

Review of the Fuel Poverty Strategy

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About Regen

Regen provides independent, evidence-led insight and advice in support of our mission to transform the UK's energy system for a net zero future. We focus on analysing the systemic challenges of decarbonising power, heat and transport. We know that a transformation of this scale will require engaging the whole of society in a just transition.

Regen is a membership organisation with over 200 members who share our mission, including clean energy developers, businesses, local authorities, community energy groups and research organisations across the energy sector. We manage the Electricity Storage Network (ESN) – the industry group and voice of the grid-scale electricity storage industry in GB.

Summary and recommendations

The 'Review of the Fuel Poverty Strategy' consultation comes at a critical time in the net zero transition.¹ As the UK government ramps up efforts to decarbonise the power system by 2030 and with the expected introduction of the Warm Homes Plan later in the year, ensuring the transition is fair and tackles fuel poverty in the process will be crucial to combining these agendas.

For that reason, Regen's response is focused on the intersection between fuel poverty and net zero. Switching people from fossil fuel heating systems to low-carbon technologies, retrofitting homes and encouraging smarter engagement with energy markets pose risks to those in fuel poverty who may be disadvantaged or left behind in the decarbonisation process. Without careful consideration and support this could widen health, social and economic inequalities between those who can afford to transition to low-carbon technologies – and reap the subsidies

¹ Department for Energy Security and Net Zero, 2025. [Review of the Fuel Poverty Strategy](#).

and benefits available – and those who cannot. We must avoid such a ‘two tier’ energy system at all costs.

However, if done well, the transition can bring opportunities to deliver significant value to those in fuel poverty. This will require updating the fuel poverty strategy and embedding fuel poverty considerations within wider market, policy and regulatory frameworks. This includes across the energy retail and wholesale markets, Local Power Plan and Warm Homes Plan, as well as across health, housing, social care, local authorities, third sector and, crucially, net zero.

Within this consultation response, we address specific questions focused on this theme and encourage the government to implement four core ‘foundations’ across the full strategy to support a fairer net zero transition for fuel-poor households:

- Establish a ‘person-first’ approach to fuel poverty support, low-carbon technology support, energy efficiency and retrofit programmes
- Establish a ‘no detriment’ policy for fuel-poor households switching to low-carbon technologies, ensuring they don’t pay more for their energy and are protected in the event of issues arising from installation or operation
- Implement a social tariff mechanism that allows for participation in flexibility and time-of-use tariffs but does not penalise those who cannot participate
- Define and resource the role of trusted intermediary organisations, such as fuel poverty charities, community energy groups, third sector, health and social care organisations in fuel poverty support and the net zero transition.

Recommendations

The fuel poverty target

- **Recommendation 1:** Retain the 2030 fuel poverty target but update it to account for the net zero transition and self-reported measures of comfort, warmth and affordability.
- **Recommendation 2:** Embed tackling fuel poverty as a core priority in all wider energy policy, market and regulatory changes.

Measuring fuel poverty

- **Recommendation 3:** Adopt the proposed ‘energy affordability’ measure alongside the LILEE measure to better account for fuel poverty across different households.
- **Recommendation 4:** Incorporate longitudinal engagement with fuel-poor households as a core measure of fuel poverty.

Principles

- **Recommendation 5:** Expand the ‘worst first’ principle to also include social, economic and net zero factors to capture those most at risk of exclusion or detriment through the net zero transition.

- **Recommendation 6:** Expand the cost-effectiveness principle to include wider social, economic and health savings that can be made through tackling fuel poverty, such as to the NHS.
- **Recommendation 7:** Take a person-centric approach to cost-effectiveness, prioritising matching measures to need and delivering high-quality work rather than the lowest price alone.
- **Recommendation 8:** Update the working definition of vulnerability to include potential net zero-specific barriers.
- **Recommendation 9:** Explore and adopt new, innovative methods for identifying complex current and future vulnerabilities which account for the net zero context.
- **Recommendation 10:** Implement a ‘no detriment’ policy for fuel-poor households switching to low-carbon technologies in the home.
- **Recommendation 11:** Ensure those who do not participate in flexibility are not penalised or cross-subsidising those who do.
- **Recommendation 12:** Adopt a person-first approach to fabric and retrofit measures, ensuring any measures are tailored to the household's needs first and foremost.

Bill support

Recommendation 13: Implement a social tariff that allows participation in flexibility, dynamic pricing, and time-of-use (where appropriate).

