

A woman with dark hair, wearing a pink sweater, is looking out a window. She is holding a light blue mug with a white pattern. The window has a white frame and a metal latch. The background is slightly blurred, showing a patterned curtain. On the left side of the image, there are several colored rectangular blocks: dark blue, purple, blue, teal, and grey.

**Scottish Fuel Poverty
Advisory Panel Response
to the Scottish
Government's Tackling
Fuel Poverty in Scotland:**
periodic report: 2021–2024

THE SCOTTISH
FUEL POVERTY
ADVISORY PANEL

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Executive Summary

Executive Summary

1.

Our Statutory Role

A statutory function of the Scottish Fuel Poverty Advisory Panel is to scrutinise Scottish Government progress made towards achieving Scotland's fuel poverty targets, the likelihood of these being met and the extent to which the four drivers of fuel poverty are being addressed, as defined in the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019.

This report is in response to the Scottish Government's first triennial Periodic Report, 'Tackling Fuel Poverty in Scotland; Periodic Report 2021 - 2024'.

2.

Fuel Poverty Environment

Fuel poverty and extreme fuel poverty levels have increased significantly since the statutory targets were set. In 2019, an estimated 24.6% of households were in fuel poverty, in 2023 this was estimated to be 34%.

In evaluating progress towards the fuel poverty targets and the extent to which the four drivers of fuel poverty are being addressed, we also recognise that some key policy, regulatory, fiscal and market levers sit outside the Scottish Government's devolved powers.

We also recognise the profound shift in the energy landscape since 2019. Given the current levels of fuel poverty, in the Panel's opinion, tackling fuel poverty should be a greater priority now than it was when the Act was passed by the Scottish Parliament.

Yet in comparison to other policy areas with statutory targets – child poverty and climate change – the Panel believes that fuel poverty has not seen the required level of strategic prioritisation.

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3.

Fuel Poverty Strategy

The Panel has previously offered advice on deficits in the current Fuel Poverty Strategy, which impact on periodic reporting, and how these might be addressed.

Given the changing landscape, there is a pressing need to refocus and ramp up devolved government action commensurate with the increased scale of the fuel poverty challenge, and to bring the statutory targets back into view.

The Panel strongly recommends that the Scottish Government should now take steps to deliver its commitment made in February 2024 to revise the Strategy by the end of 2026.

The Periodic Report does not mention this Ministerial commitment and the underlying statutory requirement to review the Strategy.

This updated Strategy needs to be in place to ensure a clear fuel poverty reduction plan prior to the 2030 interim target.

4.

Monitoring and Evaluating progress

When the Strategy was published, there was a commitment to have a monitoring and evaluation framework in place by 2022.

The failure to develop an appropriate monitoring and evaluation framework makes the efficacy of actions and progress hard to assess.

It also makes it extremely challenging for the Panel to objectively assess the policy and funding impacts set out in the Periodic Report, and to fully scrutinise the Scottish Government's progress towards delivering Scotland's fuel poverty targets and the extent to which the four drivers of fuel poverty are being addressed.

This has compromised the Panel's ability to assess the Scottish Government's progress.

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5.

Meeting the Targets

The Panel's view is that given the escalation in fuel poverty rates and evidence presented in the Periodic Report, the legally-binding 2030 interim fuel poverty target – which is only just over 5 years away – is extremely unlikely to be met.

The Panel notes that this lack of confidence in achieving the 2030 target also raises concern about meeting the subsequent 2035 and the final 2040 target.

The 2040 target, although still in sight, will be a challenge requiring a new strategic approach and greater strategic prioritisation.

We also advise that the Scottish Government should be open in its assessment of whether the statutory targets are achievable.

6.

Addressing Fuel Poverty Drivers

The Panel finds that it is not possible to assess the extent to which the four drivers of fuel poverty are being addressed because the Strategy, and therefore Periodic Report, did not clearly define outcomes at the outset, there was insufficient assessment of weighting and prioritisation of the fuel poverty drivers, and a lack of assessment of the impact of interventions on fuel poverty levels and targets.

- The Panel acknowledges the investment in improving the energy efficiency of housing and that there is a measurable improvement in Scotland's housing stock - with 56% of homes rated EPC band C or better in 2023 – an increase of around 3% from 2022.

However, the Panel's view is that the rate of energy efficiency improvement needs rapid acceleration and uplift to support the achievement of the fuel poverty targets.

Executive Summary

- The Panel notes that there is significant Scottish Government financial support to increase the income of low-income households and to reduce household expenditure, with some interventions directly related to annual assistance with energy costs.

However, the Panel questions whether many of these interventions, cited in the Periodic Report, do in fact contribute to addressing fuel poverty and therefore to meeting the fuel poverty targets.

- The Panel notes that high energy prices are the key driver of increases in fuel poverty, and most of the related levers are not in the Scottish Government's control.

The Panel's view is that the Scottish Government should position its revised fuel poverty strategy and actions in the context of continuing high energy prices accompanied by dedicated evidence and advocacy positions to leverage its influence on the UK Government.

- The Panel is of the view that how energy is used in the home as a driver of fuel poverty is not well articulated.

The Panel would encourage the Scottish Government to reflect on how this behavioural driver is framed, along with the use of research to better understand the factors that influence how energy is used in the home, and through this what action could be taken to support meeting the fuel poverty targets.

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7.

Progress on Strategy commitments

The Panel recognises that some progress has been made on the Strategic Priority Areas and Actions identified in the Fuel Poverty Strategy to mitigate fuel poverty.

However, weaknesses in how the Actions were initially set out, the lack of the required monitoring and evaluation framework for the Strategy and, in the absence of a framework, the use of an inadequate classification of progress, makes their efficacy difficult to assess.

The Panel has identified a lack of clear accountability or responsibility for delivery and monitoring and evaluation of the Strategy and that progress reporting on the 55 Strategy Actions is unable to link their contribution to progress on the fuel poverty targets.

8.

The Panel notes that there is a lack of Scottish Government progress on research, particularly in relation to the weighting of the different fuel poverty drivers or impacts of new policy interventions on fuel poverty figures.

There is a need for deeper ongoing lived experience research, including with households who are benefitting from energy efficiency or fuel poverty support schemes.

A better understanding of interventions targeted at the low income, poor energy efficiency and energy use in the home fuel poverty drivers is particularly important.

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9.

Revised Fuel Poverty Strategy

The Panel recognises that the Periodic Report and our reflections on it represent a significant opportunity to influence the 2026 revisions to the fuel poverty strategy.

The Panel advises the Scottish Government that there are key contextual challenges which form the background for this revised strategy, and which should be addressed to create an environment in which fuel poverty targets can be met, namely:

- Accelerating the rate of improvements to the energy efficiency of the housing stock is a prerequisite for meeting the statutory targets and will require increased investment and strong leadership.
- An increased awareness of challenges around how energy is used in the home and taking stock of advice models, their funding arrangements and what works best.
- A fuel poverty delivery plan should be developed to include increasing low household net income as related to the attainment of the fuel poverty targets.
- A clear vision is needed for how the GB energy market could operate. Collaborative working is needed, and the Scottish Government should advocate for the reforms which are not only in the best interests of consumers in Scotland – but will also benefit those in, and at risk of, fuel poverty.
- The Panel would also recommend that island and remote rural communities have a specific, more focused and co-ordinated, approach for tackling fuel poverty with clear leadership and enhanced resources.

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10.

The Panel offers 9 recommendations to the Scottish Government on developing a revised fuel poverty strategy and working towards achieving the fuel poverty targets.

These include beginning work promptly to ensure a robust revised strategy, with a delivery and resource plan, produced in consultation with key stakeholders, is in place by December 2026.

A clear governance structure to oversee the delivery plan, and a monitoring and evaluation framework to enable its impact on progress towards the fuel poverty targets to be measured, should also be put in place.

The policy co-dependencies with other Scottish Government statutory targets – Child Poverty, Climate Change and Heat Networks’ output – will need to be included to show how and to what extent they are contributing to fuel poverty targets too. The strategic approach to influencing on reserved issues should form part of the delivery plan.

A research approach should underpin the Strategy to support the weighting of the different fuel poverty drivers and to inform understanding of fuel poverty experience.

Recommendations to the Scottish Government for developing a revised Fuel Poverty Strategy

Recommendation 1:

The Scottish Government should be transparent on whether the current Strategy can make the necessary progress towards meeting the legislative targets

The revised strategy needs to build from this point.

Recommendation 2:

Development of the revised strategy should not be delayed beyond 2026

Planning for a strategy review should commence immediately. The groundwork needs to start now with priority given to developing a programme for stakeholder consultation and reviewing the effectiveness of the current delivery frameworks and their ability to respond to the step change required. A commitment to a strategy review would mean that any further work on the monitoring and evaluation framework under development would include only the most impactful actions in the current strategy.

Recommendations to the Scottish Government for developing a revised Fuel Poverty Strategy

Recommendation 3:

A strategic governance model should be adopted

Including clear accountability and responsibilities for fuel poverty in Scotland, with one fuel poverty reduction delivery plan, everybody knowing what they are doing to deliver, and what gaps remain.

Recommendation 4:

A revised strategy should make clear where policy dependencies exist across the fuel poverty landscape

(e.g. child poverty, climate change, heat in buildings and health), that policy and strategy co-dependencies need to be aligned, and that a formal governance structure exists to facilitate co-delivery including oversight of the fuel poverty reduction plan.

Recommendations to the Scottish Government for developing a revised Fuel Poverty Strategy

Recommendation 5:

A revised strategy should give equal attention to all fuel poverty drivers

Making clear their relationship to the fuel poverty definition, relative weighting in terms of impact on fuel poverty outcomes, and key devolved powers available to address them.

Recommendation 6:

A revised strategy should include a resource plan for the period of the strategy linked to outcomes

presenting an opportunity to bring a strong focus to the fiscal levers and policies. This includes (a) specifying clearly whether this funding is a fuel poverty measure (not related to another catch all policy action), (b) clearly stating spending targets, and (c) evidencing that the funding is sufficient.

Recommendations to the Scottish Government for developing a revised Fuel Poverty Strategy

Recommendation 7:

A revised strategy should develop and embed a robust monitoring and evaluation framework at the outset

Learning from the experience of the current Strategy.

Recommendation 8:

A revised strategy should set out a clear, evidence-led, strategic approach to influencing reserved issues

as support and resource prioritisation by the UK Government will be key to delivery. This includes prioritising a strong, collaborative relationship with the UK Government.

Recommendations to the Scottish Government for developing a revised Fuel Poverty Strategy

Recommendation 9:

A revised strategy should set out how the five yearly strategy revision timetable corresponds with the 2030, 2035 and 2040 fuel poverty targets, and the triennial periodic reporting of progress

This would bring coherence to strategic planning, delivery and reporting, and support governance of fuel poverty policy.

