

A Place-based Plan to End Fuel Poverty

An Opportunity for Government

Backing the Prime Minister's mission for good growth – and warm homes – in every postcode

This paper is offered in the spirit of partnership. It sets out how a practical, place-based approach to ending fuel poverty can help deliver the Government's mission for good growth in every postcode; turning the Government's ambition of raising living standards into warm homes and lower bills for people and the communities that need it most.

This ambition can be achieved by capitalising on the opportunity of ending fuel poverty, using it as a lever for economic growth, health improvement, and public service reform.

1. Executive Summary

Fuel poverty is one of the biggest barriers to raising living standards in Britain today.

Britain cannot raise living standards, improve public health, increase economic participation, or reduce regional inequality while millions of households remain trapped by unaffordable energy costs. Fuel poverty is not simply an energy issue; it is a barrier to opportunity, productivity, health, and economic growth.

For too many households, the consequences of fuel poverty extend far beyond energy bills. Families are forced to choose between heating and other essentials, people with health conditions struggle to keep their homes warm, and individuals face mounting debt, stress, and financial insecurity. These pressures increase demand on public services, deepen inequalities, and restrict people's ability to participate fully in society and the economy.

Fuel poverty is fundamentally an issue of living standards. It sits at the intersection of low income, poor housing, ill health, debt, and disadvantage, making it one of the most pressing and persistent challenges facing communities across Britain today. It cannot be solved by a single department, policy, or programme. It requires a coordinated, long-term national mission supported by government, industry, local leaders, and civil society.

The British Gas Energy Trust and its partners see the consequences of fuel poverty every day. Through debt relief, money and energy advice, and community-based support, we have seen first-hand both the scale of need and the effectiveness of targeted interventions. The evidence is clear: when households are given the right support, energy debt falls, financial resilience improves and wider social and economic benefits follow.

The new Government has an opportunity to make ending fuel poverty one of the defining living standards missions of this Parliament. By making energy affordable, investing in warm homes, empowering local leaders, and strengthening trusted community organisations, Government can reduce pressure on public services, improve health outcomes, support economic growth, and create lasting improvements in the lives of millions of people.

We believe ending fuel poverty is not a separate agenda but a natural expression of the Government's own mission: economic progress and social progress advancing together. It can be delivered through five practical, mutually reinforcing priorities; a coordinated approach that connects national leadership with local delivery. The five priorities are:

- 1. Adopt a National Mission to End Fuel Poverty.**
- 2. Deliver an Energy Affordability Guarantee through a Social Tariff and Energy Debt Strategy.**
- 3. Ensure every household has access to a warm, energy-efficient home.**
- 4. Empower local leaders with the powers to tackle fuel poverty locally.**

5. Invest in trusted community advice and support services.

Ending fuel poverty should be viewed not as a cost, but as an investment in healthier communities, stronger local economies, reduced pressure on public services and a more prosperous Britain. With sustained leadership and commitment, ending fuel poverty within a generation can become a national achievement rather than a national ambition.

2. Why This Matters to Your Government

A Government focused on raising living standards should prioritise energy affordability. Fuel poverty is directly linked to high energy costs, financial hardship, poor physical health, mental health pressures and reduced economic participation, resulting in higher public service costs.

Why this matters:

Fuel Poverty is a Living Standards Issue

- Britain cannot raise living standards while millions of households continue to face unaffordable energy costs. Fuel poverty reduces disposable income, forces households to cut back on essentials and traps many families in persistent financial insecurity. Fuel-poor households in Britain almost doubled between 2020 and 2024, highlighting the scale of the challenge.

Fuel Poverty Limits Economic Participation

- When households are forced to spend a disproportionate share of income on energy, they have less capacity to participate in the economy. Trust-funded organisations consistently report that clients facing energy hardship are often also struggling with debt, low income, insecure employment, and wider financial pressures. Fuel poverty is therefore not simply an energy issue but a wider barrier to economic resilience and opportunity.

