A, B, or C-banded home can be fuel poor. According to the SHCS 2022, 27% of households living in dwellings rated EPC band C or better were fuel poor and 12% were in extreme fuel poverty.

There are significant challenges around the costs of decarbonising Scotland's homes, how current energy pricing (the linking of electricity and gas prices) can be a barrier to the affordability of running low carbon heating systems, for those in fuel poverty and, or, low incomes. Low carbon heating systems can offer the opportunity to reduce fuel bills in a thermally efficient house but are not a panacea for solving fuel poverty.

As already noted, progress is being made in improving the energy efficiency of Scotland's housing stock with 52% of Scottish homes having an EPC rating of C or above in 2022 compared with 45% in 2019.⁶⁹ There is a long way to go to achieve energy efficiency of EPC C by 2030 and EPC B by 2040⁷⁰. There are a number of funding programmes which aim to support those in fuel poverty and/or on low incomes to improve their homes energy efficiency – there are funding options for all tenure types.

An assessment of the heat in buildings programmes (for housing) funded by the Scottish Government is set out below – covering spend, purpose and evaluation (where this exists). There are further programmes funded by the UK Government or energy companies (the Great British Insulation Scheme [centrally funded] and the Energy Company Obligation Scheme [funded by energy companies but costs are passed back to consumers with no assessment of their ability to pay. We consider this to be regressive]) these are also contributing to energy efficiency interventions. We have fed into the Warmer Homes Eligibility framing for the past two years – 2023-2024 and 2024-2025 – recommending that the criteria be broadened to capture those experiencing fuel poverty but not necessarily in receipt of passport benefits. This was adopted for the 2023-2024 criteria.

⁶⁹ Scottish Government (2024) *Heat in Buildings: Progress Report 2024* (www.gov.scot)

⁷⁰ Scottish Government (2021) *Heat In Buildings Strategy: Achieving Net Zero Emissions in Scotland's Buildings* (www.gov.scot)

Table 2: Energy efficiency schemes included in the HiB Strategy

Funding	2022-2023 spend	2023-2024 spend	Purpose	Evaluation
Warmer Homes Scotland	£43 million	Tbc	Offers funding and support to households struggling to stay warm and keep on top of energy bills.	<ul style="list-style-type: none"> Analysis of Warmer Homes Scotland has highlighted that it has had considerable benefits for customers who have received energy efficiency measures.⁷¹ However, the literature reviewed highlighted that the scheme's eligibility criteria mean that it may still be missing some groups living in fuel poverty, for example parents with shared custody of a child.⁷²
Area based schemes	£45,660,889.59	Tbc	The focus is on areas with the highest numbers of households in, or at risk of fuel poverty, and it is intended to prioritise the least energy efficient properties.	<ul style="list-style-type: none"> ABS is an effective way to deliver improvement projects for those in or at risk of fuel poverty. Local authorities reported that focusing ABS on areas of multiple deprivation and 'hard to heat' homes, informed by local knowledge, has been very effective in targeting support at those who need it most. Area based approaches can help build trust in the face of historic distrust linked to historic cold-calling and mis-selling in the domestic energy efficiency and renewables' market.

⁷¹ Warmworks (2021) [Social-Return-on-Investment-of-Warmer-Homes-Scotland-2020-21.pdf](#) ([warmworks.co.uk](#))

⁷² Existing Homes Alliance (2023) [Social-Return-on-Investment-of-Warmer-Homes-Scotland-2020-21.pdf](#) ([warmworks.co.uk](#))

				<ul style="list-style-type: none"> • Perception that, while some local authorities target areas most in need, others may focus on areas where they have a lot of stock, to support their own capital programmes. • A major barrier to ABS fulfilling its potential and operating as effectively as possible is the short-term nature of the funding. • ABS is not reaching its full potential, and people are being unnecessarily left behind due to local authority underspending.⁷³
Social Housing Net Zero fund	Over £38 million	TBC	help social housing landlords install zero direct emission heating systems and energy efficiency measures.	<ul style="list-style-type: none"> • Funding allocation process is bureaucratic and slow.⁷⁴
Home Energy Scotland Grant and Loan	£39,534,966.98	TBC	provides grants and/or an interest free loan funded by the Scottish Government for energy efficiency measures or renewables installations.	N/A

From the evidence we have received, a consistent theme from the evaluation of these funds is that while effective, they do not meet the scale of the need. For example, the estimated cost of decarbonising the social housing sector is estimated to be in the region of £6 billion. In addition, while Warmer Homes Scotland contributes to tackling energy efficiency as a driver of fuel poverty, it was recognised

⁷³ Ibid

⁷⁴ Ibid

by stakeholders taking part in the Existing Homes Alliance research that tackling energy efficiency alone does not insulate households from fuel poverty.

As fuel prices have increased, the benefits of improving energy efficiency, thereby reducing the amount of energy needed to heat the home, also increase.⁷⁵ However, the complex funding landscape, caused by the way it has evolved over time, including "in the moment" responses to events/economic conditions, has created a multi-layered system which is hard to navigate⁷⁶. For example, the way that funds, such as ECO and ABS interact. In addition, criteria may benefit some population centres more than others. For example, with ABS the focus on areas with the highest numbers of households in, or at risk of fuel poverty, is intended to prioritise the least energy efficient properties. However, even in a predominantly rural local authority, the way that deprivation is identified does not necessarily lend itself to identifying those in the deepest fuel poverty.⁷⁷

Legislation to promote energy efficiency is progressing – the Heat in Buildings Bill consultation and the standards and targets it aims to establish – but as set out in the response to Question 5 (pp. 39-43) there is not a strong enough emphasis on fuel poverty.

⁷⁵ Ibid

⁷⁶ Scottish Fuel Poverty Advisory Panel's "Fuel Poverty Funding in Scotland" evidence review 2024 – not yet published

⁷⁷ Scottish Government - [Scottish Index of Multiple Deprivation \(2020\)](#) – identifies that "Data zones in rural areas tend to cover a large land area and reflect a more mixed picture of people experiencing different levels of deprivation. This means that SIMD is less helpful at identifying the smaller pockets of deprivation found in more rural areas, compared to the larger pockets found in urban areas. "

b) High fuel prices

As noted above see (pp. 7-11) high energy prices are currently the primary driver of fuel poverty in Scotland. Even with recent reductions in energy costs, prices are higher than before the energy price crisis and there is a legacy of huge consumer energy debt. Higher than pre-energy crisis prices are forecast to last into the late 2030s.⁷⁸

Between 1 October 2022 to 30 June 2023 the UK Government Energy Price Guarantee provided a support rate discount to all households with a domestic gas and/or electricity contract, containing the typical household energy bill for dual-fuel (gas and electricity) to around £2,500 per year.⁷⁹ This was a direct price control mechanism which, with its energy policy levers, the UK Government was able to introduce to reduce energy bills directly.

The Warm Home Discount (WHD) mechanism is levy-funded, and to this extent is reserved, however, the Scottish Government, just as it is doing with its work to influence the UK Government on creating a social or discount energy tariff, could realise additional benefits for Scottish consumers through ensuring that the WHD evolved to better meet their needs. The WHD is the main mechanism for reducing the cost of energy bills for vulnerable consumers and in the absence of any social or discount energy tariff is critical. The deployment of the WHD in Scotland lags behind the rest of the UK because of data matching issues and the Scottish Government should champion evolution that could include automatic eligibility rather than the current application model.

Table 3: Warm Home Discount

Funding	2022-2023 spend	2023-2024 spend	Purpose	Evaluation
Warm Home Discount	£49 million	£51 million	directly reduces energy costs (one-off discount off the electricity bill of eligible households) directly mitigating high energy prices. WHD is targeted at low-income groups who are at risk of fuel poverty.	<ul style="list-style-type: none"> • A key strength of the scheme is that it is paid through electricity accounts, so it has a direct impact on energy bills. • According to CAS, in Scotland in Winter 2019/20 less than a third of eligible households received a rebate • The eligibility criteria does not include all

⁷⁸ Cornwall Insights (2023) [New forecast warns power prices to remain elevated until late 2030s - Cornwall Insight \(cornwall-insight.com\)](#)

⁷⁹ [Withdrawn] Energy Price Guarantee up to 30 June 2023 - GOV.UK (www.gov.uk)

				<p>those who are fuel poor. 80</p> <ul style="list-style-type: none"> • Unlike in England and Wales, there is no automatic identification of eligibility for the WHD which means that consumers, who have to apply to their supplier, may miss out on funds. • There is also inconsistency across the sector as to how customers are selected when WHD is over-subscribed, with some as they are using a first come first served model, and others selecting applicants through a ballot. In addition, people in fuel poverty maybe unaware that they are eligible for WHD, or struggle to successfully make an application. We have heard this directly in our conversations with those with lived experience.
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A strength of Warm Home Discount (WHD) is that it supports the reduction of costs rather than raising income. The [Analytical Annex to the Fuel poverty Strategy](#) shows that reducing fuel bills directly will be a more effective means of reducing fuel poverty rates than providing a more general income-related benefit (“£10 off a fuel bill would have the same effect as increasing income by £100”).⁸¹ However, there is an accessibility issue in Scotland with data-matching issues mean that only those in receipt of the guarantee credit element of Pension Credit receive the WHD automatically. Others eligible have to apply and entitlement does not guarantee

⁸⁰ Citizens Advice Scotland (2020) [mind_the_fuel_poverty_gap_06.08.pdf \(cas.org.uk\)](#)

⁸¹ Scottish Government (2021)

<https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2021/12/tackling-fuel-poverty-scotland-strategic-approach2/documents/fuel-poverty-strategy-analytical-annex/fuel-poverty-strategy-analytical-annex/govscot%3Adocument/fuel-poverty-strategy-analytical-annex.pdf>

support as funds are capped. The WHD has eroded over time as it has failed to keep pace with inflation since its introduction in 2011.⁸²

c) Low income?

