



working together to  
end  
fuel  
poverty



**Ending cold homes:  
Affordable warmth manifesto**

## 6 pledges to end the misery of cold homes

Millions of people cannot afford to heat and power their homes. Millions are suffering ill-health, stress and anxiety from unaffordable fuel bills, reduced educational attainment and social isolation as a result. The End Fuel Poverty Coalition believes that everybody has the right to a warm, dry home that they can afford to heat and power. We call on this and future governments to take action to end fuel poverty and thereby improve people's health and quality of life, reduce the cost of living, create jobs and negate carbon emissions.

We want:

- 1. Improvements to the homes of all low-income households to EPC C by 2025:** Homes of all low-income households to meet standards close to those of homes built today (at least Energy Performance Certificate C) by 2025, to make fuel bills more affordable.
- 2. Energy efficiency to be an infrastructure priority:** Make energy efficiency of our homes a central priority for investment in the country's infrastructure and secure long term funding for this.
- 3. A cross-departmental Fuel Poverty Strategy:** Implement a strategy to end fuel poverty that sets targets for all relevant government departments and which works alongside policies on social well-being, health inequalities, housing affordability, climate change and poverty.
- 4. Delivery of home improvements and a greater role for health and social workers.** Use trusted agencies and organisations, such as local authorities, to improve homes and encourage health workers and social workers to refer people for home improvements to tackle cold-related ill-health.
- 5. A better deal for low-income energy consumers and fuel bills rebates:** A requirement placed on fuel companies to provide a better deal to those on low incomes, and rebates on fuel bills to all low-income consumers, with higher rebates for those in homes that are difficult to heat.
- 6. Employment and income policies that allow people to afford essential services:** Make sure employment and income policies – benefits, tax credits, state pensions, minimum wage – provide an income sufficient to meet current costs of living and reduce the proportion of household budgets required for essential goods and services, including energy.

In the run-up to the 2015 general election we call upon all the political parties to support our manifesto and work to end the misery of cold homes.

The 2013 Energy Act places a legal duty on the UK government to set a new fuel poverty target and a strategy for meeting that target. The government is proposing to set a target that will make sure as many fuel-poor homes as is 'reasonably practicable' achieve a minimum standard of Band C on the Energy Performance Certificate (EPC) scale by 2030. Band A is a high level of energy efficiency and Band G is very low. Homes in Bands F and G are dangerously cold and pose a risk to the health of their occupants. Homes built today should meet a Band B standard.

There was a previous target to eliminate fuel poverty, as far as reasonably practicable, by 2016. The government argued that it had to change the target because the former definition of fuel poverty – households that need to spend at least 10 per cent of their income on energy – was flawed. The government has changed the fuel poverty definition so that households on low incomes who also have higher than typical energy costs are classed as fuel poor.

The End Fuel Poverty Coalition had long argued that the government could have eliminated fuel poverty on the old definition if it had made more effort to improve the energy standards of the country's homes, alongside sustained action against poverty. Changing the definition did nothing to address lack of progress on ending fuel poverty.

We welcome the government's intention to focus action on improving the energy standards of homes to the relatively high standard of EPC C. But 2030 is too long to wait and current programmes are woefully insufficient for meeting even this target. In addition, too many loopholes undermine the target and more action is required to tackle all the causes of fuel poverty.

**Our affordable warmth manifesto sets out the 6 pledges that a future government must take on board if they are to tackle fuel poverty:**



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Cover image courtesy of the EnergyBillRevolution.org

**Improvements to the homes of all low-income households to EPC C by 2025:** Homes of all low-income households to meet standards close to those of homes built today (at least Energy Performance Certificate C) by 2025, to make fuel bills more affordable.

Improving homes to an EPC C standard will result in dramatic improvements in comfort, health and quality of life and energy bill affordability for occupants. Many homes could be improved to an even higher standard of EPC B, particularly with further likely innovations in technology. Improvements to EPC C will lead to average annual energy bill savings of £300.

However, the government's proposed caveat 'as far as reasonably practicable' undermines the potential to realise these benefits. The same term was used with the original fuel poverty target. When the government was challenged in court in 2008 for not being on course to meet the last fuel poverty target, it used the 'reasonably practicable' caveat to defend its failure. It could do the same again.