Partnerships

- **Recommendation 14:** Develop clear guidance and processes for data sharing, communication and referral pathways between fuel poverty charities, local health and social care organisations and others involved in fuel poverty support.
- **Recommendation 15:** Define and resource the role of local health, social care, local authority and third sector actors in fuel poverty support.
- **Recommendation 16:** Define and resource the role of community energy organisations in fuel poverty support and delivery of the Warm Homes Plan.

Understanding fuel poverty

- **Recommendation 17:** Establish an ‘experts by experience’ panel to gain ongoing, real-world insights into the experiences of those in fuel poverty.

Responses to questions

The fuel poverty target

Question 1: Should the 2030 fuel poverty target be retained?
Please explain your reasoning.

Yes - we agree that the current 2030 strategy should be retained to maintain progress and the necessary urgency to tackle fuel poverty as the net zero transition accelerates. Moving more fuel-poor homes to EPC rating C and above will save money on bills, reduce emissions and improve health outcomes. However, **the current target should be expanded, reflecting that the focus on energy efficiency is too narrow and has masked wider challenges.**

The energy crisis revealed that an increase in energy prices can rapidly eliminate progress out of fuel poverty, i.e. via energy efficiency, and force people into precarity. Even in more energy efficient and lower-middle-income households, energy insecurity, poverty and unaffordability are prevalent.²

As such, the sole focus on energy efficiency risks masking deeper challenges faced by other fuel poverty drivers (income, energy prices, etc.). This focus also overlooks the changing energy retail market and the shift towards more flexible energy use. A core focus on efficiency may have been appropriate when the majority of our domestic energy use was static and predictable, but this will become less representative as we switch to a renewables-based system.

It also overlooks how people are actually experiencing fuel poverty in their lives, homes and communities – which an EPC rating alone cannot capture.

Our responses to the following questions outline how the current target should be expanded within the context of net zero and the recent energy crises.

Question 2: What are your views on an alternative fuel poverty target objective and what this objective should be?

An alternative fuel poverty target objective should seek to account for the net zero context and people's direct experience of fuel poverty. There are two additional points that should be included within an updated target.

First, the consultation proposes adding an 'energy affordability' measure alongside the current Low Income, Low Energy Efficiency (LILEE) metric to better account for fuel poverty. This is welcome, provides a more rounded view of the drivers of fuel poverty and can account for some of the emerging challenges of the net zero transition for fuel-poor households (e.g. the potential for increased running costs or network charges).

² UK Parliament, 2024. Fuel poverty in the UK: Research briefing.

To ensure this measure is not simply used for insight but is directly contributing to action, the ability of fuel-poor households to afford a comfortable level of energy and heat in the home should be included as part of the target. This could take the form of measuring household expenditure on energy as a proportion of levelized income and/or supplemented by large-N survey research with fuel-poor households.

Second, the consultation and current Fuel Poverty Strategy outline an ambition to ensure fuel-poor households are ‘early beneficiaries of net zero’. We agree this should be the case – the longer that fuel-poor households are left on fossil fuel heating systems and without access to the benefits of a smarter, cleaner energy system, the more exposed they are to volatile international price shocks and inequalities emerging between those who can afford to install low-carbon technologies of their own accord and those who cannot.³

An alternative fuel poverty target which accounts for net zero and affordability should thus be expanded to:

“As many fuel-poor homes as reasonably practicable upgraded to an EPC C or above, supported to adopt low-carbon technologies and able to afford a healthy level of heat and energy in the home.”

Recommendation 1: Retain the 2030 fuel poverty target but update it to account for the net zero transition and self-reported measures of comfort, warmth and affordability.

Question 3: What are your views on the objective date? We welcome views on the target date for the current 2030 objective and a date for any alternative objective which could replace or succeed the 2030 target.

The fuel poverty target must be joined up and embedded within wider energy reforms underway, such as Clean Power 2030, retail market reform and the Warm Homes Plan.

Given the current drive towards Clean Power 2030, we believe it makes sense to retain the 2030 date to ensure that these timelines align. Providing a clear, strategic date enables the industry to ramp up the delivery of energy efficiency, low-carbon technologies and retrofit. It also sends a signal to the wider sector that this is a serious target, supporting wider mobilisation towards it. As this is already happening with Clean Power 2030, retaining the 2030 date can also help to ensure that fuel-poor households can realistically be ‘early beneficiaries’ of net zero – an ambition outlined in the current strategy.

