



End Fuel Poverty Coalition
www.endfuelpoverty.org.uk

WILL THE GOVERNMENT MISS ITS FUEL POVERTY TARGET?

Official advisers warn of funding shortfall

The government must find £20bn if it is serious about meeting its legally binding fuel poverty target – that the energy standards of all fuel poor homes must be at least EPC C¹ by 2030, the standard of homes built today. That is the stark conclusion of the government's official advisory body, the Committee on Fuel Poverty, in its first annual [report](#).

The Committee also warns that without a substantial injection of funding, the government is likely to miss its two interim milestones set out in its [2015 Fuel Poverty Strategy](#), that is:

- by 2020 no fuel poor household should live in a dangerously cold home - below EPC E;
and
- by 2025, no fuel poor household should live in a cold home - below EPC D

The Committee estimates that between £440m to £640m additional funding is needed to meet the 2020 target and over £3bn to meet the 2025 target.

These figures probably underestimate the scale of the shortfall, given that they are based on a very optimistic assumption that the bulk of the main fuel poverty programme - the Energy Company Obligation - will actually reach fuel poor households. They also assume private landlords will conscientiously improve rented homes to meet the minimum energy standard regulations they are required to meet in 2018.

The Committee urges the government to commit more resources to meeting its target and milestones. It recommends that the government allocates a small proportion of its £100bn infrastructure programme to this end.

The Committee makes 15 recommendations to government. As well as more money, it recommends re-introducing the Landlord's Energy Savings Allowance; more financial assistance for households as they wait for energy efficiency improvements; improved targeting of fuel poor households through better data sharing; and improved energy advice.

End Fuel Poverty Coalition response

The EFPC welcomes the Committee's report. We have long called upon the government to commit more resources to meeting its target and milestones. Past governments failed to meet the original target to eliminate fuel poverty by 2016. Yet despite changing the fuel poverty definition and adopting a target that is much easier to achieve, the government is in danger of missing this target too.

The government recently set out its intentions to tackle inequality, spend more on the country's infrastructure and intervene to address failing markets and high energy pricing. It can put its words into action by committing to a £3bn pa programme that addresses deep-seated fuel poverty inequalities:

¹ EPC - Energy Performance Certificates rate the energy efficiency standards of homes, with A being very good and G very poor.

- Twice as many fuel poor households live in cold homes (41%) as non-fuel poor households (19%)
- Fuel poor households need to pay £371 more per year to keep their home warm compared to the average household in England
- Prepayment meter consumers are more likely to be on a low income, a lone parent and disabled, yet pay on average £226 annually more for their energy than those paying by Direct Debit

Investing in energy efficiency is the most effective way to lift households out of fuel poverty, with a knock-on lasting positive impact upon the health, wellbeing, educational outcomes and social isolation of those struggling to heat their homes. Frontier Economics, a consultancy often used by the government for its own economic modelling, produced [research](#) that found:

- Energy efficiency investments meet the government's criteria for infrastructure spend
- An energy efficiency programme would provide value for money and boost the economy by at least the same level as HS2 and Crossrail - and that is before NHS savings from improved health due to warmer homes are taken into account
- Market failures in the delivery of energy efficiency provide a strong case for government intervention

The End Fuel Poverty Coalition is calling for the government to:

1. Make sure £20bn is invested in improving fuel poor homes, as recommended by the Committee
2. Hold a much-delayed parliamentary debate on fuel poverty as legally required, already overdue from May
3. Put in place a detailed cross-departmental strategy and plan to show how it will meet the 2030 target and interim milestones