



## UNITED KINGDOM

### BACKGROUND AND GOVERNANCE

#### BACKGROUND

The United Kingdom has historically been at the **forefront of global energy poverty research and policy**. In the UK, energy poverty is predominantly termed fuel poverty, and has received recognition for several decades. The UK has a significant fuel poverty problem due to the historically low energy efficiency of its housing stock and high levels of income inequality. The [Warm Homes and Energy Conservation Act 2000](#) offered a general definition:

*“Fuel poverty is expressed in the form of a person [who] is a member of a household living on a lower income in a home which cannot be kept warm at reasonable cost.”*

Fuel poverty is a devolved matter: the related policies are primarily set at the level of the four constituent countries of the UK. Each country has a **different practical definition**. Fuel poverty in **England** is now being defined via the [Low Income Low Energy Efficiency \(LILEE\)](#) measure, which finds a household to be fuel poor if it ‘has a residual income below the poverty line (after accounting for required fuel costs) and lives in a home that has an energy efficiency rating below Band C’. The basis for the definitions used by [Scotland](#), [Wales](#), and [Northern Ireland](#) is the threshold of 10% of the net income spent to a satisfactory heating level, with complementary details according to each country.

A first **Fuel Poverty Strategy** was adopted by the UK government in 2001. Each country has then adapted and updated its own strategy with the latest versions being of 2021 for [England](#) and [Wales](#), 2011 for [Northern Ireland](#) and 2019 for Scotland. These strategies specify the official definitions and set targets for reducing fuel poverty (e.g., current target for England set in 2014 is to ensure that as many fuel poor homes as is reasonably practicable achieve by 2030 a minimum energy efficiency rating of Band C). Other key policy documents include the [Energy White Paper](#), (important funding commitments) the [Clean Growth Strategy](#), (mentioning specific policies related to fuel poverty) and Scotland’s [Fuel Poverty Act](#).

#### STAKEHOLDERS AND SCHEMES

**Direct support** ([Winter Fuel Payment](#) and [Cold Weather payments](#), see National policies) for heating expenses is administered by the **Department for Work and Pensions**.

The **energy regulator** (Ofgem) administers other schemes ([Warm Homes Discount](#) and [energy tariff cap](#)) and the [Energy Company Obligation](#) (energy savings targets in low income households), all implemented by the energy suppliers in partnership with local authorities or charities.

Programmes for improving the energy efficiency of low-income households’ homes are also implemented by the devolved administrations and local authorities, sometimes with the support of the Energy Saving Trust or charities. Specific regulations set minimum energy efficiency requirements for [social housing](#) and [private-rented dwellings](#).

#### Main actors in the energy poverty domain

The UK Government and the devolved administrations are the key government bodies dealing with fuel poverty. They publish **annual statistics** on energy poverty (see [England](#), [Scotland](#), [Wales](#), and [Northern Ireland](#)).

The UK ministry in charge of energy (**BEIS**) also sponsors the [Committee on Fuel Poverty](#), a non-departmental body advising the Government on fuel poverty.

The House of Commons’ [Business, Energy and Industrial Strategy Committee](#) scrutinises the Government’s energy policies, including fuel poverty. Also of importance in Scotland, the [Scottish Fuel Poverty Advisory Panel](#) and [Partnership Forum](#) advise the Scottish Government on fuel poverty matters.

The [Energy Saving Trust](#) (EST) engages with customers, companies and research across a variety of programmes. It has many informative pages and efficiency schemes throughout Great Britain. It delivers energy redress scheme providing grants for fuel poverty projects and crisis fuel vouchers for prepayment meter consumers. It provides free and impartial energy efficiency advice by phone in Scotland and Wales, and runs the regional energy advice centres in Scotland. It is a delivery partner for the Welsh government’s energy efficiency grant programme, Nest, and the Scottish Government’s home energy efficiency grant programmes.

[Citizens Advice](#) is a charity offering free and impartial advice, including energy. It is also the statutory body for representing energy consumers, with a particular remit for low income consumers. It is a useful source of information, often commissioning or carrying out its own research on issues. Citizens Advice Scotland, a separate organisation to Citizens Advice, plays a similar role in Scotland.

[National Energy Action](#) (NEA) and its sister organisation [Energy Action Scotland](#) (EAS) are charities specifically concerned with fuel poverty. They produce the ‘[Fuel Poverty Monitor](#)’ - an annual monitoring and evaluation report that compares fuel poverty policies across the 4 UK countries. They run projects, provide a national advice line and campaigns for improved action against fuel poverty.

