

## Fuel Poverty in Scotland

Scottish Government identified that in 2023 that **fuel poverty** in Scotland rose to 34% and it is likely that in 2024, despite falling energy costs, that it remains over 1 in 3 <sup>1</sup>. EAS continues to work in partnership with SGN across Scotland. Projects deployed at this time are targeted to assist ~6,000 households, via eight fuel poverty advice focused partners. Focus is on advice around utility costing, efficiency, safety, CO Safety, PSR sign up, income maximisation, essential servicing and crisis funds. Demand for this focused support certainly outweighs the levels that current funding can deliver. With growing numbers of households in either fuel poverty and severe fuel poverty requires additional funding, even just to stand still with levels of support. Housing condition survey 2023 available on this link. <sup>2</sup>

Energy debt continues to climb and with energy related debt in Great Britain at over £3.8bn at the end of September 2024, indebtedness is driving more and more households into fuel poverty, a fuel poverty that is underestimated as it fails to account for debt nor for the additional consumption requirements of millions of disabled and essential medical households.

In short fuel poverty is not an improving position. The result of this will be an increase in the number of needless deaths and as well as the devastating impacts cold homes have on their occupant's lives, this problem extends to all of us; needless health & social care costs<sup>3</sup>, queues at GPs and A&E as well as delaying the discharge of the most vulnerable patients from hospital. The resulting impact on health services **costs the NHS in Scotland** in the region of **£100-200million**.

Cold, damp, and unsafe homes continue to cause **unacceptable levels** of unnecessary **hardship** and premature mortality. Energy Action Scotland estimates that on average more than **2000 people**<sup>4</sup> in Scotland die each year due to living in a cold home. During 2023 Scotland experienced a 30year high in death over the winter,

<sup>1</sup> The health implications of cold temperatures on respiratory conditions and on frail and elderly households are well known. These impacts are also intergenerational, with children twice as likely to suffer from asthma or bronchitis if they inhabit cold and damp housing. These issues have been badly exacerbated the Covid-19 crisis. During the colder months, many people will continue to stay at home for longer periods. Alongside the psychological stress and social isolation caused by the virus, too many will have to choose between heating their home adequately and falling into debt or rationing their energy use and living in cold damp homes that are dangerous to their health and can shorten their lives. This can lead to a vicious cycle of hospital admission, discharge, and readmission. Poor housing leads to sharp rises in energy use. A recent independent analysis suggests that, if a second lockdown was re-imposed during winter months, families in cold, leaky homes would face heating bills elevated on average to £124 per month, compared with £76 per month for those in well-insulated homes – a difference of £49 (£48.7) per month. In Scotland this is expected to be between 25-50% higher for those in all electric homes in colder climates.

<sup>2</sup> <https://www.gov.scot/publications/scottish-house-condition-survey-2023-key-findings/>

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<sup>4</sup> Excess Mortality Figures for Scotland 2018/19 indicate that excess mortality was 2060  
<https://www.nrscotland.gov.uk/files/statistics/winter-mortality/2019/winter-mortality-18-19-pub.pdf>

the same period as the height of energy prices during what is now an enduring cost of living crisis.

The Office for National Statistics (ONS) estimates that that the biggest cause of death was respiratory disease, followed by circulatory health conditions. Both these conditions are badly exacerbated by living in cold homes which are hard to heat and around **30%** of these deaths are **preventable**<sup>5</sup>.

In Scotland approximately 46% of all homes fall below the Energy Performance Certificate rating of 'C'. Scotland has a higher proportion of homes than elsewhere in Great Britain of homes with prepayment meters, all electrically heated, off gas and dependent on alternative fuels for heating.<sup>6</sup> Energy consumption for many of these homes is between 50-100% higher than equivalent properties elsewhere In Great Britain as a result of their efficiency, the nature of their heating source and the climatic conditions experienced.

