

Tackling fuel poverty: learning from winter research

Lucie Middlemiss¹, Neil Simcock², Aimee Ambrose³, Helen Stockton⁴, Tom Cave⁵, Simon Francis⁶, Pepa Ambrosio Albalá¹, Ed Atkins⁷, Stefan Bouzarovski⁸, Catherine Butler⁹, Sharon Collard¹⁰, Leila Dawney⁹, Sara Davies¹⁰, Helena Hastie⁹, Emily Morrison¹¹, Mari Martiskainen¹², Caitlin Robinson⁷, Carolyn Snell¹³, Nickhil Sharma¹⁴



Introduction

Households across the UK have experienced unprecedented rises in their energy bills, with severe consequences for fuel poverty. There is an urgent need to implement evidence-based solutions to these challenges. In March 2023, the Fuel Poverty Evidence project hosted an event that brought together academic research and professional perspectives from fuel poverty policy and practice. The discussion, and subsequent recommendations, reflected on evidence collected through academic research over the winter of 2022-2023 that has, in large part, been shared early and ahead of publication to maximise opportunities to inform and engage with policy and practice (see accompanying bibliography).

Given the continued high energy prices and the limits to energy support schemes, this coming winter of 2023-24 is likely to remain challenging for millions of households. Experiences will be exacerbated by households already facing diminished financial resilience and increased debt as a consequence of cost of living increases. A very cold winter would be particularly detrimental.

In this briefing we summarise the evidence gathered in the winter of 2022-23, and offer evidence-based policy recommendations, based on the discussion between panellists and participants about the evidence presented, to end the fuel poverty crisis and its severe negative impacts.

Experiences of the energy price crisis

Research findings highlight the **unprecedented impact of energy price rises and the wider cost-of-living crisis on fuel poverty**. The number of people seeking assistance from Citizens Advice has increased significantly, with 180 people getting help every hour, unable to afford basics such as food and a warm home. Research has found **many reports of damp and mould** caused by underheating of homes, and there is a deep **sense of mental anguish among those at the sharp-end of price-rises**. As the number of households in fuel poverty in the UK increased by almost half (40%) between 2021 and 2023, even households that are not on very low incomes are being pushed into fuel poverty. The situation is not projected to improve for some time, with National Energy Action estimating that approximately 6.3 million UK households will be in fuel poverty in this coming winter 2023-2024, only fractionally reduced from 6.7 million in 2022. This is further exacerbated by increases in standing charges, which has a particularly detrimental impact on low earning and low consuming households.

The crisis has had **broad impacts on household finances**, even with the energy support in place (i.e. the £400 energy bill discount paid in 2022 and the Energy Price Cap). Many households have already depleted their financial resources before their next salary payment, leaving them in a precarious financial state before the winter. Many have been forced to adopt **new, intensified and often detrimental "coping strategies"**, such as heating their home to a lower temperature, heating only one room, **going into debt**, and eating cold food. Worryingly, in some cases **people are going without basic essentials** and **families are not able to meet the needs of their children**, resulting in reduced food intake and adverse health, wellbeing and social effects that can have long-term impacts on education and life chances, and to health and length of life. The trope that people in fuel poverty must choose between "heating or eating" no longer applies in many cases, as people now must forgo both.

Structural challenges loom large, with numerous individuals finding themselves trapped within **energy-inefficient housing**, often unable to implement necessary changes due to housing types, legal constraints in rental housing, or lack of access to appropriate grant programmes. This dilemma is exacerbated by the escalation of **other infrastructural costs, particularly in transportation**, which serve to further erode people's overall resilience. It is a sobering reality that **certain demographics bear the brunt of these challenges**, as for example people from ethnic minority backgrounds, disabled people, families, older people, and young persons are disproportionately affected. Furthermore, there is mounting evidence indicating that **energy companies are failing to take substantial action** in addressing these issues, further deepening the structural hurdles that impede progress towards resolving the fuel poverty crisis.

Breaking down the **barriers to action** is essential to fostering effective, lasting solutions. The scarcity of available support only exacerbates the difficulties faced by people and communities in addressing fuel poverty. A significant number of people remain **unaware of where to seek advice** on this critical issue. **Trustworthy and pragmatic guidance proves hard to find**, leaving individuals and families grappling with uncertainty. Additionally, those directly affected by fuel poverty often find themselves **without a voice or agency to influence decision-makers**. This lack of agency perpetuates the cycle of disadvantage. **Agencies and organisations aiming to provide support are relying on funding that is often short-term and crisis-driven**, falling short of meeting the escalating demand for assistance. The situation is further exacerbated by the difficult financial circumstances faced by many local authorities.

Recommendations

Addressing fuel poverty requires a comprehensive approach encompassing short-term interventions to support people through the immediate crisis, longer-term remediation of the UK's poor housing stock, and systemic changes to the energy market.