However, the needs of fuel-poor households must also be fundamentally embedded in wider decarbonisation efforts, such as energy retail and wholesale market reforms (rather than reforming markets, policy or regulation for Clean Power 2030 and having to redress them later

³ Centre for Sustainable Energy and the Committee on Fuel Poverty, 2024. [Understanding the barriers to net zero for fuel poor households.](#)

due to unexpected adverse impacts). Experience in Scotland, where the Heat in Buildings bill has recently stalled due to a lack of consideration of fuel poverty, demonstrates how progress can be slowed when fuel poverty is not adequately accounted for.

Recommendation 2: Embed tackling fuel poverty as a core priority in all wider energy policy, market and regulatory changes.

Measuring fuel poverty

Question 4: What are your views on:

- a) Retaining the Low Income Low Energy Efficiency metric as a measure of structural fuel poverty and as the official measure of progress to the statutory fuel poverty target in England?

The LILEE measure masks fuel poverty in higher efficiency homes and the stark impact that bill increases have for those in fuel poverty.

We broadly agree that the LILEE metric should be retained as one component of a structural measure of fuel poverty, although it is not suitable as the sole measure of progress towards a statutory target in the current context. Efficiency is not the sole (or often even the main) driver of fuel poverty for many households as outlined in our responses to Questions 2 and 3.

The LILEE metric has masked a huge amount of fuel poverty in England, artificially shrinking the problem compared to other countries, such as Scotland, which uses a more nuanced measure that accounts for energy prices and affordability.⁴ Through the crisis, fuel poverty levels in Scotland were consistently two to three times higher than in England – largely due to the rising cost of energy, which is better accounted for in Scotland’s fuel poverty metric.

LILEE’s exclusion of EPC A-C households also leads to the underestimation of energy insecurity or fuel poverty among ‘energy efficient’ households. A study of London found that at least 4.4%, or over 170,000 households, fit into this category. There was similar energy insecurity between EPC A-C households (approximately 27%) and EPC D-F (approximately 29%) during the crisis. Hence, improving building efficiency isn’t synonymous with lifting people out of fuel poverty.⁵

As such, there is a need to better account for the energy security challenges facing EPC A-C households, including affordability and engagement with net zero.

Recommendation 3: Adopt the proposed ‘energy affordability’ measure alongside the LILEE measure to better account for fuel poverty across different households.

⁴ University of Nottingham, 2024. [Research reveals that fuel poverty in England could be 2.5 times higher than reported.](#)

⁵ T. Semple, L. Rodrigues, J. Harvey et.al, 2023, [An empirical critique of the low income low energy efficiency approach to measuring fuel poverty](#)

b) Whether to adopt an additional indicator to monitor the impact of energy prices on the affordability of energy?

Yes – the UK government should adopt an additional indicator to monitor the impact of energy prices on the affordability of energy.

However, there is also a need to understand lived experience of fuel poverty over time to understand how support is being received and the impact it is having on people in their homes.

The proposal of measuring ‘energy affordability’ as suggested in the consultation is welcome as a step beyond LILEE alone. This can provide a fuller picture of the challenge. As a measure, affordability can also capture some of the potential challenges of electricity prices or rising network costs through the net zero transition.

Self-reported measures such as comfort in the home are also critical. Fuel poverty can be a very complex and personal experience, often subjective in terms of its personal, social, health and economic impacts. These cannot be captured or modelled through EPC or affordability measures alone but require direct, longitudinal engagement with fuel-poor households. This could be via a longitudinal, large-N panel study or survey.

Recommendation 4: Incorporate longitudinal engagement with fuel-poor households as a core measure of fuel poverty.

Principles

Question 5: What are your views on adapting or implementing the Worst First principle, in order to maximise the number of fuel-poor homes brought to Band C while ensuring that the worst homes are not left behind? Please provide any supporting evidence.

‘Worst first’ should also incorporate those households experiencing extreme poverty and deprivation and those most at-risk of exclusion through the energy transition.

We broadly agree with adopting the ‘worst first’ principle. However, this should not be based solely on energy efficiency. Those in the most precarious financial, social or economic situations (even in more efficient homes) often face the highest levels of debt and poorest social and health outcomes from fuel poverty and so should also be prioritised.

