THE SCOTTISH
FUEL POVERTY
ADVISORY PANEL

Workplan

April 2025-March 2026

Contents

Introduction

In Scotland **34%** of all households are estimated to be in fuel poverty. This equates to around 861,000 households. **19.4%** (or 491,000 of the 861,000 households in fuel poverty) are recognised as being in extreme fuel poverty, and the median fuel poverty gap is £**1,250**[1]. This is a rise from the fuel poverty figure in the previous Scottish House Condition Survey, which drew on 2022 data, where **31%** were estimated to be in fuel poverty, the extreme fuel poverty figure was similar to the 2023 one. The disaggregation of the 2023 data shows the harsh reality of the increase in fuel poverty rates for those on below average incomes and certain household types. In 2023 fuel poverty amongst those with an annual income less than £15,000 and those earning between £15,000 and £24,999 increased compared with 2022. 96% of households with an annual income less than £15,000 were in fuel poverty in 2023 (89% in 2022), and 58% of households earning between £15,000 and £24,999 were in fuel poverty in 2023 (43% in 2022)[2]. It is clear that some household types are more likely to be in fuel poverty. In 2023, families (34%) have similar rates of fuel poverty to older households (37%), but older households have higher rates of fuel poverty than other households (32%). Alongside these rising fuel poverty rates, energy debt has also risen – with the latest figures reported by Citizens Advice Scotland, showing that the average energy debt of people they see is around £2,500 which rises to £3,130 in rural and remote rural areas. The total UK energy debt is approaching £4 billion[3].

High energy prices have been the primary driver of these increases in fuel poverty. Recent figures show that although prices have continued to fall from their peak in 2022, under the April to June 2025 price cap prices are still 52% higher than in winter 2021/22[4]. As we, among others, have noted elsewhere[5], the price cap can mask the true reality of energy bills for those using electric heating systems. Typical Domestic Consumption Values used in calculating the price cap are unrepresentative for those using electric heating as their main heat source[6]. And whereas 97% of those in

[1] Scottish House Condition Survey (2025) Scottish House Condition Survey: 2023 Key Findings - gov.scot.
[2] Ibid.
[3] Ofgem (2025) Ofgem State of the market report
[4] House of Commons Library (2025) Gas and electricity prices during the 'energy crisis' and beyond - House of Commons Library
[5] Scottish Fuel Poverty Advisory Panel (2024) Ofgem's Call for input on the future of price protection - Fuel Poverty Scotland
[6] Ofgem (2025) Energy Price Cap. The Energy price cap is based on typical household energy use for households which use electricity and gas and pay by direct debit.

urban areas are within coverage of the gas grid, only 55% of those living rurally can access the gas grid[7] and therefore must use electric heating or alternative fuels.

Furthermore, the price cap does not cover the costs of alternative (unregulated) fuels where volatile pricing is a challenge for those who depend on them for heat. The reality is then that the 52% increase in energy prices since winter 2021/22, based on the price cap, will be even higher for many households in Scotland. Since the energy crisis, fuel and extreme fuel poverty rates have risen from 24.6% of households, with 12.4% in extreme fuel poverty in 2019, to 34% in fuel poverty and 19.4% in extreme fuel poverty in 2023.

This increase in the number of households living in fuel poverty has happened against a backdrop of UK and Scottish governmental interventions to support consumers with their energy bills – including the Energy Price Guarantee (Oct. 2022-March 2024) Energy Bills Support Scheme and the Energy Bills Support Scheme Alternative Fund (winter 2022-23)[8], Cost of Living Payments (2022-2024)[9] and crisis support through the Fuel Insecurity Fund[10]. And, also through a raft of strategies and policies such as continued funding to improve the energy efficiency of the housing stock, policy development and initiatives to support the step change needed for net zero, as well as income measures to support those in poverty.

The fact that this this market intervention and unprecedented consumer energy support[11], did not come close to keeping fuel poverty levels at pre-energy crisis levels, and the ongoing range of policies – income and energy efficiency measures – has not managed to impact the headline fuel poverty figures shows how difficult and complex it is to resolve fuel poverty. Of the four key drivers of fuel poverty in Scotland, the relationship of household income and energy prices has proved the biggest obstacle in tackling fuel poverty, with energy prices increasing significantly while incomes are being squeezed.

It is in this context of the energy crisis and the related cost of living challenge, that the Scottish Government has published the first Tackling Fuel Poverty in Scotland: Periodic Report 2021-2024, covering progress since the publication of Tackling fuel poverty in Scotland: a strategic approach at the end of 2021.

