

End Fuel Poverty Coalition (EFPC) response to consultation on the UK Government's Fuel Poverty Strategy for England



The End Fuel Poverty Coalition campaigns to influence government and other bodies to take action to end fuel poverty and thereby improve people's health and quality of life as well as seeking to reduce the cost of living, create jobs and negate carbon emissions in the process. It is a broad coalition of over 20 anti-poverty, environmental and health campaigners, local authorities, trade unions and consumer organisations. ⁱ

Everybody has the right to a warm, dry home that they can afford to heat and power. Yet, millions live in fuel poverty. Progress to end this scandal is flat-lining and it must now be designated a national priority. Fuel poverty means that a household is forced below the poverty line as a result of the cost of using energy in their home. Using the current measurement, at least 2.53m households are in fuel poverty in England alone ([BEIS](#)). This means more than one in ten of all households cannot afford to keep warm and meet their other energy needs.

Fuel poverty is caused by low income, high fuel prices, poor energy efficiency, unaffordable housing prices and poor quality private rental housing. It can lead to respiratory, circulatory and mental health problems ([PHE](#)) as well as c.11,400 winter deaths caused by cold homes ([NEA](#)). In children, it can lead to developmental problems and poor performance at school ([NCB](#)). It can lead to people taking days off work ([IPPR](#)).

But it doesn't have to be this way. Ending fuel poverty is in our grasp through a National Energy Efficiency Programme, fully funded support for those in fuel poverty and reform of the private rented sector.

The most pressing issue to address in the Review of the Government's Fuel Poverty Strategy is the lack of adequate resource to meet the statutory energy efficiency fuel poverty requirements in England.

Assuming the Clean Growth Strategy proposals lower the current gap by £6.2 billion, central investment will be needed if the Government is to achieve the 2020 and 2025 fuel poverty milestones. The Committee on Fuel Poverty (CFP) therefore recommended that to achieve the 2020 milestone, Treasury should allocate circa £1 billion of funding to run from 2019 to 2021. They also recommended that a further £1.8 billion should be allocated to run from 2022 to 2025 in order to achieve the 2025 milestone.

This is the most crucial action that BEIS can take in the short term and we fully support the CFP's proposals for a new 'Clean Growth Fuel Poverty Challenge Fund' operating from late 2019 to 2025. It would help the poorest households living in F and G homes, mainly in rural areas and other hard to heat homes. However this is not the only challenge, and there are a large numbers of hard to treat properties in many built up urban areas.

Beyond the increase in funding, government should also set a longer term framework for energy efficiency:

- a. Better regulation of the private sector
- b. Make the Energy Company Obligation (ECO) Scheme more accessible to those in greatest need
- c. Introduce more locally led schemes to improve energy efficiency, backed up by a national "safety net"
- d. Make sure all households, through a single web/phone contact, can access free, independent, expert, locally provided energy advice and support
- e. Ensure all improvements are of the highest and safest quality
- f. Examine financial measures to improve energy efficiency such as stamp duty reforms, zero interest loans etc.

All of this must be backed up by a real commitment by the Westminster Government to honour its interim fuel poverty targets, together with specific statements in the policy plan as to how these commitments are to be delivered

In addition, the Coalition believes more technical reforms are needed, which are summarised below:

1. The definition of fuel poverty should be updated to better incentivise energy efficiency, i.e. a 'Low Income, Low Energy Efficiency' indicator (LILEE)
2. Increased reliability of Energy Performance Certificates (EPCs) is needed. This should be coupled with an extension of their use to bedsits and other homes of multiple occupancy (HMOs)
3. Improved identification and inclusion of those in real poverty in the definition of fuel poverty / LILEE.
4. Current Government targets should be maintained, but serious effort and resources given to meeting them. The government should review the Band C target no later than 2025 with a view to setting a higher target.
5. We call for an increased emphasis on tackling 'worst first' housing and using powers in the Digital Economy Act to make sure that energy networks can better identify customers in receipt of certain benefits.
6. Government and fuel poverty alleviation schemes need to improve understanding of the circumstances of the most vulnerable and give more priority to helping them out of fuel poverty and addressing their wider needs. They should particularly focus on the needs of such groups as remote rural and certain inner city and outer estate urban populations.

