

Closing the fuel poverty gap: a plan for targeted energy support

MP briefing

September 2025

Summary

This report, '[Closing the fuel poverty gap: a plan for targeted energy support](#)' was commissioned by a steering group of NGO and industry partners and written by Public First. It sets out a clear path towards better supporting consumers facing fuel poverty. It recommends extending and expanding the Warm Home Discount beyond April 2026 and providing long-term tailored and targeted energy support.

This report was supported by Scope, Sense, Fair By Design, E.ON, Mencap, Age UK and Independent Age.

Context

- Energy bills are £700 a year more on average than they were (73% increase) 5 years ago, and are set to stay painfully high.
- Millions of people on low incomes, older people and disabled people cannot afford the energy they need to live healthily.
- Estimates in England suggest that on average, the fuel poverty gap, which measures the amount energy bills would have to reduce to lift a household out of fuel poverty, **now stands at £407**, up from £223 in 2020, before the crisis.
- Current support exists in the Warm Homes Discount (WHD), which provides a yearly rebate of £150 to eligible households. **2.5 million fuel-poor households lose out on this support**. 88% (2.2 million) of those fuel-poor households contain **older or disabled people**.
- Nearly three quarters (72%) of households spending more than 10% of their income after housing costs on energy bills are also below the poverty line.
- The Government has set an ambition of reducing energy bills by 'up to £300' by 2030
- With WHD set to expire in April 2026, the Government must act now and make sure there is no gap in support.

Fuel poverty in disabled households

Fuel poverty hits disabled households more frequently than those that are non-disabled. **Disabled households are nearly twice as likely to be in fuel poverty (29-30%)** than non-disabled equivalents (16%). 2.2 million fuel poor households have at least one disabled household member.

"I have angina and asthma on top of my mental and neurodevelopmental [conditions]. If I am too cold, my health deteriorates rapidly. I had to resort to staying in bed all day many times last winter due to the excessive cost of my heating, and the cost-of-living crisis." - An anonymous disabled person

We already know that life costs more if you are disabled. Scope research finds disabled households pay an average of £1,095 more per year to achieve the same living standards as non-disabled households.

Fuel poverty in older households

Fuel poverty is also a huge issue for older people, who often have little opportunity to increase their pension income or savings to keep up with the rises in fuel costs. 41% of older people surveyed by Age UK are having to cut back on heating their home.

This can have real consequences for those living with age-associated health conditions:

"I have a bone wasting disorder and not being able to use my heating as much as I need causes severe pain, which in turn makes my mental health worse." - An anonymous older person

"I have rheumatoid arthritis and need to keep warm. Last winter I didn't receive the winter fuel allowance so had to endure having only one heated room in my home." - Lucy, aged 71

Policy Recommendations

'Closing the fuel poverty gap: a plan for targeted energy support' makes a range of both short and long-term policy recommendations to ensure that those at greatest risk of fuel poverty are better supported.

Short-term policy asks (2025/6)

- Extend the WHD to April 2027 to prevent a gap in support.
- Increase WHD support from £150 to £400, and include £100 booster payments for:
 - Disability benefit claimants
 - WHD-eligible Standard Credit customers
- Launch a consultation on a targeted payment-based discount to bills by Autumn 2025.
- Draft and pass legislation to update the Digital Economy Act 2017 to enable DWP and HMRC data sharing for DWP/HMRC to better support customers at fuel poverty risk.

Long-term policy asks (2027/8)

The report calls for the creation of sustainable and targeted support for disabled and older households.

Public First's modelling assessed 3 methods of targeted energy support schemes in our report. These were a unit-rate discount, a rising block tariff, and a payment-based discount. The modelling found introducing payment-based support for energy costs is the most cost-effective option, saving £0.5 billion in comparison to a 30% unit-rate discount. A formula-based social tariff could lift 720,000 more UK households out of fuel poverty.

As such we recommend the creation of a payment-based (and formula based) discount which:

- Tapers payments from £700 to £0 for households with incomes below £30,000 (£700 for those on the lower side of that threshold, going down to £0 at £30,000)
- Expand the eligibility beyond the benefits system to include:
 - Households with income below £30,000
 - Disabled households including those not receiving benefits

The full report also outlines what changes to Government infrastructure are needed to make this possible. This includes building a new data-matching scheme to reach beyond the welfare system and amendments to the Priority Services Register. The recommendations in our report would lift 1.1 million households out of fuel poverty.

What you can do

Fuel poverty is an urgent concern for older and disabled people in your constituency. We urge you to read our '**Closing the fuel poverty gap: a plan for targeted energy support**' report. [You can read a summary blog here](#) or [you can read the full report here](#). We would urge you to raise our report and the need for targeted energy support in Parliament.

We are happy to draft Parliamentary Questions or support with any other Parliamentary activity in this area. To meet with us or for any more information, please email: publicaffairs@ageuk.org.uk