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[7] Scottish House Condition Survey (2025) Scottish House Condition Survey: 2023 Key Findings - gov.scot
[8] House of Commons Library (2023) Constituency casework: Government support for energy bills - House of Commons Library
[9] Cost of Living Payments - mygov.scot
[10] Boosting Fuel Insecurity Fund - gov.scot
[11] House of Commons Committee of Public Accounts (2025) Energy Bills Support

The Scottish Government has recently stated its intention to take a different approach to its important Heat in Buildings Bill, signalling a desire to integrate the fuel poverty and net zero policy objectives more closely, and an acknowledgement of the real affordability challenge of installing and operating low carbon heating systems. It has also recently launched a consultation on mitigating the two child cap which the evidence suggests would be a significant step in reducing child poverty[12]. These policy shifts have implications for the approach to tackling fuel poverty in Scotland. There are also shifts happening in the wider UK with the UK Government's efforts to speed up the energy transition through fast-tracking projects which contribute to the 2030 Clean Energy Target and its introduction of a Planning and Infrastructure Bill. At the same time there is a stronger focus on consumer affordability as Ofgem grapples with unprecedented consumer energy debt and the energy affordability challenge. The UK Government too is focussing in on affordability as it proposes a foundational pillar of energy affordability to underpin England's new Fuel Poverty Strategy which would certainly have implications for Scottish households too. The Scottish Government, drawing on the recommendations made by this Panel and the findings of its Social Tariff Taskforce of which we are a member, is working to influence the consumer affordability debate and advocating for a flexible energy discount mechanism.

It is in this context of what, increasingly looks like an entrenched fuel poverty figure of around a third of Scotland's households in fuel poverty (with around half of these in extreme fuel poverty) and evolving policies on net zero and how to achieve it while maintaining energy affordability, that we are setting out our workplan for this year. We look back to the first three years covered by the Periodic Report and forward to the challenges which will shape the revised Fuel Poverty Strategy from the end of 2026 onwards.

Out priority is to fulfil our statutory duty of responding to the Scottish Government's Tackling Fuel Poverty in Scotland: Periodic Report 2021-2024 which was published on the 1 April this year (2025). As stipulated in The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019, we will scrutinise the Scottish Government's progress – looking back on progress to date as well as forward to where next in terms of Scotland's ambition to eradicate fuel poverty by 2040.

When we have completed our response on the Periodic Report, we will review what we have planned for the remainder of the April 2025 – March 2026 year, amending the plan for the remainder of the year should this prove necessary. Our intention at this point is to continue our work to understand the reality for those living in fuel

[12] Fraser of Allander Institute (2025) Policy packages to meet Scotland's child poverty targets | FAI

poverty in rural and remote rural parts of Scotland (including of course island communities) and importantly the interventions and policy choices that will deliver the best outcomes. We will follow this by laying the foundations for an in-depth focus on fuel poverty through a public health lens in the following workplan year – April 2026 - March 2027 – taking the opportunity at the same time for a forward look at the 2026-2027 workplan. We will also continue our work to advocate for the introduction of a flexible energy discount mechanism (or social tariff) and for the need to ensure that fuel poverty mitigation features as a measurable objective within wider net zero policies, and to influence policy developments on energy consumer affordability through responding to consultations, where we have the capacity to do so.

We are also mindful that the Scottish Government may initiate the work to revise their Fuel Poverty Strategy, which must be completed by December 2026[13], during the lifetime of this workplan. The funding landscape may also change over this workplan year with the next iteration of the Energy Company Obligation (ECO5) and the scheduled end of the Warm Home Discount in 2026 in its current form.

Who we are

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

We currently have five panel members. Four members are contracted to work around 12 days a year with the chairing member working around 18 days a year, collectively working a maximum of 90 days. We are supported by a Secretariat of three.

What we do

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

[13] Fuel Poverty (Targets, Definition Strategy) (Scotland) Act 2019, Section 6/7

Our March 2024 to April 2027 Strategic Plan sets out our strategic goals which underpin our vision and mission for this three-year period.

The Panel's vision is for:

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

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

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

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

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

The Panel's principles for all our work are:

Independent

Undertake work that is independent and objective.

Collaborative

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

Understanding

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

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Transparent

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

Dynamic

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

Our workplan is also shaped by our seven strategic goals:

1. We will advocate for the eradication of fuel poverty by relationship building, and through evidence-based policy development and delivery in Scotland, and in the UK where appropriate.

2. We will be informed by evidence from a wide range of sources and stakeholders, including those with lived experience and the organisations that support them.

3. We will offer insights and reflections to support Scottish Government to improve short-term and long-term responses to Scotland's shifting fuel poverty landscape.

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

5. We will advocate for actions and solutions to address the drivers of fuel poverty across, and in line with, all the relevant policy areas which contribute to National Performance Framework outcomes.

6. We will champion and foster a collaborative approach to challenging fuel poverty drivers and other structural causes, identifying and encouraging actions to address fuel poverty with stakeholders across the public, private and third sectors.