7. The government should integrate the fuel poverty strategy with wider national and local government policies, which would help ensure greater fuel savings.
8. The government should introduce area-based, community- and demand-led schemes to improve energy efficiency and provide related help.
9. The government should make sure, and help, landlords take full responsibility for improving the energy efficiency standards of homes to meet the targets proposed in the Clean Growth Strategy, while introducing measures to make rents more affordable.
10. The government must extend the Warm Home Discount past its current end date of 2021 and, working with Ofgem, improve energy companies' treatment of low income and fuel poor consumers over and above the current price caps.

Underpinning the above recommendations, we consider the government, working with its stakeholders, should commission a much more extensive research base to better understand fuel poverty and the impact of the strategy on the most vulnerable.

DETAILED RESPONSE TO CONSULTATION QUESTIONS

1. **Do you agree with the Government's proposal to update the fuel poverty metric to Low Income Low Energy Efficiency? If not, which metric would you prefer and why?**
 - Yes, it should be updated and LILEE represents a medium-term acceptable compromise. Updating the indicator has two distinct advantages:
 - It simplifies the complex existing Low-Income High-Costs (LIHC) indicator
 - It better aligns with the fuel poverty target (progress towards the target will be reflected in the indicator – it currently isn't)
 - At the same time, we welcome the consultation's inclusion of data on the level of fuel poverty in England according to the Scottish Government's fuel poverty indicator. We call on the UK Government to continue to report against the Scottish indicator. We would also like the Welsh and Northern Ireland governments to also report on this basis to allow comparison of fuel poverty levels across the UK.
 - There must however be considerations for those households that will move out of the indicator as a result of the change. For example:
 - Households living in properties that cannot be technically improved to Band C.
 - Households living in properties Band C or above but who are struggling on low incomes and will need income support measures,

energy rebates and/or wider protection within retail energy markets.

- Households on low incomes living in large homes that are expensive to heat.
 - The Government should also consider developing a supplementary indicator that maintains the relative approach to measuring fuel poverty intrinsic to the current LIHC indicator but avoids the disadvantages associated with using the median to define the threshold for 'reasonable fuel costs'.
 - The supplementary indicator could develop an alternative framework for assessing fuel poverty, for example using a consensual approach "but with the important caveat that public opinion is first gathered on what items of energy use households should be able to afford.
 - This would align the measurement of fuel poverty with the consensual approach to measuring general poverty, such as that used in the Poverty and Social Exclusion Survey. It would also help make sure the fuel poor do not fall further behind the rest of the population and maintain the Hill's concern to create a "*virtuous policy cycle*" in which policies prioritise the fuel poor and "*hardwires a concern for the distributional impact of policies*" (Hills, p35 & 36).
 - Given that non-heating costs account for a growing proportion of energy bills, it could take account of changing social norms relating to such costs, e.g. access to appliances and communication technology, access to digital services and participation in social and cultural life.
- 2. The proposed metric update – LILEE – would necessitate certain updates to the current methodology, namely as regards the high costs threshold, but the other aspects of the current LIHC methodology would not necessarily need updating. Do you have views or evidence on whether Government should update those other aspects of the methodology on the introduction of LILEE, including the following:**
- a. Household energy requirements calculation, including heating regime**
 - Whilst Energy Performance Certificates (EPCs) are more appropriate indicator than measuring against average energy costs, there are some shortfalls:
 - Currently EPCs do not adequately capture realistic heating patterns, which can lead to inaccuracies in the deemed energy efficiency of homes.
 - There are well-known issues with the quality and consistency of EPC assessments which mean that two identical properties receive different EPC ratings. The introduction of the LILEE makes it even more urgent that MCHLG improves EPC processes and standards.
 - Houses in multiple occupation (such as bedsits) should be required to have an EPC.

b. Equivalisation factors, for fuel costs and for income;

- We support the equivalisation of income to take account of the size and composition of households. This aligns income measurement for fuel poverty with the approach used in all other official statistics relating to the measurement of income and general poverty.
- We support the use of an After Housing Costs measure of income.
- With respect to the equivalisation of fuel costs, we continue to support a focus on unit costs, measured in £ per m², rather than total costs. However, we recognise that this becomes less important given the government's intention to count all low income homes below the Band C threshold as 'fuel poor'.
- Clarity is needed to confirm the figures being used and the research in low-income homes that they are based on. The way that children are treated and the effect of floor area are both known to be crucial.

