

SfH Insights: Fuel poverty and ESG



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Introduction

In the latest edition of Sustainability for Housing's (SfH) insights series, we are exploring the issue of fuel poverty, and how the social and affordable housing sector's focus on sustainability is helping to address the significant challenges facing households across the country.

What is fuel poverty?

Fuel poverty refers to a situation where a household cannot afford to heat their home to an adequate level of warmth or meet other energy needs, such as lighting, cooking, or powering essential appliances, without experiencing financial hardship.

It occurs when a combination of low incomes, high energy costs, and poor home energy efficiency force households to choose between energy use and other basic necessities, like food or healthcare. It leads to and exacerbates a range of negative outcomes, including poor physical and mental health and increased hospital admissions, especially during colder months.

In this way, fuel poverty demonstrates the intersectionality of ESG; it requires a focus on the energy efficiency of stock (environment), residents' health and wellbeing along with affordability (social), and maintaining oversight and accountability of stock quality and safety (governance).

Fuel poverty in the UK

Fuel poverty in the UK is a significant and growing issue, affecting millions of households and particularly impacting vulnerable groups such as the elderly, low-income households, and those that have a medical condition or use powered medical equipment at home.

According to the UK charity The National Energy Action (NEA), around 6.5 million UK households experienced fuel poverty last winter, a figure which is expected to rise to 6.7 million this winter¹. Cold homes were estimated to have caused 4,020 excess winter deaths in England and Wales in 2022: that's 45 people per day in winter months.

At the time of writing, it was reported that fuel poverty is on the rise in Scotland despite homes becoming more energy efficient, according to official data from the Scottish Housing Condition Survey 2023.

Fuel poverty and the SRS

There are a variety of ways that housing providers work to tackle fuel poverty.

Perhaps the most obvious is the proactive and preventative approach of constructing new, energy-efficient homes. By integrating features like advanced insulation, efficient heating systems, and renewable energy sources from the start, providers address fuel poverty before it even arises.

¹ [NEA, 2024](#)



Outside of new-build housing, improving the energy efficiency of existing homes through retrofit works has become a major focus for the sector. Retrofit directly reduces energy consumption (and the associated utility costs for residents) whilst aligning with broader climate goals, such as reducing carbon footprints.

The Sustainability Reporting Standard for Social Housing (SRS or the Standard) asks for these activities to be disclosed in the environmental Theme 1: Climate Change. For example, criteria 1 and 2 require providers to disclose the energy efficiency of stock, as reflected by the EPC rating distribution across new and existing homes. Criteria 3 and 4 also ask providers to describe any retrofit activities undertaken in the last year, and the provider's net zero target and strategy.

From the SRS reports published in 2023, Sustainability for Housing found that over 90% of new homes achieved an EPC grade of B or higher, demonstrating the supply of energy efficient homes. This is compared to the energy efficiency of existing stock – which accounts for 98% of Adopter housing stock, totalling 1.9 million homes – of which 27% is EPC D or worse. Although this shows that three quarters of existing stock, and 97% of new homes, are in-line with the Government expectations of EPC C or higher, it illustrated that housing providers still have a long way to go to improve the energy efficiency of their homes.

Housing providers can also offer tenants support through education on energy-saving practices and helping them to access financial assistance. This support is designed to empower residents to take control of their energy usage and the associated costs.

The SRS asks for these activities to be disclosed in Theme 4: Affordability and Security. For example, criterion 15 asks the provider to describe how it is trying to reduce the effect of high energy costs on its residents.

The following case studies, drawn from Scotland and England focus on 'no-frills' early interventions. They emphasise the importance of benefits advice, but they also highlight the growing use of smart-metering to identify and triage cases of fuel poverty. They also show the benefits of lateral thinking in some organisations, demonstrating how they can sustain tenancies to support better health outcomes and facilitating access to food banks and other resources.

In each case we have given a contact point within the Housing Provider should SRS members want to learn more about the case studies.



Living ESG: how housing providers are addressing fuel poverty

Case study 1: Taking action to prevent fuel poverty – Sovereign Network Group (SNG)

SNG (Sovereign Network Group) provides over 84,000 homes and invests in communities across the South of England, including London, as well as aiming to create thousands of new affordable homes every year.

SNG takes a proactive, personalised and holistic approach to help prevent and support those in or at risk of fuel poverty.

SNG recognises that fuel poverty is impacted by three key factors; household income, energy usage and fuel costs. It therefore shapes and delivers services to help improve knowledge and behaviour change, to promote improvements to financial circumstances and resilience.

This is delivered as both crisis response measures via the distribution of winter heating vouchers and warm packs for those in acute fuel poverty, but always with an intention

to engage customers in meaningful conversations that help the housing association (HA) to better understand their situation and empower them to make sustainable change.

These onward services include employment support; helping customers to access work and better work as well as financial inclusion, benefits advice, money management and debt support to improve overall financial circumstances and wellbeing, thus helping combat fuel poverty in the longer term. SNG also provides access to digital equipment, skills and connectivity to help customers get online, stay connected and realise the financial benefit of being digitally engaged in addition to a range of grants to help with emergencies and unforeseen circumstances.