Additionally, those most at risk of exclusion through the net zero transition (Table 1) should be prioritised as ‘early beneficiaries’ from low-carbon heat, bill support and energy market design. This can help to ensure that those groups in fuel poverty are not left on fossil fuel systems, exposed to volatile prices or rising gas network costs.

Table 1

Barriers to net zero for different groups

Group	Barriers to net zero
People on low incomes or means-tested benefits	The capital costs of new technologies may be too high, with limited scope for finance; higher electricity costs may increase energy bills; existing energy debt; time and resource pressures to engage with new technologies or behaviours.
People with mobility or physical health issues	Potential limited inability to flex or reduce energy demand to capitalise on flexibility, e.g. time-of-use tariffs; dependence on medical equipment may increase bills.
People with mental health issues and/or facing social exclusion	Lack of confidence or social support networks may cause some to disengage with new technologies or services.
People from minority ethnic communities, particularly for whom English is not a first language	Lack of confidence or trust in engaging with suppliers or new technologies and services; lack of clarity on rights and consumer protections; existing injustices in housing quality and service provision.
Digitally excluded	Limited access to information or new 'smart' technologies and services.
People of a pensionable age	Lack of confidence in engaging with suppliers or new technologies and services; often digitally excluded.
Single-parent households	Limited capacity to flex energy demand; capital costs of new technologies may be too high; higher electricity costs may increase energy bills.
People with caring responsibilities	Limited capacity to flex energy demand; lack of clarity on rights and consumer protections; capital costs of new technologies may be too high.
People living off the gas grid	Reliance on older heating systems, including non-smart meters, direct electric and oil heating; vulnerability to supply interruptions.
People in the private rented sector	Lack of clarity on rights and consumer protections, or autonomy in the retail market.

Recommendation 5: Expand the 'worst first' principle to also include social, economic and net zero factors to capture those most at risk of exclusion or detriment through the net zero transition.

Question 6: What are your views on how we could better define or implement the cost-effectiveness principle? Please provide any supporting evidence.

The cost-effectiveness principle should also incorporate wider savings to health and social care.

The cost-effectiveness principle focuses on the economic cost of measures and household benefits. However, tackling fuel poverty has enormous benefits on a wider scale, e.g. for national social and health expenditure. Making homes warmer and bills more affordable can reduce the adverse mental and physical health issues associated with fuel poverty, reducing repeat visits to the NHS or social services.⁶

This represents a local and national cost benefit in addition to the benefit to the individual. The cost-effectiveness principle must account for these holistic, whole-system impacts.

Recommendation 6: Expand the cost-effectiveness principle to include wider social, economic and health savings that can be made through tackling fuel poverty, such as to the NHS.

Cheapest measures are not always the most cost-effective.

The most 'cost-effective' action on fuel poverty is the action that works for the needs of the person experiencing fuel poverty. If measures are installed in a home that fail or are done to a poor standard, they become far more expensive as they require additional visits, maintenance and rectification.

Cost-effectiveness likewise means different things for different households or challenges. As such, cost-effectiveness should only ever be considered secondary to a person-centric approach to tackling fuel poverty, based on deep engagement to ensure any action directly meets the needs of the affected person(s) and is delivered consistently to a high standard.

Recommendation 7: Take a person-centric approach to cost-effectiveness, prioritising matching measures to need and delivering high-quality work rather than the lowest price alone.

Question 7: What are your views on how we could better define or implement the vulnerability principle? Please provide any supporting evidence.

The vulnerability principle should also account for emerging vulnerabilities through the net zero transition.

⁶ Institute for Health Inequities, 2022. [Fuel poverty, cold homes and health inequalities in the UK](#).

As the UK accelerates towards decarbonising homes, heating and transport through low-carbon alternatives and more innovative, flexible tariffs and services, there is scope for new vulnerabilities to emerge. These include (but are not limited to):