c. Income methodology;

- The findings from "Targeting Fuel Poverty", published by Joseph Rowntree Foundation, Citizens Advice, National Energy Action and Eaga-CT in 2017 recommended the use of the Minimum Income Standard (MIS) to more accurately assess a suitable income threshold, alongside a more accurate Household Based Energy Efficiency Rating (HBEER).
- The former would still be calculated after housing costs, as well as taking into account disability payments, child care costs and different living and transport costs in various urban and rural areas. We note that the Scottish Government has adopted 90% MIS as its income threshold.
- We continue to support Hill's recommendation that disability benefits should not be counted as disposable income.

d. Fuel prices methodology.

- We consider the methodology should stop using the current FPEER methodology for assessing the energy costs of a household. The FPEER scale means that Warm Home Discount recipients are allocated a higher rating than those not receiving WHD with identical properties. This masks failures in improving the energy efficiency of households.
- We support Hills' recommendation to use the tariffs actually paid by low income households for fuel within the fuel poverty assessment methodology, rather than the modelled data currently used.

3. Do you agree that Government should retain the current target and interim milestones?

- Yes, with a strong focus on proposals for achieving the 2020 target. The 8% of fuel poor households in F and G-rated properties have to be found and given energy efficiency improvements in the next 15 months.
- Given the huge potential for technical innovation and cost reduction potential of delivering energy efficiency improvement (particularly in social housing), the C target should also be reviewed no later than 2025 to see if it is has become significantly cheaper to meet a higher passive house or zero carbon homes standard within this timeframe. We note that the Scottish Government has already introduced a 'B' target for some of its social housing. This action would also help the UK Government meet the new net zero carbon target.

4. Do you have views or evidence on our proposal to add more detail on, and clarify, the meaning of the 'Worst First' principle, including the considerations raised above?

- Retaining the 'worst first' principle is critical to making sure policies help households in the deepest fuel poverty. There is currently very limited evidence to suggest that the principle has been applied, for example within the delivery of ECO. This principle should be first amongst equals.
- A consistent message needs to flow through the document that worst-first is the number one priority and everything else flows from it.
- The 'worst (most energy inefficient)' homes are often those with wider problems of disrepair and are more likely to be occupied by very vulnerable households. It is therefore important that such households are referred to local expert advice and wider support services. It will also require funding for repair and ancillary works. We note that the Home Energy Scotland's 'Energy Care' programme provides in-depth 'handholding' to vulnerable households in the worst homes.
- The proposal to update this principle to give an emphasis to whole-house retrofits is entirely welcome. The more that can be done on each visit, the better. This does not automatically mean that there is an uplift to C – that is a decision for the occupant as well as the Government, based on the amount of upheaval the householder is able to tolerate.

5. Do you have views or evidence on our proposal to add more detail on, and clarify, the meaning of the cost-effectiveness principle, including the considerations raised above?

- Cost-effectiveness is also an important aspect of Government policy as taxpayers' or bill payers' money should never be wasted. It is right that this is a consideration within the Fuel Poverty Strategy. However, there is a tension between this and the 'worst first' principle, as those in most need often need most support. The coalition believes that in order to truly execute the strategy, the Government should commit to upgrading the worst F and G homes. The focus should be worst first, and cost effectiveness should cease to be a primary principle.
- We consider BEIS should improve its approach to assessing cost effectiveness. We would like BEIS to better quantify the co-benefits of energy efficiency programmes, particularly the health benefits and subsequent NHS savings. BEIS must also work to better understand the life-time effects on children brought up in cold homes and suffering from reduced life-chances as a result.
- In order to reach the fuel poverty target, solid wall houses will need improving. Basic cost benefit analysis, such as simplistic payback periods, will often assess such improvements as not cost effective. Using more sophisticated CBA, for example, taking into consideration the health benefits and associated savings, then most solid wall construction does become cost effective and 'reasonably practicable'.

6. Do you have views or evidence on our proposal to add more detail on, and clarify, the meaning of the vulnerability principle and, in particular, on our proposed changes to the meaning of the principle?

