



# Member State Report United Kingdom

## DATA & STATISTICS

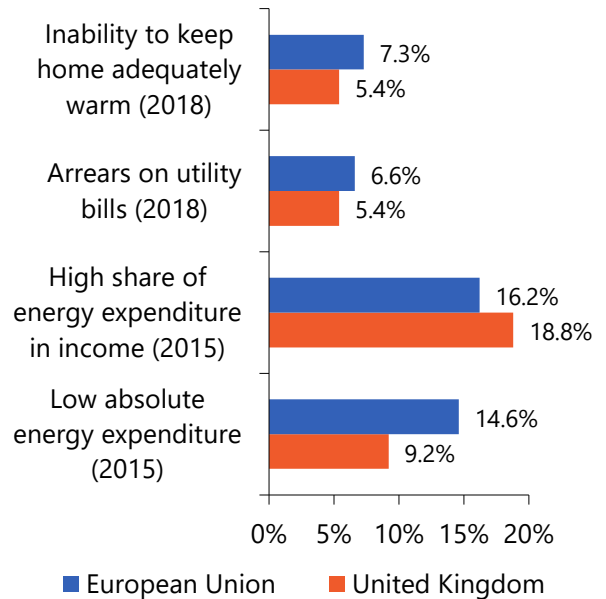
This Member State Report of the EU Energy Poverty Observatory (EPOV) provides an overview of the energy poverty situation in the United Kingdom at a glance. With key indicators, policies, and publications, it offers an understanding of the key aspects of energy poverty in the United Kingdom.

The United Kingdom has a higher performance than the EU average on the population-reported indicators. In 2018, 5.4% of the population reported that they were unable to keep the home adequately warm while the corresponding EU average is 7.3%. Similarly for 2018, 5.4% were unable to pay their utility bills on time due to financial difficulties, while the respective EU average is 6.6%.

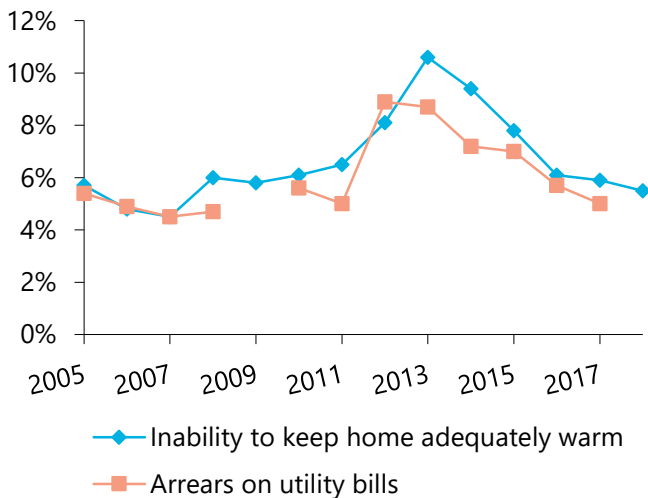
The United Kingdom's performance in the expenditure-based indicators is mixed compared to the EU average. The share of households that spend a high share of their income on energy expenditure is 18.8% which is higher than the EU average. These households are likely to live in a dwelling with poor thermal and energy efficiency in non-urban areas where there is more heat dissipation.

Conversely, at 9.2% the United Kingdom has a lower number of households spending a low share of their income on energy expenditure than the EU average. These households might restrict their energy spending below what is necessary to meet their needs.

### Performance relative to EU average\*



### Performance over time\*



In the United Kingdom, the percentage of the population unable to keep the home adequately warm gradually increased from 5% in 2006 to 11% in 2013. The notable increase between 2010 and 2013 may be attributed to the financial crisis. It slowly decreased to the level of 6% in 2017 and 2018. Meanwhile, the percentage of population on arrears on utility bill follows a similar trajectory and increased notably between 2011 and 2012 from 5% to 9%. By the year 2017, the arrears on utility bills decreased to 5%, the same value observed in 2005.

In 2013 the Energy Company Obligation was introduced to tackle energy efficiency in households. This may have contributed to a gradual improvement of indicators from 2013 onwards.