As set out in above (pp. 12-14) low incomes make managing bills difficult, and for some, impossible. Those on low incomes are often those with the highest energy needs. Those on low incomes are more likely to self-ration and self-disconnect affecting their health and wellbeing.

The 17 actions set out in the Strategy to increase incomes are across a number of policy areas and there is difficulty in directly correlating these to an impact on fuel poverty. The measures are both about increasing income and reducing costs.

The Scottish Government produces a number of poverty statistics – in addition to those for fuel poverty – estimating the proportion of people, children, working-age adults and pensioners in Scotland living in poverty.⁸³

The Scottish Government has several funding measures to help those on low incomes (this also includes those set out in the response to Question 2 above pp.19-25).

Table 4: Scottish Government funds to help those on low incomes

Funding	Income Savings & Evaluation
Scottish Child Payment	It was estimated that the Scottish Child Payment (which helps to mitigate the 2-child cap) lifted 50,000 children out of poverty in 2023-24 ⁸⁴ – no evaluation of its impact on fuel poverty.
Free school meals to all pupils in primaries 1 to 5 and in specialist schools	Saving families on average £400 per child per year – no evaluation of its impact on fuel poverty, ⁸⁵
Council Tax Reduction Scheme and free bus travel for all older people over the age of 60 in Scotland	No evaluation of its impact on fuel poverty.
Discretionary Housing Payments	Supports the mitigation of the bedroom tax. Can also provide support to households more generally struggling to meet their housing costs but

⁸² Scottish Fuel Poverty Advisory Panel's "Fuel Poverty Funding in Scotland" evidence review 2024 – not yet published.

⁸³ Scottish Government (2024) [Poverty and Income Inequality in Scotland 2020-23 \(data.gov.scot\)](#)

⁸⁴ Scottish Government (2023) [Scottish Child Payment helping families of more than 323,000 children - gov.scot \(www.gov.scot\)](#)

⁸⁵ Scottish Government (2024) [Helping clear school meal debt - gov.scot \(www.gov.scot\)](#)

	energy costs do not appear to feature in local authority examples of what discretionary housing payments can be used for.
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Schemes that provide an increase in household income can have some impact on whether someone is identified as being fuel poor according to the fuel poverty metric (by changing the affordability factor). Those schemes which reduce household bills, while leaving more money in a household budget, will not directly change whether the metric identifies a household as being fuel poor. The funds – referenced in Table 5 - will certainly have been helping households living in fuel and extreme fuel poverty through increasing income. Research has shown that those experiencing the worst levels of poverty in Scotland, measured by the impact of tax threshold policy and certain benefits (the Scottish child payment, Best Start payments, the supplement for the carer's allowance, and mitigation of the under-occupancy charge 'bedroom tax' and the benefit cap) are better off than those experiencing the worst poverty in England – this suggests that tax policy and these funding policies are effective up to a point⁸⁶. The Poverty and Inequality Commission report progress in raising income from social security⁸⁷ – citing the five family payments⁸⁸. However, evaluation of these policies does not consider their impact on low income as a driver of fuel poverty. If the impact on the fuel poverty gap were to be estimated as a part of these policies' evaluation, this would facilitate assessment of the impact of these funds and payments on fuel poor households and hence, how these Scottish Government funds are mitigating low income as a driver of fuel poverty.

- d) Inefficient use of heat in the home (household behaviour)? (We feel that in line with the Tackling Fuel Poverty Strategy, this driver is better characterised as "How Energy is used in the home").

As set out above (pp. 17-18) energy literacy and poor supplier practice can lead to self-rationing and self-disconnection. Consumer protections and interventions can lift out of and protect those in fuel poverty. Whereas the fuel poverty definition does highlight the percentage of households in fuel poverty, it doesn't specifically identify the consequence of being in fuel poverty. This could be a warm house but one funded through debt or the deprioritising of other essential bills.

The efficacy of advice services is discussed in the response to question 1. There can be no doubt about the value of advice services across Scotland and they will not only influence low income as a driver of fuel poverty but also the closely connected driver of how energy is used in the home. The Scottish Government's decarbonisation ambition for heat in homes (see the Heat in Buildings Bill consultation) shows how critical good advice will continue to be in the shift to low carbon heating systems and their effective use. A view also expressed by Audit Scotland in their recent audit of the Scottish Government's approach to decarbonising heat in homes through

⁸⁶ The Institute for Fiscal Studies (2023) [Analysis of Scottish tax and benefit reforms \(ifs.org.uk\)](https://ifs.org.uk)

⁸⁷ [Child_Poverty_Delivery_Plan_progress_2023-](#)

[2024_Scrutiny_by_the_Poverty_and_Inequality_Commission.pdf \(povertyinequality.scot\)](#)

⁸⁸ [5-Family-Payments-factsheet-Mar-2024.pdf \(socialsecurity.gov.scot\)](#)

measures in the Heat in Buildings Strategy.⁸⁹ As we have noted in both our initial advice to Ministers⁹⁰ and our recommendations on the fuel poverty strategy⁹¹, a structural review of the design of energy advice services, including their funding model, is needed. This would inform funding and policy decisions for the future with attention to long-term investment and stability and ensuring that the advice sector has the capacity and resources to support Scottish Government's work to achieve the 2040 fuel poverty targets.

A further case study from Tighean Innse Gall (TIG) again shows the value of advice agencies' providing holistic support and maximising income:

Case study from Tighean Innse Gall (TIG):

"Client A is retired, lives alone in their owner-occupied property and suffers from multiple health issues, one of which is life limiting. The client was referred to Tighean Innse Gall (TIG) for help by a partner agency, as they been found in their property suffering from hypothermia due to self-disconnecting their heating because they were unable to pay for their latest electricity bill. The client was unaware their meter hadn't been read, and after subsequently getting help to take and submit meter reads, they received a substantial catch-up bill.

TIG contacted the supplier on the client's behalf and confirmed that there was approximately £500 arrears on the account. TIG successfully applied to the Home Heating Support Fund to have the debt cleared, securing an award in excess of £800 to cover the total amount of the debt as well as the estimated cost of the next bill. TIG were able to reassure the client that they were in the core group for the Warm Home Discount Scheme and the £150 would be paid automatically into their account.

A further £2,500 over two years was secured from the Point and Sandwick Trust, a charitable organisation which uses the income of community generated wind power to support the local area. This funding also has the potential to be extended for a third year. This money went directly into the client's electricity account and allowed them to turn on more heaters in the house

Finally, through a council funded scheme, TIG assisted the client to apply for a new washing machine to replace their broken appliance and to provide them with an air fryer to further reduce their energy usage.

The Client said "words cannot adequately describe how grateful I am to TIG for intervening on my behalf to help with my huge electricity bill. My entire house is fuelled by electricity and without their kindness, depth of knowledge and excellent contacts, together with their determination to go the extra mile I don't know what I

⁸⁹ Audit Scotland (2024) [Decarbonising heat in homes \(audit.scot\)](https://www.audit.scot/publications/Decarbonising%20heat%20in%20homes)

⁹⁰ [Initial Advice to Scottish Government - Fuel Poverty Scotland \(fuelpovertypanel.scot\)](https://www.fuelpovertypanel.scot/publications/Initial%20Advice%20to%20Scottish%20Government%20-%20Fuel%20Poverty%20Scotland)

⁹¹ [Recommendations to the Scottish Government on its Fuel Poverty Strategy - Fuel Poverty Scotland \(fuelpovertypanel.scot\)](https://www.fuelpovertypanel.scot/publications/Recommendations%20to%20the%20Scottish%20Government%20on%20its%20Fuel%20Poverty%20Strategy%20-%20Fuel%20Poverty%20Scotland)

would have done. Their intervention, at a time when all prices seem to be soaring, most especially with domestic fuel supply, has truly been a lifesaver. I am disabled and a pensioner, receiving PIP, a modest state pension plus pension credit, and literally saw myself drowning in debt. The result of credit to my electricity account has been truly amazing”.

Supplier behaviours can also affect consumers use of energy both positively and negatively, for example, offering breathing spaces to customers struggling with debt, and having dedicated lines for advice services. However, there are also examples of unresponsiveness and heavy handedness by energy companies.⁹²

The Energy Summits held by the Scottish Government in August and October 2022 and the Ministerial working groups which followed have helped to strengthen stakeholder networks and have highlighted how critical collaboration is across governments, the third sector, energy companies and the regulator in addressing the needs of those in fuel poverty. The Scottish Government’s focus from the First Minister down has been to drive changes in behaviour, processes and practice across suppliers. More work is needed to think about how to foster a full understanding of Scottish issues in Ofgem and the Department of Energy Security and Net Zero, and how to ensure that Scotland is at the front and centre of their thinking.