- Yes, the refining of the vulnerability principle is promising, especially the adoption of the NICE guidelines.
- While each of the considered aspects of vulnerability (health, age and income level) are clearly important, it is not necessarily the existence of these in isolation that makes a household vulnerable, but more likely a combination of two or three of them. The principle therefore needs further clarification to ensure it considers how to prioritise those with overlapping or multiple vulnerabilities.
- It is important vulnerable people struggling with cold homes and unaffordable fuel bills have access to local support workers trained to provide energy and related advice. Such advisers can identify when extra support is needed. We note the Scottish 'energy carers' pilot which involves home visits and sometimes repeat visits to particularly vulnerable households.

7. Do you agree with our proposal to create a fourth principle on aligning fuel poverty strategy with current and future Government priorities? Do you have views or evidence that may be useful in creating this principle?

- This is vitally important and combines well with the worst-first principle, getting the most fuel savings as possible. The Government must ensure energy justice is fundamental to its decarbonisation policies and the transition to a net-zero economy by 2050.
- As noted by the CCC and BEIS Select Committee, improving the energy efficiency of homes is essential to meeting our carbon and air quality targets.
- However, it is not currently clear what policy mix will allow all consumers, especially the fuel poor, to benefit from decarbonisation policies.
- The reliance on consumer funded mechanisms also makes the current policy landscape exceptionally regressive and the few policies funded through taxation - like the Renewable Heat Incentive - have done very little to support fuel poor householders to offset the cost of installing low carbon heating systems in their homes due to the way the scheme operates.
- This is despite the CCC recommendingⁱⁱⁱ that the policy be made more accessible to low income and fuel poor households and despite the UK Government committing in 2016 to target the RHI on fuel poor households^{iv}.
- In addition, the Clean Air Strategy states that Defra intend to legislate to prohibit sale of the most polluting fuels. EFPC does not support an end to the sale of non-gas fuels without fuel poor households being able to access suitable policies that help them to fund suitable alternative forms of heating.
- If solid fuels were to be banned, we estimate that over 26,000 of the poorest households, in the deepest fuel poverty, could be left without any way of heating their homes. If heating using oil were also to be banned, this figure would rise to 166,000. As a result, if Defra intends to go through with this policy, BEIS and DEFRA must ensure that these households can access alternative heating measures.

8. Would you suggest any other guiding strategic principles? Do you have any other views or evidence on the guiding principles?

- Simplicity in policy design and how this support is communicated

9. Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to improve energy efficiency for households in fuel poverty?

- The most pressing issue to address is a lack of adequate resource to meet the statutory energy efficiency fuel poverty requirements in England.
- According to the CFP, the funding gap to meet the 2030 target stands at £6.2bn, after accounting for the Clean Growth Strategy proposals. This gap is likely to increase with the adoption of the LILEE measurement.
- Central investment is therefore needed if the Government is to achieve the 2020 and 2025 fuel poverty milestones.
- The Committee on Fuel Poverty recommended that to achieve the 2020 milestone, Treasury should allocate circa £1 billion of funding to run from 2019 to 2021. They also recommended that a further £1.8 billion should be allocated to run from 2022 to 2025 in order to achieve the 2025 milestone.
- We fully support the CFP's proposals for a new 'Clean Growth Fuel Poverty Challenge Fund' operating from late 2019 to 2025. It would help the poorest households living in F and G homes, mainly in rural areas but also in other hard to treat homes.
- Beyond this, Government should also set a longer term framework for energy efficiency:
 - Using regulation to drive private investment by tightening rented sector regulation over time to an EPC rating of C by 2030, alongside suitable incentives for private landlords.
 - Setting out the future scale and shape of ECO post 2022, making the programme more assessable to deep urban and rural areas and more likely to support the households in greatest need.
 - Introducing complementary locally-led energy efficiency schemes and a national 'safety net' scheme. Like Warm Front, the latter would help fuel poor households who miss out on, or cannot wait for local support
 - Investment and support for the delivery of local expert advice on energy and related issues, accessible through a single point of contact and nationally coordinated (as is currently available in Scotland).
 - Full implementation of the independent Each Home Counts review's recommendations to ensure informed consumer choice backed by the highest quality and safety standards.
 - The re-establishment of targeted (non-levy funded) able to pay incentives. This could include a demonstration programme to test and refine a Stamp Duty incentive, zero interest loans and incentives to pump-prime demand for green mortgages as recommended by the Green Finance Taskforce.

10. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to improve energy efficiency for households in fuel poverty?