- **Capital costs of new technologies.** The high costs of low-carbon technologies, such as heat pumps, will make the transition challenging for those on lower incomes to decarbonise, leaving them more exposed to future fossil fuel price shocks.
- **Electricity prices.** While discounted low-carbon heating tariffs do exist, standard-rate electricity for a typical consumer in Great Britain remains four times higher than gas prices today, which risks increasing heating costs for some households.^{7, 8}
- **Potentially limited ability to flex energy demand.** Making the most of time-of-use tariffs may be challenging for people who cannot flex their demand at peak times with low prices, such as single-parent households or shift workers (e.g. nurses).⁹
- **Digital exclusion and literacy.** Almost 3 million UK households still lack access to the internet, with a further 11 million people citing that they do not have basic digital skills such as email and browsing.¹⁰
- **Rising network and policy costs.** In particular, the expected increase in gas network decommissioning costs could fall on a dwindling number of lower-income and vulnerable consumers who cannot afford to electrify their home heating demand.¹¹
- **Increased risk if things go wrong.** People in vulnerable, low-income or disadvantaged circumstances already face tough social, economic, health and personal challenges, which could be worsened if new technologies or services fail to meet their needs.¹²
- **Pressures of poverty and socioeconomic disadvantage may limit capacity to engage with new technologies and behaviours.** In addition to affordability, wider stressors may create additional challenges in time, resources and ability for those in more complex, vulnerable or marginalised circumstances to engage with novel or innovative services.¹³

Some of these – particularly the running costs of new technologies, exclusion from the retail market and rising network costs – can all contribute to higher energy bills or adverse impacts if adequate considerations are not made in policy, regulation and wider support. They can also lead to wider challenges, such as increasing inequalities, higher NHS spending associated with fuel poverty-related issues, and growing debt (Figure 1).

⁷ UK government, 2024. [Quarterly energy prices](#).

⁸ Savage, T., Akroyd, J., Mosbach, S., Hillman, M., Siekler, F. and Kraft, M., 2022. [Universal digital twin - the impacts of heat pumps on social inequality](#).

⁹ Powells, G. and Fell, M. 2019. [Flexibility capital and flexibility justice in smart energy systems](#).

¹⁰ Chambers, J., Robinson, C., and Scott, M. 2022. [Digitalisation without detriment: A research agenda for digital inclusion in the future energy system](#).

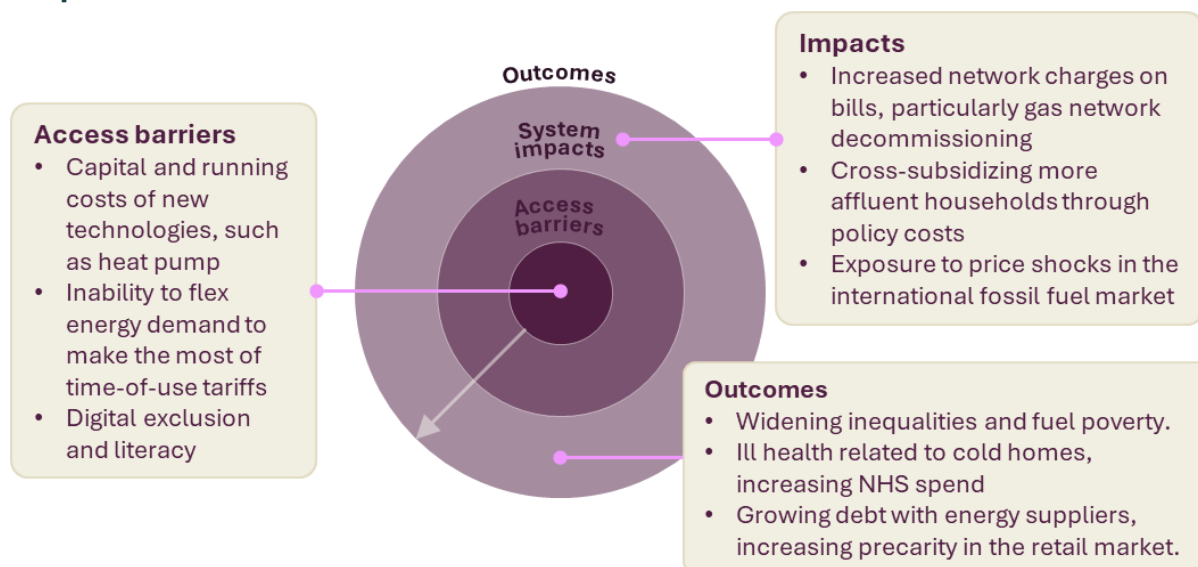
¹¹ Regulatory Assistance Project, 2023. [Decompression: Policy and regulatory options to manage the gas grid in a decarbonizing UK](#).

¹² National Energy Action, 2023. [Making heat pumps work for fuel-poor households](#).