Introduction

Introduction

The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 (the Act) sets out a statutory role for the Scottish Fuel Poverty Advisory Panel (the Panel) in responding to the Scottish Government's triennial periodic reports.

The Act stipulates that the Panel should consider the Scottish Government's:

- a) Progress toward meeting the fuel poverty targets.
- b) The likelihood of meeting the fuel poverty targets.
- c) The extent to which the four drivers of fuel poverty are being addressed.

The Act also includes that the Panel may:

- a) Propose changes to the fuel poverty Strategy.
- b) Make such other recommendations to the Scottish Ministers as the Panel considers appropriate.

Table 1, below, sets out Scotland's 2040 fuel poverty target – and the interim targets in 2030 and 2035.

Table 1: Fuel poverty targets as defined in the Fuel Poverty Act 2019

Year	Target – fuel poverty	Target – extreme fuel poverty	Target – median fuel poverty gap
2030	No more than 15% of Scottish households	No more than 5% of Scottish households	No more than £350
2035	No more than 10% of Scottish households	No more than 3% of Scottish households	No more than £300
2040	No more than 5% of Scottish households	No more than 1% of Scottish households	No more than £250

Introduction

We, the Panel, cannot begin our assessment of the Scottish Government's progress towards meeting fuel poverty targets without first reflecting on the extent of fuel poverty in Scotland today. According to the most recent Scottish House Condition Survey reporting on 2023 data, 34% of all households (approximately 861,000) are estimated to be in fuel poverty, with around 19.4% (approximately 491,000) estimated to be in extreme fuel poverty. The median fuel poverty gap stands at £1,250¹. This represents a significant increase from 2019 fuel poverty rates, the most up-to-date data available at the time the strategy was published, when an estimated 24.6% (around 613,000 households) of all households were in fuel poverty, and 12.4% (or 311,000 households) were living in extreme fuel poverty. In 2019, the median fuel poverty gap was £750².

Behind these high-level figures, the lived experiences and day-to-day reality of fuel poverty is stark. We have heard stories of a person in the Western Isles with hypothermia induced by self-disconnection of their heating because of lack of money to pay their latest electricity bill and families living in tenement flats in Central Scotland who only heat their property when their children are at home. We have heard about people resorting to extremes so that they can access heat and power. This includes a person topping up their electricity meter instead of buying food, or another ripping up the floorboards in their home so that they could burn them as a heat source.

We have heard of an older woman, living alone, who has resorted to heating only one room in her home, causing the rest of her home to develop damp and mould.

We have heard from disabled people who have additional energy costs to run medical equipment and get into debt trying to stay warm, and of families in rural and remote Scotland choosing between heating and eating, and in some cases being able to afford neither.

The Panel recognises that in 2019, when the Act and the subsequent fuel poverty Strategy were developed, the world was a very different place. This was before the COVID-19 pandemic, the energy price crisis, and the ensuing inflationary impacts faced by millions of people across the country. While this context could not have been predicted, its impacts have undeniably, and sharply accelerated fuel poverty and its associated health, economic and social hardships.

Rising energy costs have slowed, but bills remain challenging, with the average bill under the October to December 2025 price cap being 44% higher than in winter 2021/22³.

Energy debt is now also a major challenge, with 4.15 billion pounds worth of domestic debt and arrears in GB as of Quarter 1 2025^{4/5}.

¹ Scottish House Condition Survey (2025) [Scottish House Condition Survey: 2023 Key Findings - gov.scot](https://gov.scot/publications/scottish-house-condition-survey-2023-key-findings/pages/1-introduction)

² Scottish House Condition Survey (2020) [Scottish house condition survey: 2019 key findings - gov.scot](https://gov.scot/publications/scottish-house-condition-survey-2019-key-findings/pages/1-introduction)

³ House of Commons Library (2025) [Gas and electricity prices during the 'energy crisis' and beyond - House of Commons Library](https://commonslibrary.org/publications/gas-and-electricity-prices-during-the-energy-crisis-and-beyond)

⁴ Ofgem (2025) [Debt and arrears indicators | Ofgem](https://www.ofgem.gov.uk/debt-and-arrears-indicators)

⁵ This number does not include situations where consumers use regulated credit to pay for energy, therefore risking building increased household debt in the process.

Introduction

The Panel's view is that given the escalation in fuel poverty rates, tackling fuel poverty should be a greater priority now than it was when the 2019 Act was passed by the Scottish Parliament.

Yet in comparison to other policy areas with statutory targets - child poverty and climate change - fuel poverty has, in the Panel's opinion, not seen the required level of strategic prioritisation.

The voice of those in fuel poverty and extreme fuel poverty, as well as the voice of those who work in the frontline supporting them, has shaped and influenced the Panel's thinking and the advice we have given to Scottish Ministers.

The full list of this advice provided to Scottish Ministers since 2022 is set out in Appendix 2. Our response to the Periodic Report is underpinned by and consistent with our previous advice.

In evaluating progress towards the fuel poverty targets and the extent to which the four drivers of fuel poverty are being addressed, we also recognise that some key policy, regulatory, fiscal and market levers sit outside the Scottish Government's devolved powers and that the wider energy landscape has shifted significantly.

Given this changing landscape, there is a pressing need to refocus and ramp up devolved government action commensurate with the increased scale of the fuel poverty challenge, and to bring the statutory targets into view.

This document sets out the Panel's response to the Scottish Government's Tackling Fuel Poverty in Scotland: Periodic Report 2021 – 2024 (Periodic Report).

In Part 1, we offer our view on the Scottish Government's progress towards and likelihood of meeting the fuel poverty targets, and the extent to which the four fuel poverty drivers are being addressed.

In Part 2, we consider progress on the specific commitments made in Tackling Fuel Poverty in Scotland: a Strategic Approach (the Strategy). In Part 3, we conclude with reflections on future challenges and recommendations for the revised strategy, which there has been a Ministerial commitment to do by December 2026.

In preparing this response to the Periodic Report, the Panel sought clarification from the Scottish Government on several points made in the Periodic Report.

The Panel also engaged with six stakeholders directly who were invited to share their reflections of the Periodic Report and progress being made towards the statutory targets, as well as issuing a general invitation to comment⁶.

The Scottish Government and stakeholder responses are published alongside this report on our website.

⁶ An invite to comment was issued to stakeholders via the [Panel's summer newsletter](#).

Part 1:

Progress, Targets and Drivers

1

Part 1: Progress, Targets and Drivers

Part 1 sets out the Panel's view on the progress towards and likelihood of reaching Scotland's fuel poverty targets, how the Strategy is supporting this and the extent to which the four drivers of fuel poverty are being addressed.

We begin with our assessment of progress on the fuel poverty targets before setting out our analysis on the framing of the Strategy and its impact on the periodic reporting. We then review each fuel poverty driver in turn in relation to the evidence given in the Scottish Government's Periodic Report.

Part 1: Progress, Targets and Drivers

The Fuel Poverty Targets

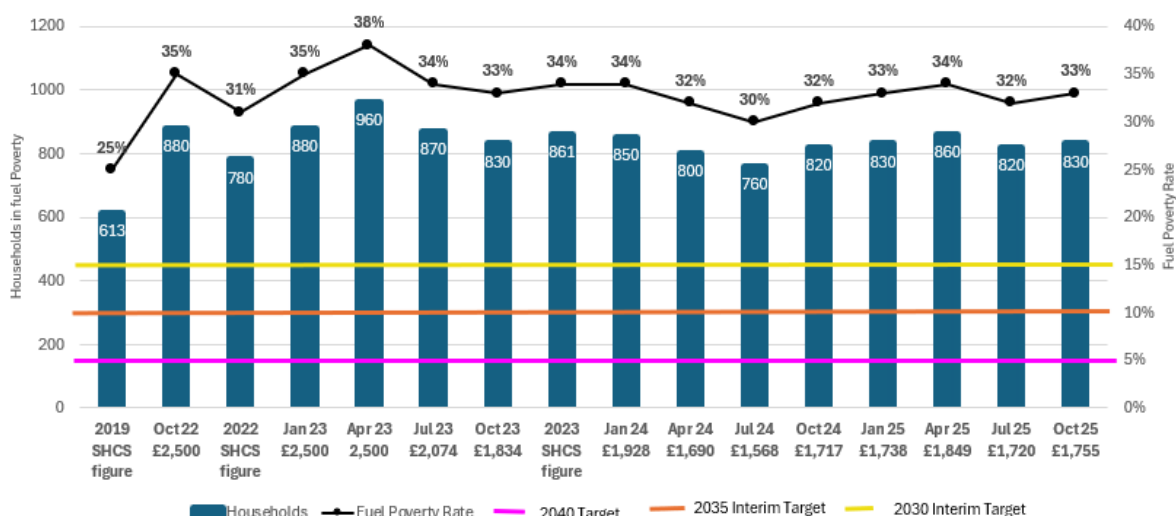
The ambition of Scotland's fuel poverty targets and its robust definition of fuel poverty demonstrate laudable national commitment. Scotland's other statutory targets also help to set the tone for a strategic direction which has the potential to reinforce the work to tackle fuel poverty, namely the [child poverty](#), [climate change](#) and [heat network targets](#).

Figures 1 and 2 show levels of fuel poverty and extreme fuel poverty from 2019 to October 2025, compared to the statutory targets.

The first interim target sets out that by 2030, no more than 15% of households in Scotland are in fuel poverty, no more than 5% of households in Scotland are in extreme fuel poverty, and the median fuel poverty gap is no more than £350.