- The Government must restate its commitments to meet the fuel poverty strategy and associated milestones. It is particularly important that the 2020 and 2025 milestones are met, so that the 2030 statutory target remains achievable.
- It would be unacceptable if the Government were to miss both of the milestones, then come to conclusion that meeting the 2030 target is no longer practicable.
- Early investment is required to meet the eventual target, and economically sensible in order to extract as much value from the strategy as is possible.

11. Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to improve partnership and learning on fuel poverty?

- Non-recurrent competition-based funding makes working across time boundaries particularly hard, as often new partnerships need to be brokered over short timeframes in order to win funding competitions.
- This funding often lasts no longer than a year (and frequently ends up with less than one year of delivery), meaning that opportunities for partnerships are severely limited.
- The lack of consistency and reliability of and current policies (ECO and WHD) also make partnership work very hard. These policies go through periodic changes, which make forming consistent partnerships very challenging.
- A more consistent framework of policy and funding would help to foster a partnership-friendly environment, so that more organisations can work together to find solutions and meet the target.

12. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to improve partnership and learning on fuel poverty?

- BEIS should move away from non-recurrent competition-based funding and consider our recommendations in our answers to question 6, 9 and 10. We believe this would increase partnership working across by addressing the main challenges we face in alleviating fuel poverty.

- Each local authority should continue to report on its progress in tackling fuel poverty but provided with improved guidance on using and disseminating this information. Local authorities should use actual (not default) data and to be properly scrutinised by central Government. The mistakes made with the first HECA reports should not be repeated.
- However, we note that there has been a large reduction in local authority resources, with grant funding for local services facing a further cut of £1.3 billion (36 per cent) in 2019/20, despite many councils already struggling to balance their books. Any additional duties to allow LAs to tackle fuel poverty must be fully funded.

13. Keeping in mind the strategy’s guiding principles, what policies might be included in a policy plan to improve targeting for households in fuel poverty?

- The most important omission is policies that will target the fuel poor more effectively. The absence of guidance from the Government on how to identify the fuel poor, on the doorstep, must have meant that the ECO expenditure of £2370m (from 2015-19 inclusive) has been inefficiently directed and will be a major reason why so little progress has been made to the 2020 target.
- There are a number of opportunities to improve targeting:
 - Each local authority should keep an address-level EPC register (including the register of private sector landlords^v) for their area and be encouraged to use the information sitting behind EPCs to inform home improvement programmes.
 - Over 15m EPC have been issued in England^{vi}, which is equivalent to about two-thirds of the stock. Completing full coverage should be a high priority, but not too onerous. The government should aim to complete population of the database at the nearest opportunity, perhaps under HECA legislation.
 - In the short term, in order to make existing policies like the Fuel Poor Network Extension Scheme more effective, using powers in the Digital Economy Act to ensure that energy networks can better identify customers in receipt of certain benefits in order to reduce the cost of finding households that are eligible.

14. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to improve targeting for households in fuel poverty?

- To ensure that the local authorities have an obligation to reduce the levels of fuel poverty in their area by a stated amount and to tie additional funding to the over-achievement of this level. For instance, 90% of the 3.66m LILEE fuel poor homes have to be improved to band C

by 2030.

- The obligation should be that in each local authority, the number of fuel poor homes that are band C should increase by 10% pa (ie from 10% to 20%), in conjunction with the existing mandatory and interim targets.
- As noted above, it is essential that local authorities are provided with the resources required to carry out this function.

15. Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to support households in fuel poverty in high cost homes?

- The homes with the highest (running) costs are those with the lowest levels of energy efficiency and using the highest cost fuels (usually liquid fuels). The MEES is tackling those in the privately rented sector. Policy needs to address the problems of F and G-rated homes in other tenures, including HMOs, and should be part of the answer to Q9.
- The policy plan has to include a clear statement on how MEES will be enforced, both now and over the years as the minimum standard is improved. The recommendation by the Committee on Fuel Poverty for a national registration scheme for landlords is the first, essential, but minimum step^{vii}. We also consider tenants' rights, particularly with respect to security of tenure, need improving. This would help improve tenants' confidence in pressing their landlords to meet their statutory responsibilities.
- Homes with the highest capital expenditure costs, for instance those with solid walls, still have to be included, particularly because of the increasing emphasis on better insulation, in order to phase out fossil fuels.
- Over 40% of the fuel poor live in homes with uninsulated solid walls^{viii}. Insulating these homes is the best and lasting way to alleviate fuel poverty.
- In the meantime, the Government should look to identify solutions to increase the income of these households, such as through the warm home discount, or ensuring that they are receiving the benefits they are eligible for by promoting benefit entitlement checks.
- A key deficiency of ECO3 is the definition of rural and its inclusion of large towns.