¹³ Kukowski, C. A. and Garnett, E. E. 2024. [Tackling inequality is essential for behaviour change in Net Zero](#).

Figure 1

Impacts of different net zero barriers



As such, an updated understanding of vulnerability is required to account for these net zero-specific issues and appropriately target support.

Recommendation 8: Update the working definition of vulnerability to include potential net zero-specific barriers.

Better ways of identifying complex vulnerabilities geographically and over time are needed.

Current vulnerability metrics are often self-reported via the Priority Service Register (PSR), with some wider evidence included within the Ofgem Consumer Vulnerability Strategy.¹⁴

The PSR's coverage remains patchy and inconsistent across suppliers, energy networks and other key utility, social and health organisations. It is also broadly retrospective, relying on self-identification at a specific moment in time. This makes it difficult to understand how vulnerability might shift over time as the net zero transition unfolds.

New methods for identifying future vulnerabilities are emerging. The Vulnerability Future Energy Scenarios project, for instance, uses machine learning and data modelling to identify people and places most at risk of specific vulnerabilities over time.¹⁵ This project is evolving to develop a more robust, tangible identifier of complex vulnerabilities (and capabilities to engage with net

¹⁴ Ofgem, 2024. [Consultation: Consumer Vulnerability Strategy refresh](#).

¹⁵ Regen and Scottish and Southern Electricity Networks, 2024. [Vulnerability, just transition and future energy scenarios](#).

zero), which could play a more prominent role in identifying and prioritising support for those in – or likely to experience – fuel poverty through the transition.

Recommendation 9: Explore and adopt new, innovative methods for identifying complex current and future vulnerabilities which account for the net zero context.

Question 8: What are your views on how we could better define or implement the sustainability principle? Please provide any supporting evidence.

There is a need to ensure that fuel-poor households are early beneficiaries of the energy transition but do not face detriment in bills or quality of service by doing so.

The consultation outlines a desire to make fuel-poor households early beneficiaries of net zero. However, knowing that standard rate electricity prices remain high and the challenges with capital costs of, e.g. low-carbon heating systems, there is a risk that such groups are excluded or inadvertently made worse off for adopting new technologies.¹⁶

There is also a risk that more flexible tariffs or home energy management services are complicated or miscommunicated by suppliers, technology providers, etc. As fuel-poor households face a disproportionate disadvantage should things go wrong, there is a clear need to ensure that when fuel-poor households do make the switch, they are not penalised for doing so.¹⁷

One way to protect those in fuel poverty is to implement a ‘no detriment’ policy, which guarantees that nobody in fuel poverty will pay more for their energy once they move over to low-carbon alternatives such as heat pumps. This could take the form of a government-backed green social tariff, a reformed energy price cap or a supplier obligation to guarantee price parity or lower for low-carbon heating systems.

This would also require an obligation on industry organisations responsible for installing technologies or efficiency measures to ensure that works are done to a high standard and support is rapidly available should something go wrong.

Recommendation 10: Implement a ‘no detriment’ policy for fuel-poor households switching to low-carbon technologies in the home.

Smart tariffs, technologies and services can provide savings for fuel-poor households, but those who cannot participate should not be penalised.

Smart, flexible, dynamic and time-of-use offerings can help to reduce bills, particularly for those with low-carbon flexible technologies in the home. However, for many people, flexible

¹⁶ Institute for Community Studies, 2024. [Our Journey to Net Zero: Understanding household and community participation in the UK's transition to a greener future.](#)

¹⁷ National Energy Action, 2023. [Making heat pumps work for fuel-poor households.](#)

energy use not be appropriate. Many people simply do not have the bandwidth, appetite or lifestyle to think this actively about their energy. Sending price signals and incentivising people to use less energy at expensive times can also inadvertently lead to rationing energy use to unhealthy levels.¹⁸

As such, there is a need to ensure that those who do not, will not or cannot participate in smart energy use are not penalised by ensuring affordable fixed-rate tariffs and discounts. For those who do participate, it may also be more effective to incentivise ‘turn-up events’, encouraging people to use more energy when it is cheap rather than to use less when expensive.

Recommendation 11: Ensure those who do not participate in flexibility are not penalised or cross-subsidising those who do.

Rather than fabric or technology, a ‘person-first’ approach to retrofit measures should be adopted.

Fabric improvements are an important part of reducing bills. In addition, for many in low-income and vulnerable situations, energy-efficient homes will be a prerequisite for realising the benefits of flexible, electrified heat – saving money and improving comfort.