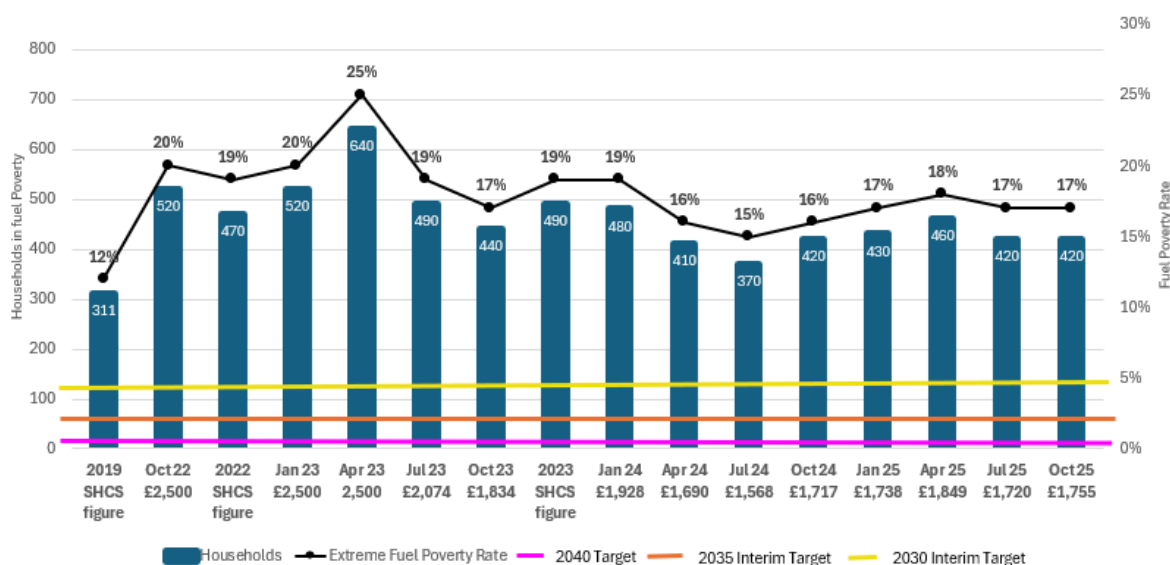
However, the latest statistics suggest rates far in excess of this (34%) and significantly increased from the recorded level of fuel poverty in 2019. When the fuel poverty targets were set, fuel poverty rates stood at 25%. Implicit in the target milestones is achieving an annual average 1%+ reduction in fuel poverty levels sustained over a 20-year period.

Figure 1: fuel poverty time series 2019 to October 2025, with statutory targets
(source: Scottish House Condition Surveys 2019, 2022, 2023 and Scottish Government quarterly modelling based on the quarterly energy price cap)



Part 1: Progress, Targets and Drivers

Figure 2: extreme fuel poverty time series 2019 to October 2025, with statutory targets (source: Scottish House Condition Surveys 2019, 2022, 2023 and Scottish Government quarterly modelling based on the quarterly energy price cap)



The Panel considers that in setting ambitious interim targets and a target for 2040, the Scottish Government did not set out a clear vision for progress - or monitoring and evaluating thereof - in improving energy efficiency, increasing income levels or assumptions on energy mix and costs.

There is little evidence in the Periodic Report to suggest that the current Strategy is meeting or can meet these statutory targets.

The Periodic Report does not contain any self-reflection on how far the Scottish Government's policy actions between 2021 and 2024 have taken it towards meeting the 2030 interim target date.

It also does not contain any assessment of what additional measures are needed (if any) to achieve either the interim or the 2040 targets.

Based on the best available evidence, the Panel's view is that given current levels of fuel poverty, the 2030 interim fuel poverty targets⁷ are extremely unlikely to be met.

⁷ In the year 2030, no more than 15% of households in Scotland are in fuel poverty, no more than 5% of households in Scotland are in extreme fuel poverty, and the median fuel poverty gap is no more than £350.

Part 1: Progress, Targets and Drivers

The Fuel Poverty Strategy

The Strategy was published before the appointment of the Statutory Panel. We acknowledge that the Scottish Government consulted key stakeholders in its development. In [previous advice](#) to the Scottish Government between 2022 and 2024, the Panel identified weaknesses in the Strategy and explained that as it was developed in response to the prevailing circumstances at the time, it did not respond to the challenges that were now presenting in Scotland.

The Panel also highlighted that the wider policy landscape was evolving, and that some of the actions in the Strategy did not address fuel poverty specifically.

It is the Panel's view that the Scottish Government should fulfil its statutory [commitment](#) to revising the Strategy by December 2026. We [previously made a recommendation](#) for an interim update to the Strategy, as well as bringing forward the revised Strategy date to May 2026.

We stand by this advice but given that no interim update has happened, we would reiterate the statutory requirement for the Strategy to be reviewed by December 2026 and Scottish Ministers' previous commitment⁸ to the Panel.

We also note that the Periodic Report makes no reference to revising the Strategy.

It is the Panel's view that since the Act and the statutory fuel poverty targets which it brought in were established under a broadly similar devolution framework to that which exists now, the resulting Strategy and targets should have been developed in full cognisance of reserved and devolved powers.

This should have been supported by a strong evidence base that the targets were obtainable based on Scottish Government action. As such, it is the Panel's view that it is difficult to use the scope of reserved powers to explain missing the targets.

Any revised fuel poverty strategy developed should reflect the current view of devolved and reserved powers.

⁸ Scottish Government [response to Scottish Fuel Poverty Advisory Panel's recommendations](#).

Part 1: Progress, Targets and Drivers

In Scotland, a household is in fuel poverty once it has paid for its housing if a) it needs more than 10% of its remaining income to pay for its energy needs, and b) if after paying for its energy the household is left in poverty (as defined by the Minimum Income Standard).

There is no standardised fuel poverty definition across the UK and the Scottish definition, based on the energy costs as 10% of a net income ratio, is recognised as a competent technical and comprehensive definition of fuel poverty giving an accurate depiction of levels of fuel poverty. The definition is critical not only as the measure by which fuel poverty levels are assessed but also as the underpin for any strategy to tackle fuel poverty.

One of the identified shortcomings⁹ of the Strategy is that it does not discuss the relative impact of each of the fuel poverty drivers on fuel poverty in Scotland.

The Periodic Report does recognise the significance of higher energy costs on fuel poverty levels but not its relative impact.

It also does not provide any assessment of the impact of the different actions set out in the Strategy on fuel poverty levels as measured by the Scottish definition, or the lived experience of fuel poverty, modelled or otherwise.

This makes it challenging to understand which drivers the Scottish Government considers most pressing to address and which actions are working, or not.

⁹ In September 2023, the Panel [made recommendations to the Scottish Government on its Fuel Poverty Strategy](#).

Part 1: Progress, Targets and Drivers

There is also a strategic question about how Scottish Government's other statutory targets for child poverty, climate change and heat network development connect to the delivery of the fuel poverty targets given the intersectionality that exists between these policy areas.

The Panel notes that the Periodic Report makes no assessment of the relationship between the 2030 child poverty target, 2045 climate change target, the 2030 heat network target and the fuel poverty targets. This not only highlights a weakness in reporting but potentially in the management of pan-government strategic programmes.

When the Strategy was agreed, it was the Scottish Government's plan to have a monitoring and evaluation framework in place before the Periodic Report was produced. The failure to develop an appropriate monitoring and evaluation framework makes the efficacy of actions and progress hard to assess.

It also makes it extremely challenging for the Panel to objectively assess the policy and funding impacts set out in the Periodic Report and to fulfil our statutory role of scrutinising the Scottish Government's progress towards delivering Scotland's fuel poverty targets and the extent to which the four drivers of fuel poverty are being addressed.

In the Panel's view the Strategy and Periodic Report fail to develop the links between the definition, targets, drivers and actions.

The lack of clear accountability or responsibility for delivery and monitoring and evaluation of the Strategy, insufficient assessment of weighting and prioritisation of the drivers and actions, and a lack of assessment of the impact of the actions on fuel poverty levels, undermines the Strategy and therefore the Periodic Report.

Drivers:

1

Progress, Targets and Drivers

1 | Driver 1: Poor Energy Efficiency of the Home (pp. 11–30)

Energy efficiency is an important factor in determining how much energy is consumed in the home. Improving the energy efficiency of Scotland's homes and buildings is regarded by the Scottish Government as essential to securing a just transition to net zero and ensuring that poor energy efficiency is removed as a driver of fuel poverty.

The [Heat in Buildings Strategy](#) was published in October 2021, setting out a programme to transform Scotland's homes and workplaces so that they are warmer, greener and more energy efficient. This included fulfilling the requirement under the [Climate Change \(Scotland\) Act 2009](#) to report annually on progress against this strategy. The Panel considers that poor energy efficiency of the home is the fuel poverty driver where the Scottish Government has most significant legislative¹⁰, fiscal¹¹, and policy levers¹² to effect change.

The Panel acknowledges that the funding commitments the Scottish Government has made to energy efficiency programmes are significant.

Between the financial years 2021-22 and 2024-2025, this includes a £501 million spend on Area Based Schemes and Warmer Homes Scotland.

A further £66.05 million was spent via the Social Housing Net Zero Fund and Home Energy Scotland between the financial years 2021-2022 and 2023-2024¹³.

This is part of Scottish Government's £1.8 billion commitment during this parliament to support delivery of its [Heat in Buildings Strategy](#). However, given the fact that only £790 million¹⁴ has been spent as at the end of Q1 2025/26 and the existence of supply chain challenges in delivering retrofit, the Panel's view is that Scottish Government may struggle to spend these funds ahead of the end of this Parliament in 2026.

It is also noted from stakeholder feedback to the Panel that the funding allocated for energy efficiency schemes has been reduced in real terms.

¹⁰ E.g., the Climate Change (Scotland) Act 2009, Heat Networks (Scotland) Act 2021, and Consumer Scotland Act 2020

¹¹ E.g., via Warmer Homes Scotland and Area Based Schemes, amongst others.

¹² Fuel poverty, heat in buildings (including EPC reform), and consumer policy.

¹³ Scottish Government (2025) [Tackling Fuel Poverty in Scotland: periodic report 2021-2024](#), p. 59.

¹⁴ The Scottish Government provided the Panel with finalised data for the end of 2025/2025 and preliminary figures for Q1. As at the end of FY 24/25, over £1.37bn had been allocated to the Heat in Buildings programme, of which over £770m has been spent. To the end of Q1 2025/26, over £1.67bn had been allocated to the Heat in Buildings programme, of which over £790m has been spent.

1 | Progress, Targets and Drivers

Driver 1: Poor Energy Efficiency of the Home (pp. 11–30)

Although the Panel recognises progress made in developing energy efficiency legislation, the Panel notes that, since the publication of the Periodic Review, the Scottish Government has announced a delay to the Heat in Buildings Bill to ensure that the drafting legislation simultaneously leads to a reduction in carbon emissions and tackles fuel poverty. This alignment is welcome and responds to the Panel's (amongst others) [view](#) of the crucial importance of ensuring that fuel poverty mitigations and considerations are grounded in the Bill from the outset.

The delay should not be allowed to slow progress on fuel poverty action.

In the Periodic Report ([pg. 11](#)), the Scottish Government states that continued long-term improvements to the energy efficiency of Scotland's housing stock are being made, with 56% of homes rated EPC band C or above in 2023 – an increase of around 3% from 2022, helping to improve the warmth of homes and reduce energy costs¹⁵.

However, fundamental gaps in the periodic reporting include no assessment of the impact of the investment on tackling fuel poverty and no assessment of whether the rate of energy improvement measures is sufficient to achieve the statutory targets.