- The ECO rural sub-obligation was introduced in order to increase the use of ECO money in high cost homes, but the definition of rural within the scheme means that the easiest to reach 'rural' homes (and therefore those most likely to receive support), are not particularly rural and therefore less likely to be the highest cost.

16. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to support households in fuel poverty in high cost homes?

- The new LILEE definition, based as it is on energy-efficiency bands, is the best commitment provided the targets, interim and binding are delivered.
- We fully support the recommendation that the Committee on Fuel Poverty set out in their 2018 annual report for the introduction of a new Clean Growth 'fuel poverty challenge fund' by the end of 2019-20 providing necessary central investment to meet the near-term fuel poverty milestones.
- This would amount to either a £1bn fund running from 2019 to 2021 to help the poorest households living in rural areas and other hard-to-heat homes to upgrade their homes to at least EPC band C.
- In particular, we would like part of this fund to include a 'rural only' energy efficiency element, to ensure that fuel poor households with EPC ratings F or G in villages, hamlets and dwellings can reach higher levels of energy efficiency. There are 75,000 such houses (in England) that need to be upgraded.

17. Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to improve support for low income households who are most at risk for adverse health outcomes from living in a cold home?

- To require and fund each local authority to fulfil its duties under the Housing, Health and Safety Rating Scheme and the Housing Act 2004 and actively seek out and deal with all the properties that have a Category 1 hazard for excess cold.
- The regulations under MEES should be brought into alignment with the HHSRS, so that there is only one form of compliance. The regulations for HMOs can be dealt with under Schedule 4, Housing Act 2004, if all local authorities are required to licence HMOs.
- To require each local authority's Health and Wellbeing Board to report on the reductions in health costs being achieved by these local authority actions.

- To implement a pilot study, in conjunction with the Department of Health, to investigate the effects of major energy-efficiency upgrades on the health of fuel poor occupants. This would mirror the work recently undertaken in Dublin, by two Irish Government departments with Government money and currently being evaluated by the London School of Hygiene and Tropical Medicine.

18. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to improve support for low income households who are most at risk for adverse health outcomes from living in a cold home?

- NEA's report "Under One Roof"^{ix} makes the following recommendations to better help low income households who are most at risk for adverse health outcomes from living in a cold home:
 - Re-establish relevant departmental capital spending later this year and ensure BEIS, the Department for Health and Social Care and Public Health England (PHE) all have some resource to help sustain existing preventative health-related fuel poverty initiatives.
 - Fully monetise the health benefits of meeting fuel poverty commitments and include these within relevant Net Present Value (NPV) calculations.
 - The Department for Health and Social Care and Public Health England (PHE) must ensure the existing value of preventative health-related fuel poverty initiatives is fully recognised within the upcoming Green paper on Prevention and the forthcoming Green Paper on Social Care in England.^x
 - Within the next full three-year Comprehensive Spending Review (CSR), priority for prevention-based activities within the Better Care Fund or its successor must ensure low-income households with long-term respiratory or circulatory health conditions receive assistance for preventative energy home improvements.

19. Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to decrease the financial burden of energy bills for households in fuel poverty?

- It is critical the Warm Home Discount is extended past its current end date of 2021, including retention of the industry initiative part of the scheme. The latter is needed as activities under industry initiatives can provide better value for money than switching or even direct yearly rebates but without certainty over the future of the scheme and a wide range of organisations will not be able to maintain their work to award grants, fuel debt advice and wider services.
- We would like to see the current data matching process used for the WHD core group extended to eligible households in the broader group to

enable them to receive WHD automatically. In effect, this would mean the core and broader groups are combined into one group.