⁹² Poverty and Inequality Commission (2024) [Report-of-workshops-with-priority-families-in-Scotland-and-their-ideas-to-reduce-poverty-October-2024.pdf](#) ([povertyinequality.scot](#))

4. What further action do you feel is required from the Scottish Government for the purposes of reducing/ mitigating fuel poverty for vulnerable households in Scotland.

We have made several recommendations where we feel that the Scottish Government could be taking further delivery action to reduce and mitigate fuel poverty – these are summarised below but are set out more fully in the advice we have already provided to Ministers (see Bibliography).

- I. Develop a stronger focus on improving health outcomes for those suffering fuel poverty, embedding responses such as the implementation of the Warm Homes' Prescription model to complement investment in the Hospital at Home intervention.
- II. Emphasise the structural importance of advice and advocacy in tackling fuel poverty and recognise the need for a review of the design and funding commitments for these critical services across Scotland at all levels of Government – particularly at the local level and accelerating the Fairer Funding commitment made in the 2023-2024 Programme for Government – [Equality, Opportunity, Community.](#)
- III. Ensure that crisis support to reduce energy costs is used for that purpose wherever possible, whilst respecting the dignity of those being supported (Scottish Government analysis has highlighted the tenfold value that is provided by reducing the cost of energy compared to providing an uplift in income to the same value).
- IV. Increase investment, including leveraging non-governmental investment, ensuring that there is a clear strategy and delivery plan to improve energy efficiency of homes, including a recognition of the structural disadvantage of rurality.
- V. Scale up the affordable housing programme to speed up improvements in the energy efficiency of Scotland's housing stock, ensuring that investment in social housing takes a holistic approach to fuel poverty and net zero to ensure a fair transition for those in fuel poverty to net zero.

5. Are there specific barriers towards reducing/mitigating fuel poverty rates in Scotland. Please explain.

Fuel poverty is not inevitable, and policy choices can be made which will mitigate, and ultimately eradicate it. As we have set out above (pp. 4 & 32) that there is a mix of reserved (energy and the main social security benefits) and devolved powers which cut across fuel poverty delivery. There are a number of areas where policies need to support and align with the Scottish Government's aspiration – and target – of eradicating fuel poverty: heat in buildings, child poverty, social security, affordable housing supply and housing standards, energy and just transition. The fuel poverty strategy encompasses themes and actions across a number of these policy areas but there is no holistic approach in delivering the strategy either nationally or locally.

Key points:

- Continuing high energy prices are the main barrier to mitigating fuel poverty. It is vital that the Scottish Government builds a constructive and collaborative relationship with the UK Government at both a tactical and strategic level. This will optimise its influence on the level and distribution of tariff support mechanisms and crisis interventions, and UK-led reform to the Energy Market, including touch points with key delivery partners across local government, the third sector, energy companies, Ofgem and the energy ombudsman.
- The Scottish Government should use its influence to improve the Warm Homes Discount offering in Scotland, which is less accessible than elsewhere in the UK.
- Strategic fuel poverty policy alignment across the Scottish Government needs to be improved and is essential for its delivery. A higher national profile, led by Ministers, would facilitate this.
- The lack of a bespoke approach to the structural disadvantage suffered by rural areas to address their fuel poverty rates creates a barrier to tackling the highest rates of fuel poverty in Scotland

Reflections

High Energy Prices

We have already noted that high energy prices are currently the main driver of fuel poverty and the pace of UK energy market reform to support fairer pricing is slow. As energy policy, and therefore energy pricing, is reserved, the Scottish Government's role is limited to seeking to influence the UK Government and to proactive engagement in the energy market reform debate, for example, the Review of Electricity Market Arrangements (REMA) being led by DESNZ, and the role of renewable energy. UK energy market reform provides a unique opportunity. As the energy market restructures to one supplied predominantly through renewables and away from fossil fuels, this presents a real opportunity to ensure lower and less volatile energy prices as we move to net zero, as well as supportive tariffs for low income and vulnerable customers. However, how the transition from fossil fuels to low carbon energy can tackle fuel poverty head-on, rather than solely avoiding detriment, is critical. Wherever the Scottish Government lands on the UK-led REMA reforms, the Panel thinks a clear setting out of the risks in delivering the plan, given its dependency on lower electricity prices, is advisable.

We strongly support the Scottish Government in their work to influence the UK Government to set up a flexible discount tariff [mechanism] (usually known as a social tariff) with the objective of shielding and protecting those in fuel poverty in the short, medium and long term.

The Panel has advocated for a discount tariff [mechanism] that goes a material way to close the fuel poverty gap, spending money wisely where it will have the greatest impact and using targeting to drive greatest outcomes. Our Chair is a member of the Scottish Government's Social Tariff Working Group, and we have made recommendations for a flexible discount mechanism and brought these to the attention of the Department of Energy and Net Zero.

Without a cooperative and constructive relationship, the outcomes for Scotland may not be as good as they could be – particularly given the central role which Scotland is, and has to play, in the transition to renewable energy and the profound challenge which exists around making this a just transition for the fuel poor. From a just transition perspective, the Scottish Government has an important role in acting as a voice for low income and vulnerable households to ensure that the changes are inclusive and reduce, rather than further embed, fuel poverty. We recognise that there is a huge opportunity to reduce fuel poverty, and help achieve the 2040 targets, enabled by the potential, highly complex changes in the energy system in the next decade and beyond.

We can see an example of how a closer working relationship between the Scottish and UK Governments could have a specific benefit for those suffering fuel poverty - working to address data matching issues. The Warm Home Discount (WHD) has been strengthened in England and Wales so that those eligible automatically receive the £150 discount off their energy bill. In contrast, in Scotland data-matching issues

mean that only those in receipt of the guarantee credit element of Pension Credit receive the WHD automatically (those on a low income and meet their energy supplier's criteria for the scheme have to apply on a year-by-year basis). We have heard, during direct engagement with those with lived experience, that those entitled to the WHD do not either necessarily know about it nor how to claim it. This resonates with the findings of a WHD review in 2019 that less than a third of eligible households receive the WHD.

Fuel poverty profile and policy alignment across Scottish Government

We have had some helpful engagements with policy leads across Scottish Government whose policy responsibilities are critical for the delivery of Scotland's fuel poverty targets and their readiness to listen to our feedback is very welcome. However, some of the policy documents which have been the topic of discussion do seem to us to point to a lack of fuel poverty policy alignment across the Scottish Government. For example, the Heat in Buildings [Draft] Bill Consultation did not mention the fuel poverty targets, in spite of the fact that this whole policy area will be key to their delivery. Similarly, looking at the last two programmes for government, [Equality, Opportunity and Community](#) did not mention fuel poverty at all and this year's programme for government, [Serving Scotland](#), mentions fuel poverty once and yet the fuel poverty targets are national ones and statutory. This year's programme for government puts child poverty front and centre, but as we have said before, our view is that child poverty targets will not be met without a strong focus on the fuel poverty targets too. The intersection between fuel poverty, child poverty, energy and just transition, heat in buildings, housing and social security policy demonstrates the need for effective policy alignment. Tackling fuel poverty needs to become a consistent – and clearly stated objective of these policies – and how programmes and policies will contribute to eradicating, and therefore meeting fuel poverty targets needs to be set out. It is hard to see how this will be achieved without more rigour in cross-government governance of the work to meet the fuel poverty targets.

Lack of understanding and prioritising of the rural dimension of fuel poverty

A theme which runs through our response has been the rural dimension to fuel poverty. There has been a lot of important work done over the past two years which has helped to shine a light on the particular challenges faced in living rurally for those in, or on the brink of, fuel poverty. For example, the recently published, I Tighean Innse Gall (TIG) report which, among other things, looked at fuel poverty rates in na h-Eileanan Siar, through 2 lenses – the full fuel poverty definition and then by income. When TIG applied the first part of the definition to their survey respondees, (households where housing costs have been paid but more than 10% [20% for extreme fuel poverty] of its remaining income is needed for energy costs) na h-Eileanan Siar had a fuel poverty rate of over 80%, with approximately 50% in extreme fuel poverty⁹³. Applying the whole definition (where housing costs have

⁹³ Over the last two years key reports focused on rural fuel poverty have been published by Changeworks, the Existing Homes Alliance (EHA), the Cross Party Group in the Scottish Parliament on Poverty, and Tighean Innse Gall (TIG).

been paid but more than 10% of its remaining income is needed for energy costs and, if after paying for its energy, the household is left in poverty) 57% of homes are estimated to be experiencing fuel poverty and 44% extreme fuel poverty.

Statistics are likely to underestimate the full scale of fuel poverty as the fuel poverty definition cannot easily account for self-rationing or self-disconnection due to the income factor. There is plenty of evidence that these behaviours (highlighted in the TIG report and our research among others), are probably more prevalent in rural areas off-gas grid, where there are the highest levels of fuel and extreme fuel poverty in Scotland.

Infrastructure costs are also much higher in rural areas – this relates to lack of economies of scale, as well as supply chains and transport costs and challenges. This makes building affordable housing more expensive⁹⁴. The Scottish Government's commitment that 10% of its affordable housing target of 110,000 homes by 2032 will be in rural and island settings, where, as the Scottish Housing Condition findings show, housing has a disproportionately higher number of characteristics making them hard to heat (including being larger, off gas-grid)⁹⁵. This and the lack of energy efficient housing (to potentially move to) makes affordable housing a huge priority for island and rural communities. The Scottish Government prioritisation is helpful, but it is unclear how many of these homes have yet and will be delivered.