There has been a dramatic decline in energy efficiency spend since 2010 and the complete abolition of public energy efficiency programmes for low-income households in England. Scotland and Wales, by contrast, have continued to provide public funding for energy efficiency. Low-income households in England now have to rely on the Energy Company Obligation (ECO) alone to improve

their homes. Energy companies are encouraged to meet their obligations as cheaply as possible, with many households in the most severe fuel poverty missing out altogether. Even those who receive help typically only get one measure, with many having to contribute towards the cost of this. The programme is therefore very unlikely to improve homes to an EPC C standard.

The EFPC therefore wants to see the following improvements to the fuel poverty target:

- The target should apply to all low-income households, not just those defined as 'fuel poor' under the new definition. This will help make sure low-income households do not fall into fuel poverty in the future due to a change in circumstances or further rises in fuel prices.
- The target date should be 2025, not 2030. Low-income households should not have to wait so long for essential improvements to their homes.
- The government must not use the 'reasonably practicable' caveat as an excuse for failing to implement its fuel poverty strategy properly.

**Energy efficiency to be an infrastructure priority:** Make energy efficiency of our homes a central priority for investment in the country's infrastructure and secure long-term funding for this.

There is a gaping hole at the heart of the government's National Infrastructure Plan – the bricks and mortar of our existing housing stock. No other investment can achieve as much as making homes energy efficient. It helps struggling households, boosts economic growth and creates jobs in every constituency in the country. It also helps safeguard energy security and tackle climate change.

The EFPC wants the government to make our housing stock fit for the future by fully integrating energy efficiency within the UK's infrastructure plan. We want the government to support this investment with a long-term revenue stream, such as that provided by carbon taxes. We consider public investment of £2-3bn a year, including the funds currently allocated to the ECO, is required to address market failure in the low-income market. This average level of investment would allow energy efficiency installations to ramp up quickly from 2015, delivering retrofits to 2m low-income homes by 2020, and enable the scheme to grow further in order to bring all 5.9m low-income homes up to EPC Band C by 2025.

We recognise that unaffordable fuel bills form part of a wider crisis of unaffordable housing – high rents for often poor quality housing, high prices for homes for sale despite often poor energy standards and low availability of social housing. There is an urgent need to address this crisis by increasing the supply of housing and by regulating the housing market to improve standards and prevent homes being left unoccupied for long periods of time. A programme to improve the energy standards of our housing stock should sit alongside a programme to increase the supply of affordable housing in general – the two are inextricably linked.



**A cross-departmental Fuel Poverty Strategy:** Implement a strategy to end fuel poverty that sets targets for all relevant government departments and which works alongside policies on social well-being, health inequalities, housing affordability, climate change and poverty.

The government only proposes to set one target which is primarily the responsibility of the Department of Energy and Climate Change (DECC). The previous Fuel Poverty Strategy included an important target for the department that is now the Department for Communities and Local Government (DCLG), namely that all social housing should reach the Decent Homes Standard (DHS) by 2010. The government considered this would make an important contribution towards meeting the Strategy's target, despite the fairly minimal energy efficiency requirements of the DHS.

The EFPC considers it important that the new Fuel Poverty Strategy sets targets for a number of departments.

Examples might include:

**For the Department of Communities and Local Government:**

- All social housing to be improved to EPC C by 2020 and funding provided to make sure this happens
- All local authorities to detail housing stock that is below an EPC C standard and the measures required to improve homes to this standard, with appropriate breakdowns by tenure, house type etc. This will require detailed stock data (which central government should help provide).

**For Department for Business, Innovations and Skills:**

- To double the number of jobs associated with the energy efficiency industry
- All companies providing essential goods and services to use the British Standard 18477 as a benchmark to test that their services are inclusive and fair.

**For the Department of Health:**

- To reduce the number of people affected by cold-related illnesses.
- To make sure all relevant front-line staff receive training on identifying the symptoms of cold-related ill-health by a specified date.

**For the Department of Work and Pensions and HM Revenues and Customs:**

- To increase the proportion of eligible households claiming the benefits/tax credits to which they are entitled.

The government should set out the respective contribution of its different policies towards eliminating fuel poverty and reducing the fuel poverty gap to minimal levels.