Consequently, there is no awareness of the rate at which delivery needs to be accelerated to meet the targets. Without an operationalised monitoring and evaluation framework, the Panel is unable to determine the impact on fuel poverty rates from the improvements in energy efficiency interventions.

¹⁵ Scottish Government (2025) [Tackling Fuel Poverty in Scotland: periodic report 2021-2024](#), p.11.

1 | Driver 1: Poor Energy Efficiency of the Home (pp. 11–30)

There is limited data on which measures have been installed and for whom, with few insights into the lived experience of those in fuel poverty once measures have been installed.

This makes it challenging to understand whether such measures are having the desired effect or are moving the dial on fuel poverty rates. This is important because we have heard from stakeholders the risks of, for example, some new net-zero technologies and systems not being used in a optimum way post-installation, and particularly after any change in ownership or occupancy.

The Panel has identified that there are opportunities to strengthen data presented in the Periodic Report, the connections between policy actions and fuel poverty outcomes and through these, the potential for targeted impact.

Specific examples of where we consider improvements could be made are as follows:

- Information on the rate at which the housing stock below EPC Band C is being improved. Presenting the EPC figures as a percentage of total stock ([pg. 11](#)) does not enable a distinction to be made between retrofit of existing housing, new build housing, and old homes being removed from the system. This in turn masks the rate of improvement, or otherwise, needed in the existing housing stock including the level of ambient movement that will occur anyway over the period of the Strategy.
- The relationship between the number of households supported by each programme and the improvements in annual EPC with the aggregate data on the number of fuel poor households reached by this, or the overall impact on fuel poverty rates.
- Clarity on how bill savings of £400 are calculated and how this differs from statements made over the last 6 months¹⁶, where bill savings from energy efficiency measures have been estimated as £300 and £500.

¹⁶ See the following Scottish Government publications from the last 6 months which posit different levels of bill savings from energy efficiency measures – ranging from £300-£500. [Announcement on WHS and support for pensioners with energy costs 28-11-24](#), [Tackling Fuel Poverty in Scotland: Periodic Report 2021 - 2024](#), [Programme for Government 2025-26](#)

1 | Progress, Targets and Drivers

Driver 1: Poor Energy Efficiency of the Home (pp. 11–30)

- Clarity on the distinction between modelled and measured assessments for energy efficiency measures and the relationship of the outputs from the various programmes with the data in the Scottish House Condition Survey.

- Follow on engagement with those receiving measures to understand the impact on their experience and overall costs.

The Panel recognises that to deliver the Strategy, a stakeholder delivery framework has been developed involving local authorities, agencies and funding programmes.

Stakeholders have made representations to the Panel highlighting the risk that local authorities feel under resourced to deliver their Local Heat and Energy Efficiency Strategies.

The Panel has also highlighted to the Scottish Government [its concerns about the approach to funding Warmer Homes Scotland](#) by amending eligibility criteria with the purpose of aligning demand to available budgets.

The Panel is of the view that this is not an appropriate mechanism to manage or understand demand for improving energy efficiency and has recommended that the Scottish Government should not be aiming to restrict demand.

It is also essential that the current drivers of underspend¹⁷ on the current Area Based Schemes are understood so these can be addressed in any evolution and prioritisation of the Strategy.

The Periodic Report does not detail the extent of the current Energy Company Obligation programme's (ECO) and the Great British Insulation Scheme's (GBIS) (UK Government and Ofgem administered schemes) net effect on the attainment of the Scotland's fuel poverty targets.

¹⁷ According to the [Existing Homes Alliance](#), in the three years up to 2023/2024 (which is the most up-to-date data available) nearly £61.8 million of a total £192 million set aside for Area Based Schemes energy efficiency projects has not been spent. This is nearly one third (32%) of the budgeted money.

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Driver 1: Poor Energy Efficiency of the Home (pp. 11–30)

Data is provided outlining money spent on programmes administered by Scottish Government, yet these UK-wide initiatives also have implications for fuel poverty programmes. Given the unique challenges faced by many in Scotland, there is a need to understand how supplier and UK Government-administered schemes are impacting the Scottish picture – and where changes may be required in the interests of consumers in Scotland.

This should be reflected in the Strategy’s monitoring and evaluation framework. There should be a clear plan with actions to ensure that Scottish consumers benefit proportionally from ECO4, GBIS and other similar measures.

The Panel would note that by referencing ECO and GBIS funding under the high prices driver ([pg. 24](#)) under “Engagement on Reserved Policy”, the Periodic Report risks conflating reserved energy policy with energy pricing.

The Panel also notes that whilst the Community and Renewable Energy Scheme and Carbon Neutral Islands Project represents important policy action it is unclear what fuel poverty benefits these will deliver.

Overall, whilst funding for energy efficiency is significant and the related policy actions broadly sound, the Panel finds that the outcomes are not clearly defined at the outset and there is a lack of data to show how they are contributing to meeting the fuel poverty targets. This makes it hard to assess their efficacy in relation to fuel poverty. Greater clarity is also needed in reporting the relationship of energy savings to improvements with a clear explanation of the calculation metric and then consistency in presentation of the data. This will increase the potential for impact and targeting of policy actions.

The Panel is of the opinion that the rate at which the energy efficiency of the stock is improved needs to be significantly accelerated to meet the statutory targets. The Panel references in Part 3 that the potential for the current delivery model based around Local Heat and Energy Efficiency Strategies, Warmer Homes Scotland, Area Based Funding and Home Energy Scotland to deliver the step change required is fully evaluated.

Driver 2: Low Household Income (pp. 16–21)

Low incomes make paying for energy challenging, and often impossible, particularly in an era of high energy prices¹⁸. Fuel poverty is an intersectional issue where multiple coalescing points of vulnerability determine a household's risk of fuel poverty.

We know that those with low incomes often have higher energy needs, including those with disabilities, chronic health conditions, the very young and older people. We also know that low incomes cause people to ration fuel and for some, to self-disconnect their energy supply altogether – both of which impact their health, wellbeing and overall quality of life. Fuel rationing and disconnection also have wider negative impacts, particularly where households are experiencing child poverty and/or more than one person has health issues. Energy debt is a consequence of fuel poverty and the level of energy indebtedness that households find themselves in highlights the unaffordable steps that many take to mitigate fuel poverty personally

Individual actions and behaviours to manage the impact of fuel poverty have knock on implications for the demand on advice and support services.

The Periodic Report highlights the significant spend in providing financial support to individual households to address fuel poverty through winter heating benefits, access to crisis funding and intervention on housing costs. The Panel notes the challenge of reporting on the relationship between financial support and fuel poverty outcomes and therefore, to what extent programmes are effective in reducing fuel poverty long-term and contributing to the fuel poverty targets

In July 2024, Winter Fuel Payment eligibility criteria were changed by the UK Government¹⁹, which resulted in a reduction in the block grant allocation for this policy. We see no evidence in the Periodic Report of an impact assessment of this reduction in income support.

The Periodic Report discusses the Pension Age Winter Heating Payment (PAWHP) (the successor of the Winter Fuel Payment). We see no assessment of the targeting of PAWHP or analysis of seasonal energy costs to underpin the level of financial support required. Our evidence from investigations into remote and rural fuel poverty suggests that this is critical.

¹⁸ [According to Citizens Advice Scotland's August 2025 Energy Brief](#), between the 1st of April and 30th of June 2025, more than 1,400 people who visited a Citizens Advice Bureau (CAB) were concerned about energy affordability, and more than 2,600 people asked for support to access fuel vouchers.

¹⁹ House of Commons Library (2025) [Changes to Winter Fuel Payment eligibility rules - House of Commons Library](#)

Driver 2: Low Household Income (pp. 16–21)

The Fuel Insecurity Fund (FIF) played a key role in mitigating some of the impacts of fuel poverty and extreme fuel poverty at the peak of the energy price crisis until the closure of the fund in March 2024. If the Scottish Welfare Fund and Islands Cost Crisis Emergency Fund discussed in the Periodic Report are playing a role in replacing the support previously available through the FIF, there should be data available on the level of energy support payments made and the outcomes achieved.

The impact of the transition between a direct fuel poverty support fund and a more generic household support fund on fuel poverty mitigation and alleviation should also be made clear.

The Periodic Report refers to several housing interventions – discretionary housing grants, capital investment programmes and rent policies – which can potentially impact on housing costs but again makes no reference to outcomes achieved in reducing fuel poverty.

The Periodic Report does not recognise that under the Scottish Government definition of fuel poverty, and evidenced by [Scottish Government analysis](#), financial support to reduce energy bills has a more significant impact in tackling fuel poverty than interventions that increase income – this is not reflected in policy.

In addition, the Panel has raised its concern on the inclusion in the Strategy of policy interventions which relate to wider cost of living challenges. For example, in the Periodic Report there are references to cost-of-living interventions such as free bus passes and free school meals. These do not impact net income as set out in the fuel poverty definition, nor are they considered by the Scottish House Condition Survey in reporting on levels of fuel poverty.

Driver 2: Low Household Income (pp. 16–21)

The Periodic Report recognises that although fuel poverty is correlated to low income, it is not equivalent to income poverty.

Scottish Government statistics reveal that 31% of those in fuel poverty are not income poor²⁰. The Panel therefore seeks acknowledgement that supporting the fuel poor through income-based measures (as often assessed through income-related benefits) risks missing those not in income poverty but in fuel poverty.

The Periodic Report makes a clear albeit high level link between fuel and child poverty. The intersectionality between fuel poverty and child poverty is clear, families are one of the household types more likely to be in fuel poverty²¹. However, this overlap needs to be recognised at a strategy and policy delivery level with programmes developed that speak to both.

Overall, there is significant Scottish Government financial support to increase the income of low-income households, with some interventions directly related to annual assistance with energy costs.

However, the Panel questions the relationship between some of the interventions set out in the Periodic Report and addressing fuel poverty and once again, finds that outcomes are not clearly defined at the outset and that there is a lack of data to show how they are contributing to meeting the fuel poverty targets. This makes it hard to assess their efficacy.

²⁰ Scottish House Condition Survey (2025) [Scottish House Condition Survey: 2023 Key Findings - gov.scot](#)

²¹ Scottish House Condition Survey (2025) [Scottish House Condition Survey: 2023 Key Findings - gov.scot](#)

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Driver 3: High Energy Prices (pp. 22-27)

The Panel recognises that since the Strategy was published, high energy prices have been the primary driver of the increased levels of fuel poverty in Scotland. In spite of recent reductions in energy prices under the energy price cap (which at its peak was £2,380 under the Energy Price Guarantee from October 2022 to June 2022²²), the average bill paid by mains gas and electricity customers remains high. The October to December energy price cap for 2025 is £1,755 – 44% higher than winter 21/22²³. The energy price cap does not protect those customers who rely on unregulated fuels, including oil.