- There is an urgent need for Ofgem and the UK Government to develop a clear work stream on what protections will remain in place to support low income consumers that can't engage in the market once the market-wide cap is removed, so that the most vulnerable households can remain protected from high energy prices after the lapse of current measures.
- Self-disconnection and self-rationing is also a significant issue in the energy market, especially for pre-payment meter customers. EFPC is pleased that Ofgem is looking to address the scale of self-disconnections. The proposals made in this consultation will undoubtedly have a material effect on the number of customers that self-disconnect and self-ration. The proposals within the consultation to create new licence conditions for all suppliers reflecting the need to offer Emergency Credit, Discretionary Credit and to adhere to the ability to pay principles are all welcome and should lead to a more consistent provision of service across the industry. It is particularly important that once these new licence conditions have been created, Ofgem actively monitors adherence to them and takes action where there are compliance issues.
- Although this marks good progress in reducing the number of self-disconnections, EFPC is not satisfied that Ofgem is going far enough to reduce the number of self-disconnections and level of self-rationing. Ofgem should:
 - Investigate the setting of and recovery of costs within Fuel Direct repayments and standing charges to ensure low income consumers that may only top up their pre-payment meters rarely, don't lose credit before they can access any energy.
 - Work with the CMA to extend the prepayment cap past 2020 to reflect the fact that the smart meter rollout will not have been substantively completed by this time
 - Enhance tenants' knowledge of their rights to switch, choose their payment type and benefit from smart meters and protect tenants from the on-selling of sub-metred electricity and non-regulated fuels via their landlords.

20. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to decrease the financial burden of energy bills for households in fuel poverty?

- The Department for Work and Pensions (DWP) extending income maximisation measures (such as benefit entitlement checks) which can play a key role in addressing (and preventing) fuel poverty.

- We also consider improvements are urgently needed to:
 - Reverse disability benefit cuts
 - Adapt universal credit by removing the 5 week waiting period and review the impact sanctions have on ability to heat or power homes
 - End the freeze on benefit rates and increase rates at above the inflation level at the next uprating to compensate for the freeze over the previous 3 years

- Government should give a commitment to assess fuel poverty in relation to total household needs, including food and clothing.

21. Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to create a fairer energy market for households in fuel poverty?

- ECO and WHD should be reformed so that every supplier carries an obligation. It is now clear that there would be limited administrative impact on small suppliers in having these obligations, which has traditionally been the argument against it.

- To require Ofgem to give absolute priority to the way the utilities treat low-income and fuel poor households. The cap is useful, but there is still unfairness in many ways, including:
 - The way that prepayment tariffs are calculated;
 - The way that loyalty is penalised;
 - The way that higher levels of consumption result in lower unit costs (if only because the standing charge is spread across more kWh);
 - The failure to prevent the build-up of debt;
 - The lack of independent consumer representation;
 - The lack of clear information on the costs of delivering ECO and the extent to which the utilities are making a profit from this policy

22. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to create a fairer energy market for households in fuel poverty?

- Ofgem to report annually to the Government in the extent to which these policies have been delivered and Government to respond with a request for further policies, if there is inadequate progress.

23. Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to improve the evidence base on fuel poverty?

- Better health and fuel poverty related statistics. There is a lack of clear evidence on: the costs to the health service of mental and physical ill health, over the lifetime of the individual, as a result of living in poor quality, energy-inefficient homes.
- The relationship between excess winter deaths, hospitalisation and visits to the doctor, as part of this evidence base.
- Fully monetising the benefits of meeting the fuel poverty targets, especially the health benefits, which can subsequently be included into future impact assessments. This should include the costs to the NHS of fuel poverty.
- A review of which energy efficiency schemes (particularly across the other home nations) would help deliver fuel poverty targets most efficiently and the effectiveness of the current ECO at reaching the worst affected households first.
- An assessment of barriers to adopting support provided by current scheme.
- An assessment of the capacity of local authorities to undertake their role in ECO and PRS MEES, with a view to providing sufficient resources to enable them to carry out this role.
- An assessment of the extent to how suppliers recover costs, and if there are adverse distributional impacts as to how they do so.
- Explore the extent to which the new smart energy world is an opportunity or a risk to the fuel poverty strategy.
- Explore the relationship between mortality and morbidity of cold homes

24. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to improve the evidence base on fuel poverty?

- A commitment by the Government to include the costs to the NHS in all new policy on fuel poverty.

25. Are existing arrangements sufficient to meet our commitments to review and scrutinise Government action on fuel poverty?

