

Agenda Item	6.
Report No	CPPB/10/26



Highland
Community
Planning
Partnership

Com-pàirteachas
Dealbhadh
Coimhearsnachd

na Gàidhealtachd

Highland Community Planning Partnership Board – 12 June 2026

Title of report – Fuel Poverty

Report by – Gail Prince, Partnership Development Manager

Report Classification (tick as appropriate):

Strategic Priority: People Place Prosperity

Cross-Cutting Theme (tick all that apply):

- | | |
|---|---|
| <input type="checkbox"/> Connecting People and Places | <input type="checkbox"/> Employment / Employability |
| <input checked="" type="checkbox"/> Whole Family and Community-Based Approaches | <input type="checkbox"/> Housing |
| <input type="checkbox"/> Shared Approaches to Commissioning | <input type="checkbox"/> Community Wealth Building |
| <input type="checkbox"/> Aligning Partnership Practices | |

Report Purpose (tick as appropriate):

For Noting For Approval For Decision For Comment

Recommendation(s)

The Board is asked to:

- i) Note the contents of this report
- ii) Approve the recommendations outlined in Section 6 initially.

Executive Summary

Fuel poverty pressures across Highland continue to be a challenge but recent months have seen an escalation of issues, driven by rising global energy costs and significant volatility in off-grid fuel markets. Frontline partners report a sharp increase in demand for support, particularly among households reliant on oil and LPG, alongside growing evidence of financial hardship, under-heating and reduced household resilience.

These pressures are systemic and intensifying, with implications for health, inequalities, community resilience and demand on public services. Highland's high reliance on off-grid heating, rural geography and structural energy inequalities mean that communities are particularly exposed to current market conditions.

In response, the Community Planning Partnership has begun to coordinate a joint, place-based approach, bringing together partner intelligence and aligning activity across services. This has identified clear priorities:

- Strengthening immediate support and public information
- Improving coordination and intelligence sharing across partners
- Supporting community resilience and prevention activity
- Engaging with suppliers and contributing to national policy discussions

The report sets out proposed short, medium and long-term actions to move from reactive response towards a more preventative, system-wide approach.

1. Purpose

1.1 This briefing sets out the escalating fuel poverty and energy affordability pressures across Highland, combining frontline intelligence from partners with strategic analysis of structural and long-term challenges.

1.2 It highlights the need for a coordinated, place-based Community Planning Partnership response that:

- Addresses immediate household hardship
- Strengthens prevention and early intervention
- Builds long-term resilience and affordability
- Supports coordinated national engagement and policy influence

1.3 The paper outlines:

- The current situation and emerging risks
- Evidence from frontline services
- Why this is a critical issue for Highland
- Short, medium and long-term priorities for Community Planning Partnership partners

2. Current Situation

2.1 Escalating Pressures and System Risk

Partners across Highland are reporting a rapid and sustained escalation in fuel poverty pressures, driven by increasing costs of heating oil, LPG, electricity and transport fuel linked to ongoing market volatility and international instability. This exacerbates an already challenging picture of fuel poverty across Highland.

2.2 Frontline intelligence highlights:

- Heating oil suppliers unable to guarantee price or delivery
- Households receiving unplanned deliveries resulting in unaffordable bills
- Households topping up early and falling outside eligibility for support schemes

- Widespread confusion around eligibility and access to support
- Increasing numbers of households reducing or avoiding heating altogether
- A growing sense of financial exhaustion following repeated cost-of-living shocks

2.3 Demand for support is increasing rapidly across multiple services simultaneously, indicating that pressures are systemic rather than isolated, with growing implications for health, housing and community resilience.

3. Frontline Evidence from Partners

3.1 Home Energy Scotland

- Around double the usual daily call volumes in recent weeks
- Enquiries predominantly from oil-heated households
- Key concerns include:
 - Price volatility and affordability
 - Lack of certainty over supply
 - Difficulty navigating support schemes

Reflected across Home Energy Scotland partners.

3.2 AliEnergy

- Doubling of households seeking support for oil and LPG since early 2026
- Significant increase in demand for:
 - Emergency fuel support
 - Energy debt assistance
 - Essential household items and practical support

3.3 Fuel Security and Theft Prevention

Rising demand and increasing prices for domestic heating oil and other off grid fuels have raised concerns about fuel theft, particularly in rural and remote areas where tanks are externally located and properties may be unattended for periods of time.

Police Scotland Highlands and Islands have issued warnings that heating oil tanks may be targeted due to the current market conditions. The impact of theft can be severe, including loss of heating, delays in replacement fuel delivery, increased costs, and potential damage to boilers and pipework.

Police Scotland prevention activity includes:

- Distribution of 1,000 deterrent stickers for fuel tanks via local fuel suppliers
- Distribution of 1,000 “Secured by Design – Fuel” advice leaflets
- Deployment of 120 proximity activated alarms for vulnerable households
- A smaller cohort of mobile alert alarms for households where carers or family members should be notified

- Preventive officers working with suppliers to identify and support vulnerable households, including security surveys and alarm installation where appropriate

3.4 Cross-sector Intelligence

Consistent themes across partners include:

- Rising demand for crisis support
- Increasing energy debt and financial insecurity
- Households under-heating with clear health and wellbeing risks
- Limited resilience following previous cost-of-living pressures

This consistent picture across multiple organisations confirms that pressures are deepening, widespread and increasing in severity.