Higher infrastructure costs do not just apply to new housing development but also, of course, to retrofitting existing houses to improve energy efficiency. The barrier to targeting funding at those in the deepest fuel poverty even for funding models with key strengths – like Area Based Schemes – is noted above. Underlying all these threads is the fact that the funding does not match the fuel poverty need.

Certainly, governments and local authorities are taking steps to address fuel poverty, but areas need a more focussed and bespoke response to address the structural disadvantage of rurality.

Policy choices on devolved benefits

Fuel poverty is not inevitable and even with the extent of the fiscal constraints choices can be made. Overall supporting energy costs via bill reductions has more effect on mitigating and preventing fuel poverty. However, universal benefits can, for example, be treated as taxable income to enable the revenue raised to support the vulnerable. This is the tactical approach, which we suggested that the Scottish Government should take with the Pension Age Winter Fuel Payment (the Winter Fuel Payment) pending the development of a more targeted one, focussed on those in fuel poverty.

⁹⁴ Cross Party Group in Scottish Parliament on Poverty (2024) [CPG-on-Poverty-Rural-Report-May-24-_DE_design.pdf \(povertyalliance.org\)](#)

⁹⁵ Scottish Government (2024) [Supporting documents - Scottish House Condition Survey: 2022 Key Findings - gov.scot \(www.gov.scot\)](#)

Choosing to follow the UK Government's narrowing of the eligibility criteria to passport benefits for the Pension Age Winter Fuel Payment (the Winter Fuel Payment), will be particularly difficult this year. We have heard that the cold summer in the North of Scotland means that people haven't built up the levels of energy credit over the summer which they normally would. The lack of lead time for the change to the WFP eligibility change means that pensioners who will no longer get it don't have time to make any of the provision, which some might have been able to make, to mitigate its loss. The lack of tapering is a real issue with some people missing out because they're as little as £2.71 over the limit for the passport benefits.

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Annex A - SG Progress on Fuel Poverty Action Plan – based on information provided by Scottish Government as at 10 May 2024.

Theme	Sub-theme	Action	Original information / questions (Scottish Fuel Poverty Advisory Panel)	Information as at 10 May 2024
Understanding Fuel Poverty	Research	1. Working with the Scottish Fuel Poverty Advisory Panel, we will explore the opportunities to carry out further lived experience research and build on our existing evidence base	Not progressed to date.	Not progressed to date. As part of the Panel's published recommendations to Scottish Government in September 2023 – this set out to maximise the potential to work together with the SFPAP to increase the understanding of fuel poverty through the creation of a joint research plan. Early scoping between relevant officials and the Panel is underway.
	Consultation	2. We will consult with people with lived experience of fuel poverty when making any new regulations under the Fuel Poverty Act	No new regulations made yet although there are new regs planned.	No new regulations made.
Making Homes Warmer and Cheaper to Heat	Heat in Buildings programmes	3. We will continue to invest in Warmer Homes Scotland and our Area Based Schemes to maximise the number of households in fuel poverty achieving a level of energy efficiency equivalent to EPC C by 2030 and EPC B by 2040	The number of households Warmer Homes Scotland has (a) surveyed and (b) delivered energy efficiency measures to, for the years (i) 2021/22 and (ii) 2022/23, and (iii) 2023/24 to date broken down by local authority area available in this FIR release published in January 2024. For phase 1 of Warmer Homes Scotland in the years 2021/22, 2022/23, and 2023/24 14,317 homes had installations, and 20,876 were surveyed. For phase 2 (2023-24) there was 1 installation, and 533 properties surveyed.	Warmer Homes Scotland was relaunched in October 2023 with more funding to support those in, or at risk of, fuel poverty. The number of households Warmer Homes Scotland has (a) surveyed and (b) delivered energy efficiency measures to, for the years (i) 2021/22 and (ii) 2022/23, and (iii) 2023/24 to date broken down by local authority area available in this FIR release published in January 2024. For phase 1 of Warmer Homes Scotland in the years 2021/22, 2022/23, and 2023/24 14,317 homes had installations. Data on ABS schemes is available here and here .
		4. Over the next five years, we will deliver an increasing number of 'whole house' retrofits to fuel poor households and will adopt a 'zero emissions first' approach	Delivery schemes - Heat in Buildings: progress report 2023 - gov.scot (www.gov.scot) .	Delivery schemes - Heat in Buildings: progress report 2023 - gov.scot (www.gov.scot) .

			Report doesn't seem to break down numbers of 'whole house' retrofits to fuel poor households.	Since 2020 improvements delivered as part of Scottish Government fuel poverty programmes must form part of a whole house assessment/ medium term improvement plan as per the PAS2035 retrofit standard.
		5. We will explore how to better identify potential projects and increase take up by fuel poor households for our Area Based Schemes	<p>No evaluation appears to have been done.</p> <p>The following have been published: Energy Efficient Scotland: area based schemes: EIR release - gov.scot (www.gov.scot).</p> <p>Area Based Schemes: annual final measures reports - gov.scot (www.gov.scot).</p>	<p>The following have been published: Energy Efficient Scotland: area based schemes: EIR release - gov.scot (www.gov.scot).</p> <p>Area Based Schemes: annual final measures reports - gov.scot (www.gov.scot).</p> <p>Every local authority in Scotland was required to publish a Local Heat and Energy Efficiency Strategy by December 2023. These are required to identify where poor building energy efficiency is a driver for fuel poverty.</p> <p>The majority of councils have now published their local strategy and delivery plans, including local Area Based Schemes.</p>
		6. We will continue to provide funded support to households in fuel poverty, helping them to install energy efficiency measures through Warmer Homes Scotland, the scheme that replaces it, and our Area Based Schemes	<p>Data released breaks down installations through Warmer Homes Scotland (see above on action 3). From HiB progress report 2023 - "We provided £170 million of funding through our schemes during the last financial year (2022-23), helping over 138,000 households through the Home Energy Scotland advice service, made over 8,000 fuel poor households warmer and easier to heat, and installed over 5,100 zero direct emissions heating systems in homes."</p> <p>Data on ABS schemes available here and here. Also in HiB progress report – "Since 2013, the programme has supported over 108,000 households to improve the warmth and energy efficiency of their home. ABS has been particularly effective in enabling improvements to mixed tenure blocks of flatted and terraced properties.</p> <p>In the last financial year (2022-23), Area Based Schemes enabled just under 4,000 households to benefit from warmer homes and lower energy bills. The scheme supported fabric improvements to 3,000 properties, almost 200 replacement</p>	<p>Data released breaks down installations through Warmer Homes Scotland (see above on action 3).</p> <p>Data on Area Based Schemes available here and here.</p> <p>This PQ shows that for 24/25 £119 million has been allocated to the Area Based Schemes and Warmer Homes Scotland. This budget has been flat since 2022/23.</p> <p>Since the launch of the first Warmer Homes Scotland scheme in 2015, the scheme has invested over £249 million and helped over 37,000 households across Scotland to live in warmer, healthier homes which are more affordable to heat through both phases of the scheme.</p>

			<p>clean heating systems and 1,200 microgeneration measures (typically solar PV and battery storage).</p> <p>For the current financial year, as of October 2023 (ABS11), we have approved council proposals worth £64 million, including 11 ABS special projects worth £8.1 million. “</p> <p>This PQ shows that for 24/25 £119 million has been allocated to the Area Based Schemes and Warmer Homes Scotland. This budget has been flat since 2022/23.</p>	<p>From HiB progress report 2023 - “We provided £170 million of funding through our schemes during the last financial year (2022-23), helping over 138,000 households through the Home Energy Scotland advice service, made over 8,000 fuel poor households warmer and easier to heat, and installed over 5,100 zero direct emissions heating systems in homes.”</p> <p>Also in HiB progress report – “Since 2013, the programme has supported over 108,000 households to improve the warmth and energy efficiency of their home. ABS has been particularly effective in enabling improvements to mixed tenure blocks of flatted and terraced properties.</p> <p>In the last financial year (2022-23), Area Based Schemes enabled just under 4,000 households to benefit from warmer homes and lower energy bills. The scheme supported fabric improvements to 3,000 properties, almost 200 replacement clean heating systems and 1,200 microgeneration measures (typically solar PV and battery storage).</p> <p>For the current financial year, as of October 2023 (ABS11), we have approved council proposals worth £64 million, including 11 ABS special projects worth £8.1 million. “</p>
		7. Those in fuel poverty will continue to be supported as one of the key priorities within appropriate schemes of our Heat in Buildings programme	<p>HiB Strategy update published in October 2022 reflecting on progress. Also a progress report published in 2023. Minimal discussion of fuel poverty within this.</p> <p>HiB Bill Consultation ongoing, link to fuel poverty less explicit in proposed Bill but the current proposals may change following the consultation.</p>	<p>Heat in Buildings Strategy updates were published in 2022 and 2023.</p> <p>In November 2023, the Scottish Government published an initial Heat in Buildings Monitoring and Evaluation Framework. The Scottish Government recently consulted on proposals for a Heat in</p>