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

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

2025-2026 Workplan

Our April 2025 to March 2026 workplan sets out our priorities for the coming year. The Panel's key priority this year is to fulfil its statutory scrutiny role by assessing Scottish Ministers' progress towards meeting Scotland's fuel poverty targets as set out in the Tackling Fuel Poverty in Scotland: Periodic Report 2021-2024 - the first governmental progress assessment since the passing of the 2019 Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act and the publication of the first Fuel Poverty Strategy designated under the Act.

Our core priorities are to:

1. Respond to the Scottish Ministers' Periodic Report – as required by provision 14 of the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 by the end of the second quarter (September 2025).
2. Build on last year's work on the systemic impact of rural and remote fuel poverty in order to explore solutions to rural and remote fuel poverty.
3. Look forward to exploring the benefits of a public health approach to fuel poverty in 2026-2027 by setting the groundwork for this in the final quarter (January - March 2026).

We will also continue to:

Advocate for the introduction of a flexible energy discount mechanism, highlighting the opportunity this offers to close the fuel poverty gap. We will do this by:

- Continuing to work with the Scottish Government as a member of their Social Tariff Working Group and continuing to influence the UK Government on the introduction of a tariff – recognising that it is the UK Government who have the fiscal and policy levers to introduce a tariff.
- Drawing attention to the need for fuel poverty mitigation to feature as a measurable objective within wider net zero policies – including contributing our thinking to the Scottish Government's revised Heat in Buildings Bill as it progresses through the Scottish Parliament during this parliamentary session.

Seek to influence:

- Ofgem in their strategic priorities of shaping a retail market that works for consumers and establishing an efficient, fair and flexible energy system, by responding to specific consultations and seeking direct engagement where appropriate.

- The UK Government in their ongoing work to reform the energy system by responding to relevant consultations.

Work on:

- Emergent priority fuel poverty issues while continuing to consolidate our organisational foundations by adhering to governance requirements in line with our status as an independent statutory organisation.

Engage with:

- Consumer Scotland on their workstreams on a new approach to energy affordability and a future energy retail market designed for consumers.
- The Poverty and Inequality Commission on Scottish Government's next Child Poverty Delivery Plan.

1. Responding to the Scottish Ministers' Tackling Fuel Poverty in Scotland: Periodic Report 2021 – 2024

Scottish Ministers published the first of their triennial periodic reports –Tackling fuel poverty in Scotland: periodic report 2021-2024 – on the 1 April 2025, as stipulated by the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019. The Act requires Ministers to consult the Panel, among others, ahead of producing its periodic reports. The Panel then has a statutory duty to make a formal response to the published periodic report within six months.

In November 2024, in our statutory capacity as a consultee, we shared our engagement response, ahead of the Scottish Government producing its first periodic report, with Ministers and Scottish Government officials, and will now test the findings and recommendations we made in this consultation further as we work to respond to the published report.

We will, in making our response:

- Explore the questions set out in provision 14 of the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act, specifically:

    I. What progress has been made towards meeting the fuel poverty targets?
    II. What is the likelihood of meeting the fuel poverty targets?
    III. To what extent are the four drivers of fuel poverty are being addressed?
    IV. Are there changes which should be made to the fuel poverty strategy?

- In exploring these questions, we will:

    - Reflect on the findings and recommendations from our periodic report engagement response, and the work we have done since, and consider others' engagement responses – where these are published.
    - Consider the reflections of other stakeholders on the Scottish Government's periodic report.

- Reflect on our findings and the questions they raise to inform our research plan, enabling:

    - Development and execution of our research plan from the second quarter onwards.

We will work on our response during the first (April- June 2025) and second quarters (July –September 2025).

2. **The systemic impact of fuel poverty in rural and remote areas – what are the potential solutions?**

Last year (April 2024 – March 2025) we looked at issues affecting those living in rural and remote fuel poverty, and we heard some difficult stories about life in fuel and extreme fuel poverty in rural and remote Scotland. We concluded that a bespoke approach to the structural disadvantage suffered by rural and remote areas is needed to tackle the fuel poverty in these communities, which are consistently ranked as having the highest fuel poverty in Scotland[14], and we made a number of recommendations to the Scottish Government.

- Building on this work, we intend to explore what different solutions are being deployed across rural and remote Scotland to mitigate fuel poverty, what issues these unearth and how effectively they are addressing fuel poverty in their local communities.

- We will, explore with a range of rural and remote stakeholders, solutions to rural and remote fuel poverty. Following our postponed visit to na h-Eileanan Siar (the Western Isles) last year, we will consider how and where a rural visit could best support this stakeholder engagement.

3. **Preparing the groundwork for a deep dive on the impact of fuel poverty on public health.**

Last year we started to look at fuel poverty through a health lens. Building on previous discussions about the positive outcomes from Energy Systems Catapult's Warm Home Prescription Trial (WHP), we heard about the latest iteration of the WHP. We also heard from Public Health Scotland about the linkages between cold homes and poor health outcomes, as well as a new study which is looking at the connection between cold, damp homes and respiratory infections in pre-school children.

