

## Rural Fuel Poverty

August 2022

### Summary

In rural areas, fuel poverty is being overlooked. Yet data compiled by the End Fuel Poverty Coalition demonstrates that many rural parts of the country are badly affected with an estimated 607,000 (30%) households set to be affected following the Ofgem price cap increase projected for 1 October 2020; up from 274,000 in 2020.

Our briefing details the rural characteristics of fuel poverty and concludes that alongside increased, targeted financial support for vulnerable households, there needs to be sustained investment in the energy efficiency of rural buildings and support for local renewable energy schemes.

### Introduction

Fuel poverty is an increasing and pressing concern with many people across the country at risk of being plunged into situations where they cannot afford to heat their home this winter. The impact on people's health and wellbeing will be profound and should be considered a national emergency.

We are concerned that the debate about fuel poverty - often set in the context of the government's aspirations for levelling up - has tended to focus on deprived urban neighbourhoods to the neglect of rural communities. However, data compiled by the End Fuel Poverty Coalition suggests that this is a much wider societal problem with many rural parts of the country being significantly affected.

### What we know

The End Fuel Poverty Coalition [predicts](#) there will be approximately 7 million households unable to heat their homes to an adequate temperature from the beginning of October following the anticipated Ofcom price cap increase; up from about 3.2 million households in 2020. In rural areas there are approximately 2 million households, of which it's estimated 607,000 (30%) will be in fuel poverty; up from 274,000 in 2020 (13%). Indeed, data published by [Friends of the Earth](#) shows that places such as Cornwall and County Durham rank in the top 5 fuel poverty hotspots nationally.

At the same time, [ACRE members](#) are reporting increasing concern for, and contact with, people who are worried about whether they will be able to afford their energy bills this winter. Many of these people appear to be experiencing financial difficulties for the first time.

There is a long history of rural poverty going under the radar. Often people think of the countryside as an idyllic place to live where people enjoy a better standard of life. Although this might be true in some respects, it conceals the fact there are many people living in rural parts of the country on lower

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incomes, and sometimes with higher outgoings than their urban counterparts due to their need to travel to access jobs and services.

We also know it can be difficult to find people experiencing hardship in the countryside. Recently we have put out calls for people to tell us their stories about fuel poverty and been met with silence. Anecdotal feedback from our members suggests that people experiencing financial difficulties for the first time, are simply not known to service providers and support agencies. They may also be too embarrassed to ask for help. Rural communities have long been known for their self-sufficiency and resilience in the absence of public services and support, so this is unsurprising.

The following are some defining characteristics of rural fuel poverty as we see it.

- Rural buildings are typically older, less energy efficient and more expensive to heat. According to [figures](#) from BEIS, it is estimated that the cost of lifting a household out of fuel poverty in a rural areas is £501, compared to £193 in urban areas due to the expense of heating these homes and making them more energy efficient.
- Modernising older rural buildings can be difficult. Many properties are poorly insulated and offer limited structural opportunities for improvement. Combined with the fact the electricity supply network in many rural areas has less capacity and more fragile, early adoption of new technologies such as heat pumps can be costly if not inefficient.
- Many rural households are [off the mains gas grid](#); accounting for more than 60% of all properties in places such as West Somerset, Mid Suffolk, Cornwall and Ryedale District. People living in these homes rely often rely on heating oil and liquid gas, which is typically more expensive than mains gas, has seen volatility in retail prices over the past year, and is not covered by Ofgem's price cap.
- Some rural households remain completely off grid and have no electricity supply. In [Northumberland](#) for example, there are 350 households estimated to be in this situation which presents additional challenges for the people who live there. We are concerned the government may struggle to reach these households with the £400 Energy Bill's Support Scheme discount.
- Rural residents have fewer public places to go to keep warm if they are unable to heat their homes. Village halls could take on the role of Warm Hubs, but our own [research](#) suggests that they too are starting to feel the pinch of increasing energy bills.

## The change we want to see

Like many other organisations, we are calling on the government to take urgent, decisive, and sustained action to avert a fuel poverty crisis this winter. Without additional support, many people will freeze to death in their homes or suffer poor health.

We do not believe it is as simple as directing resources to those areas that most need it; the scale of the challenge means that fuel poverty is being felt in every part of the country, including rural areas. Support must reach anyone experiencing difficulties, wherever they live. This requires an understanding of the different circumstances people find themselves in. As such, the rural characteristics of fuel poverty must be addressed.

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To improve the situation in rural communities we have the following recommendations for policy makers:

1. Make additional financial support available to households who are most at risk of fuel poverty this winter. This could be achieved by increasing the amount of funding available through the Household Support Fund and extending the availability of this until January 2023. To make sure this reaches the people who need it in rural areas, we would like to see local authorities working with ACRE members to identify people at risk of fuel poverty. For example, CDA Herts is handling a proportion of the fund on behalf of Hertfordshire County Council and issuing small grants to individuals flagged to them by the good neighbour schemes they support.
2. Extend any future support and consumer price guarantees to heating oil and liquid gas consumers. Rural residents who depend on this type of fuel need to have certainty and be able to plan for any increases to their utility bills.
3. Work with ACRE members to identify rural off-grid households for the purposes of extending the Energy Bill's Support Scheme.
4. Offer grant funding to village halls who wish to serve as Warm Hubs, providing a safe warm place for people to gather, socialise and get advice on how to save energy. This is already being [pioneered](#) by our member in Northumberland, CAN.
5. Develop a comprehensive, long-term scheme for supporting home energy improvements to include grant funding, access to independent specialist advice and supporting the training and development of people able to provide appropriate installation and maintenance services in all areas. This must include provision for improvements to older rural homes (especially those reliant on heating oil and liquid gas) which will likely require solutions specific to the property.
6. Introduce a [Local Energy Bill](#) and encourage local groups to develop small-scale renewable energy solutions where they can sell energy back to local households and businesses thereby supporting a just transition to net zero and reducing rural communities' dependence on the national grid.

## About ACRE

ACRE (Action with Communities in Rural England) is a national charity speaking up for and supporting rural communities.

We are the national body of the [ACRE Network](#), England's largest rural grouping of community support charities which together reach over 35,000 community groups annually, and lever in over £34 million each year in support of initiatives that equip people with the knowledge, skills, and connections needed to improve their local community.

ACRE is a member of the [End Fuel Poverty Coalition](#), a broad coalition of over 60 anti-poverty, environmental and health campaigners, local authorities, trade unions and consumer organisations campaigning to influence government and other bodies to take action and end fuel poverty.

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