

## Response ID ANON-UKUZ-3MMK-7

Submitted to Review of the Fuel Poverty Strategy  
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### About you

What is your name?

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What is your organisation?

Organisation:  
Rural Services Network

We usually publish a summary of all responses, but sometimes we are asked to publish the individual responses too. Would you be happy for your response to be published in full?

Yes

How did you hear about this consultation?

How did you hear about this consultation?:

Other (please specify):

Presentation from the Department at a DEFRA Rural Impact Forum meeting.

### Fuel poverty target

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

Explain your reasoning:  
Yes

Explain your reasoning:

On balance we support retaining the 2030 fuel poverty target. By this we mean that the measures within that target should be retained but that should not mean that further measures cannot be added to the existing.

We agree that there should be a continued focus on tackling the structural challenge of the households living on the lowest incomes living in the poorest quality housing. We also agree that retaining the target would provide a consistent direction for policy interventions to tackle fuel poverty.

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

Give us your views:

We agree that an updated fuel poverty target should incorporate a multi metric approach.

It is imperative that all metrics reflect rural circumstances

In the latest fuel poverty update from the Department for Energy Security and Net Zero, a concerning pattern emerges in England's rural communities.

These areas are grappling with the highest rates of fuel poverty at 12.3%, surpassing both semi-rural (10.6%) and urban (11.0%) rates. A key factor exacerbating this issue is the energy inefficiency in rural homes, which average a median fuel poverty energy efficiency rating of only 64, considerably below the national average of 70.

Rural homes are not only larger, with a median floor area of 115m<sup>2</sup> compared to the overall median of 85m<sup>2</sup>, but also more expensive to heat, leading to an annual median fuel cost of £2,740. This contributes to a pronounced fuel poverty gap of £987, highlighting the financial strain many rural households endure just to maintain a basic standard of warmth and energy.

Despite a slight national decrease in fuel poverty rates—from 11.4% in 2023 to 11.0% in 2024—rural areas have witnessed less improvement, accentuating the pressing need for specific attention. The challenges unique to rural settings include limited access to advanced energy solutions and reliance on outdated heating technologies.

Enhancing the energy efficiency of rural homes through upgrades tailored to their larger sizes and unique structural characteristics is essential.

Additionally, increasing access to a range of renewable energy sources and modern heating technologies could significantly reduce running costs and improve living standards in these communities.

Of the 4.5m households living in properties off the gas grid, 20.0 per cent were fuel poor compared to 11.8 per cent of households on the gas grid. These

compare with 22.9 per cent and 22.0 per cent respectively in 2010, showing the reduction in fuel poverty over time has largely come from households connected to the gas grid – 53.5 per cent of homes on the gas grid were band A-C, compared with 32.3 per cent for homes off the gas grid. The average fuel poverty gap for households off the gas grid was £801, which is over twice as large as the gap for households on the gas grid (£315).

By way of further rural context:

- There are 1,358,570 households in predominantly rural areas which are off the gas grid. That is 25.1% of all such households and 5.46% of all households in England.
- NB there are properties in urban areas that are close to the gas grid but not connected, particularly high-rise flats where gas connections present a potential fire risk.
- Across Great Britain it is estimated that 4.4 million households were not connected to the gas grid in 2021.
- Rural off-gas-grid homes are generally more poorly insulated and expensive to heat.
- The main alternative fuels are electricity, oil, solid fuel and tank or bottled gas.
- Rural populations have a higher proportion of those aged 65 and over, at 25.4% (17.1% urban). In sparse settings the figure increases to 30.7%. The proportion of those aged 85 and over is 3.3% rural and 2.1% urban.
- There are specific issues relating to premises (domestic and commercial) which are Listed Buildings and/or in Conservation Areas. They are unique to each property.
- The cost of living is higher in rural areas and workplace-based earnings are lower.
- The electricity network is fragile (especially in adverse weather conditions) with little spare capacity.

We are concerned about the apparent 'one-size-fits-all' approach to electric heat pumps and the lack of willingness to include other alternative fuel sources.

The Standard Assessment Procedure (SAP) methodology – and particularly the RdSAP model (a reduced form of SAP) – which is used to generate recommendations for EPCs and used to calculate a homes' energy performance needs to reflect a more diverse range of heating fuel options. It favours heat pumps where they may not be the best option (or indeed, practical for many rural properties).

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.

Give us your views:

On balance we support retaining the 2030 fuel poverty target.

## Measuring fuel poverty

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?

