

Tackling fuel poverty in Scotland – a 2022 commentary

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Background

On 1 April 2022, the maximum price energy suppliers can charge households in England, Scotland and Wales is being raised, which will result in an increase in energy bills by up to 54%. This, in addition to the rising costs of living, related to Covid-19 pandemic, reductions in the supply of energy fuels, and other social factors, is increasing the probability of fuel poverty in Scottish households. If nothing else changes, the energy price cap will rise again in October 2022 by as much as 29%.

Fuel poverty is already known to be a source of financial pressures in households as well as a source of health inequalities affecting some of the most vulnerable people in Scotland ([ScotPHN 2015, 2016](#)). The impact of the imminent increases in fuel costs is a cause of current concern for both Scottish politicians and individuals alike ([The Herald 2022](#), [BBC 2022](#)). It is also clear that increases in fuel poverty will cause an increase in poor health and further exacerbate health inequalities across all of Scotland.

Fuel poverty is only part of a wider problem of poverty and inequality and there is much work going on to address these, locally and nationally. Public Health Scotland's 3 year strategy focuses on the areas which will have the most impact on improving Scotland's health and wellbeing:

- COVID-19
- Mental wellbeing
- Communities and place
- Poverty and children

Future work by ScotPHN to update the evidence base on fuel poverty will support and link with PHS's wider work programme on poverty, children and housing. As well as contributing to other areas of its strategy. PHS is taking a holistic approach to reducing child poverty which includes tackling housing costs.

Fuel Poverty

The definition of fuel poverty is set out in the **Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019** (Fuel Poverty Act). This sets out that a Scottish household is considered to be in fuel poverty if, in order to maintain a satisfactory heating regime, total fuel costs necessary for the home are more than 10% of the household's adjusted net income (i.e., after housing costs), and if after deducting those fuel costs, benefits received for a care need or disability and childcare costs, the household's remaining adjusted net income is insufficient to maintain an acceptable standard of living. The remaining adjusted net income must be at least 90% of the UK Minimum Income Standard to be considered an acceptable standard of living with an additional amount added for households in remote rural, remote small town and island areas. If more than 20% of net income is needed, the household is defined as being in extreme fuel poverty.

The **Fuel Poverty Act** set out an overarching target that by the year 2040, as far as reasonably practicable, no household in Scotland will be in fuel poverty. It also sets targets for households that are fuel poor (no more than 5% of households), or are in extreme fuel poverty (no more than 1% of households), and that the fuel poverty gap will be no more than £250 (in 2015 prices). It is worth noting that these targets are all based on the economic situation in 2017/18.

It is also worth noting that the definition of fuel poverty does not take into account the way in which the effects of fuel poverty can present specific, additional health risks to those who are vulnerable to heat stress (whether persistent cold or excess heat).

The Strategic Response from the Scottish Government

The Scottish Government aims to reach their targets by addressing the four drivers of fuel poverty (energy prices, income, energy efficiency of the home, and how energy is used in the home). These are addressed in the fuel poverty strategy – **Tackling fuel poverty in Scotland: a strategic approach** – which was published on the 23 December 2021.

Arguably, the primary focus for both the Fuel Poverty Act and the Strategy is on the energy efficiency of the home and how energy is used in the home, as the Scottish Government has only indirect influence of energy prices and income. Factors that are also directly or indirectly influenced by the energy industries and the UK government. This means that the overall approach has become focused primarily on changing the individual behaviour of household members in relation to energy use and to be supported to seek structural improvements to the house itself. Some degree of social and financial support to those that cannot afford energy prices is also offered.

The Strategy continues to provide specific Scottish Government schemes, either directly or via Local Authorities and third-sector organisations that deliver support. These mainly focus on promoting energy efficiency through support and advice to address individuals' behaviour. Schemes also include advice that can support financial resilience through maximising social security benefits and targeted financial support for individuals who cannot afford to pay energy bills.