### About the EU Energy Poverty Observatory

The EU Energy Poverty Observatory (EPOV) is an initiative by the European Commission to help Member States in their efforts to combat energy poverty. It exists to improve the measuring, monitoring and sharing of knowledge and best practice on energy poverty. EPOV has been developed by a consortium of 13 organisations. This report was authored by Navigant.

\*Population-reported indicators taken from Eurostat [here](#) and [here](#) on November 19, 2019. Expenditure-based indicators calculated by EPOV based on HBS data. Disaggregated data of population-reported indicators calculated by EPOV based on Eurostat provided data. The United Kingdom also reports its own [energy poverty statistics](#) that might suggest different results than the EPOV indicators.

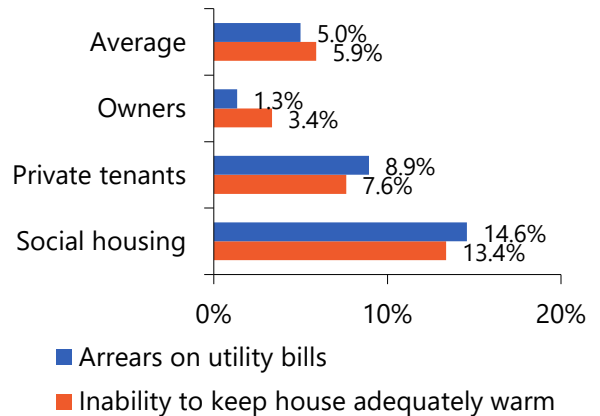
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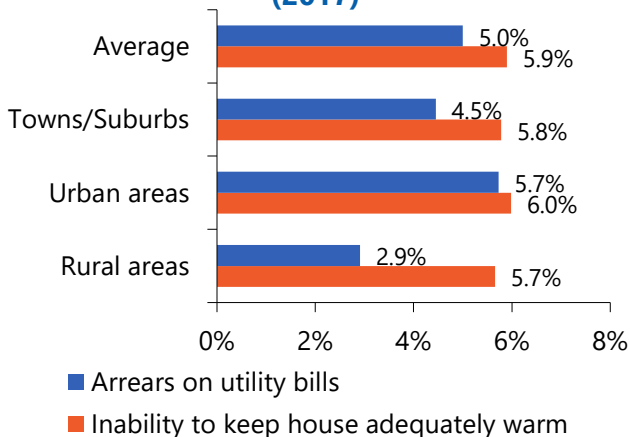
### Inability to keep home warm and Arrears on utility bills disaggregated by tenure type (2017)\*



The disaggregated data of the population-reported indicators suggest that energy poverty in the United Kingdom is highest for the social housing sector in 2017, at 13.4% for inability to keep the house warm and 14.6% for arrears on utility bills. The social housing sector, which is the most vulnerable tenure type, accounts for 18% of the population in the United Kingdom.

The data also indicates that apartment type dwelling as the most vulnerable to these indicators, noting that 15% of the population live in this dwelling type.

### Inability to keep home warm and Arrears on utility bills disaggregated by urban density (2017)\*

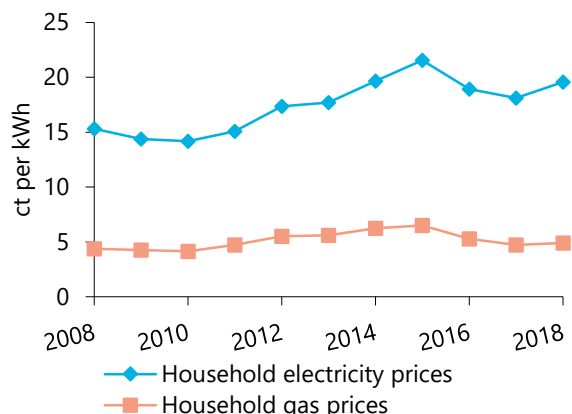


In the United Kingdom urban areas have the lowest performance for ability to keep the house adequately warm and having arrears on utility bills, closely followed by town/suburb areas. This may be due to the higher costs of living in urban areas and the relatively high proportion of poor populations living in cities. Urban areas account for 59% of the United Kingdom population.