The energy price crisis has left a legacy of huge consumer energy debt, with many households still struggling to pay their energy bills. Intelligence suggests that energy prices will continue to be high until the late 2030s^{24/25}. Scotland's ambition to eradicate fuel poverty by 2040 will therefore take place in the context of continuing high energy prices.

The Panel's view is that the current Strategy, and hence periodic reporting, is weakened by the failure to consider the potential impact of each of the fuel poverty drivers on achieving the fuel poverty target and specifically the failure to make clear any assumptions on long-term energy price stability and to evaluate associated risks.

Scottish Government modelling set out in the Periodic Report of what fuel poverty rates would be if energy prices were the same as in 2019 posits both the negative impact of energy pricing, and the positive gains made through actions on other fuel poverty drivers (e.g., income, energy efficiency).

These dynamics reinforce our view of the importance of evidencing the relative impact of each fuel poverty driver. The Panel's view is that high energy prices should be a key area of policy focus but that whilst positive and tangible work on a flexible energy discount mechanism (a social tariff in the language of the Periodic Report) is apparent, the impact of other Scottish Government positions and actions on high prices are less well stated.

²² House of Commons Library (2025) [Gas and electricity prices beyond during the 'energy crisis' and beyond](#)

²³ House of Commons Library (2025) [Gas and electricity prices beyond during the 'energy crisis' and beyond](#)

²⁴ Cornwall Insights (2023) [New forecast warns power prices to remain elevated until late 2030s - Cornwall Insight](#)

²⁵ Cornwall Insights (2024) [GB power prices to remain high despite drop in short-term forecasts - Cornwall Insight](#)

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Driver 3: High Energy Prices ([pp. 22-27](#))

Energy markets and regulation are critical to energy prices as a driver of fuel poverty, and the net zero transition of the energy system in Scotland and across the UK will have implications for future energy prices, as the Periodic Report recognises. There is little in the Periodic Report, however, to set out how the Scottish Government expects UK and GB-wide energy policy, pricing and market reform to impact fuel poverty levels in Scotland. Here, the monitoring and evaluation framework could draw out the impact of UK Government policy on Scottish consumers.

The delayed Energy Strategy and Just Transition Plan (ESJTP) ([pg. 57](#)), for example, has the potential to significantly impact future energy prices through shifting Scotland's energy technology mix towards lower-cost, lower-carbon sources of generation and storage. Other energy transition initiatives, such as the Strategic Spatial Energy Plan (which sits with the National Energy System Operator (NESO) with representation from national and devolved governments) are also referenced in the Periodic Report.

However, there is no clear assessment of the expected links to fuel poverty or Scottish Government's approach to influencing towards fuel poverty outcomes.

The UK Government has published its Clean Power 2030 Action Plan, which will impact the final ESJTP and includes some scenario-based modelling of transition timelines and costs by the NESO, which will impact Scotland's energy transition and costs paid via consumer bills. The links between these policies and the fuel poverty strategy and delivery need to be set out.

Overall, the Panel is conscious of the critical role played by high energy prices in fuel poverty outcomes and that many related levers are not in the Scottish Government's power. However, the Scottish Government does have capacity to influence as well as its devolved powers. It is the Panel's view that the Scottish Government should position its fuel poverty strategy and actions in this context and that of ongoing change, accompanied by dedicated evidence and advocacy positions. The material included in the Periodic Report does not permit a full evaluation of progress for this driver.

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Driver 4: How Energy is used in the home (pp. 28–32)

How energy is used in the home can and does lead to increased fuel poverty. A lack of understanding of home heating systems, for instance, can cause people to limit their heating use to unhealthy levels²⁶. Some people may be signed up to inappropriate or unaffordable tariffs, leading them to unwittingly pay more than they should and potentially to ration their energy use. These challenges are compounded by suppliers not understanding the individual needs of consumers, and recent evidence of supplier malpractice in dealing with people in vulnerable situations²⁷.

Scotland is the only UK nation to recognise this driver in relation to national fuel poverty programmes. The Panel's view is that this driver is the least well understood and least well actioned. As the Periodic Report fails to set out a coherent approach to addressing this driver, our reflections on it are limited.

The Panel questions how the Warm Homes Discount and Local Heat and Energy Efficiency Strategies listed under this driver in the Periodic Report (but not in the Fuel Poverty Strategy) reflect behavioural interventions. This observation informs our recommendations in Part 3.

This behaviour-related section of the Periodic Report extensively references energy advice, both in terms of Scottish Government services and wider advice offerings. Whilst this advice may influence how energy is used in the home, the mechanism for this is not well stated.

Moreover, it is unclear how the fuel poverty impact of advice services is assessed.

It would be beneficial, for instance, to understand the impact on the attainment of the fuel poverty targets of the 60,000 annual households in fuel poverty who have benefitted from energy efficiency advice via Home Energy Scotland.

²⁶ Citizens Advice Scotland (2025) [The Energy Brief volume 3 | Citizens Advice Scotland](#)

²⁷ For example, [Ofgem's recent prepayment meter review](#) ordered suppliers to examine their practices around more than 150,000 cases of involuntary prepayment meter installation, including both meters that were installed under warrant and smart meters that were remotely switched to prepayment mode.

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Driver 4: How Energy is used in the home (pp. 28–32)

The Periodic Report (p. 84) references the Panel's [early recommendation](#) to review the design of energy advice services to take account of national and local needs, recognising the increased demand for energy advice services since the energy price and cost of living crisis, as well as to review the design of energy advice services, including the funding model.

The focus of our recommendation was third sector energy advice services.

The Panel's view is that by focussing on Scottish Government core-funded and UK levy-funded energy and financial advice services there is a lack of recognition of the crucial role that the wider third sector plays, locally and nationally, in mitigating fuel poverty and the funding challenges these advice services face. It also means that the Periodic Report fails to consider advice services holistically.

The Periodic Report makes no assessment of the sufficiency and sustainability of the current advice model, and from a customer perspective what works best and where. There is also no evidence in the Periodic Report to draw out the social and economic impacts of these services.

There are key elements of how energy is used and levels of consumption in the home which affect fuel poverty outcomes, including not least self-rationing²⁸, self-disconnection, the incorrect use of technologies²⁹, inadequate ventilation or underheating. The role of the Scottish Government in influencing these behaviours should be considered.

The Panel's key reflection on the driver of how energy is used in the home is that Scottish Government action in this space is not well specified and that where it is listed, the relationship of the driver to behaviours and contribution made to the fuel poverty targets is not clear. It is therefore not possible to assess progress.

The Panel would encourage the Scottish Government to reflect on how this behavioural driver is framed, to consider the use of research to better understand the factors that influence how energy is used in the home and through this, the action on this driver's potential contribution to tackling fuel poverty, and the priority actions that are required to impact on meeting targets.

²⁸ Scottish Fuel Poverty Advisory Panel (2023) [Energy rationing an increasing coping mechanism for dealing with fuel poverty - Fuel Poverty Scotland](#)

²⁹ Scottish Fuel Poverty Advisory Panel (2024) [Scottish Fuel Poverty Advisory Panel has Commissioned Research - Fuel Poverty Scotland](#)

Part 2:

Progress on the Scottish Government's Priorities and Actions

Part 2: Progress on the Scottish Government's Priorities and Actions

The Periodic Report lists the Scottish Government's 10 strategic priority areas and the 55 actions set out in the Fuel Poverty Strategy and reviews progress against them. The Panel has decided not to provide commentary on the progress given against each of the actions but instead to provide more thematic observations.

The Panel feels that the Scottish Government overstates the engagement with the Panel on the strategic priority actions. There has been little direct or structured discussion with the Panel on Scottish Government priorities of understanding how people with protected characteristics use energy or in tackling the stigma of fuel poverty. The Panel's input to developing an outcome focussed monitoring and evaluation framework has not been sought in recent months.

The Panel identified weaknesses in the setting out of the 55 actions in the existing strategy, in that the connection between the actions and the contribution they make to meeting the fuel poverty targets is not clear, the ownership and allocation of responsibilities for the actions is not set out and, for the most part, timeframes are not specified.

It would appear that none of the few explicitly stated target dates for actions have been met.

In setting out progress against each action, the Periodic Report is severely limited by the lack of a monitoring and evaluation framework. The completion date of 2022 for the monitoring and evaluation framework has been missed and it is noted that there is no commitment to a new date.

The Panel notes that a monitoring and evaluation framework has been developed and published for the Heat in Buildings Strategy³⁰, and that it is stated that it will support the development of the fuel poverty monitoring and evaluation framework.

³⁰ Scottish Government (2024) [Heat in Buildings: progress report 2024 - gov.scot](https://www.gov.scot/publications/heat-in-buildings-progress-report-2024/pages/default.aspx)

Part 2: Progress on the Scottish Government's Priorities and Actions

In the absence of a monitoring and evaluation framework, the Periodic Report includes a classification to assess progress against each of the actions.

The classification is not explained in the Periodic Report and the terminology used appears to overstate progress. The Panel has been provided with an explanation of the progress classifications for the 55 actions but our view of the lack of clarity has not changed.

Many actions are listed as “delivered” but the evaluation criteria for this assessment is unclear.

Critically, these delivery statements are also not accompanied with an assessment of the material impact of the action on fuel poverty outcomes. In addition, there is a lack of a timeline or next steps for each of the actions listed.

While some are noted as “in progress” or “delayed”, the Periodic Report does not outline what action is being taken to progress these or by when, nor any sense of which actions are considered as high priority to deliver based on their expected impact on fuel poverty outcomes.

It is not clear where responsibility for the different actions, many of which span multiple Scottish Government policy areas, lie.

For the Panel, this represents a missed opportunity to give clarity on implementation of the Strategy beyond the Periodic Report timeframe or to capture lessons on what has worked, what has not, and how delivery across this diverse and extensive list of actions is being prioritised.

Part 2: Progress on the Scottish Government's Priorities and Actions

There is a clear lack of Scottish Government progress on research, particularly in relation to the weight of different drivers or impacts of new policy interventions on fuel poverty figures, as outlined throughout this document.

Research into emerging policy changes (such as market reform), new models of delivering fuel poverty support and how energy is used in the home, can help inform both Scottish Government policymaking and the Panel in advising the Scottish Government.

While the Panel has used some of its resource to commission research, this is by nature small-scale and does not cover the breadth of evidence, experience and insights emerging on fuel poverty as a whole.

There is a clear need for the Scottish Government to obtain deeper ongoing lived experience research, including with households who are benefitting from energy efficiency or fuel poverty support schemes.