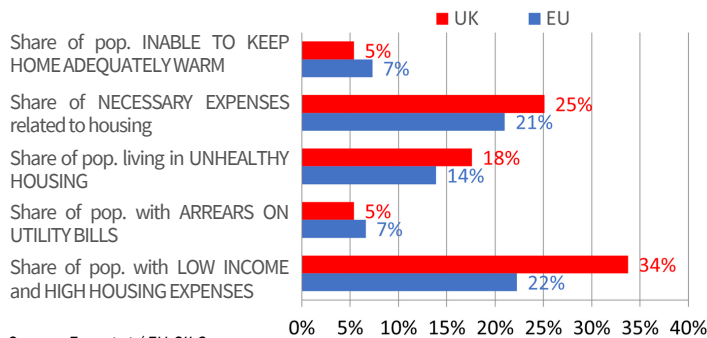
# STATISTICS



United Kingdom

- Population: **66.6 million** (2019)
- National median equivalised income: **€21 465/year** (in current prices, 2018)
- Number of people living below the poverty line: **12.3 million** (2018)
- Climate: mostly **oceanic**
- Average annual expenses for « electricity, gas and other fuels » per inhabitant related to the dwelling): **€570 /year** (in current prices, 2019)

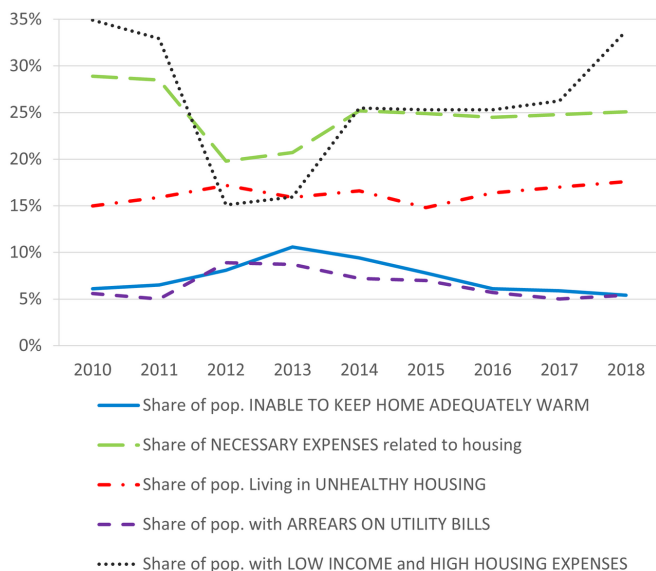
## COMPARISON WITH THE EUROPEAN AVERAGE IN 2018



Source: Eurostat / EU-SILC

The UK has mixed results on energy poverty indicators compared to the EU average. Most of the indicators show a performance close to the EU-level. Yet, UK is among the least performant for the share of low-income households with high housing expenses (34% vs. EU average of 22%). This gap is even more significant for the poorest households (1st quintile), with a share of 50% vs 35% in the EU. The share of necessary housing-related expenses in households' revenues is also higher than the European average (25% vs. 21%). However, the share of people with arrears on bills remain slightly under the EU average.

## TRENDS OVER 2010-2018

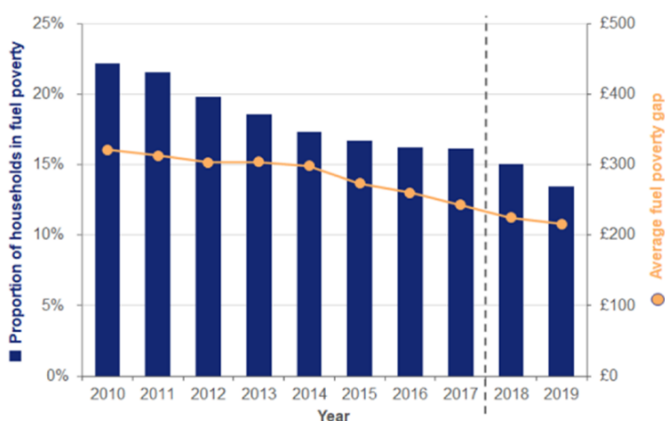


Source: Eurostat / EU-SILC

The number of people at poverty risk peaked in 2018 to reach 12.3 million people. There is a trend reversal in two indicators over 2010-2019. After a strong fall, the share of low-income households with high housing expenses has skyrocketed since 2012, and especially since 2017. This can be explained by **growing energy prices and fall in general GDP**. The share of people unable to keep their home adequately warm reached a peak in 2013 and have been continuously declining since then, which may reflect the impact of the **Energy Company Obligation**, increasingly focused on low-income households.

Due to the **Covid-19 crisis**, it was estimated that 200 000 additional households would be in fuel poverty in 2020 ([End Fuel Poverty Coalition, 2020](#)) as people staying home have to face growing energy bills (increase by £32 per month for families during the first lockdown, [Comparethemarket 2020](#)), while many households have lost revenues. The Covid crisis also exacerbates the risk of self-disconnection for customers using prepayment energy meters (4.3 million, Ofgem). The suspension of disconnection agreed in March 2020 could have helped minimize such effects.