Rural areas are notably unable to keep their house adequately warm with values similar to urban areas, despite having the lowest arrears on utility bills. This may be attributed to the dwelling type most prevalent in rural areas and by having lower building density which increases heat dissipation. The rural area accounts for 13% of the United Kingdom population.

The household energy cost over time in the United Kingdom has gradually increased to reach a peak in 2015 with electricity at 21.5 €ct/kWh and gas at 6.52 €ct/kWh. There is a sharp increase in electricity price between 2011 and 2012. This corresponds to the poorer performance of household indicators between these two years, as observed earlier. There is a notable reduction in price per unit between 2015 and 2017 but 2018 has again seen a small increase in prices.

### UK household energy costs over time



\*Population-reported indicators taken from Eurostat [here](#) and [here](#) on November 19, 2019. Expenditure-based indicators calculated by EPOV based on HBS data. Disaggregated data of population-reported indicators calculated by EPOV based on Eurostat provided data. The United Kingdom also reports its own [energy poverty statistics](#) that might suggest different results than the EPOV indicators.



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## POLICIES & MEASURES

Research on energy poverty in Europe began in the United Kingdom, where it is often referred to as 'fuel poverty'. After the term was first used in the 1980's, Boardman's publication 'Fuel Poverty: from cold homes to affordable warmth' is considered the seminal publication on the topic. Research on energy poverty has continued to develop and expand in the United Kingdom, evidenced by the almost 200 publications on the EPOV website linked to the [United Kingdom](#).

National policy on energy poverty was formulated in the UK Fuel Poverty Strategy in 2001. Important elements of the policy include *Winter Fuel Payment*, *Cold Weather Payment* and *Warm Home Discount (WHD)*, which covers energy bills of certain vulnerable households in the winter. The Winter Fuel Payment reached roughly 12 million people (2015/2016), the Cold Weather Payment issued around 130,000 payments (2016/2017), and the WHD provided rebates to nearly 2.2 million vulnerable consumers (2015/2016). In January 2019 an Energy Price Cap was introduced which protects 11 million households from the highest tariffs.

Various energy efficiency programmes are implemented in the UK. In the *Energy Company Obligation*, started in January 2013, energy suppliers support the delivery of energy efficiency measures amongst low income and vulnerable households. Approximately 500,000 insulation measures were taken per year since the scheme's inception. The *Decent Homes Programme* aims to ensure that social housing achieves a minimum standard including a reasonable degree of thermal comfort. One of the newest measures, initiated in 2019, is the *Energy Price Cap*, aimed at protecting 11 million households from the highest energy tariffs

Regional governments have also implemented additional policies and their own framework of measurement to address energy poverty. Many civil society organisations are active in the field of energy poverty in the [United Kingdom](#), including advocacy organisations and NGOs. For instance, the *Community Financial Inclusion Project* started in 2010, run by an NGO, aims to establish ongoing engagement with households having low participation in neighbourhood groups or existing structures.

The United Kingdom reports its own [energy poverty statistics](#) on England that might use other metrics and partly present different results from the EPOV indicators. In England the Low Income High Costs indicator is used to measure energy poverty. A household is considered energy poor if it has required fuel costs that are higher than average and if they were to spend that amount, they would be left with a residual income below the official poverty line. The proportion of households in England in fuel poverty was estimated to be 11.1% in 2016. These statistics are gathered by National Department for Business, Energy and Industrial Strategy.