Fuel Poverty Deepens Regional and Social Inequalities

- Fuel poverty disproportionately affects low-income households, disabled people, minoritised ethnic households, families with children, private renters, and rural communities. The Trust's research and reports repeatedly conclude that fuel poverty is an intersectional issue that reinforces existing inequalities and requires coordinated action across government, regulators, industry, and civil society.

Fuel Poverty Drives Demand on Local Services

- Local authorities, charities, and community organisations increasingly act as the first line of support for households experiencing energy-related hardship. National schemes alone cannot identify and support every vulnerable household. Trust-funded organisations routinely provide holistic support that addresses debt, housing, welfare benefits, and health-related needs simultaneously.

Fuel Poverty Increases Pressure on Health Services

- Fuel poverty is increasingly recognised as a public health issue. Living in cold homes is associated with higher rates of respiratory and cardiovascular disease, poorer mental health, increased hospital admissions, and excess winter deaths, placing additional pressure on NHS and social care services. NICE estimates that cold homes cost the NHS hundreds of millions of pounds each year and recommends improving home warmth as a preventative public health intervention.

Ending Fuel Poverty is Preventative and Decreases Pressure on Health Services

- Warm homes are preventative healthcare. Every pound spent keeping a home warm is a pound saved in avoidable NHS pressure - exactly the '*prevention-first*' approach to public services being pioneered in places like Greater Manchester. Energy affordability problems contribute directly to poor physical and mental health. Evidence referenced in the Trust's consultation submissions shows improved wellbeing outcomes when debt relief is combined with advice and support, while external evidence highlights strong links between energy debt, anxiety, stress, and poor health outcomes.

This makes fuel poverty a cross-government issue, not simply a DESNZ issue.

3. What We Are Seeing on the Ground

What Frontline Organisations Are Reporting

Rising complexity of need

- The Trust's funded partners consistently report that energy hardship rarely exists in isolation. Households increasingly present with overlapping challenges including debt, low incomes, poor housing conditions, health concerns, and wider financial vulnerability.

Energy debt remains a major issue

- In 2025, the Trust supported more than 72,000 individuals with over £14.3 million of grant funding. This included more than £5 million in energy debt relief grants provided to help households facing financial hardship, £1.6 million worth of emergency energy vouchers being distributed to the most vulnerable. Over 350,000 people have been supported by the Trust since 2020.

Evidence from Trust programmes during 2024/25 found that:

- Clients supported through our Supporting Communities at Risk Programme (SCARP) of forty-four funded projects across the three nations, employing 166 money and energy advisors, helped 40,000 clients to deal with over 160,000 issues, achieving over £43.5 million in income gains.
- £9 million of debt written off and a further £32.5 million of debt managed.
- Energy debt grant recipients received an average grant of £1,228.
- After receiving support, 77% of people feel more financially stable and secure and 74% reported better satisfaction with their lives.

Local charities have become essential infrastructure

- Community organisations increasingly act as trusted intermediaries between vulnerable households and national support schemes. The Trust's consultation responses highlight that many households would not access support without local, trusted organisations helping them navigate assistance, debt support, and energy advice.

What Works

Providing individuals experiencing fuel poverty with precise, practical, and personalised advice is crucial for lowering energy costs and enhancing home efficiency.

Debt relief combined with advice

- The Trust's evidence consistently shows that debt relief alone is not sufficient. Households receiving both financial assistance and advice are less likely to fall back into debt and more likely to engage constructively with energy suppliers and repayment arrangements.

Community-based delivery reaches people other schemes miss

- Many vulnerable households do not access support through mainstream routes. Trust-funded organisations reach people excluded from traditional schemes, including those living in private rented accommodation, indirectly billed households, and people without active energy accounts.

Holistic support creates lasting change

- The Trust's Social Return on Investment analysis found that every £1 invested generated £5.50 in social value. Funding for money and energy advice services generated the highest return, creating £6.50 of social value for every £1 invested.