## NATIONAL DATA



Source: [Annual Fuel Poverty Statistics in England, 2021 \(2019 data\)](#)

In **England**, fuel poverty statistics monitor progress against the statutory target and track key indicators. The interim target was to get as many fuel-poor homes as reasonably practicable being of efficiency Band E or higher by 2020. 97.4% of low-income households (LIH) lived in homes of Band E or higher in 2019. While in 2010 only 14.6% of LIH lived in homes of Band C or higher (2030 target), they were 47.8% in 2019.

The proportion of households in fuel poverty was estimated to be 13.4% (3.18 million households) in 2019. The fuel poverty gap measures the difference between the required energy costs for each fuel poor household and the nearest fuel poverty threshold. The average fuel poverty gap was estimated to be about €254 in 2019.

# NATIONAL POLICIES

## POLICIES FOR ENERGY ACCESS, BUILDING RENOVATION AND ENERGY EFFICIENCY

	SCHEME	TARGET (RESULTS)	Other information
Energy access	<a href="#">Winter Fuel Payment</a> (1997-).	A tax-free annual automatic payment (from €115 to 350) to help older people with their heating bills. 11.4 million beneficiaries in 2019/2020.	GB-wide, Department for Work and Pensions (DWP).
	<a href="#">Priority Services Register</a> .	Obligation for energy suppliers to keep a dedicated fuel priority register to provide vulnerable customers with non-financial services.	GB-wide, provides various <a href="#">services</a> free of charge.
	<a href="#">Cold Weather payments</a> (1992-).	Made from the Social Fund (DWP) to certain recipients of social welfare support during periods of very cold weather (€29 for 7 days).	GB-wide, 3.8 million eligible recipients in 2018/2019.
	<a href="#">Warm Homes Discount</a> (2011-).	A set rebate of €164 for the electricity bills provided by electricity suppliers to about 2.2 million eligible customers.	GB-wide, administered by the regulator ( <a href="#">Ofgem</a> ).
	<a href="#">Energy tariff cap</a> (2019-).	A tariff cap for the 11 million customers for electricity and gas on default tariffs came into force in 2019.	GB-wide, administered by the regulator ( <a href="#">Ofgem</a> ).
Renovation and energy efficiency	<a href="#">Energy Company Obligation</a> (2013-; following previous schemes since 1994).	Energy Efficiency Obligation Scheme, increasingly focused (100% since 2018) on low-income households, delivered by energy suppliers and paid for by a levy on all consumers' bills. About 257 000 actions for heating systems and more than 81 000 insulation actions were done between December 2018 and February 2021.	Energy companies can deliver ECO to consumers of other energy companies. GB-wide, administered by the regulator ( <a href="#">Ofgem</a> ).
	<a href="#">Minimum Energy Efficiency Standards (MEES)</a> (2019-).	MEES regulations apply to any privately rented homes in England and Wales (with a similar regulation in Scotland). Landlords of dwellings banded F or G must do energy efficiency works of at least €4100 (from 2020, this applies even when the tenants stay in place).	Social housing is also required to meet energy efficiency regulations in all UK nations.
	<a href="#">Green Homes Grants</a> (2020-2021).	Post-Covid-19 vouchers for homeowners in England to help pay energy efficiency improvements. For households receiving certain benefits, the grant could be up to 100% and €11700 (programme scrapped only after a year of delivery, by March 2021).	The Government has committed to introduce two additional programmes in this area.
	<a href="#">HEEPS</a> (2013-).	Home Energy Efficiency Programmes for Scotland.	See box below.
	<a href="#">Nest</a> (2011-).	Fuel poverty and energy efficiency grant programme.	Wales-specific.

## COMPLEMENTARY INITIATIVES

TYPE OF INITIATIVE	EXAMPLE(S)
<a href="#">Changeworks</a>	<i>Scotland's leading environmental charity delivering fuel poverty outreach projects and carries out research.</i>
<a href="#">Centre for Sustainable Energy</a>	<i>Major charity active in whole UK. National research and local home energy projects to reduce energy use and address fuel poverty.</i>
<a href="#">End Fuel Poverty Coalition</a>	<i>Campaigning and advocacy work. Gathers over 20 anti-poverty, environmental and health campaigners, local authorities, trade unions and consumer organisations.</i>
<a href="#">Age UK</a>	<i>Campaigning and advocacy work and delivery of advice and other projects for older people.</i>
<a href="#">Fuel Poverty Research Network</a>	<i>Brings together fuel poverty researchers, practitioners and policy makers.</i>

### ZOOM ON the [Home Energy Efficiency Programmes for Scotland \(HEEPS\)](#).

Launched in April 2013, HEEPS is the Scottish Government's flagship delivery vehicle for tackling fuel poverty and improving homes' energy efficiency through direct support to all households across Scotland.