Selected measures	Type of measure	Organisation	Target groups	Start year	Result
<a href="#">Warm Homes Nest Scheme</a>	Building insulation, Energy audits, Heating system, Household appliances	Regional government	Low-income households Vulnerable households	2011	98,000 households in Wales have benefited from free advice and support
<a href="#">Energy Company Obligation</a>	Building insulation, Heating system	National government, Energy suppliers	Low-income households Vulnerable households	2013	500,000 insulation measures taken per year since scheme inception
<a href="#">Decent Homes Programme</a>	Building insulation, Heating system	National government	Social housing	2000	Over million social homes improved in first 10 years
<a href="#">Scotland's Energy Efficiency Programme</a>	Building insulation, Heating system, Energy audits, Energy bill support, Information and awareness	Regional government	Vulnerable households	2016	
<a href="#">Winter Fuel Payment</a>	Energy bill support	National government	Pensioners	1997	12.21m GB residents received payment for winter 2015/2016. 42,000 claimants resident in the EEA or Switzerland received payment.
<a href="#">Cold Weather Payment</a>	Energy bill support	National government	Households on social benefits, Low-income households		131,000 payments in winter 2016-2017, total expenditure of £3.3m
<a href="#">Warm Home Discount</a>	Energy bill support, Information and awareness	National government, Energy suppliers	Households on social benefits, Low-income households	2011	£320m support provided to vulnerable consumers between April 2015 and March 2016.
<a href="#">Energy Price Cap</a>	Social tariff	National government	Vulnerable households	2019	
<a href="#">Minimum Energy Efficiency Standards</a>	Building insulation, Heating system	National government	Private rented housing	2018	

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## PUBLICATIONS & ORGANISATIONS

This page gives an overview of the most relevant organisations working on energy poverty in the United Kingdom and presents publications and training resource on energy poverty in the United Kingdom.

### Organisation

**Name:** Citizens Advice  
**Organisation type:** NGO  
**Description:**

Citizens Advice gives independent advice and support for any issue or problem with energy bills and the energy supplier. It also provides knowledge and information on a wide range of topics such as energy meter related questions, new suppliers in a new home and getting the best energy deal possible.

### Organisation

**Name:** Committee on Fuel Poverty (CFP)  
**Organisation type:** National government  
**Description:**

CFP advises on effectiveness of policies aimed at reducing fuel poverty, and encourages greater coordination across organisations working towards reducing fuel poverty. This is an advisory non-departmental public body sponsored by the Department for Business, Energy and Industrial Strategy.

### Publication

**Title:** [Energy poverty and social relations: a capabilities approach](#)

**Authors:** Middlemiss, I., Albala, P. A., Emmel, N., Gillard, R., Gilbertson, J., Hargreaves, T., Mullen, C., Ryan, T., Snell, C. & Tod, A.

**Year:** 2019

**Description:**

In this paper the authors draw on secondary qualitative data on energy poverty from the UK and conceptual thinking informed by capabilities approach to explore to relationship of energy poverty with social relations.

### Training Resource

**Title:** [Community Action on Fuel Poverty: Resource Hub](#)

**Authors:** National Energy Action (NEA) and British Gas

**Year:** 2017

**Description:**

A resource hub to enable innovative and positive action. The site provides a wide range of toolkits, resources, 'how to' guides and materials which can be downloaded for use by practitioners and community organisations tackling energy poverty.

### Other selected publications

- Bradshaw, J. and Hutton, S. (1983) [Social Policy Options and Fuel Poverty](#)
- Boardman, B. (1991) [Fuel Poverty: from cold homes to affordable warmth](#)
- Department of Trade and Industry (2001) [UK Fuel Poverty Strategy](#)
- Boardman, B. (2010) [Fixing Fuel Poverty: Challenges and Solutions](#)
- Hills, J. (2012) [Getting the measure of fuel poverty: Finale Report of the Fuel Poverty Review](#)
- Bramley, G., Fitzpatrick, S., Liddell, C., & Webb, J. (2017) [A new definition of fuel poverty in Scotland: A review of recent evidence.](#)
- Department for Business, Energy & Industrial Strategy (2018) [Annual fuel poverty statistics report, 2018 \(2016 data\)](#)
- Department for Business, Energy & Industrial Strategy (2018) [Committee on Fuel Poverty third annual report: 2018](#)
- National Energy Action (NEA), (2018) [UK Fuel Poverty Monitor 2017-18](#)
- Sustainability First (2018), [Energy for all - Innovate for all.](#)
- Robinson, C. ,(2019) [Energy poverty and gender in England: A spatial perspective](#)
- Department for Business, Energy and Industrial Strategy (2019), [Consultation on the fuel poverty strategy for England](#)

For definitions of the terms used in this report [click here](#). The EPOV website provides an extensive collection of Knowledge & Resources. [Click here](#) for more information and to contribute additional policies, publications and other resources.

This report was completed in February 2020.

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