This aligns with emerging national evidence, including the updated Perfect Storm report by Changeworks, which highlights the disproportionate impact of fuel poverty in rural and off-grid communities.

4. Why This Matters For Highland

4.1 Fuel poverty pressures present both immediate and longer-term risks to households, services and communities across Highland.

Fuel poverty in Highland is driven by structural and geographical factors rather than individual behaviour. Key drivers include:

- Approximately 64.3% of households are off the gas grid
- Electricity costs significantly exceed mains gas
- Around 47% of households are in fuel poverty, including 33% in extreme fuel poverty
- High reliance on oil and LPG with exposure to global markets
- Greater transport dependence and rural travel distances
- Housing condition and energy efficiency challenges

4.2 Highland communities face a unique combination of:

- Higher energy demand due to climate
- Limited supplier competition
- Longer winters and reduced recovery periods

4.3 These factors combine to create structurally higher energy costs and increased vulnerability to market shocks for many households. While consumer protections differ across fuels, partners consistently report that price volatility, affordability and exposure to global energy markets are the primary drivers of current pressures on households.

4.4 National evidence shows that while headline energy prices briefly eased earlier in 2026, households relying on oil have experienced immediate impacts, with reports

of average oil prices doubling in a matter of days and weeks as a direct result of the conflict in Iran.

- 4.5 Despite being a major producer of renewable energy, Highland households experience some of the highest energy costs in Scotland, highlighting structural inequality within the energy system.

These pressures are compounded by:

- An ageing population
- Higher levels of single-person households
- Infrastructure interdependencies (energy, transport, housing and digital)

- 4.6 Without intervention, these factors will continue to:

- Increase demand on public services
- Deepen inequality
- Reduce community resilience

5. Fuel Poverty and Health Impacts

- 5.1 Fuel poverty is a significant public health and resilience issue, not solely an economic one.

Evidence links cold homes to:

- Respiratory and cardiovascular illness
- Increased risk of falls
- Poor mental health, anxiety and stress
- Social isolation
- Malnutrition where households must choose between heating and eating

- 5.2 Partners report increasing numbers of households reducing or avoiding heating, which may lead to:

- Worsening health outcomes
- Greater pressure on NHS and social care services
- Increased long-term demand across public services

- 5.3 Fuel poverty also intersects with climate resilience, with severe weather and infrastructure disruption likely to further impact vulnerable households.

Despite these impacts, fuel poverty remains insufficiently integrated into public health policy, reinforcing the need for local action and preventative approaches.

6. Recommendations - Short Term (0–3 Months)

6.1 Coordinated Information and Support

Develop and maintain a shared, accessible fuel poverty support resource for households, including:

- Crisis grants, vouchers and emergency fuel support

- Welfare rights and money advice
- Energy debt and supplier engagement support
- Mental health and wellbeing support
- Referrals to Home Energy Scotland, CAB and AliEnergy
- Local fuel clubs and community initiatives
- Fuel security and theft prevention advice

This should be delivered through coordinated communications across partners, communities, housing providers and frontline services.

This resource should be disseminated via:

- Community Briefings
- Partner newsletters and websites
- Social media
- Community Councils
- Housing providers and advice services
- Schools and nursery providers

6.2 **Establish an Action Group – Fuel Poverty**

It is proposed a Community Planning Partnership Fuel Poverty Action Group should be established to:

- Share live intelligence and data
- Monitor demand and emerging risks
- Coordinate partner responses
- Identify emerging gaps in support and referral pathways
- Support coordinated engagement with suppliers and inform national discussions
- Provide advice to senior leadership and elected members
- Include representation from Community Partnerships
- Support engagement with Scottish and UK Government

This should align with existing structures and avoid duplication.

Strengthen community-based support by:

- Supporting local fuel initiatives and networks
- Improving referral pathways
- Promoting safe heating practices
- Embedding fuel poverty within existing community resilience activity

6.3 **Engagement with Suppliers**

Engage with heating oil and fuel suppliers to:

- Confirm acceptance of vouchers and third-party payments
- Address practices such as unrequested deliveries
- Explore flexible payment and delivery options

- Develop early-warning mechanisms for price or supply disruption

7. Recommendations - Medium Term (3–12 Months)

7.1 Strengthen Community Capacity

- Support development of fuel clubs and bulk-buy initiatives
- Build trusted local delivery partnerships
- Improve awareness of available support

7.2 Prevention and Early Intervention

- Improve identification of households at risk
- Strengthen data sharing and referral pathways
- Align housing, health and advice services

7.3 Place-Based Planning and Investment

- Integrate fuel poverty into housing, infrastructure and energy planning
- Align with Local Heat and Energy Efficiency Strategy (LHEES)
- Support targeted retrofit and energy efficiency measures

7.4 Consider the findings of the updated A Perfect Storm report, recently refreshed by Changeworks, to inform Community Planning Partnership planning and prioritisation. Local partners have contributed to this work, ensuring that the Highland context is reflected within the national evidence base on rural fuel poverty.