The EFPC considers an ambitious Fuel Poverty Strategy will make an important contribution towards government policies on social well-being, reducing health inequalities, improving housing affordability, tackling climate change and eliminating poverty. It is important that these links are made and work in the different areas coordinated.



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**Delivery of home improvements and a greater role for health and social workers.** Use trusted agencies and organisations, such as local authorities, to improve homes and encourage health workers and social workers to refer people for home improvements to tackle cold-related ill-health.

It is widely recognised that the most innovative and far-reaching fuel poverty programmes are those carried out by local agencies with strong ties to local communities, extensive outreach networks and detailed knowledge of local household and housing circumstances. Local authorities working with voluntary and community organisations often play a central role in tackling fuel poverty, despite the severe spending constraints they face. The EFPC considers local agencies working at either a local authority or sub-regional level should be funded to play a central role in delivering fuel poverty programmes while working to national standards of consumer care, quality assurance and comprehensive coverage.

We consider local agencies and civil society organisations should use a combination of systematic, street-by-street delivery and comprehensive referral systems to make sure those who need help most are prioritised. This will require a fundamental overhaul of delivery away from the current reliance on market mechanisms and fuel companies and towards delivery by organisations

that consumers trust. It will require a system of allocating funds to local areas, according to the extent of fuel poverty and hard-to-treat homes. Furthermore, local authorities and others must be funded to enforce existing regulations, such as health and safety standards in the private rented sector, including houses in multiple occupation, and making sure new homes and home improvements meet current building regulations.

The EFPC would also like to see all health, social and other front-line workers trained in recognising the symptoms of cold-related ill-health so that they can refer people for help, such as improvements in home energy standards and provision of appropriate care. The Health and Well-Being boards could play a central role in making sure affordable warmth, income maximisation advice and public health services are brought together to tackle cold-related ill-health. It is essential that when front-line workers refer people for help to improve their homes, funding is available to carry out such improvements.



## **A better deal for low-income energy consumers and fuel bills rebates:**

A requirement placed on fuel companies to provide a better deal to those on low incomes, and rebates on fuel bills to all low-income consumers, with higher rebates for those in homes that are difficult to heat.

The current energy market does not meet the needs of low-income consumers. Fuel suppliers mainly compete for those able to pay online and by Direct Debit. Competition for low-income consumers is minimal, for example companies have not developed low-cost easy payment options for those who need to juggle limited budgets.

Consumer protection for those reliant on heating oil, solid fuel or LPG is minimal, yet many of these consumers face particularly severe levels of fuel poverty. Households reliant on electrical heating – many of whom are low-income – have seen large increases in energy costs due to the loading of government policy costs on electricity consumption.

The EFPC would like to see an end to market failure when it comes to low-income households. Energy suppliers, in conjunction with banks and communication companies, should meet the needs of low-income households. This will require oversight and leadership from government and robust regulation of the energy and heating markets.

The EFPC would also like to see the Warm Home Discount scheme (which provides rebates on electricity bills) extended to all low-income consumers, with payments paid automatically to all eligible households and higher rebates provided to those in homes that are difficult to heat.

**Employment and income policies that allow people to afford essential services:** Make sure employment and income policies – benefits, tax credits, state pensions, minimum wage – provide an income sufficient to meet current costs of living and reduce the proportion of household budgets required for essential goods and services, including energy.

Current employment and income policies, such as the minimum wage, benefits, tax credits and state pensions, are not sufficient to provide an adequate standard of living. Many people have to make hard choices between heating their homes, putting food on the table and paying the rent or mortgage. The cost of essential goods and services, which form a high proportion of low-income households' budgets, has soared by 28 per cent since 2008, while average earnings have risen by only 9 per cent. The minimum wage has risen by 14 per cent, while changes to benefits and tax credits have hit low-paid households and other low-income households particularly hard.


This cost of living crisis is made even worse by the 'poverty premium' of 10p in the £ that many low-income households pay due to, for example, their fuel payment method, insurance premiums and cost of credit for buying basic goods.

The EFPC considers fuel poverty forms part of a wider 'poverty crisis'. We therefore call upon the government to put in place a comprehensive Anti-Poverty Strategy that aims to provide secure employment, incomes sufficient to meet at least an adequate standard of living, affordable and healthy housing, an end to poverty premiums and community cohesion.

# The End Fuel Poverty Coalition is supported by

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