				Buildings Bill, which included a minimum energy efficiency standard in private homes, and on proposals for a similar standard for social housing. Analysis ongoing.
Making Homes Warmer and Cheaper to Heat		8. In 2022, we will undertake research with members of the Gypsy/Traveller community who have lived experience of fuel poverty to better understand how we can reflect their needs in Warmer Homes Scotland, the scheme that replaces it, and our Area Based Schemes	This research does not appear to have been published.	This research does not appear to have been published.
		9. We will ensure that the replacement scheme for Warmer Homes Scotland continues to provide support to those fuel poor households who face the greatest health risks of staying in a cold home	From HiB progress report – “We launched the successor programme to Warmer Homes Scotland under the same name on 2 October this year. The refreshed programme will build on its predecessor’s success, with a significantly increased maximum contract value of up to £728 million over up to 7 years, to provide even more support for fuel poor households over its lifetime. Higher grant limits per household allow us to deliver whole-house retrofit and install more measures in individual properties. There is also a greater focus on clean heating where this is both financially and technically feasible.”	The Scottish Government launched the successor programme to Warmer Homes Scotland under the same name on 2 October 2023. The refreshed programme is built on its predecessor’s success, with a significantly increased maximum contract value of up to £728 million over up to 7 years, to provide even more support for fuel poor households over its lifetime. Higher grant limits per household allow us to deliver whole-house retrofit and install more measures in individual properties. There is also a greater focus on clean heating where this is both financially and technically feasible.
		10. We will continue to provide enabling measures, such as assistance with loft clearances, asbestos removal, the installation of fuel storage tanks and the removal of failed cavity wall insulation, to help facilitate energy efficiency improvements	Nothing in HiB progress report on this, not clear where else progress on this would be published.	The new Warmer Homes Scotland contract has enhanced commitments to enabling funds both leveraged by the service provider and available from the Scottish Government to support with enabling measures to alleviate barriers for people accessing the Warmer Homes Scotland scheme.
		11. Working with the Scottish Fuel Poverty Advisory Panel, we will seek to ensure that eligibility criteria for our Area Based Schemes and the new scheme to replace Warmer Homes Scotland, are aligned with the updated fuel poverty definition and continue to target assistance to those that need it most	<p>Done for Warmer Homes Scotland (WHS), not done for Area Based Schemes.</p> <p>On Warmer Homes Scotland the Panel met with the policy team in November 2022. The Panel recommended that the eligibility criteria should allow:</p> <ol style="list-style-type: none"> 1. income evidence from 3rd party referrals (like FCA approved bodies) to be included. (This would mean those not in receipt of benefits but experiencing fuel 	<p>On Warmer Homes Scotland, the Panel met with the policy team in November 2022. The Panel recommended that the eligibility criteria should allow:</p> <ol style="list-style-type: none"> 1. income evidence from 3rd party referrals (like FCA approved bodies) to be included. (This would mean those not in receipt of

			<p>poverty – especially in off-gas grid rural areas – could be reached through the fund).</p> <p>2. greater discretion to those screening for eligibility to take account of the complex interplay between fuel poverty drivers and their impact on households It would also be helpful if the Panel could be provided with an insight into how the new eligibility criteria are taking account of the needs of those with health issues and gypsy traveller communities</p> <p>Following the Panel's input, in March 2023 SG committed to work with Energy Saving Trust to explore options to trial a trusted third-party referral process following the launch of the successor Warmer Home Scheme in 2023. They also said they would explore the Panel's second recommendation with the WHS delivery partner.</p>	<p>benefits but experiencing fuel poverty – especially in off-gas grid rural areas – could be reached through the fund).</p> <p>2. greater discretion to those screening for eligibility to take account of the complex interplay between fuel poverty drivers and their impact on households It would also be helpful if the Panel could be provided with an insight into how the new eligibility criteria are taking account of the needs of those with health issues and gypsy traveller communities</p> <p>Following the Panel's input, in March 2023 the Scottish Government committed to work with Energy Saving Trust to explore options to trial a trusted third-party referral process following the launch of the successor Warmer Home Scheme and explore the Panel's second recommendation with the WHS delivery partner.</p> <p>The SFPAP most recently met with the policy team regarding proposed changes to the WHS eligibility criteria in May 2024 to offer their views and input.</p> <p>The Scottish Government intent to seek feedback on ABS from the SFPAP later this year.</p>
		12. We will explore the development of a fuel poverty assessment tool	No progress published.	No progress published.
		13. We will apply the learnings from projects funded by the Gypsy/Traveller Accommodation Fund or undertaken as part of ABS Special Projects that seek to improve the energy efficiency of Gypsy/Traveller accommodation to Warmer Homes Scotland, the scheme that replaces it, and our Area Based Schemes	<p>No evaluation of Gypsy/Traveller Accommodation Fund published.</p> <p>No evaluation of ABS Special projects published.</p>	<p>Evaluation of Gypsy/Traveller Accommodation Fund is in progress.</p> <p>The Scottish Government plan to publish further ABS case studies based upon delivery of special projects with the agreement of</p>

				participating households. The Scottish Government have requested that every council publishes an annual report about delivery of their local scheme from November 2024 onwards.
		14. We will continue to monitor whether our investment helps households to maintain an adequate indoor temperature and will supplement this with increased qualitative feedback from the households we support	This would require monitoring and evaluation of delivery schemes. None has been published.	<p>Councils collect a variety of information from households as part of local ABS projects, including monitoring of internal temperatures through the use of tiny tags. For example: AREA BASED SCHEMES EVALUATION PROJECT (east-ayrshire.gov.uk)</p> <p>The Scottish Government have asked relevant councils to consider publication of further analysis or a summary of this data as part of their scheme delivery reports.</p>
		15. We will seek to identify Social Housing Net Zero Fund projects which have been successful in reducing energy bills for those in fuel poverty and share the learning with the wider social housing sector as well as applying it to Warmer Homes Scotland, the scheme that replaces it, and our Area Based Schemes	<p>From HiB progress report – “During 2022-23 we awarded over £38 million to 29 projects across Scotland. We also awarded over £2.5 million to six projects during our first application checkpoint for 2023-24. Our second application checkpoint closed in October 2023 and we are currently reviewing applications. This brings the scheme’s total grant support to over £50 million. This represents a substantial (three-fold) increase in funding to the sector since the last progress report.</p> <p>During the last year, the fund has undergone a review to ensure that it is providing the best support to RSLs in their transition to net zero. The changes, launched in August 2023, took into account feedback from the social housing sector resulting in improvements to both the fund criteria and application process, including:</p> <ul style="list-style-type: none"> the extension of ‘fabric first’ funding support until 2026 increasing the intervention rate to 60% for the installation of clean heating systems the relaunch of development funding for social housing, supporting pre-capital activities such as feasibility studies, stock analysis or research” <p>Doesn’t seem like evidence from this review was published. I see no evaluation published on SG website.</p>	<p>The Social Housing Net Zero Heat Fund launched in August 2020 and is making at least £200 million available to social landlords until 2026 for the retrofit of their existing housing stock.</p> <p>The fund supports both the deployment of Clean Heating and “Fabric First” enhancements, helping landlords deliver warmer and more energy efficient homes. Projects are eligible for up to 60% of the costs of clean heating systems and 50% of energy efficiency measures.</p> <p>To date the fund has provided £58 million of support to 64 projects of various sizes and scale across Scotland. These include the creation of a district heat network in the Springburn area of Glasgow to the deep retrofit of 16 houses on the Isle of Tiree.</p> <p>Scottish Government are working with ClimateXChange to produce case studies of social housing retrofit projects.</p>

	Regulations and standards	16. We will work with Historic Environment Scotland to consider what further specific provisions or exemptions may be needed within regulations in meeting requirements for decarbonisation of their heat supply and reducing their demand for heat	<p>No progress published.</p> <p>Discussion of Historic Environment estate and climate change in Draft Scottish National Adaption Plan. Consultation on this opened on the 31st of January and closes on the 24th of April.</p>	The Scottish Government consultation on the Heat in Buildings Bill, which opened on 28 November 2023 closed on 8 March 2024, discussed the need for flexibility within the Standard to take into account Scotland's traditional and protected buildings. A themed traditional and protected workshop with key stakeholders was also held as part of engagement on the proposals.
		17. We will consult on a regulatory approach for mixed-tenure buildings which would see them required to reach a good level of energy efficiency, equivalent to EPC C, where technically feasible and cost effective, and install a zero emissions heating supply	<p>HiBB consultation doesn't explicitly discuss mixed tenure buildings.</p> <p>Within the terms of reference for the Energy Efficiency Standard for Social Housing Review Group they cover "the unique circumstances of mixed tenure and multi-use properties and how the standard will apply to these".</p> <p>Mixed-tenue covered in Social Housing Net Zero Standard consultation.</p>	<p>Whilst proposals for a Heat in Buildings Bill consultation doesn't explicitly discuss mixed tenure buildings, mixed-tenure properties are considered in the Social Housing Net Zero Standard consultation.</p> <p>Within the terms of reference for the Energy Efficiency Standard for Social Housing Review Group, they cover "the unique circumstances of mixed tenure and multi-use properties and how the standard will apply to these".</p>
		18. We will introduce regulations requiring private rented sector properties to meet a minimum standard equivalent to EPC C, where technically feasible and cost-effective, by 2028	Covered in HiBB consultation which opened on the 28 th of November 2023 and closed on the 8 th of March 2024.	Covered in Heat in Buildings Bill consultation. Analysis is ongoing.
		19. We will regulate for all buildings across all tenures to achieve a good level of energy efficiency by 2033 and use zero emissions heating (and cooling) by 2045, where within our legal competence	Covered by HiBB and SHNZS consultations, both of which opened on the 28 th of November 2023 and closed on the 8 th of March 2024.	Covered in Heat in Buildings Bill and SHNZS consultations. Analysis is ongoing.
		20. We will reform the existing EPC assessment process so that it includes three indicators so that it is compatible with both our fuel poverty and our climate change targets	EPC reform consultation has taken place (opened on the 25 th of July 2023 and closed on the 16 th of October 2023). Results are yet to be published.	EPC reform consultation has taken place (opened on the 25 th of July 2023 and closed on the 16 th of October 2023). The feedback is currently being analysed.
		21. We will introduce a new tenure-neutral Housing Standard which will ensure that our homes, both new and existing, achieve the same levels of energy efficiency	<p>Reference here - Adaptations and Housing Solutions - Equipment and adaptations: guidance on provision - gov.scot (www.gov.scot).</p> <p>"The new, tenure neutral Housing Standard, will create a single set of quality and accessibility standards, and the proposals will also review Housing for Varying Needs.</p>	Scottish Government intend to consult on a new tenure-neutral housing standard in 2025, with a view to introducing new legislation in the next Parliamentary term.