8. Recommendations - Longer Term (1–3 Years)

8.1 National Policy and System Reform

While there are longstanding issues relating to consumer protections, partners consistently highlight that price volatility, affordability, and supply uncertainty are the most immediate pressures facing households.

It is proposed that Community Planning Partnership partners adopt a proportionate and evidence-led approach to national engagement, focusing on:

- The impact of global energy markets on off-grid communities
- The need for fair, accessible and targeted support
- Infrastructure investment requirements for rural areas
- The importance of regional fairness in energy pricing and policy
- Sustained investment in energy advice, crisis support, and prevention

8.2 Long-Term Reduction in Fuel Poverty

Adopt a whole-house, fabric-first approach to retrofit to:

- Reduce energy demand
- Improve affordability
- Enable low-carbon heating
- Increase long-term resilience of housing stock

8.3 **Place-Based Resilience**

Embed fuel poverty within wider resilience and infrastructure planning by:

- Linking energy, housing, transport and climate policy
- Supporting local supply chains and skills
- Aligning investment at place level

9. **Conclusion**

9.1 Fuel poverty in Highland represents both an immediate crisis and a long-term structural challenge.

Frontline evidence shows:

- Rapidly increasing demand
- Deepening financial stress
- Behavioural changes that risk long-term harm

Without coordinated action, pressures are likely to:

- Increase health and social care demand
- Deepen inequality
- Reduce community resilience

A coordinated CPP response can:

- Reduce immediate harm
- Prevent escalation into crisis
- Strengthen resilience across communities
- Ensure Highland's voice is reflected in national policy

Early, visible and collaborative action is essential to improve outcomes for households and communities across Highland.

10. **Risks and Mitigations**

10.1 **Escalation of Household Hardship**

There is a risk that fuel poverty pressures continue to escalate, resulting in increased energy debt, under-heating, and financial hardship, particularly among vulnerable and off-grid households.

Mitigation:

A coordinated partnership response focused on improving access to support, strengthening communication and enabling early intervention will help reduce immediate harm.

10.2 **Health and Public Service Impact**

Rising levels of under-heating and fuel insecurity may contribute to worsening physical and mental health outcomes, increasing demand for NHS, social care and third-sector services.

Mitigation:

Improved referral pathways and alignment across health, housing and advice services will support earlier intervention and reduce long-term demand.

10.3 **Fragmented Partnership Response**

Without coordination, there is a risk of duplication, gaps in provision and inconsistent messaging across services.

Mitigation:

Establishment of a CPP Fuel Poverty Action Group will support shared intelligence, coordinated delivery and a consistent partnership approach.

10.4 **Ineffective Targeting of Support**

Support may not reach those most in need, particularly in rural and off-grid communities where national schemes may not fully reflect local circumstances.

Mitigation:

Improved data sharing and targeted outreach, alongside national engagement, will help ensure support is better aligned with local needs.

11. **Resource Implications**

11.1 **Financial or staffing**

The proposed approach will primarily be delivered through existing partner resources and services, including local authority, third sector and national provision. It should be noted that the scale of current demand is already placing increasing pressure on frontline services, including energy advice, welfare support and community-based provision.

Short-term activity will focus on better coordination of existing resources, rather than requiring significant new investment.

In the medium to longer term, there may be a need to consider:

- Additional capacity to support coordination and intelligence sharing
- Investment in community-based initiatives (e.g. fuel clubs, local resilience activity)
- Enhanced support for prevention and early intervention

Any future resource requirements will be informed by ongoing monitoring of demand and emerging evidence through the proposed CPP coordination arrangements.

Impact Assessment

The proposed approach is expected to have a positive impact on people and communities across Highland, particularly those experiencing socio-economic disadvantage and living in rural and off-grid areas. It will support improved access to advice, financial assistance and crisis support, helping to mitigate the impacts of fuel poverty and reduce inequalities.

There are also positive implications for health and wellbeing, through reducing cold-related health risks, stress and social isolation associated with under-heating.

Improved coordination across services is expected to support earlier intervention and reduce longer-term pressure on health and social care systems.

In terms of place and communities, the approach supports strengthened community resilience, particularly within remote, rural and island communities that are disproportionately affected by fuel poverty.

The proposals align with climate and energy objectives, supporting demand reduction through energy efficiency and promoting longer-term transition to more sustainable energy systems.

The proposals contribute directly to Community Planning Partnership priorities relating to reducing inequalities, improving health and wellbeing, and strengthening community resilience.

No significant negative impacts have been identified at this stage. Any potential risks or unintended consequences will be monitored through ongoing partnership coordination and addressed through implementation as required.

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Appendices: None