

27/08/2024

Miatta Fahnbulleh MP
Minister for Energy Consumers

Dear Miatta,

Thank you for meeting myself and other members of the Committee on Fuel Poverty on the 29 July. It was good to hear first-hand your commitment to put consumers at the centre of the energy transition and in the decision making of the new Government. Also, your appreciation of the need to tackle affordability and making homes warmer for those least able to do this alone on that journey.

Living in a fuel poor household has impacts that speak to a wider agenda across government to tackle health inequalities and poverty. Government can put in place a more collaborative and joined up approach across a wider range of related legislation and regulation, so that opportunities to bear down on fuel poverty are not missed and to maximise the impact of the collective effort.

Health is a good example. In 2019, the Local Government Association estimated the NHS spends £2.5billion per year as a minimum on treating illnesses that are directly linked to cold, damp and unsafe homes. Babies, children, older people and those with pre-existing health problems are at greatest risk of health problems because of living in cold homes, and to the health consequences of fuel poverty. Research has shown multiple mental health risks for young people, with 28 per cent of young people living in cold homes reporting four or more negative mental health symptoms, compared with only 4 per cent of young people who have been brought up in warm homes

Which is why it would appear to be an omission that fuel poverty has not previously featured in NHS England's Winter planning guidance. We would urge you to engage with Department of Health and Social Care Ministers to see if this could be rectified for Winter 2024/25 and future years. We also urge you to engage with the recently launched Child Poverty Taskforce.

After our meeting we were made aware of the Chancellor's decision to withdraw the Winter Fuel Payment from all pensioners except those in receipt of Pension Credit. The Committee on Fuel Poverty has long supported better targeting of this payment. Whilst we recognise that the Government is facing some very hard financial choices, we were disappointed to find that the money withdrawn from Winter Fuel Payments was not being redirected to help those who most need support.

We hope the department will examine whether there is a significant group of pensioners on low and fixed incomes outside the threshold chosen by the Chancellor who may suffer genuine hardship. Particularly, we would ask the Government to consider the impact on those pensioner households with annual incomes above the Pension Credit threshold up to £18,200. There are also up to 880,000 households who currently do not claim Pension Credit and previous campaigns have not been successful in significantly boosting take up.

As winter approaches, with energy bills remaining above pre-pandemic levels, perhaps the department would consider whether any of the above income groups should receive some additional help this winter – specifically for bills. Some pensioners within each of these groups may suffer greater difficulty in paying for household energy. The impact may be most significant in single occupancy homes, with women particularly impacted.

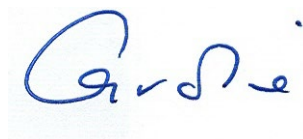
The combination of the already high levels of consumer energy debt, the forecast of rising energy bills in October this year, as well as the earlier withdrawal of the Government Cost of Living Payments present real cause for concern. The Committee has highlighted that use of benefits as the main proxy can be too limiting and called for wider use of data to identify fuel poor households including the pensioner fuel poor. We would ask for more work to be done on this urgently. The Committee would be happy to support any work on the feasibility of regulated social tariffs as a mechanism for targeting ongoing support for high bills.

We would urge the Government to consider further the impacts of the Chancellor's decision on those marginally above Pension Credit thresholds when considering appropriate preparation and support for those older people at risk of, or experiencing fuel poverty up to, and over, this winter.

We hope your consideration of this, and any submissions to the Chancellor ahead of her Autumn Budget, can help to produce positive, well-targeted interventions this winter to allay any concerns among older people about the necessary restriction of Winter Fuel Payments going forward; and address the risks to those most vulnerable to fuel poverty, including low-income single parent households with children.

As ever, the Committee is at your disposal to support and advise in whatever way we can.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Caroline Flint', is positioned above a light blue rectangular stamp.

Rt Hon Caroline Flint
Chair, Fuel Poverty Committee