The lack of this to date is hindering understanding of how different interventions, funds or support packages are impacting people in their homes, or how the changing landscape on pricing and decarbonisation measures is impacting those in fuel poverty, making it challenging to understand how effective or sustainable different solutions are in practice.

Greater understanding is particularly crucial for any interventions targeted at the drivers of low incomes, energy efficiency and energy use in the home, which are behaviourally complex and cannot be captured via data on spend or measures delivered alone.

Part 3:

Revised Fuel Poverty Strategy

Part 3: Revised Fuel Poverty Strategy

The Panel recognises that the Periodic Report and our reflections on it represent a significant opportunity to influence what the 2026 revised fuel poverty strategy looks like.

As set out above, and notwithstanding the tight timescales presented by the current parliamentary timetable, the Panel's view is clear: a comprehensive strategy review is required by the end of 2026, with the output being a revised strategy. It is essential that the revised strategy includes a clear and credible fuel poverty reduction plan to achieve the statutory targets.

In doing this a greater emphasis must be placed on the monitoring and evaluation of progress, alongside flexible policy actions where monitoring and evaluation highlights insufficient progress and/or heightened fuel poverty need.

The Panel would also advise that consideration is given to the alignment of periodic reporting, strategy reviews and the fuel poverty target dates.

In our previous [advice](#) on the Strategy, we set out several recommendations. These complement other recommendations we have made throughout the lifetime of the Panel (see Appendix Two for a full list).

Rather than repeat these, we have here focussed on those most relevant to our review of the Periodic Report.

We begin our consideration of the revised fuel poverty Strategy by highlighting key contextual challenges for the revised strategy, and what must be addressed to create an environment in which fuel poverty targets can be met.

Contextual challenges for a revised strategy

Despite some positive progress, Scotland's housing still has very low rates of energy efficiency. Accelerating the rate of improvements to the energy efficiency of the housing stock is a prerequisite for meeting the statutory targets and will require increased investment and strong leadership. The revised Heat in Buildings Bill should provide a vehicle to address accelerated delivery, make clear how it relates to the mitigation of and reduction of fuel poverty, and contributes to the fuel poverty targets.

Alongside improving energy efficiency, there needs to be an increased awareness of challenges around how energy is used in the home.

As above, this includes self-rationing, self-disconnection, the incorrect use of technologies (including mistaken beliefs about which cost less) and inadequate ventilation or under heating.

As the cost of living remains high, these behaviours will remain critical drivers of lived experience, and the Scottish Government should therefore develop a strong-evidence base of their impact and consumer thinking to tackle energy inequalities.

At the same time the contribution of third sector advice services which remain under pressure should be recognised as part of a more integrated and holistic approach which can help drive behavioural change.

The Scottish Government should take stock of advice models, their funding arrangements and what works best.

The Scottish Government should also create a fuel poverty delivery plan which includes how to increase low household net income as related to the attainment of the fuel poverty targets.

This should cover a consideration of taxation levers, a cash first versus fuel bills first approach, and the balance of support for major policy actions, including the flexible energy discount mechanism and development of minimum income guarantee.

One, as of yet untested view (to our knowledge), is that by protecting the fuel poor, a flexible energy discount mechanism (sometimes called a social tariff) would facilitate net zero because vulnerable consumers would be protected.

If the intention is to work with or influence UK level funding, clear and accountable actions should be laid out, not just statements of aspiration. Where there are complementarities and trade-offs with UK government actions, these should be set out and evidenced.

High Energy Prices

High energy prices have had a significant impact on rates of fuel poverty and energy price volatility continues. With the transition to decarbonised domestic heating, to meet the fuel poverty targets it is essential that there is affordable and stable long-term electricity pricing.

The recent [announcement](#) on the Review of Electricity Market Arrangements (REMA) to retain a single national, but reformed, GB-wide wholesale market to improve the efficiency of our future power, sees the move away from the potential of zonal pricing.

It is imperative that the revised fuel poverty Strategy makes clear (a) the extent to which high energy prices are affecting the fuel poverty targets, (b) how key UK-wide policy and market reforms will affect the targets, and (c) where the opportunities for Scottish Government to influence lie.

Fuel poverty levels are highest in remote rural Scotland³¹. The Panel has researched the high levels of fuel poverty in remote rural communities, including on islands. We are of the view that given the specifically challenging circumstances for those in fuel poverty in these communities, they have a different starting point for decarbonisation.

We recommend that island and remote rural communities have a specific, more focused and co-ordinated, approach for tackling fuel poverty with clear leadership and enhanced resources.

It is important to note that a Fuel Poverty Strategy for England is also being developed by the UK Government. Fuel poverty drivers are impacted by both reserved and devolved policy interventions.

This new Strategy for England presents an opportunity for the Scottish Government to influence the impact on Scottish households from the interventions being considered for England, not least because the English Fuel Poverty Strategy might address energy prices or the link between welfare, low income and fuel poverty. Notwithstanding the different levels of need and place, between the different countries of the UK, there are similarities too where a common or aligned approach could improve outcomes.

For example, in remote rural areas where there is a dependency on unregulated fuels or in considering the optimum replacement heating approach for existing housing stock.

³¹ Scottish House Condition Survey (2025) [Scottish House Condition Survey: 2023 Key Findings - gov.scot](#)

Recommendations to the Scottish Government for developing a revised Fuel Poverty Strategy

Recommendation 1:

The Scottish Government should be transparent on whether the current Strategy can make the necessary progress towards meeting the legislative targets

The revised strategy needs to build from this point.

Recommendation 2:

Development of the revised strategy should not be delayed beyond 2026

Planning for a strategy review should commence immediately. The groundwork needs to start now with priority given to developing a programme for stakeholder consultation and reviewing the effectiveness of the current delivery frameworks and their ability to respond to the step change required. A commitment to a strategy review would mean that any further work on the monitoring and evaluation framework under development would include only the most impactful actions in the current strategy.

3

Recommendations to the Scottish Government for developing a revised Fuel Poverty Strategy

Recommendation 3:

A strategic governance model should be adopted

Including clear accountability and responsibilities for fuel poverty in Scotland, with one fuel poverty reduction delivery plan, everybody knowing what they are doing to deliver, and what gaps remain.

Recommendation 4:

A revised strategy should make clear where policy dependencies exist across the fuel poverty landscape

(e.g. child poverty, climate change, heat in buildings and health), that policy and strategy co-dependencies need to be aligned, and that a formal governance structure exists to facilitate co-delivery including oversight of the fuel poverty reduction plan.

3

Recommendations to the Scottish Government for developing a revised Fuel Poverty Strategy

Recommendation 5:

A revised strategy should give equal attention to all fuel poverty drivers

Making clear their relationship to the fuel poverty definition, relative weighting in terms of impact on fuel poverty outcomes, and key devolved powers available to address them.

Recommendation 6:

A revised strategy should include a resource plan for the period of the strategy linked to outcomes

presenting an opportunity to bring a strong focus to the fiscal levers and policies. This includes (a) specifying clearly whether this funding is a fuel poverty measure (not related to another catch all policy action), (b) clearly stating spending targets, and (c) evidencing that the funding is sufficient.

Recommendations to the Scottish Government for developing a revised Fuel Poverty Strategy

Recommendation 7:

A revised strategy should develop and embed a robust monitoring and evaluation framework at the outset

Learning from the experience of the current Strategy.

Recommendation 8:

A revised strategy should set out a clear, evidence-led, strategic approach to influencing reserved issues

as support and resource prioritisation by the UK Government will be key to delivery. This includes prioritising a strong, collaborative relationship with the UK Government.

Recommendations to the Scottish Government for developing a revised Fuel Poverty Strategy

Recommendation 9:

A revised strategy should set out how the five yearly strategy revision timetable corresponds with the 2030, 2035 and 2040 fuel poverty targets, and the triennial periodic reporting of progress

This would bring coherence to strategic planning, delivery and reporting, and support governance of fuel poverty policy.

Concluding Remarks

The Panel recognises the Scottish Government's commitment to addressing fuel poverty and working collaboratively across national and local government, as well as the private and third sectors. All stakeholders that the Panel has engaged with recognise the systemic negative impact that living in fuel poverty has, and the opportunities ending fuel poverty would bring, including personal, social and health benefits.

Strategic prioritisation, decisive action and clear leadership is needed to ensure that the statutory targets are achieved in what is a complex landscape, and it is essential that a revised strategy harnesses the expertise and capacity of all stakeholders.

Whilst the presentation of the Periodic Report makes it difficult to evaluate progress, the Panel is clear in its views that the Strategy falls short and that the Scottish Government needs to do much more to tackle fuel poverty now and to demonstrate that the 2040 target can be met

The Panel's vision is for a Scotland where everyone lives in an energy efficient home and has access to affordable and clean energy – a Scotland where no one lives in fuel poverty. Achieving the 2040 fuel poverty targets would deliver this.

Scotland is an energy rich nation and yet the reality is that around a third of Scottish households now live in fuel poverty, and this has been so for the lifetime of the current Strategy. The Panel is of the view that the extent of the commitments to address the current levels of fuel poverty, to reduce, and ultimately to eradicate fuel poverty, are strategic policy choices.

As the first appointment term of the Panel comes to an end, it remains committed to supporting the Scottish Government to achieve meaningful action towards the elimination of fuel poverty. Scotland's statutory fuel poverty targets set out the national aspiration to eliminate fuel poverty.

With a reformed approach and renewed vigour, we look forward to the Scottish Government delivering for those in fuel poverty.

Appendix 1

Appendix 1

The Scottish Fuel Poverty Advisory Panel was appointed on 1st January 2022.

We are an advisory non-departmental public body which provides independent advice to Scottish Ministers on fuel poverty and scrutiny of their progress towards delivering Scotland's 2040 fuel poverty targets, and its two interim targets in 2030 and 2035.

The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 sets out specific requirements for the Panel in relation to fuel poverty.

These include:

Commenting on Scottish Ministers progress on fuel poverty targets.

Advising Scottish Ministers on how policies and programmes, set out in its Fuel Poverty Strategy, are addressing the four drivers of fuel poverty:

- 1) High energy prices
- 2) Poor energy efficiency of the home
- 3) Low household income
- 4) Energy consumption

The Tackling Fuel Poverty Strategy 2021 extends the Panel's role to include:

- Supporting an evidence-based approach to fuel poverty which puts those with lived experience at its centre.
- Advising on the delivery of the Fuel Poverty Strategy, including on the mechanism for how the strategy-delivery is monitored and evaluated.
- Championing and fostering a collaborative approach to addressing fuel poverty across Scotland.
- Advising Scottish Ministers on the impact of new evidence, technologies, and opportunities to tackle fuel poverty.

We are a small Panel of [four members](#), which worked 53 days in total during the April 2024 to March 2025 year. We are supported by a Secretariat of three.