The programme involves different streams of funding (e.g., Energy Company Obligation, social housing), including targeted loans available to owner-occupiers and area-based schemes ran by local authorities in areas with high levels of fuel poverty, delivering heating and insulation measures (mainly solid wall insulation).

In the fiscal year 2017-2018, HEEPS had a budget of about 136 million euros. It provided support to more than 15 500 households (close to 28 000 actions installed), enabling fuel bill savings of about 5.4 million euros/year.

# GOOD PRACTICES

## LEAP (Local Energy Advice Partnership)

Coordinated by the company AgilityEco (partnership funded by energy companies through the Warm Homes Discount scheme).



**Objective:** helping people at risk of energy poverty to keep warm and reduce their energy bills without any cost to them.

**Approach:** network of referral organisations (e.g., local food bank, NGOs, health clinic, social housing bodies or local authorities) and over 80 energy advisors in 182 council areas offering a one-stop-shop for free energy advice service in person and via phone; free simple energy saving measures (e.g., LED and draught-proofing during home visit); energy switching service to analyse energy tariffs; and support to find funding for further energy-saving home improvements.

**Results:** budget of €4.4 million for the fiscal year 2019/2020, providing service to close to 20 000 people, with 12 364 home visits, achieving €16.2 million of value to the beneficiaries (tariff and energy savings, additional income).

## Grants to pay off energy debts

Grants funded by energy companies through dedicated funds (e.g., British Gas Energy Trust, EDF Energy Trust, E.on Energy Fund).



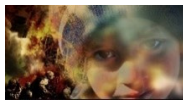
**Objective:** help households with energy debts.

**Approach:** people who are in debt to their energy supplier can get a grant from a charitable trust to help pay it off. Charities and NGOs such as Charis Grants or Citizens' Advice can help the households with the application process (cf. eligibility, information required, etc.).

**Results:** e.g., the British Gas Energy Trust provided direct grants amounting to €1.6 million in fiscal year 2019/2020.

## Empowered by Energy

Pilot project delivered by NEA and funded by UK Power Networks and other energy network operators.



**Objective:** help refugees with their energy issues.

**Approach:** energy awareness project with workshops by NEA and expert partners who work closely with refugees, including the Refugee Council, to overcome cultural and language barriers. The workshops help to create confident 'energy champions' who can share practical tips with others on sustaining safe and warm homes in a colder climate than their native country, without falling into energy debt. The workshops also inform about the links between heating and health, energy tariffs and other support schemes. The participants can then disseminate the good practices in their community.

**Results:** 41 refugees trained in the pilot phase in several London boroughs. It will now be expanded.

## WASH (Warm and Safe Homes Advice Service)

Service developed by the charity NEA (National Energy Action), with various funding (including Warm Homes Discount).



**Objective:** provide a single contact point for low-income or vulnerable households about energy issues.

**Approach:** free support service providing advice to residents in England and Wales on their energy bills, welfare benefits, switching suppliers, and finding aids for energy efficiency. It also offers advice workshops to householders and training to frontline staff.

One of the few advice schemes to offer a 'whole-community' approach rather than individual advice only. It works with households, community groups and service providers.

**Results:** it is expected that the programme will help around 5000 people in fiscal year 2020/2021.

## Wigan Council AWARM Plus scheme

**Objective:** helping low-income households with high energy costs and a disability or long-term health condition.



**Approach:** comprehensive free support programme for eligible households in Wigan, offering help to access all local or national options the households can claim (e.g., welfare benefits, aids for energy expenses, energy efficiency grants) or access (e.g., supplier switching, Do-It-Yourself actions), and providing low-cost actions for free (e.g., Carbon Monoxide Alarm, draught proofing).

## Belfast Warm and Well Project

Co-ordinated by National Energy Action (NEA) and supported by the Public Health Agency and Community Planning Partners in Belfast.



**Objective:** help Belfast's vulnerable people struggling to keep their home warm during the winter, with a health focus.

**Approach:** offering confidential energy and health advice and practical support, including where appropriate, the provision of heating measures and discretionary financial assistance (subject to assessment) to alleviate the effects of living in cold and damp homes.

The scheme also supports local community groups and businesses to identify, refer and support vulnerable people.

### Information sources (see also the documentation annex)

- House of Commons Library's [Briefing note on Fuel poverty](#)
- Government's [annual statistics on fuel poverty](#)
- Website of [Ofgem](#) (energy regulator)
- Webpage of the [Committee on Fuel Poverty](#)
- Website of the [End Fuel Poverty Coalition](#)
- Website of the [Fuel Poverty Research Network](#)