

# FUEL POVERTY STRATEGY CONSULTATION END FUEL POVERTY COALITION RESPONSE 4 April 2025

The End Fuel Poverty Coalition is a <u>broad coalition of more than 100 anti-poverty, health,</u> <u>housing and environmental campaigners, charities, local authorities, trade unions and</u> <u>consumer organisations</u>. It is also supported by academics, social enterprises and those working on the front line of fighting fuel poverty.

This consultation plays a vital role in reforming Britain's broken energy system. In 2025, we urge all policy makers to understand how their decisions can affect the affordability of energy bills, avoid discriminatory pricing, deliver longer-term reforms that bring down the cost of energy and improve the energy efficiency of homes.

This response outlines Coalition members' key concerns, shared priorities, and recommendations for an improved and more effective approach to tackling fuel poverty across the country.

In summary, the End Fuel Poverty Coalition urges the government to take immediate and decisive action to tackle fuel poverty. The key recommendations include:

- 1. Redefining fuel poverty and recognising fuel poverty as a health issue: introduce a 10% measure while maintaining the 2030 target.
- 2. Increasing government funding: commit to long-term investment in home energy efficiency and financial assistance programmes targeted at fuel poor households, including the Manifesto commitment of £13.2 billion for the Warm Homes Plan.
- 3. Accelerating energy efficiency upgrades: scale up retrofitting programmes and ensure stronger links between fuel poverty and heat network policies.
- 4. Enhancing targeted support: improve identification and assistance for the most vulnerable households, addressing the impact of benefit cuts.
- 5. Reforming energy pricing and markets: implement fairer pricing structures, market reforms to bring down prices and stronger consumer protections.
- 6. Empowering local authorities: provide councils with the resources needed to lead fuel poverty initiatives.
- 7. Expanding energy advice services: ensure tailored guidance on low-carbon heating and energy efficiency is widely available.

By addressing these key areas, the government can create a more effective and sustainable approach to reducing fuel poverty, improving living conditions, and ensuring affordable energy for all.

#### Defining and measuring fuel poverty more accurately

The current Low-Income Low Energy Efficiency (LILEE) indicator does not adequately reflect real-world energy affordability issues, as it focuses primarily on property energy efficiency rather than household income and energy costs.

The Coalition supports the introduction of a 10% measure for fuel poverty while maintaining the 2030 date for fuel poverty targets. The current definition and metrics used to assess fuel poverty do not fully capture the complexities of the issue.

But we would urge Ministers to consider a more comprehensive framework of measures that include actual energy usage and needs, regional variations in energy costs, health and well-being impacts, changing energy prices, benefits allowances and inflation. Ministers should also look beyond the 2030 target and look at longer-term objective setting.

## Stronger government commitment and investment

The government must demonstrate greater commitment to tackling fuel poverty through long-term funding and a comprehensive strategy. This must include:

- **Reducing negative health outcomes**: Proactive measures are needed to work with the NHS, DHSC and others to prevent the adverse impacts of living in cold damp homes and the avoidable winter deaths caused by people living in these conditions.
- Increased funding for energy efficiency programmes: Government funding for home energy efficiency programmes needs to be significantly increased and tightly targeted at fuel poor households. Current funding levels are insufficient to meet the size of the need and to help deliver on fuel poverty reduction targets.
- **Commitment to the Warm Homes Plan**: The Coalition calls on the government to honour its manifesto commitment to invest £13.2 billion in the Warm Homes Plan to ensure necessary energy efficiency upgrades are delivered.
- Long-term stability: A stable policy framework is needed instead of fragmented short-term initiatives this is especially critical in areas where businesses need to invest in skills and supply-chain capacity.
- Alignment with climate goals: The fuel poverty strategy must be integrated with the UK's net zero commitments, ensuring that decarbonisation policies align with efforts to alleviate fuel poverty and reform of energy markets and standing charges.

#### Addressing the Effectiveness of Energy Efficiency Schemes

It is unacceptable that only 59,000 people were taken out of fuel poverty last year, highlighting the inadequacy of existing programmes. Energy efficiency schemes must be significantly improved to deliver tangible reductions in fuel poverty.