Appendix 2

Appendix 2

Date	Advice	Recommendations	Link
March 2023	Initial Advice to the Scottish Government	Recommendations are set out thematically: Theme 1: Optimise Advice Agencies' delivery to mitigate the impact of rising energy prices, and other cost of living challenges, on households. (Recs: 1-4). Advice agencies are a crucial part of frontline support to those in fuel poverty. Action is needed, both tactical and strategic, to enable them to tailor services according to local needs and to be supported in this by both government and commercial companies. Theme 2: Protect those suffering fuel poverty, and those at risk of entering fuel poverty, from its long-term effects (Recs 5-8). There are opportunities to: • leverage good practice (e.g. operation of the Fuel Insecurity Fund) to make access and distribution of funding simpler to households who need urgent support • adopt a cross-sector approach to fuel poverty mitigation, such as the Warm Homes Prescription Model, laying the ground for more joined up and effective working • step up funding for household energy efficiency and regulation, alongside a more nuanced understanding of fuel poverty effects on those who have enhanced needs, self-ration or self-disconnect. Theme 3: Continue to advocate for Government funding and policy change to mitigate the escalating disparity between incomes and energy prices (Recs 9 & 10). The Scottish Government should continue to urge the UK Government to uses its powers to support the financially vulnerable, as well as ensuring that it uses its own powers to optimum effect. It should also press the UK Government to reform the energy market, using its influence, to help secure freedom from future fuel poverty brought about by high energy prices. The Scottish Government should also consider what more it can do to simplify the funding landscape; support joined-up working; regulate, and promote research, in order to respond to immediate vulnerability and secure more energy efficient homes for the future. Theme 4: Monitor and evaluate the Fuel Poverty Strategy (Rec 11). The Scottish Government should develop a monitoring and evaluation framework for the Fuel Poverty Strategy and undertake renewed estimates of levels of fuel poverty.	Initial Advice to Scottish Government - Fuel Poverty Scotland

Appendix 2

Date	Advice	Recommendations	Link
Aug 2023	Scottish Recommendations for a Social Tariff	1. The Panel recommends that the UK Government should introduce a comprehensive and flexible social tariff to replace the Warm Homes Discount. This should form part of a new approach to provide financial support for energy bills for low income, vulnerable and disadvantaged households to ensure that they are able to sufficiently heat their homes and access required energy services. Such a social tariff should aim to reduce levels of fuel poverty and eradicate extreme fuel poverty; protect health and address inequalities by ensuring everyone has satisfactory levels of energy provision, comfort, and warmth. 2. To substantially reduce levels of fuel poverty the Panel recommends a flexible social tariff that reduces the energy costs of eligible households. Those in greatest need should receive a tariff that covers a significant unit rate discount and all of their standing charge. 3. The Panel recommends that anyone on means tested benefits should be automatically eligible to receive a social tariff. This will include households on Universal Credit, Housing Benefit, Pension Credit, income-related Employment and Support Allowance (ESA), income-based Jobseeker's Allowance (JSA) and Income Support. We also recommend a second route where a household can apply and receive the social tariff even if they do not qualify for the means tested benefits above but nevertheless are likely to suffer some detriment if support is not available. 4. The value of the tariff's discount should recognise different definitions of fuel poverty across the UK and ensure that the value of each household's discount is determined by the price of energy and the household's individual circumstances.	Scottish Recommendations for a Social Tariff - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
Aug 2023	Scottish Recommendations for a Social Tariff	5. The Panel recommends that the tariff's discount amounts are set by Ofgem or an independent body and are set with reference to closing the Scottish public's fuel poverty gap. 6. The Panel recommends that the UK Government administer eligibility criteria for the social tariff to ensure consistency and appropriate accountability. The necessary assessment of eligibility can be achieved quickly by the UK Government through linking HMRC, Department of Work and Pensions, and energy usage data. The UK Government should also be responsible for maintaining a clear and transparent process where people who miss out on receiving the social tariff can understand why, and / or appeal. Energy suppliers could then be made responsible for delivering the scheme. In the longer term, the system should also include a home's energy efficiency information. 7. It is the Panel's view that the level of meaningful financial assistance required to support households' energy costs cannot be funded simply through levies on bills. The Panel recommends that the costs of a social tariff are covered through general taxation. We believe that the costs could be offset by: reviewing the non-targeted non-taxable status of the Winter Fuel Allowance; and ringfencing taxation from the energy sector. 8. Finally, the Panel recommends that the Scottish Government considers reforming the current Winter Weather Payments and considers developing a Scottish Energy Supplement on top of any social tariff to address any specific circumstances in Scotland not covered sufficiently by any successor to Warm Home Discount.	Scottish Recommendations for a Social Tariff - Fuel Poverty Scotland