The Trust's wider social value assessment also found substantial social value generated through debt relief, energy support, and crisis prevention programmes.

4. Five Policy Asks/Priorities**Priority 1: A National Mission to End Fuel Poverty****The Challenge**

Fuel poverty remains a persistent national challenge because responsibility for tackling it is spread across multiple departments, programmes, and policy areas. While fuel poverty affects health, housing, employment, economic participation and public service demand, there is currently no single cross-government mission bringing these agendas together.

What Government Should Do

- Publish a long-term fuel poverty strategy and place a statutory duty on Government to produce and regularly report against the Fuel Poverty Strategy.

- Establish a Cabinet-level Ministerial Taskforce on Fuel Poverty with clear measurable targets.
- Create cross-departmental accountability by aligning fuel poverty targets with missions on health, housing, economic growth, and opportunity.
- Publish annual progress reports to Parliament.

Why This Matters

A clear national mission would provide the leadership, coordination and long-term focus needed to address the root causes of fuel poverty and ensure that reducing energy hardship becomes a shared objective across Government.

Priority 2: Make Energy Affordable

The Challenge

For millions of households, unaffordable energy costs remain the most immediate and pressing cause of financial hardship. Rising energy costs have contributed to increasing levels of debt, reduced disposable income and growing pressure on vulnerable households who are forced to choose between heating and other essentials.

What Government Should Do

- Create a social tariff and introduce a targeted social tariff for low-income and vulnerable households.
- Develop an energy debt strategy and establish a national framework for addressing historic energy debt.
- Protect vulnerable households from harmful debt accumulation.
- Reform standing charges to ensure costs are distributed more fairly.
- Improve data sharing between government, suppliers, and trusted support organisations to identify households at risk of fuel poverty or energy debt earlier and target affordability support more effectively.
- Ensure protections for customers at risk of self-disconnection, vulnerability or serious detriment are effectively targeted and supported by wider affordability measures, including responsible data sharing to identify those most at risk earlier and help prevent avoidable debt accumulation.

Why This Matters

While support schemes provide some assistance, many households continue to struggle with ongoing affordability challenges and historic energy debt. Ensuring that essential energy use remains affordable is the fastest and most direct route to improving living standards, reducing financial insecurity, and preventing households from falling deeper into crisis. Earlier, better-targeted intervention would also help prevent debt from escalating before customers reach crisis point.

Priority 3: Warm and Efficient Homes

The Challenge

The quality and energy efficiency of Britain's housing stock remains a major driver of fuel poverty. Too many households live in homes that are expensive to heat, poorly insulated or unable to retain warmth effectively, leaving residents exposed to higher energy costs and poorer health outcomes. Cold and inefficient homes place additional strain on household finances while contributing to increased demand on health and care services.

What Government Should Do

- Extend energy efficiency programmes and simplify access to energy efficiency grants.
- Improve private rented sector standards by bringing all privately rented homes up to minimum EPC standards by a specified date.
- Prioritise households in fuel poverty and low-income households for heat decarbonisation programmes.
- Commit to a long-term national retrofit programme focused on low-income households.
- Ensure health services can refer vulnerable households directly into energy efficiency schemes.

Why This Matters

Tackling fuel poverty therefore requires more than reducing energy prices alone; it requires sustained investment in improving the energy performance of homes so that households can stay warm, healthy, and economically secure.

Priority 4: Empower Local Leaders

The Challenge

Fuel poverty is experienced locally, but too often addressed through nationally designed programmes that cannot fully reflect the different pressures facing communities across Britain. Local leaders, councils, charities, NHS bodies, and energy suppliers are closest to the households most at risk and are best placed to identify need, coordinate support, and target resources effectively. Empowering local areas with clearer responsibilities, better data and dedicated funding would enable more preventative, place-based responses that connect energy affordability, housing, health, and financial resilience.