SNG prioritises the use of insight and data-led indicators that helps to proactively identify customers who are at risk or in fuel poverty.

This includes EPC categorisations, energy usage devices that monitor energy usage and behaviours in its homes, and rental data to identify those in or at risk of arrears. In addition, it has created a new community indicator model, which enables the HA to layer internal and localised data including health and education to proactively identify and support those residents more at risk of fuel poverty and/ or poorer health outcomes overall.

It said:

“We have realigned our resources to make it simpler for customers to reach out for help and made it easier to assess their needs so that they can access the support they need, as early as possible. By focusing on good quality conversations, we are able to gain a better understanding of a customer’s

household and circumstances and alleviate both any immediate or crisis needs, whilst enabling access to more sustainable support. A customer may initially reach

out because they are struggling to afford their heating or energy costs, but often that is just an indicator of more fundamental support needs.

Every customer that either contacts us for help, or that we reach out to, receives a comprehensive triage to assess and identify the overall needs of that customer and their household. We recognise that it can take a lot for someone to ask for help so want to make sure they only have to tell us once and focus on getting the right support in place first time. Whilst we can help with immediate crisis interventions, it’s the deeper understanding of people’s circumstances and support with longer-term sustained changes that enables customers to build financial resilience and prevent the risk of falling into fuel poverty. Early intervention is key.”

Michelle Lockwood

Financial and Digital Inclusion Manager, SNG
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SNG case study: Helping residents at risk of fuel poverty

Josephine was initially contacted proactively as part of our Energy Outreach Project last Winter after her household had been identified as being at risk of fuel poverty. She was invited to complete a full household assessment, discuss behaviour changes, bespoke energy support needs as well as identify any other support needed. Through the conversation we were able to better understand that Josephine had a number of debilitating health conditions, was struggling with her mental health and depression and had a number of large debts that were escalating. She also wasn't sure where she could go for help.

Following the assessment, we identified a number of ways that we could help both immediately and in the longer term. To help alleviate immediate need, and keep her family warmer in the winter, we provided crisis intervention support including a tailored winter warm pack, a winter heating voucher and a six-week funded pantry membership. In addition, we were able to discuss the longer-term support options available to enable her to address debts and build financial resilience. As a result, Josephine engaged with our Customer Income Advice Team who were able to support with applications for both Personal Independence Payments and Discretionary Housing Payment due to the change in circumstances in the household and the customer impacted by the under-occupancy charge. A referral was also made to our money guidance and debt advice team to support the customer with their energy and council tax debts. The customer was also successful in an internal carpet grant application, helping to make the home both safer and warmer. A referral was made to identify any areas of costs savings the customer could make with their utility bills and other grants that might be available for them.

Josephine may never have got in touch to ask for help, and likely continued to struggle and decline in both their mental health and financial wellbeing.

Fuel poverty isn't just fuel poverty; it is often an indicator of a more significant issue and support need. To genuinely tackle the root causes and make sustained changes for our customers, we have to be preventative and proactive, retaining focus on being holistic and delivering interventions that empower customers to make sustainable financial changes.

Case study 2: Where health, housing and fuel poverty meet – Wakefield District Housing (WDH)

WDH is a large social housing provider with over 32,000 homes across the north of England, concentrated primarily in the Wakefield district.

Post-energy crisis, fuel poverty has become an issue many can relate to. It also presents a unique opportunity to build trust with customers, to engage around wider determinants of health and financial exclusion within the home, promoting general health and wellbeing.

Fuel poverty and cold homes are a clear driver in relation to damp, mould and condensation and associated health concerns, alongside property disrepair and living arrangements.

WDH has a proven track record of collaborating with local and regional health partners to create integrated solutions addressing both housing and health concerns.

Through extensive partnership working and integrated thinking, it is delivering tangible benefits for mutual customers and health partners, reducing health inequalities and improving lives within the housing sector.

The Healthy Homes project is a key example of this. Healthy Homes is delivered in partnership with West Yorkshire Integrated Care Board. The project looks to provide support to young families impacted by damp, mould and condensation (DMC) to help prevent breathing and respiratory issues, especially in young children.

Launched in October 2023, the project focuses on helping families across all tenures in Wakefield tackle financial difficulties that can lead to cold homes and DMC—especially critical during the winter months. The project also provides practical help and advice directly to customers in relation to potential causes of DMC within the home and supports families through any DMC reporting processes to ensure that property issues are addressed appropriately.

Delivered by WDH's Cash Wise team, Healthy Homes ensures that partnership working, and effective referral pathways are established, so that positive outcomes are realised for families and customers feel supported and listened to whilst DMC issues are addressed.

Since Healthy Homes began, the project has delivered significant outcomes in relation to income maximisation, addressing acute fuel poverty, awareness of support in relation to DMC, customer ability to appropriately heat their homes and increases in health and wellbeing.