Appendix 2

Date	Advice	Recommendations	Link
Sept 2023	Reco- mmendations to the Scottish Government on its Fuel Poverty Strategy	The SFPAP's recommendations to the Scottish Government on its Strategy update: Recommendation 1 – The SFPAP recommends that the Scottish Government should complete its required 5-year review of the Strategy by the dissolution of this parliament in May 2026. Recommendation 2 – The SFPAP supports the Scottish Government's intention to complete an interim update to the Strategy this year. The SFPAP advises the Scottish Government to include a strategic delivery plan in this update. Recommendation 3 – As part of the Strategy update, SFPAP recommends that the Scottish Government adopt an outcomes-centred approach which underpins the strategic vision of eradicating fuel poverty – enabling a clear line of sight between the vision and the actions needed to realise it. Recommendation 4 – As part of the Strategy update, SFPAP recommends that the Scottish Government map the high-level policy landscape for those policies directly supporting the delivery of fuel poverty targets – those which fall both within devolved competence and those which are reserved. Recommendation 5 – The SFPAP advises the Scottish Government to set out and test the relative impact of the drivers of fuel poverty in achieving both the interim – 2030 and 2035 – and the 2040 statutory fuel poverty targets in its Strategy update. Recommendation 6 – In updating the Strategy, the SFPAP advises that the Scottish Government maximise the potential to work with the SFPAP in 2023/24 to increase the understanding of fuel poverty through the creation of a joint research plan. This plan, with supporting funding, will facilitate the building of a holistic, national evidence base which will provide consistent and robust fuel poverty data over the lifetime of the targets. Recommendation 7 – The SFPAP advises that the Strategy update should review the investment needed to improve the energy efficiency of homes and develop an accelerated rolling 5-year programme with measurable outcomes.	Recommendations to the Scottish Government on its Fuel Poverty Strategy - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
Sept 2023	Recommendations to the Scottish Government on its Fuel Poverty Strategy	Recommendation 8 – The SFPAP advise that the Strategy update should consider a capability mapping and how sector-wide organisations and NGOs committed to tackling fuel poverty – across housing, energy, and advice sectors – can be leveraged to support the delivery of fuel poverty targets. Recommendation 9 – The SFPAP recommend that the Strategy update should explore the value in building on the Scottish Government's Energy and Anti-Poverty Summits to create effective collaboration and a partnership approach to support delivery of the Fuel Poverty Strategy. Recommendation 10 – The SFPAP advises that the structural importance of advice and advocacy in tackling fuel poverty needs greater emphasis in the Strategy update. The Panel reiterates its October recommendations and suggests that these are built into the plan for delivering the Strategy to give the advice and advocacy sector stability. Recommendation 11 – The SFPAP advises that the Strategy update should bring a stronger focus to the opportunities which the Scottish Government has to influence the UK Government on energy market reform to protect low-income households. Recommendation 12 – The SFPAP recommends that the Strategy update should bring a stronger focus to the opportunities which the Scottish Government has to influence the UK Government on social tariffs. Recommendation 13 – The SFPAP recommend that the Strategy update should include a focus on analysis and identifying eligibility criteria when crisis support is provided. This would enable an assessment of the key Fuel Insecurity Fund, alongside other central and local funds, to identify potential gaps in the targeting of energy cost and managing energy debt financial support. Recommendation 14 – The SFPAP recommend that the Strategy update should set out an approach to improving health outcomes for those suffering fuel poverty, such as implementing the Warm Homes Prescription model. Recommendation 15 – The SFPAP advise the Scottish Government that, in consultation with the SFPAP, an outcomes-based monitoring and evaluation framework should be created in 2023/24 as part of the work to update the Strategy.	Recommendations to the Scottish Government on its Fuel Poverty Strategy - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
Dec 2023	Initial response on Scottish Budget 2024-2025	The Panel highlighted its extreme disappointment to hear that the Scottish Government intends to close the Fuel Insecurity Fund (FIF) and make deep cuts to the Housing and Buildings Level 3 budget line from April 2024. The Panel urged SG to consider whether any headroom exists to provide support through a slimmed down FIF in 2024/25 to avoid a cliff edge for the people who currently rely on support delivered through the programmes currently sponsored through FIF.	Initial response on Scottish Budget 2024-2025 - Fuel Poverty Scotland
Jan 2024	Consultation on the Pension Age Winter Heating Payment	The Panel's view is that: • WFP should be replaced with a well-designed automatically paid, and targeted benefit that supports those experiencing fuel poverty, regardless of their age. • Energy suppliers should be obliged to use this payment to reduce present and future energy costs, rather than for debt repayment. • All winter weather payments should be consolidated. • If this reform is not possible then PAWHP should be targeted at those on Pension Credit, should be aligned with Winter Heating Payment, and should be treated as taxable income, the revenue to which should be used to increase levels of energy support funding in Scotland.	Consultation on the Pension Age Winter Heating Payment (PAWHP) - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
March 2024	Consultation on Heat in Buildings Bill (HiBB)	The Panel urged the Scottish Government to seek directly the view of those with lived experience of fuel poverty. It is essential that fuel poverty is foregrounded in the HiBB. The Panel believe that to avoid unintended consequences, there should be more robust impact assessment undertaken, and mitigations provided where a measure leads to a household being pushed into fuel poverty, either at installation, or within a pre-defined period thereafter. The Panel also flagged that the list of energy efficiency measures proposed were too narrow, not fuel poverty focused and do not take account of housing type. The proposals view getting to EPC C as a success, but it is still possible to be in fuel poverty at EPC C. It is the Panel's view that the proposed monitoring and evaluation framework is well thought out and comprehensive. It would, however, benefit from the development of milestones and targets against which progress can be assessed. In addition, the framework could make better use of the third sector as enablers. The Panel also asked for clarity on how HiBB proposals will be funded, and whether the proposals exists in the context of business as usual, or if, in fact, they are based on a number of assumptions around energy prices and technology, e.g., smooth network upgrade developments, smooth lifecycle and value chain developments for the technologies in question, decreases in energy prices, etc. The proposals are centred on tenure as a means of dividing up the approach and responsibilities, but other options could be considered, e.g. structuring the proposals according to technology, place or housing type.	Consultation on Heat in Buildings Bill (HiBB) - Fuel Poverty Scotland
June 2024	The Scottish Fuel Poverty Advisory Panel Annual Report March 2023 – April 2024	The Panel offered views on the Warmer Homes Eligibility Criteria for 2023–2024 - this led to the criteria being broadened to capture those experiencing fuel poverty but not necessarily in receipt of passport benefits.	The Scottish Fuel Poverty Advisory Panel Annual Report March 2023 – April 2024 - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
Sept 2024	Letter to the Cabinet Secretary for Social Justice on Winter Fuel Payment/ Pension Age Winger Heating Payment	The Panel suggested that SG should: 1. Take the opportunity of the deferral of PAWHP's launch to conduct an impact assessment to find out a) What the fuel poverty impact of the proposed model for PAWHP devolution will be on those on low incomes who will no longer receive it, and b) what the fuel poverty impact of choosing a devolved model making PAWHP taxable would mean in terms of fuel poverty alleviation. 2. Take the opportunity to target the consequentials coming to Scotland (from the extension of the Household Support Fund) at those living in fuel poverty.	Letter to Cabinet Secretary for Social Justice - Fuel Poverty Scotland
Nov 2024	Response to the consultation for the first Fuel Poverty Periodic Report	It is the Panel's opinion that to strategically assess progress in achieving Scotland's fuel poverty ambition some principles are important to ground: 1. There needs to be transparency around the assumptions that were used in the development of the strategy, that details how the 55 actions would contribute to the targets enshrined in law. This would also include details of where the strategic actions were unknown – and for a strategy and vision that stretches over 20 years it would be expected that not all actions would be known from day one.	Response to the consultation for the first Fuel Poverty Periodic Report - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
Nov 2024	Response to the consultation for the first Fuel Poverty Periodic Report	2. A monitoring and evaluation framework that details how progress is being made against the actions is essential – in both ensuring early sight of any issues or opportunities, but also to provide a foundation upon which an informed assessment of performance and inter-dependencies and likely outcomes can be made. 3. A robust governance structure is needed to drive progress and actions – in particular, when complex strategy cuts across many policy areas and or delivery units or functions, and stretches over many years, or indeed in areas of high levels of change, be it technological, societal or economic. Without a monitoring and evaluation framework, that provides an objective commentary or assessment on progress, it is impossible to draw any hard conclusions on the impact of interventions and activities. As such, we, the Panel, can only make the following comments based on what we have seen and heard: 4. We see and appreciate the work today on the monitoring and evaluation framework and urge that this is used as an enabler to consider how enhanced governance protocols can be implemented that would in turn drive a greater cross-Governmental focus on fuel poverty. The near absence of any prioritisation or mention of fuel poverty in the Programme for Government appears to place fuel poverty in a secondary position to other poverty-related policies, such as child poverty. We have stated our view before that child poverty cannot be tackled without also tackling fuel poverty. 5. We worry about the increasing proportion of families who find themselves in extreme fuel poverty and how the interventions that are needed to lift them out of fuel poverty altogether will be complex and need to address multiple drivers. A decent quality home in itself does not necessarily mean that people are removed from fuel poverty, which in previous years was more of a certainty.	Response to the consultation for the first Fuel Poverty Periodic Report - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
Nov 2024	Response to the consultation for the first Fuel Poverty Periodic Report	6. We note the progress being made to improve quality of housing stock across Scotland and note the increasing proportion of homes that are rates A-C from 45% in 2019 to 52% in 2022. We see the potential that can be realised from the Heat and Buildings Strategy and the contribution that this could make to helping achieve some of the statutory targets in the run up to 2040. 7. We recognise that the current Strategy has been overtaken by events, and that a full review is needed, but also that a mid-term prioritisation of some of the strategic actions might have provided increased clarity and focus on those actions that would have had the maximum impact. 8. We recognise the financial challenges around the current budgetary settlement and the tough decisions that can come from this. We also note that to fully address fuel poverty a number of tactical or crisis and strategic interventions are needed, and both should be recognised as important. An over-focus at either end of the scale can result in unintended consequences and it is important to ensure that both are given similar footing i.e. we will support people living in fuel poverty today whilst working on and then implementing the optimum strategic solution that will address some or all of the drivers of fuel poverty. The Warm Homes Prescription trial is a useful example of where a focus on longer term better health outcomes has provided immediate support to keep warm today, enabling those involved to embrace the energy efficiency measures which will help keep them warm tomorrow. 9. We note the focus of Scottish Ministers in influencing their UK counterparts on the importance of specific reserved interventions, for instance the introduction of a wider social tariff and would champion wider collaboration across all nations of the UK where there are areas of commonality or potential for them. It is critical that Scottish voices are heard and are visible when UK policy is being developed. 10. We are struck by the reality faced by many who live in remote rural or island communities who rely on unregulated fuels, or electricity (but not mains gas) for heat and hot water, and the associated costs that are incurred here, alongside at times the absence of decarbonisation solutions that would also reduce total home heating cost.	Response to the consultation for the first Fuel Poverty Periodic Report - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
Nov 2024	Response to the consultation for the first Fuel Poverty Periodic Report	11. We recognise the real passion to address fuel poverty, across local and national government, the third sector and the wider sector too. All recognise that wider impact that being in fuel poverty has, and the opportunities that removing the risk of fuel poverty will present. Solving fuel poverty in itself isn't a tough sell – hearts and minds are already there. A re-focussed Strategy that concentrates on the key enablers that address the drivers of fuel poverty in Scotland, will provide the leadership and vision needed as we move to within 15 years of the Statutory target. On energy efficiency in particular the Panel have said: • 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. • 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. • 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. • 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.	Response to the consultation for the first Fuel Poverty Periodic Report - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
Nov 2024	Response to the consultation for the first Fuel Poverty Periodic Report	• 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. • 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 Bill 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. • The Heat in Buildings Strategy is rooted in decarbonisation. Net zero interventions increase the risk of fuel poverty trade-offs. On crisis funding in particular the Panel has said: • 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. • The changes to the Winter Fuel Payment and the loss of the Fuel Insecurity Fund will both impact on fuel poverty levels. • 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). On Warm Homes Discount in particular the Panel has said: • 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.	Response to the consultation for the first Fuel Poverty Periodic Report - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
Nov 2024	Fuel Poverty Funding Landscape in Scotland	Recommendation 1 – Scottish Government should target winter support payments to those most in need and consider paying them to individuals through energy companies to reduce energy costs and to maximise the impact on fuel poverty levels. Recommendation 2 – The Scottish Government should continue to advocate to the UK Government to introduce energy bill support in the form of an energy discount mechanism, often referred to as a social tariff. Recommendation 3 – While an energy discount mechanism is being developed, the Scottish Government should urge the UK Government and Ofgem to reform the Warm Home Discount (WHD) by increasing the payment rate and introducing regional variation which also covers the needs of people using unregulated fuels. Recommendation 4 – The Scottish Government should launch a feasibility study to understand how data could be shared to support automatic WHD payment in Scotland, coordinating this with the UK Government where practicable. Recommendation 5 – The Scottish Government should ensure that there is always a pot of flexible crisis money targeted at energy costs available, recognising short-term crisis shocks, seasonal factors, and the long-term trajectory of increasing rates of fuel poverty. For example, a fund building upon the learning of the Fuel Insecurity Fund. Recommendation 6 – The Scottish Government should lead on considering the feasibility of consolidating existing funding for energy efficiency measures in Scotland into a single scheme. Recommendation 7 – In the interim, the Scottish Government should work with the UK Government to create a central mechanism to facilitate greater synergies between the various capital funding schemes and greater flexibility in their (co-) delivery. Recommendation 8 – The Scottish Government should create a simple eligibility checker which looks across funding schemes, drawing on the expertise of energy advice agencies, coordinating this with the UK Government, Ofgem, local authorities, and energy companies. Recommendation 9 – The Scottish Government should work with the UK Government and Ofgem to extend funding windows across all fuel poverty funds to facilitate long term planning and support delivery. Recommendation 10 – The Scottish Government should ensure that there are consumer protections for anyone who has energy efficiency works undertaken, coordinating with the UK Government.	Principles and recommendations on the fuel poverty funding landscape in Scotland - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
March 2025	Matt Cole, Scottish Fuel Poverty Advisory Panel Chair, discusses the Panel's work on rural and remote fuel poverty	The Panel has concluded that a bespoke approach to the structural disadvantage suffered by rural and remote areas is needed to tackle the fuel poverty these communities experience – the highest in Scotland. This will require increased investment, including bringing in non-governmental funding. It will need a clear, focus-solutioned strategy and delivery plan to (at least): • Improve the energy efficiency of homes as well as to build new energy efficient homes whilst recognising the higher infrastructure costs to achieve this. • Core funding for, and expanded, locally-delivered energy advice services. • Regulation of alternative fuel sources to manage price volatility. • Scalable models for maximising local energy generation benefits.	Rural and remote fuel poverty - Fuel Poverty Scotland
March 2025	Heat Networks Roundtable	Key takeaways from the Roundtable included: • Heat networks won't and can't be a solution everywhere. • Pricing is a particular issue for heat networks from a fuel poverty perspective. • Heat networks should not deepen fuel poverty – this is a challenge and improving fuel poverty rates, through heat network development, will be an even bigger one. • There's an accountability question when it comes to fuel poverty within the heat network landscape. How is fuel poverty statement compliance to be assured and what sanctions will apply if these are not delivered. • The heat network policy foundations seem to be strong, but things become much harder as the move from policy to delivery happens.	Heat Networks Roundtable - Fuel Poverty Scotland

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Date	Advice	Recommendations	Link
June 2025	The Scottish Fuel Poverty Advisory Panel - Annual Report 2024-2025	The Panel offered their advice to policy leads on the Warmer Homes Scotland (WHS) eligibility criteria, setting out that: • As we have identified more investment is needed to aid progress in meeting Scotland's fuel poverty targets, containing the WHS funding demand through narrowing eligibility does not seem like the right approach. Even if the demand then outstrips the funding available: evidence of demand can only add weight to the business case for more budget to be allocated next year – setting a benchmark for future budget allocations. • There seems to be a lack of alignment between the criteria and the (then) Heat in in Building Bill (HiBB) proposals around linking energy efficiency standards to a series of measures to the EPC rating in the criteria, and HiBB seems to be moving away from the “fabric first” principle while WHS seems to be remaining aligned to “fabric first”.	The Scottish Fuel Poverty Advisory Panel - Annual Report 2024-2025 - Fuel Poverty Scotland

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