The profile of fuel poverty is changing, and the assumptions made in the consultation during the development of strategic plans and investment strategies need to be reassessed. The profile of fuel poor households now includes an even greater number of households in extreme fuel poverty in Scotland. In 2023, **861,000 households (34% of all households)** were estimated to be in **fuel poverty**, of which **491,000 (19.4% of all households)** were in **extreme fuel poverty**. This is higher than the 2022 estimates of 31% (780,000 households) for fuel poverty but similar for extreme fuel poverty 18.5% (465,000 households). Extreme fuel poverty households have to spend more than 20% of its adjusted net income (after housing costs) on total fuel costs to maintain a satisfactory heating regime.

Fuel Poverty in Scotland is not distributed evenly across Great Britain or indeed Scotland. Energy Action Scotland extrapolated Scottish Government data across the 32 unitary local authorities which highlights variability from approximately 17% fuel poverty to over 50% of households being in fuel poverty (please refer Scotland map at end of this document). This is consistent with billing data which identifies the variability across Scotland<sup>7</sup>. It should be noted that in some areas total domestic heating is likely to be higher than the gas/electric estimates when homes are heated by alternative fuels. In the absence of data from this unregulated sector we rely on gas as a proxy for this.

<sup>5</sup> The health implications of cold temperatures on respiratory conditions and on frail and elderly households are well known. These impacts are also intergenerational, with children twice as likely to suffer from asthma or bronchitis if they inhabit cold and damp housing. These issues have been badly exacerbated the Covid-19 crisis. During the colder months, many people will continue to stay at home for longer periods. Alongside the psychological stress and social isolation caused by the virus, too many will have to choose between heating their home adequately and falling into debt or rationing their energy use and living in cold damp homes that are dangerous to their health and can shorten their lives. This can lead to a vicious cycle of hospital admission, discharge, and readmission. Poor housing leads to sharp rises in energy use. A recent independent analysis suggests that, if a second lockdown was re-imposed during winter months, families in cold, leaky homes would face heating bills elevated on average to £124 per month, compared with £76 per month for those in well-insulated homes – a difference of £49 (£48.7) per month. In Scotland this is expected to be between 25-50% higher for those in all electric homes in colder climates.

<sup>6</sup> <https://www.gov.scot/publications/scottish-house-condition-survey-2023-key-findings/>

<sup>7</sup> <https://scotland.shinyapps.io/sq-scottish-energy-statistics/?Section=ConsumerEngagement&Subsection=Bills&Chart=AverageBillLA>

In the UK it is estimated by the End Fuel Poverty Coalition and National Energy Action that fuel poverty on 1 April 2023 affected 6.1million households<sup>8</sup>. Scottish fuel poverty levels are almost 13%<sup>9</sup> of the UK total.

## Conclusion

Fuel Poverty in Scotland is endemic and shows little sign of improvement. Government supports remain modest against the challenge of improving the efficiency of homes and at best clean heating systems struggle with cost comparability with gas. Without market reform to account for this many households are at risk of 'improvements' that meet netzero ambitions whilst consigning households to further hardship.

The case to reducing support is weak. If we are to see an improvement in fuel poverty then we need to maximise the funds available, deliver these locally with organisations trusted by local people or by those with conditions that necessitate specialist advice. The gas networks have a key role to play in providing the framework and infrastructure for affordable warmth and continue to connect those to the network where it remains the best available solution.

Scottish Gas Network, SGN has provided leadership in Scotland. It has build partnerships, encourage collaboration and provided vital support across Scotland's communities in its area of operation. It places a high value in addressing vulnerability and keeping people safe.

We support its submission which can ensure continuity of support where it is needed and encourage innovations that will ensure that others understand how best to support those in the most difficult of circumstances.

## **Gordon Morrison** **Development Manager**

Energy Action Scotland c/o Wylie & Bisset LLP,

168 Bath Street,

Glasgow G2 4TP

Email: [gordon.morrison@eas.org.uk](mailto:gordon.morrison@eas.org.uk)