Since its inception, Healthy Homes has shown tangible benefits. Over 300 families have accessed support through the project with each family supported, on average, £155 per month better off and 98% stating their health and wellbeing had improved as a result. Additionally, families feel

more empowered to be able to heat their home appropriately and have a greater awareness of the causes of DMC and where to get help and support. The project also utilises Internet of Things (IoT) monitoring and diagnostic equipment, to consider how such devices may be utilised more widely within housing stock going forward to the benefit of customers. The Healthy Homes project is also being externally evaluated, with a final report expected in March 2025, showcasing elements of good practice in partnership working between housing and health on this key issue and how this may be replicated across the UK.

Engaging with tenants earlier and around similar issues can result in an efficient and effective model for delivering positive health outcomes at a lower cost than dealing with acute health issues after the fact. The same can be said with direct

“ Earlier intervention via housing can mitigate health issues before they become more acute and resource intensive ”

delivery of similar provision by health services in the community, where there is no existing provision. Additionally, earlier intervention is much more beneficial for the mutual customers' longer-term health and wellbeing.

Ultimately, WDH says it is "on a journey to continually evolve our relationship with partners in health, to the benefit of our mutual customers".

But the approach has been more effective due to the years of partnership working in place, evidencing the impact that WDH's services can have in key areas that are a priority to both housing teams and colleagues in health.

Previous delivery has also evidenced to health colleagues that earlier intervention via housing can mitigate health issues before they become more acute and resource intensive.

An understanding of tenants and the wider local community means that WDH can implement effective preventative responses that can in turn de-escalate demands on the health sector.

Phil Wilby

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Case study 3: Being there for our customers – Link Group (Link)

Link is one of the largest social landlords in Scotland, owning and managing around 11,000 homes and based out of Edinburgh.

The work of the Link Group's Advice Service is integral to the delivery of effective housing management services. It focuses on tenants who are in rent arrears or are struggling to pay their rent and other essentials, including food and fuel, due to low income and/or changes in circumstances.

Referral pathways are embedded within the rent arrears escalation process and, service information is included on all housing management letters.

All activities contribute to rent arrears management and tenancy sustainment both of which consistently meet KPI targets. In addition, the activities contribute to rent affordability, ensuring that tenants are best placed to pay their rent despite the challenges the cost-of-living crisis presents.

“ The cost-of-living crisis has resulted in staff regularly dealing with vulnerable and distressed tenants.”

Welfare Rights Officer Denise Engin received glowing feedback highlighting the impact Denise and her team's work has on customers' lives by providing a much-needed lifeline and making them feel supported and empowered.

The work of the Advice Service is well regarded by tenants and the outcomes achieved improve their financial circumstances as well as their health and wellbeing. This contributes to Link's good reputation.

The Advice Service is accredited to Scottish National Standards for Information and Advice Providers (SNSIAP) and the requirements of Link Housing's Financial Conduct Authority's Consumer Credit License including compliance with the New Consumer Duty. As such, services are delivered to the highest standards both technically and operationally. The Advice Service is one of only two housing association services which is accredited to Scottish National Standards for Information and Advice Providers for both welfare benefits and debt and money advice. Due to the high regard in which the Standards are held, across the housing and advice sectors, this is positive for Link's reputation as a provider of services of the highest quality.

The cost-of-living crisis has resulted in staff regularly dealing with vulnerable and distressed tenants who have all of their benefits in payment yet are still unable to afford essential items. It has also resulted in more in-work poverty with tenants more frequently relying on charitable and emergency grants to get by.

The Advice Service has embedded social value measurements into the service delivery model, with all tenants asked relevant questions at the start and end of their intervention. This contributes to Link Group's commitment to record and report on social value outcomes.





Link received feedback below from a tenant who received help from their staff.

The customer said:

"I met with Denise to help me process my lengthy one-year DWP forms. I have to say meeting Denise was a true delight, her empathy made me feel very comfortable about discussing personal details. "It's extremely rare in life you receive such a solid sense of support that you feel as if a huge one-year paper trail problem has been lifted off your shoulders and shrunk down into a manageable fun project, and that someone has your best interests at heart. Denise's welfare officer skillset is above and beyond professional 5-star client service. It also reflects her personal qualities as a genuine, authentic people person."

Denise said:

"I felt like I was just doing my job, but this feedback proves if you show empathy and listen to your tenants with patience, then customer service and satisfaction go a long way. All our tenants deserve outstanding customer service, and I am happy I was able to fulfil this."

David Mackenzie

Managing Director, Link Housing

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Conclusion

With the issue of fuel poverty showing no signs of abating, collaboration across sectors and agencies remains a vital way forward.

The housing sector is playing a crucial role in addressing fuel poverty, both from a preventative and reactive standpoint.

Its commitment to sustainability, and the demonstration of progress in ESG areas such as energy efficiency of homes and financial inclusion, continues to help thousands of households across the UK.