However, retrofit will need to be carried out on a house-by-house basis as what is appropriate for each house or person might vary significantly. It is essential to have a strong process for identifying the individual needs of each household to ensure that their retrofit journey is tailored and the measures being installed are appropriately coordinated.

Nesta makes clear that there is a misconception that properties need to be very well insulated before low-carbon heating can be installed. If designed well, heat pumps can operate efficiently in less well-insulated homes, and it is not cost-effective to insulate every home to a high standard.¹⁹ Most homes will also have to transition to a new form of heating at some point, which can be an intensive process.

As such, rather than fabric-first, the approach to fabric and retrofit measures should be person-centric, based on meaningful engagement to identify the unique needs of people and households to deliver measures most appropriate to them and their circumstances.

Recommendation 12: Adopt a person-first approach to fabric and retrofit measures, ensuring any measures are tailored to the household's needs first and foremost.

¹⁸ Chambers et al., 2022. [Digitalisation without detriment: A research agenda for digital inclusion in the future energy system](#)

¹⁹ Nesta, 2024, [Insulation impact: how much do UK houses really need?](#)

Bill support

What are your priority recommendations for the design of energy bill support for fuel-poor households?

A social tariff should be implemented but should not preclude those in fuel poverty from participating in flexibility or dynamic time-of-use tariffs.

The ability to participate in flexibility or smart tariffs is complex, with opportunities for all groups, including those in fuel poverty, to benefit from this.²⁰ As such, it is crucial that future bill support also enables greater participation for those with the capability and means to do so.

Social tariffs have emerged as an increasingly popular option for supporting those in fuel poverty with their energy bills.²¹ Think tanks and advocacy and research organisations have tabled multiple social tariff options, each with its own challenges, particularly around reaching the right people.^{22, 23} We believe a social tariff is likely to be the most effective means of supporting those in fuel poverty going forward, shifting government bill support away from patchwork crisis mode into something more sustainable.

Within the net zero context, however, any social tariff mustn't preclude or disincentivise those in vulnerable situations from engaging with or benefiting from smart systems, dynamic pricing, energy efficiency or low-carbon technologies. By only providing social discounts on fixed or 'no frills' tariffs, consumers eligible for a social tariff may be encouraged to avoid more dynamic options and miss out on wider potential savings.

In Spain, for instance, the default tariff is a dynamic time-of-use tariff, to which an additional 20% discount can be applied for those eligible for social tariff support. This means those who wish to participate in flexibility can actively flex to reduce their bills, with the additional discount reflecting their additional needs.

Recommendation 13: Implement a social tariff that allows participation in flexibility, dynamic pricing, and time-of-use (where appropriate).

Partnerships

Question 15: What else could improve partnership and learning to support the fuel poor?

Nationally consistent data sharing is critical to targeting the most vulnerable fuel-poor households.

²⁰ Regulatory Assistance Project, 2024. [Flex-ability for all: Pursuing socially inclusive demand-side flexibility in Europe.](#)

²¹ End Fuel Poverty Coalition, 2024, [Public support for energy social tariff surges ahead of the Budget](#)

²² The Scottish Fuel Poverty Advisory Panel, 2023. [Social Energy Tariffs.](#)

²³ New Economics Foundation, 2023. [Delivering a National Energy Guarantee.](#)

Data sharing between key institutions such as government departments, NHS trusts, local authorities, energy networks and those delivering fuel poverty alleviation programmes is currently inconsistent, with limited coordination between organisations. For example, there are discrepancies between how different NHS trusts and integrated care boards view data sharing and GDPR guidelines.

Where NHS trusts have been able to share data with local energy advice providers, such as community energy organisations, the results in alleviating fuel poverty have been notable (see Staffordshire Community Energy's [collaboration](#) with an NHS Trust and a local fuel poverty charity).

Those in fuel poverty often have overlapping vulnerabilities in other areas, such as housing and health. Therefore, better, more consistent data-sharing between the organisations and governmental departments working on alleviating different types of vulnerabilities and poverty can support a holistic approach to support and better identify and target fuel-poor households.²⁴

Recommendation 14: Develop clear guidance and processes for data sharing, communication and referral pathways between fuel poverty charities, local health and social care organisations and others involved in fuel poverty support.

Question 17: How could vulnerable households be supported to access advice? Is there a role for the health and social care workforce or other professional groups supporting vulnerable households?