Give us your views:

We support retaining this metric. However, measurement of progress should separately report on progress in rural areas [as opposed to just reporting England wide] especially in respect of (a) properties which are off the gas grid and (b) properties where the electricity network is unable to sustain significant increases in demand.

4 What are your views on:b) whether to adopt an additional indicator to monitor the impact of energy prices on the affordability of energy?

Give us your views:

Support. This should not be limited to gas and electricity energy prices but also include other heating fuels used in rural areas

4 What are your views on:c) the form of an energy affordability indicator, including whether this should include an income constraint and considerations on the basis on which to determine unaffordable energy requirements?

Give us your views:

In the rural context it is important to reflect that in addition to household income rural residents face higher costs. Housing costs -to both buy and rent – are higher, travel costs are significantly higher with greatly fewer public transport options, council tax is higher, indeed the overall cost of living is higher. The cost of living to be met by household income before energy costs should be factored into any assessment of the affordability challenges faced by households today.

## Strategic principles

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.

Give us your views:

The consultation document states "upgrading the lowest rated properties will ensure that these homes have fabric performance which can enable lower temperature heat pumps be run at lower cost" This appears to show biased towards Heat Pumps.

We reiterate our concerns about the apparent 'one-size-fits-all' approach to electric heat pumps and the lack of willingness to include other alternative fuel sources. Heat pumps may not be the best option (or indeed, practical) for many rural properties. The whole house costs of installing a heat pump are a significant factor in the rural context of the affordability (and disruption) of installing a heat pump in many rural properties.

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

Give us your views:

We agree that a single cost cap across all fuel poverty interventions is likely to be too blunt and may mean that higher cost, but cost-effective measures are unnecessarily prohibited. We also agree that checks and balances need to be in place to ensure that lower cost interventions represent individual and societal benefits compared to their costs.

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

Give us your views:

As set out earlier in this response the rural context of itself can represent an extra degree of vulnerability over and above the circumstances of the household.

Reflecting the rural context which we set out in our response to question 2 above shows that

- Rural off-gas-grid homes are generally more poorly insulated and expensive to heat.
- Rural populations have a higher proportion of those aged 65 and over, at 25.4% (17.1% urban). In sparse settings the figure increases to 30.7%. The proportion of those aged 85 and over is 3.3% rural and 2.1% urban.

- Households living in properties in rural areas had the highest fuel poverty rate of 12.3 per cent and the largest fuel poverty gap at £987 in 2023.

Households in semi-rural areas had lowest fuel poverty rate of 10.6 per cent, while urban areas had a similar fuel poverty rate of 11.0 per cent.

- Households living in rural areas were much less energy efficient than other households on average, with a median fuel poverty energy efficiency rating of 64, compared to an overall median of 70.

THE ABOVE CLEARLY INDICATES A NEED FOR A SPECIFIC RURAL DIMENSION TO FUEL POVERTY POLICIES AND THEIR IMPLEMENTATION – THIS SHOULD INCLUDE CONSIDERATION OF HEALTH INEQUALITIES AND VULNERABILITIES PREVALENT IN RURAL AREAS.

Measurement of progress should separately report on progress in rural areas [as opposed to just reporting England wide] especially in respect of (a) properties which are off the gas grid and (b) properties where the electricity network is unable to sustain significant increases in demand.

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

Give us your views:

The sustainability principle would be better implemented if Government recognised that a 'one-size-fits-all' approach will not be fully effective. The focus on electric heat pumps is not appropriate and there should be a willingness to include other alternative fuel sources. Heat pumps may not be the best option (or indeed, practical) for many rural properties. The whole house costs of installing a heat pump are a significant factor in the rural context of the affordability (and disruption) of installing a heat pump in many rural properties.

It must be recognised that references to smart technologies that rely on mobile phone or broadband connectivity are simply not available at present in many rural areas. Until these connectivity issues are resolved, policies to address fuel poverty must recognise this issue.

9 Are there any additional principles that you think should be considered for inclusion in the new strategy?

Give us your views:

It should be a principle of the proposed new strategy that its policies and delivery mechanisms are fully rural proofed with the rural proofing assessment made publicly available. Figures should be reported separately for both rural and urban areas with targets for each.

## Defining reasonably practicable

10 What are your views on the factors set out above which will determine what is 'reasonably practicable' in relation to meeting the fuel poverty target? Are there any additional factors that should be considered in analysis of the number of homes that can achieve the target level by the target date? Please provide any supporting evidence.