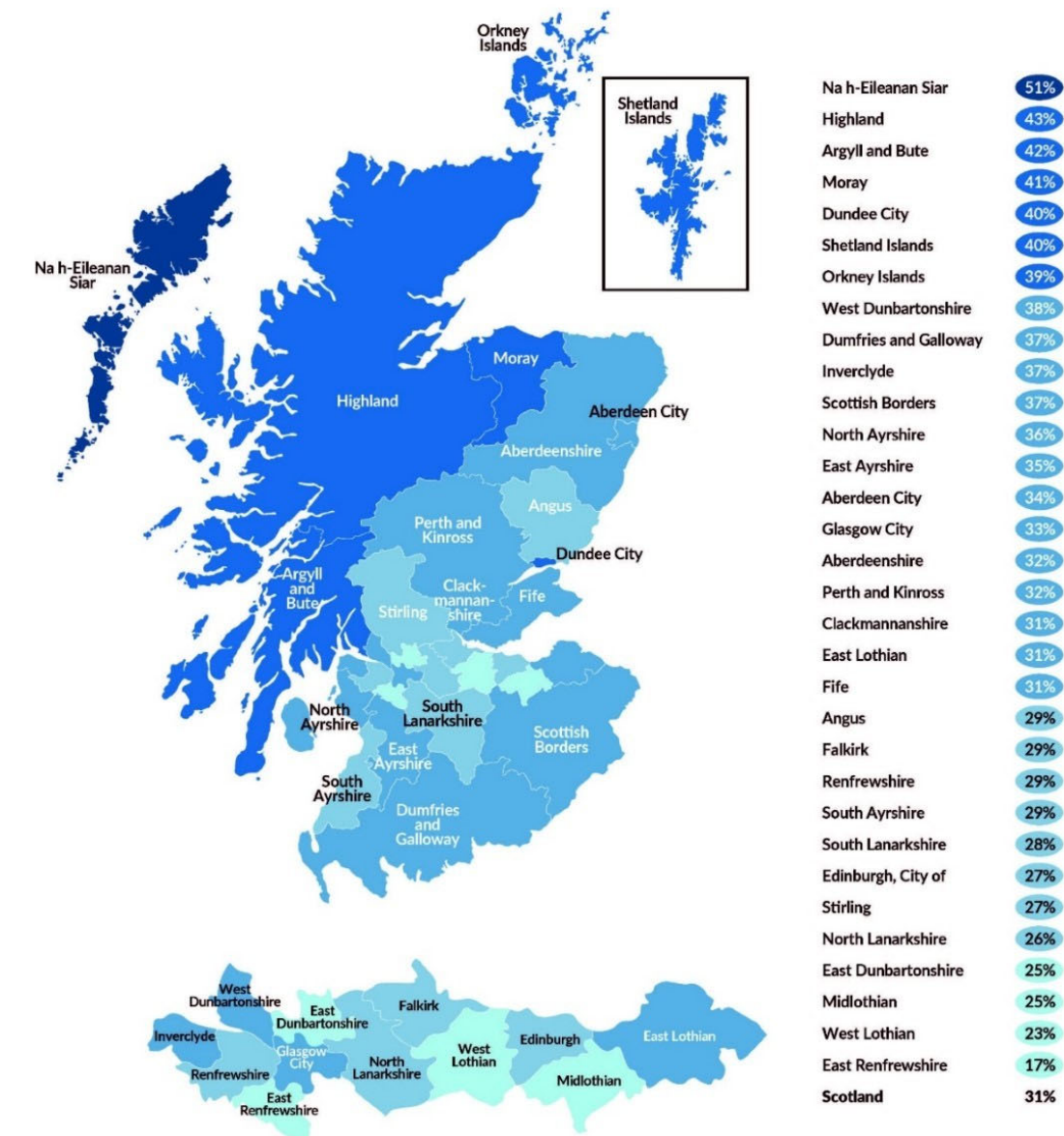
Website: [www.eas.org.uk](http://www.eas.org.uk)

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<sup>8</sup> <https://www.nea.org.uk/lived-experiences-of-fuel-poverty/>

<sup>9</sup> The methodology used by National Energy Action does not have the moderating impact of an income cap which is present in the Scotland definition of fuel poverty. Therefore using the NEA methodology more households in Scotland could be identified than using the definition in the Fuel Poverty Act 2019.

# FUEL POVERTY BY LOCAL AUTHORITY



Ref The 31% average figure is from the Scottish Fuel Poverty Advisory Panel with figures extrapolated to local authority areas by Energy Action Scotland