We believe there must be a stronger focus on upgrading homes. The Coalition supports maintaining the focus on upgrading households and ensuring stronger links between fuel poverty policy and heat network policy. But we also need to see a **scaling up of retrofit programmes**. This includes investment in insulation upgrades, heat pump installations, smart energy management systems (and resolving flaws in the current system) and solar panel incentives.

Meanwhile, accessibility for people to obtain government funding for retrofitting homes needs to be expanded and made easier to understand and an easy-to-understand framework put in place so that vulnerable households know what to expect when retrofitting companies carry out work.

# **Targeted Support for Vulnerable Households**

The Coalition is deeply concerned about the detrimental effect of benefit reductions, particularly cuts affecting disabled individuals, winter fuel payments, and the two-child limit. This makes the need for support for the most vulnerable households even more vital.

The strategy must ensure 'at risk' households are supported, including low-income families, the elderly, disabled individuals, and those with health conditions exacerbated by living in cold damp homes.

To aid with this approach, there needs to be better Identification of 'at risk' households, Improving data sharing between government departments, local authorities, and energy companies can help proactively identify and support those most at risk.

Crucially, Energy Ministers must work across Government departments to see an expansion of financial assistance programmes. This includes:

- Expanding the Warm Home Discount in the short term in line with <u>our consultation</u> <u>response</u>. In the longer term, we need a new long-term energy bill support scheme (a social tariff) that supports all low-income households, including those with high energy needs who do not receive means-tested benefits. This should be in the form of discounts on energy unit rates.
- <u>Reforming Cold Weather Payments</u> so that payments are made in advance of forecasted cold weather, rather than after prolonged cold spells, to help households manage increased heating costs more effectively.
- Restoring Winter Fuel Payments to more older households especially those with disabilities and health conditions.

## Fair energy pricing and market reforms

Urgent reforms are needed to ensure fair energy pricing and to protect consumers from unaffordable bills and discriminatory practices.

- *Regulation of energy tariffs:* The government must implement stronger regulations to protect low-income households from expensive tariffs and prepayment meters, which often cost more than direct debit payments.
- *More affordable and transparent pricing structures:* A fairer pricing system is needed to prevent vulnerable consumers from being disproportionately affected by market fluctuations.
- *Better consumer protections:* Stronger consumer protection policies should be enforced to prevent disconnections and unfair charges for those struggling to pay their energy bills. This means:
  - Better enforcement of and enhanced supplier obligations to support vulnerable households.
  - Checks to ensure firms are offering fair pricing and improved debt relief options including fair repayment plans
  - Consumer protections must be put in place to guard against disconnections, particularly during winter months.
- A ban on discriminatory tariffs: Ensuring that all customers can access the best rates possible (e.g. electric only heat households should be able to benefit from the same electricity rates that EV owners can access) and that no household is left behind by the continued failure of the smart meter roll-out.

• *Greater transparency in standing charges and pricing structures*: Ensuring that essential energy costs do not unfairly burden those with lower usage. This may well require changes in how investment in energy infrastructure is paid for.

#### The role of Local Authorities, health groups and community organisations

Local authorities are well-positioned to identify fuel-poor households and deliver targeted support. Increased funding and resources for councils are recommended to lead energy efficiency initiatives.

Therefore, councils and community-based organisations must play a central role in delivering fuel poverty solutions.

But given the health impacts of fuel poverty, closer collaboration between health services and local authorities is needed to identify and assist vulnerable individuals. Fuel poverty should be treated as a public health crisis requiring urgent intervention.

There must be stronger integration between energy efficiency programmes, energy bill support and health services to ensure that doctors and social workers refer patients to fuel poverty assistance schemes.

Community-led programmes can also play a key role in empowering local organisations to provide advice, support, and retrofitting services, this should be encouraged via funding decisions.

#### Energy advice and awareness

Improving public awareness and access to energy advice is critical, especially in the context of net zero and low-carbon heating. This means we need to see better communication of support programmes working with community groups and organisations working with at risk households - not relying on nationwide awareness campaigns (although these are also essential).