Energy Market Reform

To address this crisis, fundamental alterations to the domestic energy market are imperative to increase resilience to price shocks and make the system fairer. This necessitates reform to reduce fuel price volatility, and offer a fairer service to those on low-incomes and in fuel poverty.

Three options offer considerable promise and warrant further consideration. These are not mutually exclusive and could be combined in a package of measures:

1. **Green Power Pool** - A change to the electricity market pricing system, whereby the lower cost power generated by renewables is decoupled from the wholesale market (which is usually determined by the volatile and higher price of gas), and then sold in priority to vulnerable consumers.
2. **Social tariff (discounted energy bill for those in need)** - Some bill support in 2022-23 was universal, and therefore poorly targeted, failing to offer adequate support to those who most needed it. However, given the spread of fuel poverty up the income scale, a social tariff must be available to those not on benefits but still struggling to meet costs.
3. **National Energy Guarantee** - Restructuring energy tariffs so that every household is provided with an allowance of free or low-cost energy, sufficient to cover basic needs such as heating, cooking, and lighting. Energy consumption over the free allowance is charged at a progressively more expensive rate. Those with higher energy needs (e.g. those who have chronic illnesses, disabled people, or people living in inefficient homes) must be protected in such a scheme, for example with a larger basic allowance.

Insulating the housing stock

Investment is needed to raise the energy efficiency of the housing stock, including improving insulation and replacing heating systems. Evidence suggests that real household resilience to the issue will only be achieved once housing infrastructure is made energy efficient. This is a particular priority in the private rental sector, and could yield significant benefits in reducing fuel poverty. A tightening of the Minimum Energy Efficiency Standards (MEES) regulations to ensure that all rented properties achieve EPC Band C by 2028 is a necessary first step. Providing local authorities with extra resources to enable them to adequately enforce the MEES is also vital.

Immediate crisis response

While the market is being reformed and housing upgraded, there is still an acute need for immediate support and advice for those suffering with fuel poverty. We are again entering winter with very high bills, which will result in similar challenges as we saw last winter for a large number of households. As such, we recommend further energy bill support for the lowest earners, targeted through the Energy Bill Support Scheme, or by expanding the Warm Homes Discount. More broadly, social security payments should be sufficient to ensure everyone can afford the essentials.

As fuel poverty's impact broadens across demographics, many households remain unaware of available support due to their limited interaction with conventional support systems like social services and local authorities. The absence of consistent and reliable guidance poses significant challenges for individuals, as does the sustainability of energy advice services which suffer from unstable funding. To bridge this gap, innovative approaches must involve public-facing services, including GPs and pharmacists, to disseminate information about accessible energy support. Prioritising additional funding for familiar and trusted advice providers like Citizens Advice, established local charities, and financial inclusion teams within social housing providers promises to yield the most impactful outcomes.

The rising price of fuel for heating homes does not only need to be addressed at the level of the individual household. Providing free, public warm spaces such as libraries and community centres for socialisation, work and relaxation, if well-funded, can address many other needs in addition to fuel poverty. However, retaining these important public spaces should never be seen as a substitute for a warm home.

¹ Sustainability Research Institute, University of Leeds; ² School of Biological and Environmental Sciences, Liverpool John Moores University; ³ Centre for Regional Economic and Social Research, Sheffield Hallam University; ⁴ National Energy Action; ⁵ The Children's Society; ⁶ The End Fuel Poverty Coalition; ⁷ School of Geographical Sciences, University of Bristol; ⁸ Department of Geography, University of Manchester; ⁹ Department of Geography; ¹⁰ Personal Finance Research Centre, University of Bristol; ¹¹ Young Foundation's Institute for Community Studies; ¹² Energy Demand Research Centre, University of Sussex; ¹³ School for Business and Society, University of York; ¹⁴ School of Environmental Sciences, University of East Anglia

Sheffield Hallam University

Tackling fuel poverty - learning from winter research

MIDDLEMISS, Lucie, SIMCOCK, Neil, AMBROSE, Aimee <<http://orcid.org/0000-0002-5898-6314>>, STOCKTON, Helen, CAVE, Tom, FRANCIS, Simon, ALBALA, Pepa Ambrosio, ATKINS, Ed, BOUZAROVSKI, Stefan, BUTLER, Catherine, COLLARD, Sharon, DAWNEY, Leila, DAVIES, Sara, HASTIE, Helena, MORRISON, Emily, MARTISKAINEN, Mari, ROBINSON, Caitlin, SNELL, Carolyn and SHARMA, Nickhill

Available from the Sheffield Hallam University Research Archive (SHURA) at:

<http://shura.shu.ac.uk/32436/>

Copyright and re-use policy

Please visit <http://shura.shu.ac.uk/32436/> and <http://shura.shu.ac.uk/information.html> for further details about copyright and re-use permissions.