Give us your views:

It is essential that "reasonably practicable" does not mean "more expensive". It is understood that there are numerous examples of installers of energy saving products in meeting their targets under the various government supported schemes "cherry picking" non rural areas for their intervention because they are easier to access, there are more properties near each other and are less expensive to deliver.

Issues such as property characteristics value for money and the wider drivers impacting fuel poverty must be considered in the rural context which we set out earlier.

## Updating the policy plan to meet the target

11 What are your priority recommendations for an updated plan to improve the energy performance of fuel poor homes?

Give us your views:

A specific rural dimension to the policies and implementation requirements under an updated plan

In the wider context of the issues raised in this Review of the Fuel Poverty Strategy Consultation we suggest the following should be addressed:

1. The monitoring of take-up of the Great British Insulation Scheme in rural areas.
2. There to be put in place a financial support package for at least a decade, tailored specifically to the circumstances of off-gas grid homes and the increased costs of making those homes energy efficient. The support package should have the objective of enabling these homes to address whole house energy efficiency and transfer to sustainable energy alternatives, (including insulation and up-rated electricity supply to the premises) at a like-for-like cost with gas or oil boilers.
3. A wider mixed technology/heating fuel approach that might include bio and recycled carbon fuels such as renewable liquid gases, BioLPG, rDME, (a dimethyl ether produced from renewable and recycled carbon feedstock), wood pellets and bioliquids to broaden the range of cost-effective low carbon heating solutions.
4. The adoption of a low-carbon (rather than no carbon) approach for the relatively small number of rural homes which are of concern.
5. The Government to instruct Ofgem to carry out a full review of resilience requirements with the Distribution Network Operators.
6. Government to set out that there should not be any requirement to require heating by electricity in any area where the electricity network is not able to meet demand and/or is not otherwise resilient.
7. Government put in place a government supported source of independent advice for householders to avoid people spending money unnecessarily or unwisely. This would apply to both through rural and urban households but as these solutions in a rural context are likely to be more variable, it would be particularly relevant for rural households.
8. Notwithstanding point 7 above, the Government to put in place guidance and support for off gas grid residents that will enable them to understand the 'road map' towards low carbon and decarbonised heating for reviewing whole house solutions for homes with their specific characteristics (e.g., construction type, heritage status, quality of electricity supply, options in addition to heat pumps etc.)
9. For the Government to ensure there is support for the training and development of more people to be able to provide appropriate installation and maintenance services in all areas.
10. For the Government to consider how wider technologies/fuel sources may help historic buildings in rural areas, including Listed Buildings and those within Conservation areas to shift to sources of low carbon energy.

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

Give us your views:

In the rural context it is important to reflect that in addition to household income rural residents face higher costs. Housing costs -to both buy and rent - are higher, travel costs are significantly higher with greatly fewer public transport options, council tax is higher, indeed the overall cost of living is higher.

THE COST OF LIVING TO BE MET BY HOUSEHOLD INCOME BEFORE ENERGY COSTS SHOULD BE FACTORED IN ANY ASSESSMENT OF THE AFFORDABILITY CHALLENGES FACED BY HOUSEHOLDS TODAY

13 What do you think are the priorities for government to support fuel poor households in accessing the energy market fairly and effectively?

Give us your views:

NO RESPONSE

Strategic enablers to implement the new fuel poverty strategy

14 What are your views on how to improve targeting of fuel poor households? Please provide any supporting evidence.

Give us your views:

A one-size-fits-all approach to the targeting of fuel poor households who are vulnerable is not appropriate. Separate approaches need to be devised to target households in rural areas.

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

Give us your views:

In the rural context it is the local community support organisations who are best placed to offer support. But they themselves need support (especially financial support) to do so.

16 How could access to quality advice be improved to support the fuel poor? Where should advice be targeted?

Give us your views:

In rural areas accessing support and referral organisations can be challenging with poor public transport options and the ever more centralisation of services. Poor mobile phone and broadband connectivity exacerbate the situation.

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?

Give us your views:

Clearly such groups can have a role. However, we repeat that in rural areas accessing those groups can represent a significant challenge for the households concerned.

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

Give us your views:

In a rural context there will not be improved understanding of fuel poverty and its impacts unless and until fuel poverty strategies and the implementation have a specific role or component as we have suggested earlier in this response.

19 Are existing arrangements sufficient to meet our commitments to review and scrutinise Government action on fuel poverty?

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

NO. There must be commitments to review, scrutinise and report on Government action on fuel poverty in a rural context – and not just England wide.

20 Do you have any further views or evidence on how the 2021 fuel poverty strategy should be updated?

Give us your views:

NO