We also need to see simplification of the application process for grants and financial aid to increase participation in fuel poverty and benefits schemes.

Given the importance of the transition to low-carbon heating solutions, tailored advice services should be expanded to help households make informed energy choices.

From an energy industry perspective, energy firms must be mandated to increase training for all energy company frontline staff, as poor service adds considerably to stress and anxiety of users who contact them.

In addition, all energy suppliers must provide priority access lines for frontline charity support staff, so that they can get help quickly and efficiently from energy firms. While pilots are in place at present (including one which Ofgem has brokered between some End Fuel Poverty Coalition members and Energy UK), these have not made the progress we need to see in improving priority access support.

Some of our members have already responded individually to the consultation and the wider End Fuel Poverty Coalition membership wish to add their support to the views put forward by the Chartered Institute of Housing, the Centre for Sustainable Energy, Fair By Design, National Energy Action, Fuel Poverty Research Network and others.

We would be grateful if you could continue to keep the Coalition informed about developments in this consultation.

### About the End Fuel Poverty Coalition

The End Fuel Poverty Coalition is a <u>broad coalition of more than 100 anti-poverty, health,</u> <u>housing and environmental campaigners, charities, local authorities, trade unions and</u> <u>consumer organisations</u>. It is also supported by academics, social enterprises and those working on the front line of fighting fuel poverty.

We believe that everybody has the right to a warm, dry home that they can afford to heat and power.

Members of the Coalition include: Action with Communities in Rural England, ACE Research, Advice for Renters, AgeUK, All Birmingham's Children, Austerity Action Group, Association of Green Councillors, Association of Local Energy Officers, Association for Decentralised Energy, Asthma + Lung UK, Basingstoke & Deane Borough Council, Beat the Cold, Bruton Town Council, Camden Federation of Private Tenants, Carers Trust, Child Poverty Action Group, Church Poverty Action, Chartered Institute of Environmental Health, Chartered Institute of Housing, Community Action Northumberland, Centre for Sustainable Energy, Climate Action Network West Midlands, Debt Justice, Disability Poverty Campaign Group, Disability Rights UK, E3G, Energise Sussex Coast, Energy Advice Line, Energy Cities, Epilepsy Action, Exeter Community Energy, Fair Energy Campaign, Fair By Design, Foster Support, Friends of the Earth, Fuel Poverty Action, Fuel Poverty Research Network, Generation Rent, Good Law Project, Greenpeace, Groundwork, Hackney Foodbank, Heat Trust, Home Start Oxford, Independent Age, Independent Food Aid Network, Inner City Life, Joseph Rowntree Foundation, Lambeth Pensioners Action Group, London Borough of Camden, London Borough of Lewisham, Marie Curie, Mencap, Mayor of London, MECC Trust, Moorland Climate Action, National Pensioners Convention, National Union of Students / Students Organising for Sustainability, NCB, National Energy Action, New Economics Foundation, National Federation of Women's Institutes, Northern Health Services Alliance, Oxford City Council, Positive Money Tower Hamlets, Plymouth Community Energy, Redcar & Cleveland Council, Repowering London, Retrofit Bruton, Right To Energy Coalition, Rossendale Valley Energy, Ryecroft Community Hub, Save the Children, Sense, Severn Wye, Scope, Shaping Our Lives, Social Workers Union, South Dartmoor Community Energy, South East London Community Energy, Southwark Group of Tenants Organisations, South West London Law Centres, Stop The Squeeze, Tamar Energy Community, Thinking Works, Uplift, UNISON, Warm & Well North Yorkshire, Warm & Well in Merton, Winter Warmth Network, Young Lives vs Cancer, 361 Energy.

The Coalition is also part of the <u>End Child Poverty Coalition</u> and the <u>Renters Reform</u> <u>Coalition</u>. We work closely with <u>Energy Action Scotland</u>, <u>NEA Wales</u> and the <u>Fuel Poverty NI</u> <u>coalition</u>. The coordination for the <u>End Fuel Poverty Coalition</u> is provided by social enterprise <u>Campaign Collective</u>.

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