			<p>The Vision also emphasises the importance and need for homes that effectively meet the needs of people of all ages, including children, with the requirement for responsive provision of equipment and adaptations, and technology. Government has therefore also made a commitment to review adaptations within this context.</p> <p>Scottish Government will publish a draft Standard in 2023 and introduce legislation in 2024-25, for phased introduction between 2025 and 2030.”</p> <p>Doesn't look like the draft tenure-neutral Standard has been published.</p>	
		22. We will work with social housing stakeholders to respond to the Zero Emissions Social Housing Taskforce report and recommendations and bring forward the review of EESSH2 as quickly as possible	<p>SG response to taskforce recommendations published in June 2022.</p> <p>EESSH2 review convened in September 2022. Consultation on SHNZS to replace EESSH2 ongoing.</p>	<p>The Scottish Government's response to taskforce recommendations published in June 2022.</p> <p>EESSH2 review convened in September 2022. Consultation on SHNZS to replace EESSH2 closed on the 8 March 2024 and analysis of responses underway.</p>
		23. We will introduce new energy standards for new homes in 2021 and 2024, taking into account the responses to our consultation	<p>New Build Heat Standard brought in which means that from April 2024 changes to building regulations will mean new homes and buildings will not be allowed to use direct emission (or polluting) heating systems like oil and gas boilers, and bioenergy.</p>	<p>Following consultation in 2021, improved energy standards for new homes, with a focus on effective means of reducing delivered energy, introduced in February 2023. Summary of changes available at: Building standards technical handbooks 2022/23: events and resources - gov.scot (www.gov.scot)</p> <p>New Build Heat Standard brought in which means that from April 2024 changes to building regulations will mean new homes and buildings are not to be allowed to use direct emission (or polluting) heating systems like oil and gas boilers, and bioenergy.</p>
	Strategic approach	24. We will work with local authority partners and wider stakeholders to introduce LHEES for all local authority areas by the end of 2023	<p>LHEES introduced with a requirement for local authorities to introduce by December 2023 - Local heat and energy efficiency strategies and delivery plans: guidance - gov.scot (www.gov.scot).</p>	<p>A Scottish Statutory Instrument (SSI) was passed by Scottish Parliament requiring local authorities to have LHEES Strategies and Delivery Plans in place by the end of 2023 and then</p>

				<p>update them every five years. The Scottish Government published guidance in October 2022 which set out what is required to fulfil the SSI. Local heat and energy efficiency strategies and delivery plans: guidance - gov.scot (www.gov.scot).</p> <p>The Scottish Government is providing long term funding to support local authorities to develop and deliver their LHEES with funding committed for each local authority of £75,000 per year until 2027/28.</p>
		25. We urge the UK Government to review levy funding for the Energy Company Obligation and the Warm Homes Discount and work with Scottish Ministers so that these can be combined as a single, flexible Scottish Fuel Poverty scheme, as provided for in the Scotland Act	Letter sent to UK Government on the 15 th of November 2023 - Energy consumers support: letter to UK Government - gov.scot (www.gov.scot)	Scottish Ministers continue to seek engagement by the UK Government on this issue.
Improving Access to Affordable Energy	Levies	26. We urge the UK Government to rebalance environmental and social obligation costs (levies) on energy bills to reduce the premium that is paid for by customers who use electric heating	Letter sent to UK Government on the 15 th of November 2023 - Energy consumers support: letter to UK Government - gov.scot (www.gov.scot) .	Letter sent to UK Government on the 15 th of November 2023 - Energy consumers support: letter to UK Government - gov.scot (www.gov.scot) .
		27. We published our research into the impacts of rebalancing levies and charges on electricity and gas supplies alongside our Heat in Buildings Strategy and we will further consider the potential options for reviewing levies and the impacts these may have on fuel poor households	Letter sent to UK Government on the 15 th of November 2023 - Energy consumers support: letter to UK Government - gov.scot (www.gov.scot) .	Letter sent to UK Government on the 15 th of November 2023 - Energy consumers support: letter to UK Government - gov.scot (www.gov.scot) .
	Tariffs	28. We will continue to press for customers with pre-payment meters to access similar tariffs to direct debit customers	<p>Letter sent to UK Government on the 15th of November 2023 - Energy consumers support: letter to UK Government - gov.scot (www.gov.scot).</p> <p>On 23rd of February 2024 Ofgem announced that they were levelising standing charges to end inequity for people with pre-payment meters.</p>	<p>Letter sent to UK Government on the 15th of November 2023 - Energy consumers support: letter to UK Government - gov.scot (www.gov.scot).</p> <p>On 23rd of February 2024 Ofgem announced that they were levelising standing charges to end inequity for people with pre-payment meters.</p> <p>The Minister for Energy, Just Transition and Fair Work met with</p>

				Ofgem CEO and Chair on February 2024 to discuss Pre-Payment Meters and other affordability issues.
Improving Access to Affordable Energy		29. Ensure our lived experience research with fuel poor Gypsy/Travellers includes examination of energy prices on some local authority sites with a view to better understanding the particular challenges facing Gypsy/Traveller communities	Research not yet published.	Research not yet published. As part of the Panel's published recommendations to Scottish Government in September 2023 – this set out to maximise the potential to work together with the SFPAP to increase the understanding of fuel poverty through the creation of a joint research plan. Early scoping between relevant officials and the Panel is underway.
	Renewable and storage technologies	30. We will continue to monitor the effectiveness of new technologies in demonstration projects and incorporate the learning into our delivery schemes to maximise the benefit for fuel poor households	Scottish Industrial Energy Transformation Fund (SIETF): winners and case studies - gov.scot (www.gov.scot) . Not clear how any learnings are being incorporated into delivery schemes to maximise the benefit for fuel poor households.	The number of solar PV installs funded through Area Based Schemes increased significantly in 21-22. The Scottish Government continue to encourage councils to consider offering this measure to fuel poor households that use significantly more electricity (e.g. for heating, additional cleaning or medical devices). The new WHS contract has the capacity to launch pilot schemes on new and emerging technologies to check they are suitable for the needs of the WHS customers. Two examples that were introduced on WHS1 were Q-Bot (under floor insulation) and Airex (smart ventilation bricks).
		31. We will act on the evidence from current research to understand the cost effectiveness of thermal, electrical storage and rooftop solar photovoltaics to support households to reduce bills. Where this proves effective we will consider support for them through Warmer Homes Scotland, the scheme that replaces it, and our Area Based Schemes	Clarity needed on how evidence gathering on this works - nothing specific published on this and how it has been applied to Warmer Homes Scotland and the Area Based Schemes.	As part of the ABS programme, the Scottish Government facilitates the sharing of learning from special projects between councils through webinars, conferences etc. The Scottish Government will seek the agreement of contributors to publish this information. For example: Solar Panels - Energy Efficient Scotland: Area Based Schemes (youtube.com)