- No, even if all you want to do is 'review and scrutinise'. The Government should be finding the resources and policies to deliver its own fuel poverty strategy. The fuel poor are suffering every year and every winter as a result of the paucity of good policy from Government.
- There are several things that could be done to ensure that scrutiny can be performed more effectively:
 - Reviewing the areas that BEIS used to report on in the energy market, for example the effect of policy costs on energy bills, and why these are no longer reported on. This should include areas that could be reported on and an assessment of the viability of doing it.
 - There is currently uncertainty as to when the annual fuel poverty debate is held. This makes it difficult to inform stakeholders and can result in poorly attended debates that are less than well informed. Ensuring there is a good notice given for the debate would alleviate this concern.
 - There is no analysis on impact of policies on consumer bills, especially on fuel poverty. BEIS should follow Ofgem's lead and commit to a consistent distributional analysis on impact of individual policies.
 - BEIS should investigate whether the timeframe for producing fuel poverty statistics could be speeded up.

26. Do you have any further views or evidence on how the 2015 fuel poverty strategy should be updated?

- The focus is clearly now on buildings and energy-inefficient buildings. Discussion about churn amongst households is less of a relevant issue – it is the poor quality of the home that is the main determining factor.
- The focus should be on worst first and cost-effectiveness should cease to be a primary principle; however there is now an enhanced need to move away from incremental progress within individual buildings to an area-based approach, in the interests of social inclusion, overall housing policy and to minimize search costs. This switch in focus includes giving further responsibility and funding to local authorities and addressing a sole reliance on utilities, even if the latter still provide

some of the investment.

- A pressing live concern is that the Energy Saving Advice Service (ESAS), provided by the Energy Saving Trust, no longer includes a telephone service. Only web-based support is now offered. This was the only remaining national phone number, following the loss of the Home Heat Helpline in 2016 which provided free help and advice for those struggling to pay their energy bills. We would like the Government to fund practical, high quality energy advice accessible at a local level and ideally face to face, for people who have difficulties accessing advice over the internet. This should include home visits for particularly vulnerable households.

ⁱ Members of the Coalition include: 1010, ACRE, Advice 4 Renters, AgeUK, ALEO, BLF, CfPT, Church Poverty Action, CIEH, Citizens Advice, CPAG, CSE, Disability Rights, E3G, EBICO, Energy Saving Trust, Friends of the Earth, Fuel Poverty Action, Generation Rent, Greenpeace, Hackney Foodbank, LB Camden, LB Lewisham, Macmillan, Mayor of London, National Pensioners Convention, National Union of Students, NCB, NEA, NfWI, Oxford Council, Redcar & Cleveland Council, Sheffield Council, UNISON.

ⁱⁱ See, for example, Thomson et al (2017), 'Rethinking the measurement of energy poverty in Europe: A critical analysis of indicators and data', *Indoor & built environments*, March 2017

ⁱⁱⁱ CCC, Energy prices and bills - impacts of meeting carbon budgets, March 2017 noted that if the insulation and low-carbon heat installations required to meet the carbon budgets can be successfully targeted at the fuel poor then around three-quarters can be lifted out of fuel poverty by 2030.

^{iv} On the 24 Mar 2016, The Secretary of State noted the Government were reforming the renewable heat incentive and the energy company obligation to focus more on those most in need, "who are those in fuel poverty".

^v As noted previously, in making this recommendation it should however be noted that there has been a large reduction in local authority resources and grant funding for local services will be cut by a further £1.3 billion (36 per cent) in 2019/20 despite many councils already struggling to balance their books. Any additional duties to allow LAs to perform the role they could and should be doing to address fuel poverty in our communities must be assessed and introduced.

^{vi} Moore et al, 2019, p26

^{vii} Committee on Fuel Poverty, 31 May 2019, p3

^{viii} Table 15, <https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2019>

^{ix} Our report "Under One Roof" examines evidence and practices where health and social care bodies have worked in partnership with fuel poverty alleviation schemes. It particularly aims to identify the type of evidence commissioners are requiring from scheme providers. It is aimed at local programme delivery organisations, for which the report demonstrates examples of best practice joint working. It is also aimed at national policy and programme funding organisations, for which the report highlights the current barriers to large-scale delivery of national policy aspirations. For the full report, please visit <http://www.nea.org.uk/wp-content/uploads/2018/10/BEIS-Slide-Deck.pdf>

^x We were therefore very disappointed that the eventual prevention green paper, published earlier this year, failed to do this.