We would like to focus in our workplan next year (April 2026-March 2027) on an in-depth look at the connections between fuel poverty and health outcomes, and where re-purposing funding and the transition to low energy heating systems offer opportunities to improve health through a focus on warm homes.

[14] Changeworks (2023) A-Perfect-Storm-Fuel-Poverty-in-Rural-Scotland.pdf

We will:

- Engage with Public Health Scotland to understand their data collection and evidence base.

- Put out a call for evidence on where fuel poverty interventions have led to positive health outcomes.

- Engage further with Energy Catapult Systems WHP, attending their Community of Practice event in September, and learn more about the new possibilities that healthcare and housing data linkage are opening up at the Homes and Healthy Kids Study interdisciplinary event on May 1st.

- Connect with Scottish Government policy officials to explore their work in this area.

4. Other Priorities

As we stated in our last workplan, we endeavour to use our resources to best effect, by working responsively, flexibly, and proportionally so that we can react to, and offer our thinking on, emerging fuel poverty issues. We will fulfil our scrutiny obligations – over above our response to the Scottish Government's Periodic Report 2021–2024 – when necessary, work to further consolidate our governance infrastructure, and ensure that the Panel is on a firm footing as the first appointment term of its current members draws to a close at the end of December 2025.

Scrutiny and Advice

- We will continue to support Scottish Government as it works to develop a monitoring and evaluation framework for its Tackling Fuel Poverty Strategy.

- We will look to engage with the Poverty and Inequality Commission as it reflects on the Scottish Government's next Tackling Child Poverty Delivery Plan – offering out thinking from a fuel poverty perspective.

- We will engage with Scottish Government officials to offer our views on the eligibility criteria for the next round of Warmer Homes Scotland during the first quarter – April 2025 – June 2025.

- We will participate in the further planned Ministerial Social Tariff Working Group meetings.

Governance

- ❖ We will review this April 2025 – March 2026 workplan towards the end of this calendar year, once we have completed our response to the Periodic Report 2021 – 2024 to see if we need to shift our priorities for the rest of the year in the light of the work on our response and any emerging themes.

- ❖ We will feed our views into the public appointments' process for a sixth Panel member, drawing on our experience and learning to date, using our skills' matrix and looking to our Strategic Plan 2024-2027. In addition, our Chairing Member will be on the recruitment panel for the new appointment. We will also seek to confirm the shape of the Panel for the next 4-year period with Scottish Ministers, as the existing Panel members come to the end of their appointments in December 2025.

- ❖ We will finalise our risk approach and begin to review, from our perspective, our Framework Agreement with Scottish Government, as its first three-year iteration draws to a close.

- ❖ We will publish our second annual report (April 2024 to March 2025) covering the last year of our operation in summer 2025.

Collaboration and engagement

- ❖ Collaboration and engagement, as last year, will continue to underpin this year's workplan too. Similarly, we will seek every opportunity to engage with and listen to those with lived experience of fuel poverty:

    - We will reflect on whether our approach to commissioning work to explore the experiences of people living in rural and remote fuel poverty has supported our goal of being informed by evidence from a wide range of sources and stakeholders, including those with lived experience and the organisations that support them.

    - We will also seek to engage with central and local government, parliamentary committees, third sector organisations, the regulator, and players in the energy sector. We will actively engage with other public bodies where there is a connected interest in fuel poverty and its effects.

- ❖ We will attend the annual Energy Action Scotland conference which brings together the fuel poverty stakeholder community across Scotland in the

Autumn. We will also attend the Scottish Federation of Housing Association Conference in the Summer. We recognise the significant contribution housing associations play in supporting those in fuel poverty but also the issue that, in spite of the higher energy efficiency standards in the social rented sector, their tenants also have the highest rates of fuel poverty by tenure. 61% of households renting from a local authority and 60% of households renting from a housing association are in fuel poverty[15].

How we will monitor the delivery and success of this plan

- Delivery – at the time of publication, we plan to meet in-person five times over the lifetime of this plan (April 2025 to March 2026), with additional online meetings as needed to deliver our workplan. We will use our meetings to check in, modify if needed, and monitor the delivery of our workplan, including a more formal review of the workplan once we have submitted our response to the Tackling Fuel Poverty in Scotland: Periodic Report 2021 – 2024.

- Success – we will monitor the success of this plan by continuing to develop indicators to evaluate the effectiveness of this plan and by testing the effectiveness of our first assessment of delivery of against plan as reported in our Annual Report for April 2024 – March 2025.

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

[15] Scottish Government (2025) Scottish House Condition Survey: 2023 Key Findings - gov.scot

Annex A: our work themes mapped against our seven strategic goals

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