				The relaunched WHS programme takes a whole house approach to retrofitting homes and will install solar and storage technologies where this appropriate for the building and the householders.
	Promoting consumer engagement	32. We will ask Consumer Scotland to consider tracking the impact of decarbonisation on households as part of their future workplan	Research findings published by Consumer Scotland in October 2023 - Letter sent to UK Government - Consumers and the transition to net zero (HTML) Consumer Scotland .	<p>As per Consumer Scotland Work Programme 2023-2024, Consumer Scotland “will carry out the next phase of [the] quantitative tracker survey on consumer attitudes and experiences of decarbonisation, extending this survey to cover wider consumer markets in the rest of the economy. This work will build on [their] 2022-2023 decarbonisation consumer tracker survey in the energy and water markets.”</p> <p>Research findings published by Consumer Scotland in October 2023 - Letter sent to UK Government - Consumers and the transition to net zero (HTML) Consumer Scotland.</p>
		33. We will continue to work with BEIS, Ofgem, Smart Energy GB and the wider energy market to ensure Scottish consumers are considered and can access the benefits of smart meters as the roll out continues, particularly representing the interests of those at highest risk of fuel poverty	Smart meters discussed in Minister’s letter to UK Government from November 2023- Energy consumers support: letter to UK Government - gov.scot (www.gov.scot) .	<p>Smart meters discussed in Minister’s letter to UK Government from November 2023- Energy consumers support: letter to UK Government - gov.scot (www.gov.scot).</p> <p>Smart meters were part of the agenda at Minister’s rural consumers working group meetings: Energy: Rural Energy Consumers Short-Life Working Group - gov.scot (www.gov.scot)</p>
Making it Easier to Use Energy Effectively	Research	34. Working with the Scottish Fuel Poverty Advisory Panel, we will explore opportunities to carry out further research to understand how people in fuel poverty with different protected characteristics use energy in the home to ensure our approach promotes equality of outcomes	No progress to date	<p>No progress to date.</p> <p>As part of the Panel’s published recommendations to Scottish Government in September 2023 – this set out to maximise the potential to work together with the SFPAP to increase the understanding of fuel poverty</p>

				through the creation of a joint research plan. Early scoping between relevant officials and the Panel is underway.
Raising Household Incomes	Improving the social security system	35. We will share the learning of the Financial Inclusion Universal Pathway Quality Improvement Collaborative to strengthen partnership working between income maximisation services and health settings	Nothing published on this since FP Strategy.	<p>In recognition of the value of health practitioners being able to signpost and refer to money advice services, in 2023/24 the Scottish Government has piloted the Money Guiders programme with a cohort of Health Visitors and Family Nurses.</p> <p>The Money Guiders programme is a professional learning offering which supports practitioners who speak to patients/clients etc about money on a regular basis but do not hold financial qualifications. It can help health practitioners to improve relevant knowledge and skills and support them to more effectively signpost families to further support.</p>
		36. We will explore how data sharing could enhance support from Home Energy Scotland to provide fuel poor households with a benefits check	Home Energy Scotland website says that they can “help you get a benefit check” but doesn’t say if they do this themselves directly.	Home Energy Scotland Advisers are able to signpost householders to various third parties for benefits checks (including Citizens Advice Bureaux and local money advice services).
		37. We urge the UK Government to reconsider its decision to cut Universal Credit by £20-per-week	<p>Included in statements made by Cabinet Secretary for Social Justice, Housing and Local Government (as at 24th March 2022), letter to UK Gov by DFM. Not explicitly linked to fuel poverty in these statements.</p> <p>In 2022-2023 the monthly universal credit amounts were as follows:</p> <ul style="list-style-type: none"> • single under 25 - £265.31 • single 25 or over - £334.91 • joint claimants both under 25 - £416.45 • joint claimants one or both 25 or under - £525.72 • child amount – first child (born prior to 6 April 2017) - £290 • child amount (born on or after 6 April 2017) or second child and subsequent child (where an exception or transitional provision applies) - £244.58 • disabled child lower rate addition - £132.89 • disabled child higher rate addition - £414.88 • limited capability for work amount - £132.89 	<p>The Programme for Government, 5 September 2023, moved away from this policy position to reinstate Universal Credit by £20-per-week. The new position to call on the UK Government to legislate to put an Essentials Guarantee in place to ensure that social security benefits adequately cover the cost of essentials, including food, transport, energy; and to ensure that deductions, such as debt repayments to government, sanctions, or as a result of the benefit cap, can never pull support below this level.</p> <p>Letters were sent from the former First Minister (speech, 5 September 2023) to the UK Government</p>

			<ul style="list-style-type: none"> • limited capability for work and work-related activity amount - £354.28 • carer amount - £168.81 • childcare costs amount maximum for one child - £646.35 • childcare costs amount maximum for two or more children - £1108.04 • non-dependents' housing cost contributions - £77.87 • higher work allowance (no housing amount) one or more dependent children or limited capability for work - £573 • lower work allowance one or more dependent children or limited capability for work - £344 <p>The Universal Credit rates for 2023-2024 are:</p> <ul style="list-style-type: none"> • single under 25 - £292.11 • single 25 or over - £368.74 • joint claimants both under 25 - £458.51 • joint claimants one or both 25 or under - £578.82 • child amount – first child (born prior to 6 April 2017) - £315 • child amount (born on or after 6 April 2017) or second child and subsequent child (where an exception or transitional provision applies) - £269.58 • disabled child lower rate addition - £146.31 • disabled child higher rate addition - £456.89 • limited capability for work amount - £146.31 • limited capability for work and work-related activity amount - £390.06 • carer amount - £185.86 • childcare costs amount maximum for one child - £950.92 • childcare costs amount maximum for two or more children - £1630.15 • non-dependents' housing cost contributions - £85.73 • higher work allowance (no housing amount) one or more dependent children or limited capability for work - £631 • lower work allowance one or more dependent children or limited capability for work - £379 	<p>highlighting the need for an Essentials Guarantee and the Cabinet Secretary for Social Justice repeated this request to the Secretary of State for Work and Pensions (4 March 2024)</p> <p>The Universal Credit rates for 2023-2024 were:</p> <ul style="list-style-type: none"> • single under 25 - £292.11 • single 25 or over - £368.74 • joint claimants both under 25 - £458.51 • joint claimants one or both 25 or under - £578.82 • child amount – first child (born prior to 6 April 2017) - £315 • child amount (born on or after 6 April 2017) or second child and subsequent child (where an exception or transitional provision applies) - £269.58 • disabled child lower rate addition - £146.31 • disabled child higher rate addition - £456.89 • limited capability for work amount - £146.31 • limited capability for work and work-related activity amount - £390.06 • carer amount - £185.86 • childcare costs amount maximum for one child - £950.92 • childcare costs amount maximum for two or more children - £1630.15 • non-dependents' housing cost contributions - £85.73 • higher work allowance (no housing amount) one or more dependent children or limited capability for work - £631
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				<ul style="list-style-type: none"> • lower work allowance one or more dependent children or limited capability for work - £379 <p>In 2024-2025 the monthly universal credit amounts are:</p> <ul style="list-style-type: none"> • single under 25 - £ 311.68 • single 25 or over - £ 393.45 • joint claimants both under 25 - £ 489.23 • joint claimants one or both 25 or under - £ 617.60 • child amount – first child (born prior to 6 April 2017) - £ 333.33 • child amount (born on or after 6 April 2017) - £ 287.92 • second child and subsequent child (where an exception or transitional provision applies) - £ 287.92 • disabled child lower rate addition - £ 156.11 • disabled child higher rate addition - £ 487.58 • limited capability for work amount, if the health related claim started before 3 April 2017 - £ 156.11 • limited capability for work and work-related activity amount - £ 416.19 • carer amount - £ 198.31 • childcare costs amount maximum for one child - £ 1,014.63 • childcare costs amount maximum for two or more children - £ 1,739.37 • non-dependents' housing cost contributions - £91.47 • higher work allowance (no housing amount) one or more dependent children or limited capability for work - £ 673
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				<ul style="list-style-type: none"> lower work allowance one or more dependent children or limited capability for work - £404
		38. We will explore how a Minimum Income Guarantee could offer those on low incomes safety, security and dignity, which will impact on fuel poverty by raising the level of income available to households to meet their reasonable energy needs	<p>Minimum Income Guarantee Steering Group established.</p> <p>The Group's interim report was published in March 2023 - Minimum Income Guarantee Expert Group: interim report - gov.scot (www.gov.scot). The Group's meeting papers and minutes are published here.</p>	<p>Minimum Income Guarantee Steering Group established.</p> <p>The Group's interim report was published in March 2023 - Minimum Income Guarantee Expert Group: interim report - gov.scot (www.gov.scot). The Group's meeting papers and minutes are published here.</p> <p>The Expert Group are developing a final report which will be published by the end of 2024.</p>
	Providing financial support	39. We urge the UK Government to review levy funding for the Energy Company Obligation and the Warm Homes Discount and work with Scottish Ministers so that these can be combined as a single, flexible Scottish Fuel Poverty scheme, as provided for in the Scotland Act [Also covered under Strategic Approach theme of Poor Energy Efficiency]	Letter sent to UK Government - Energy consumers support: letter to UK Government - gov.scot (www.gov.scot) .	Letter sent to UK Government - Energy consumers support: letter to UK Government - gov.scot (www.gov.scot) .
		40. We will deliver our replacement benefit for Winter Fuel Payment on a like-for-like basis	PAWHP consultation ran from 23 October 2023 to 15 January 2023.	<p>Pension Age Winter Heating Payment will replace Winter Fuel Payments in Scotland from this winter. A public consultation ran from 23 October 2023 to 15 January 2024.</p> <p>The Scottish Government's focus is on delivering a like-for-like benefit to ensure safe and secure transfer this winter (2024/25), providing payments of £100-300 to pension age individuals each winter to provide support with their heating bills. Further policy development will continue to consider longer-term improvements.</p>
		41. We will replace the Cold Weather Payment with a new annual payment of £50 for all low income households who are currently eligible to receive the Cold Weather Payment during cold spells, providing greater certainty and consistency for around 400,000 people in Scotland	Replacement Winter Heating Payment was introduced in February 2023.	<p>Replacement Winter Heating Payment was introduced in February 2023.</p> <p>Winter Heating Payment has now been uprated by 10.1% from £50 to £55.05 for winter 2023/24 and by a</p>

