

**Energy Action Scotland Policy Position Statement - Fuel Poverty**

Fuel poverty should not exist. It is a fundamental necessity in every person’s life should be to have a warm, dry home which is affordable to heat. Energy Action Scotland believes that having a warm, dry home is a human right, which the [Universal Declaration of Human Rights Article 25](https://www.un.org/en/about-us/universal-declaration-of-human-rights) makes reference to. In this day and age, people should not have to decide between heating their home or feeding themselves and their family.

There four elements that contribute to fuel poverty high energy costs, poor energy efficiency of homes, low income and ineffective and inefficient use of energy in the home.

**High Energy Costs**

Around 50% of a gas or electricity bill is attributable to wholesale energy costs. Wholesale energy costs are largely affected by global energy rates and it is difficult to influence change in this market. The rest of the energy bill is made up of a mixture of network costs, supplier costs (including profit), VAT and government determined climate change and social levies.

The UK Government’s levies on energy bills are regressive. It is inherently unfair that the need for energy consumption and ability to pay are not taken into consideration when green taxes and other levies are placed on a consumer’s bill. These taxes hit the lowest income households or those with essential medical needs/disabilities the hardest as they pay proportionately more of their income on energy.

Energy Action Scotland supports the need for reform of the energy market that puts people at the heart of the system and their needs ahead of the profits of energy companies involved in the generation, transmission, distribution and retailing to households.

**Poor Energy Efficiency of Homes**

Good energy efficiency and a high standard of housing are essential to help mitigate increasing energy prices and reduce fuel poverty. Energy Action Scotland believes that there needs to be a continued push to improve housing standards and domestic energy efficiency so that no household needs to waste energy just to maintain a healthy temperature standard. It is beneficial for the environment by saving carbon emissions; it can lower energy demand thereby reducing the pressure on energy networks.

We support energy efficiency standards for private sector and owner occupied homes. National policies, strategies, action plans should prioritise the worst-performing properties where people have low incomes or other vulnerabilities so that these properties no longer consign people to fuel poverty.

Energy Action Scotland supports greater energy efficiency standards for new build homes to ensure that there is no longer a continuing and wasteful cycle of having to retrofit properties which could have and should have met higher standards.

**Low Income**

One of the main causes of fuel poverty is low disposable household income. Energy Action Scotland is concerned that ongoing welfare reform is impacting negatively on many household incomes. Any changes to welfare should, in our view, be made in the framework that ensures that people are able to have an acceptable minimum standard of living. The number of people who are working but are poor is rising and Energy Action Scotland is therefore a supporter of the [real Living Wage Campaign](https://scottishlivingwage.org/). Energy Action Scotland supports work that explores different models including the Minimum Income Guarantee and Universal Basic Income both of which look more holistically at the needs of people and how a fairer and more equitable support can be provided.

**How Energy is used in the Home**

The Scottish Government has adopted energy use in the home as a fourth driver of fuel poverty. It recognises that many households are not getting the most value out heating, lighting, bathing, cooking, laundry or from the energy saving measures that are being installed.

Energy Action Scotland supports post-installation energy advice visits, and believes that more emphasis needs to be placed on face to face energy advice in the home especially for those digitally excluded. We believe that the greatest benefits are derived through local trusted charities and intermediaries whilst recognising the important role that regional or national helplines or services provide.