The cost of keeping warm and the price of inadequate policy

As winter approaches, the risk of the cost of living crisis transforming into a health crisis will increase, say Danielle Butler and colleagues

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We are in the middle of an energy price crisis, with energy insecurity, fuel poverty, and their deleterious effects firmly fixed on the policy agenda, in media discourse, and in the public’s awareness. Since October 2021, the annual cost of energy for the average household (without government intervention) has risen from roughly £1,300 to more than £2,500. These rises are expected to continue into 2023 and beyond. Responding to the situation and pressure from charities, campaign groups, and researchers, the UK government has set out drastic fiscal policy.

The package comprises a £150 council tax rebate and, under the Energy Bills Support Scheme, a £400 energy bill rebate. Additional payments for some vulnerable groups are included, such as those on means tested benefits or of an age to receive a pension. An increase in available local authority funding of £1bn has also been announced as part of the Household Support Fund. These measures sit alongside the recently introduced cap on the unit price of energy, which means the typical household’s energy bill should be around £2,500. This was intended to provide a level of protection against the forecasted price rise in October 2022 to £3,500 and, with the government’s commitment to support this into 2024, will also protect against subsequent rises expected next year.

Although this support is welcome and considerable in scale, it does not go far enough. These measures will not mitigate the existing and now mounting financial pressures placed on people on the lowest incomes who are most vulnerable—for many of whom energy was already unaffordable. The doubling of energy bills has also triggered a rise in the number of households experiencing fuel poverty for the first time. National Energy Action estimated the number of households in fuel poverty will rise from 4.5 million in October 2021 to 6.7 million in October 2022—a 49% increase even with the government support package.

There are also growing concerns for people that may fall through the gaps in support, such as those living on sites, for instance Gypsies and Travellers, private renters, and people more vulnerable to scams. The often referred to “heat or eat” dilemma no longer reflects the new and catastrophic normal we live in where many households cannot afford to do either.

The harms of cold homes

The people hardest hit by price shocks will not represent the average household in terms of energy use or needs. It will include people who are marginalised, overlooked, or vulnerable in many ways—through health, disabilities, where living in rural and remote communities, or as tenants in the poorest quality housing in the private rented sector.

We know, for example, that living with a terminal illness or being dependent on medical equipment results in higher than average energy needs and therefore, costlier energy bills, leading to a choice for some between “oxygen and heating.”

The evidence from our work and the work of others, including those we consult with as part of a national Health and Housing Working Group, is clear: a warm, safe home is essential to good health, comfort, and wellbeing. Colder homes lead to new physical and mental health conditions, as well as exacerbating existing health problems. The cost of this to the health service runs into the billions each year, and thousands of people die each winter because they cannot keep warm and well at home.

For children and young people, poor quality and cold housing is linked to low self-esteem, confidence, and educational attainment; poor nutrition; injuries; and reduced infant weight gain. For parents, the situation is also grave. Before the most recent price rises, one in four were already cutting back on the quantity and quality of food to afford essentials such as energy bills, with one in 10 eating cold food because of the cost of using energy to cook. There is a real risk that as winter approaches we will begin to see the cost of living crisis transform into a health crisis.

As well as the effects of this crisis on physical health, a growing evidence base is revealing the harmful impacts for mental health. Millions of people are navigating complex and highly stressful experiences of squeezed budgets, rising household debt, and rationing of essential items such as food and clothing—a situation which charities are finding increasingly difficult, and in some cases impossible, to respond to.

A missed opportunity

The government’s latest growth plan “mini-budget” was a missed opportunity to provide much needed and targeted support to the most vulnerable UK households. To avert the impending harms of the crisis, National Energy Action are calling for additional measures that are urgently required. Firstly, financial support for the poorest households must be increased, including low income households not in receipt of means tested benefits and those on prepayment meters. Better targeting of this and other support is necessary, and the energy market must be made fairer by, for example, introducing a social tariff for energy alongside the price cap. Helping low income households to clear utility debts through a
payment matching scheme is also important to help people escape cycles of debt.

Critically, the government must commit to improving the energy efficiency of low income homes through grants that fully cover the cost of insulation, and by enforcing new standards that place a duty on landlords to ensure their properties are sufficiently energy efficient. This will reduce the amount of energy required to keep homes warm and the threat that high energy prices and market volatility pose to low income and otherwise vulnerable households. A national energy efficiency programme must be coupled with an energy advice programme that is coordinated, sufficiently resourced, and sensitive to the differences—and potentially harmful misperception—between reducing energy vulnerability and reducing energy use. For many households in fuel poverty, there is a dire need for them to use more, not less, energy to protect health and wellbeing.

The energy crisis will hit millions of people over the coming months. Health will suffer. Comfort and wellbeing will be compromised. Households, including those with children and young people, will be cold and distressed. Debt will mount and people will turn to unsafe coping tactics. Support services and frontline staff, like householders, are squeezed and gravely worried already—before the winter and the latest price rises have been felt. Yet this challenge has clear ways forward.

Market reforms and energy efficiency and energy advice programmes are critical in the long term. In the immediate, however, it is essential to provide more financial support directly to households, while supporting the organisations that ensure this reaches those most in need. Working towards this will provide a way to reduce the impact of this crisis—in how much and how long people have to suffer.

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