				further 6.7% for winter 2024/25 to £58.75 Official statistics for winter 2023/24: 1 (socialsecurity.gov.scot)
		42. We will double the value of the Scottish Child Payment to £80 every four weeks from April 2022	Scottish Child Payment was increased in November 2022 and currently stands at £25 per week.	Scottish Child Payment was doubled in April 2022 to £20 per week. It has been increased twice since and currently stands at £26.70 per week.
	Reducing Household Costs	43. We will expand universal free school meal provision in primary schools and special schools and deliver alternate free school meal support for all eligible in holiday periods	Currently all children in primary 1 to 5 get free school meals, and all children who to special schools which are run by their local council or are Scottish Government funded can get free school meals during term-time. If household is receiving certain benefits they are eligible for school meals during the holidays.	Currently, all children in primary 1 to 5, and all children in special schools can access free school meals during term-time. If a household is receiving certain benefits they are eligible for school meals during the holidays.
		44. We will deliver 110,000 energy efficient, affordable homes by 2032 – at least 70% of which will be in the social rented sector and 10% in our remote, rural and island communities – which will ensure homes are affordable as well as warmer and cheaper to heat	Rural and islands housing action plan states that since 2016 the Scottish Government has supported the delivery of over 10,000 affordable homes across remote, rural and island areas. The 2024-25 Scottish Budget cut the budget for building social housing by almost £200m.	The Scottish Government has led the UK in housing by delivering more than 128,000 affordable homes since 2007, over 90,000 of which were for social rent. From 23 March 2022 to end December 2023, 17,619 homes have now been delivered towards the 110,000 affordable homes target, of which 13,483 (77%) are homes for social rent. The former First Minister announced an £80m uplift over the next 2 years to increase affordable housing supply through the purchase of properties to help reduce homelessness. This will increase the Affordable Housing Supply Programme budget to nearly £600 million in 2024-2025, this compares to £752m in 2023-24: https://www.gov.scot/news/boosting-housing-supply-to-tackle-homelessness/

		45. We will produce a Rented Sector Strategy and include any legislative aspects in a Housing Bill in this parliamentary term which will support renters in ensuring their housing costs are affordable and levels of fuel poverty in the rented sector are reduced	<p>The Scottish Government consulted on ‘A new deal for tenants’.</p> <p>Cost of living private rent cap introduced as an interim measure here Cost of Living (Tenant Protection) (Scotland) Act (legislation.gov.uk).</p> <p>Rented Sector Strategy has not been introduced nor has a Housing Bill.</p>	<p>The Scottish Government introduced the Housing (Scotland) Bill⁹⁶ to parliament on 26 March 2024.</p> <p>Policy proposals within this Bill have been informed by the New Deal for Tenants - draft rented sector strategy; and engagement with 6 working groups; 3 public consultations⁹⁷; and a Landlord and tenant engagement questionnaire on rented sector reform⁹⁸.</p> <p>The temporary rent cap and eviction moratorium protections brought in by the Cost of Living (Tenant Protection) Act 2022⁹⁹ will no longer apply from 1 April 2024. This final date is built into the legislation and cannot be extended further.</p> <p>From 1 April 2024 onwards the process for rent adjudication has been temporarily modified for one year, in regulations¹⁰⁰ brought forward by the Scottish Government. If a tenant is concerned about the level of proposed rent increase, they can raise it with their landlord or agent and apply to a rent officer at Rent Service Scotland, or to the First-tier Tribunal if applicable, for a rent adjudication.</p>
		46. We will provide free bus travel to all young people aged 21 and under, which will impact on fuel poverty by ensuring household incomes can be used to meet reasonable energy needs	Introduced. Year one evaluation available here .	Introduced. Year one evaluation available here .
		47. We will continue to mitigate the bedroom tax until such times as we are able to abolish it, which will impact on fuel poverty by	Bedroom tax continues to be mitigated through Discretionary Housing Payments.	Bedroom tax continues to be mitigated through Discretionary Housing Payments.

⁹⁶ [Housing \(Scotland\) Bill – Bills \(proposed laws\) – Scottish Parliament | Scottish Parliament Website](#)

⁹⁷ Consultations: 1) [A New Deal for Tenants: consultation analysis - gov.scot \(www.gov.scot\)](#); 2) [Prevention of homelessness duties: consultation - gov.scot \(www.gov.scot\)](#); and 3) [Mobile homes pitch fees - annual uprating index: consultation - gov.scot \(www.gov.scot\)](#).

⁹⁸ [Landlord and tenant engagement questionnaire on rented sector reform - Scottish Government consultations - Citizen Space](#)

⁹⁹ [Cost of Living \(Tenant Protection\) \(Scotland\) Act \(legislation.gov.uk\)](#)

¹⁰⁰ [The Cost of Living \(Tenant Protection\) \(Scotland\) Act 2022 \(Saving Provisions\) Regulations 2024 \(legislation.gov.uk\)](#); [The Cost of Living \(Tenant Protection\) \(Scotland\) Act 2022 \(Expiry of Section 10: Extension\) Regulations 2024 \(legislation.gov.uk\)](#); [The Rent Adjudication \(Temporary Modifications\) \(Scotland\) Regulations 2024 \(legislation.gov.uk\)](#).

		ensuring household incomes can be used to meet reasonable energy needs		
	Increasing income from employment	48. We will continue to roll out a Fair Work First approach across the public sector, which will help ensure households have adequate levels of income to meet their reasonable energy needs	Fair Work First implementation - Scottish public procurement update: SPPN 6/2021 - gov.scot (www.gov.scot).	<p>Through the Fair Work First policy, Scottish Government are leveraging employers' commitment to fair work by applying Fair Work principles to public sector grants, other funding and contracts where it's relevant and proportionate to do so. Employers are being asked to commit to:</p> <ul style="list-style-type: none"> ○ Payment of at least the real Living Wage. ○ Appropriate channels for effective voice, such as trade union recognition. ○ Investment in workforce development. ○ No inappropriate use of zero hours contracts. ○ Action to tackle the gender pay gap and create a more diverse and inclusive workplace. ○ Offer flexible and family friendly working to all workers from day one of employment. ○ Oppose the use of fire and rehire practices <p>Fair Work First principles have been applied to over £4bn of public funds between April 2019 and March 2023.</p>
		49. We will continue to encourage more employers in Scotland to pay the real Living Wage, which will help ensure households have adequate levels of income to meet their reasonable energy needs	Organisations applying for public sector grants will need to pay at least the real Living Wage and provide channels for staff to have a say in the workplace from July 2023 - Grants link to boost Fair Work - gov.scot (www.gov.scot).	The number of accredited Living Wage employers is up from 14 in 2014, to passing the milestone of 3,500 in time to mark the 10th anniversary of the scheme in 2024. (Link here .)
		50. We will continue to encourage more employers in Scotland to achieve Living Hours Accreditation, which will help to ensure households have adequate levels of income to meet their reasonable energy needs	Doesn't appear to be anything published on this.	<p>On 23 July 2021 the Minister for Just Transition, Employment and Fair Work, announced the launch of the Living Hours Accreditation Scheme (LHAS) for Scotland.</p> <p>LHAS recognises that in addition to payment of the real Living Wage,</p>

				<p>number and frequency work hours are critical to tackling in-work poverty.</p> <p>There are over 50 Living Hour Accredited employers since the Schemes launch in August 2021. (Link here)</p>
Advice and Support	Delivery Schemes	51. We will continue to fund Home Energy Scotland to provide advice and support on how to reduce energy bills and make homes warmer and cheaper to heat	Ongoing. This PQ shows that for 24/25 £119 million has been allocated to the Area Based Schemes and Warmer Homes Scotland. This budget has been flat since 2022/23.	This PQ shows the expansion of the advice services to increase the provision of support for helping to make homes warmer.
Partnership Working	Social Security	52. We will continue to work together to develop effective referral routes between Home Energy Scotland and Social Security Scotland and share best practice to ensure fuel poor households are getting full access to the support to which they may be entitled	Nothing published, information needed from Home Energy Scotland and Social Security Scotland to confirm if this is happening.	At present HES do not have a tied referral pathway for benefits checks. HES advisors signpost people to citizens advice bureau and local money saving services.
Monitoring and Reporting	Measuring Outcomes	53. We will work with key stakeholders, including local authorities, COSLA, and the Scottish Fuel Poverty Advisory Panel to develop an outcomes framework that we will publish in 2022	Ongoing, not done in 2022.	Ongoing, not done in 2022.
	Reporting	54. Working with key partners, including the Scottish Fuel Poverty Advisory Panel, we will develop a reporting format that will set out the progress we have made in reaching the fuel poverty targets. We will report every three years, with the final report being published no later than 2042	No progress yet, but on sponsor team's radar and they are currently looking to extend the time they have to produce this report to Summer 2025. This is not in the public domain.	As set out in the Fuel Poverty Act, there is a requirement to prepare, consult and publish a 3 year periodic report, and lay this in Parliament end March 2025. This will cover the dates from Fuel Poverty strategy publication, December 2021 to December 2024.
	Review	55. We will keep this Strategy under review and will revise it at least every 5 years, with the first review taking place no later than 2026		Strategy review due for consideration by the end 2026 in line with the Fuel Poverty Act