Local, social, health and third-sector organisations play a critical role in fuel poverty support, which requires better definition and resources to deliver.

Fuel-poor consumers often raise energy-related issues to fuel poverty charities, health and social services or the local authority – not to their suppliers.

Such organisations, anchored locally within communities, serve as ‘trusted intermediaries’ for engaging with people in the most desperate circumstances and advocating for them with suppliers and other energy system actors.²⁵ They also exist as trusted local actors who can access groups who may otherwise be reluctant to call their supplier during hardship or for information about new services or technologies.²⁵ This makes the critical not only for fuel poverty but for helping households navigate the net zero transition.

However, such organisations face distinct challenges in delivering this role. A lack of deep energy retail expertise within the health and social care services and short-term, precarious funding for local third sector organisations all create pressures for realising this role on a day-to-

²⁴ Centre for Sustainable Energy, 2018. [Tackling fuel poverty, reducing carbon emissions and keeping household bills down: tensions and synergies.](#)

²⁵ Simcock, N. and Bouzarowski, S. 2023. [A cure-all for energy poverty? Thinking critically about energy advice.](#)

day basis. Although some partnerships with these trusted intermediaries and wider community wealth-building approaches exist (such as the Warm Homes Prescription model), these remain novel in the UK sector.²⁶

Evidence based on engagement with such organisations, particularly in the third sector, has uncovered some of these challenges.²⁵ However, the role and challenges of the third sector – particularly those who rely on short-term funding – in serving the trusted intermediary role through the energy transition are less well understood.

Recommendation 15: Define and resource the role of local health, social care, local authority and third sector actors in fuel poverty support.

Community energy groups are already supporting those in fuel poverty and should be better resourced to do so.

Alongside local third sector, health and social care organisations, community energy groups regularly provide support to those in the most acute fuel poverty. Plymouth Energy Community alone reached over 11,000 households in vulnerable circumstances between 2021 and 2023 to link them up with the appropriate support and provide direct advice and efficiency measures to lower bills.

As with other local groups, community energy organisations exist as trusted local actors within their neighbourhoods. They also hold deep energy expertise and are intuitively interested in delivering local-level heat and retrofit programmes (see [People Powered Retrofit](#) in Manchester and [Bristol Energy Network](#) for examples). This makes them a powerful partner in delivering fuel poverty support as well as guidance for households navigating the energy transition.

However, the reliance of community energy groups on volunteers means that community energy organisations are often delivering support without adequate resources to do so, often despite a challenging energy and policy environment.

As the government aims to unlock community energy at scale in the UK via the Local Power Plan, the role a growing community energy sector could play in the Fuel Poverty Strategy and the Warm Homes Plan going forward needs to be better defined and resourced.

Recommendation 16: Define and resource the role of community energy organisations in fuel poverty support and delivery of the Warm Homes Plan.

²⁶ Energy Systems Catapult, 2024. Warm Homes Prescription.

Understanding fuel poverty

Question 18: How else can government improve understanding of fuel poverty and its impacts?

Lived experience of fuel poverty is critical to understanding its impacts and interactions through the net zero transition.

Understanding fuel poverty ultimately means understanding both objective, quantitative measures (e.g. EPC ratings, bills, debt) and the lived experience of those in fuel poverty. In many cases, people in fuel poverty have very complex circumstances and experience additional health, social and mental impacts which cannot easily be captured through available data.

While lived experience research does exist on fuel poverty in England, commissioning this on an ongoing basis would allow the UK government to better understand how people are experiencing fuel poverty through a time of significant change in heating systems, transport, markets and the wider energy system. Through such research, the UK government can also better understand how new measures to support those in fuel poverty are working for people in their day-to-day lives.

The Scottish Government Poverty and Inequality Commission facilitates an ‘experts by experience’ panel.²⁷ This panel is made up of 12 citizens experiencing poverty and inequality and is convened every six weeks to discuss the critical issues affecting them and provide recommendations to the government on how to address those. Such a panel could provide critical ongoing insights to the UK government on fuel poverty, especially as it ramps up efforts around Warm Homes, heat and transport decarbonisation.

Recommendation 17: Establish an ‘experts by experience’ panel to gain ongoing, real-world insights into the experiences of those in fuel poverty.

²⁷ Poverty and Inequality Commission, 2024. Experts by experience panel.