Systemic changes, related to inadequate housing fabric or that promote improvements in heating efficiency, are addressed through funding to support the installation of a range of more efficient heating systems (including renewable and micro-renewable heating measures) and insulation measures to improve the energy efficiency of the property. Eligibility rules are attached to such schemes and not all households are able to access financial support. Even when households are eligible some degree of household contribution can be required, which can make the scheme both unattractive and unaffordable to the household. Many of these schemes are operated through Local Authorities, particularly when such schemes require a degree of targeting the intervention.

The Strategy recognises that there is a link between fuel poverty and poor health:

“At a national level, we will undertake further engagement with Public Health Scotland to establish links to the most appropriate contacts within the NHS to take forward the fuel poverty agenda within the wider health and social care sector. This will help to ensure that individuals that are vulnerable to the effects of living in a cold home and experiencing fuel

poverty are identified and signposted to advice and support.” - **Tackling fuel poverty in Scotland: a strategic approach**

However, the response as proposed seems to be focused on the need to identify those that are most at risk of negative health consequences due to living in fuel poverty and then ‘signposting’ them to advice.

Public Health Action

Work is currently being undertaken to update the 2015 ScotPHN/ Knowledge Services **Evidence Review**, with a specific emphasis on interventions that alleviate fuel poverty. It is expected that this review will be completed summer 2022.

Whilst this work is completed, consideration has been given to the applicability of the 2016 ScotPHN **guidance** to DsPH and their teams on possible public health actions that could help create a more integrated approach to reducing fuel poverty and preventing further poor health and health inequalities associated with such poverty. At that time an updated fuel poverty strategy was expected and the recommendations designed to provide an initial set of actions that would support the expected strategic direction of change.

It is our assessment that – whilst some of the language has developed and the emphasis within the Strategy as it was finally published in 2021 is still focused on the mechanics of fuel poverty in households – the proposed actions set out in the 2016 ScotPHN guidance remain an important starting point for local public health whole systems to prepare to meet the challenges that are likely to grow throughout 2022.

The consequence of the April and October 2022 raises to the energy price cap, linked to the current cost of the fossil fuels used to generate significant proportions of the energy used in Scottish households, is almost certain to lead to significant increases in fuel poverty in the short term. In the mid to longer term wholesale prices may stabilise, but whether these cost reductions are passed onto consumers is unclear.

In addressing the immediate challenges associated with fuel cost increases affecting households, local public health teams will need to work with local community planning partners including NHS Boards, Local Authorities and IJBs to help identify those at increased risk of poor health associated with fuel poverty. Local DsPH and their teams will seek to provide local leadership to:

- advise /remind the NHS and wider partners on the links between fuel poverty, cold homes and ill-health;
- explore how approaches to the delivery of the local NHS as an Anchor Institution could be a vehicle for addressing fuel poverty;
- work with local community planning / resilience partnerships and wider partners to identify who and where those most vulnerable to fuel poverty reside within NHS board areas, exploring the use of data and intelligence systems to support this;
- work to realise the potential for fuel poverty and cold-home related activities to be delivered as part of other health improvement / health promotion activities;
- explore how best to minimise potential barriers to health service professional engagement with issues related to fuel poverty and explore the feasibility and potential benefits of developing training for frontline staff to support their understanding of fuel poverty and the prevention of its health consequences;
- provide specialist public health advice and guidance on monitoring and evaluating interventions and measures and to be an advocate for the inclusion of evaluation in fuel poverty interventions to better determine what works; and
- link with fuel poverty leads across local and national whole system public health organisations to share experiences and knowledge of local measures and activities to address fuel poverty.

For many households across Scotland, coming out of the financial uncertainties associated with the COVID-19 pandemic to face cost of living rises that are unprecedented will be beyond challenging. The decision to ‘heat’ or ‘eat’ is already a very real and immediate one for many and is likely to be one facing others as the summer progresses. Already the coming winter is looking bleaker.

Public Health action will not address the encroaching fuel poverty crisis. However, it can do much to help mitigate the health and health inequality that it brings.