What Government Should Do

- Give Combined Authorities a formal funded role in tackling fuel poverty - using the integrated funding settlements and 'No 10 North' coordination the Government is putting in place, rather than leaving local partners to bid into short-term national pots.
- Support local place-based fuel poverty partnerships involving councils, charities, NHS bodies, and energy suppliers.
- Require Local Growth Plans and Local Health Strategies to consider fuel poverty.
- Enable local data sharing by developing shared local data dashboards bringing together insight from government and local authorities to identify high-risk households and evaluate interventions.

Why This Matters

This approach would help ensure support reaches households that national schemes often miss, while giving Combined Authorities and local partners the tools to reduce fuel poverty in ways that reflect local economic and social conditions.

Priority 5: Invest in Community Infrastructure

The Challenge

Trusted community organisations have become an essential part of the response to fuel poverty, providing advice, debt support, crisis assistance, and referrals to wider services. Evidence from the Trust shows that many vulnerable households engage with support only because it is delivered through trusted local organisations that understand their circumstances and can provide holistic assistance.

What Government Should Do

- Introduce multi-year funding.
- Recognise advice services as preventative infrastructure.
- Support holistic money, debt, and energy advice.
- Establish a national Community Energy Support Fund with multi-year settlements.
- Recognise debt, energy, and welfare advice as essential preventative services.
- Commission long-term outcome measurement across the advice sector.
- Support workforce development for frontline advisers.
- Build formal referral pathways between the NHS, local authorities, energy suppliers, and trusted community organisations.

Why This Matters

Despite their critical role, many advice and support services continue to operate under short-term funding arrangements that limit their ability to plan, invest, and respond to growing demand. Long-term investment in community infrastructure would strengthen preventative support, reduce pressure on statutory services, and help ensure households receive assistance before problems escalate into crisis.

5. The Opportunity for Government

Previous Governments have treated fuel poverty as a symptom. This Government has the opportunity to tackle the root cause of fuel poverty while using this decisive action as a catalyst for economic growth, improved health outcomes, and the transformation of public services.

Ending fuel poverty requires more than a series of individual policy interventions; it requires a coordinated national strategy that addresses both the causes and consequences of energy hardship. Together, these five priorities provide a comprehensive framework for action: a clear national mission to provide leadership and accountability; affordable energy to ease immediate financial pressure; warm and energy-efficient homes to tackle the structural drivers of fuel poverty; greater powers and resources for local leaders to deliver place-based solutions; and sustained investment in trusted community organisations that prevent crisis and support those most in need.

Delivering these priorities in partnership would not only reduce fuel poverty but also improve public health, strengthen local economies, reduce pressure on public services, and support the Government's wider ambitions on living standards, economic growth, and opportunity.

The opportunity is not simply to alleviate fuel poverty, but to make ending it one of the defining social and economic achievements of this Government and Parliament by:

- 1. Committing to ending fuel poverty within a generation.**
- 2. Making energy affordable through a social tariff and debt strategy.**
- 3. Delivering warm, energy-efficient homes for all.**
- 4. Giving regions the powers and resources to tackle fuel poverty locally.**
- 5. Investing in the trusted community organisations that prevent and resolve energy hardship.**

To discuss the approach outlined in this paper, please contact:

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Trust Evidence Base

- [Towards an end to fuel poverty in Britain](#) – Trust report establishing the scale and causes of fuel poverty and setting out recommendations.
- [Towards a fairer future: A unified approach to ending fuel poverty in Britain](#) – findings from Trust roundtables involving charities, community organisations, and industry.
- [The Trust's response to the 'Resetting the debt relief landscape' consultation](#) – evidence on energy debt, affordability, and the case for a social tariff.
- [The Trust's response to the 'Continuing the Warm Home Discount Scheme' consultation](#) – evidence on Warm Home Discount reform, community delivery, and fuel poverty support.
- Oxford Economics [Social Return on Investment Report](#) – evidence showing £5.50 social value generated for every £1 invested.
- [Trust Impact Reports](#).