

BUILDING A CARING ECONOMY

UNIVERSAL BASIC ENERGY



**CARE
FULL**

THE CASE FOR TRANSFORMATIVE CHANGE

The concept of fuel poverty has utility in matching the financial precarity experienced by so many in our current economy with the systems that drive it; namely, our privatised energy systems. Care Full's exploration of the number of unpaid carers experiencing fuel poverty and the nature of their experiences revealed to us a stark reality and led us to this call for truly transformative solutions.

That research - *Running On Empty*, released as a companion piece to this policy paper - finds that 14% of unpaid carers caring within the home they share with another adult are in fuel poverty. Fuel poverty rises higher for unpaid carers whose access to paid work is affected by the care they give (21% in fuel poverty) and amongst unpaid carers who are also single parents (36% in fuel poverty).

As a nation we've seen huge volatility in energy prices in the past five years, and this bears out in the scale of fuel poverty over time. With a further increase to the energy price cap announced in November 2025, there are no signs that this trend is reversing.

But, as research from the End Fuel Poverty Coalition finds, energy companies are still reaping huge profits. They estimate £125 billion draw from major energy providers as profits over the last five years. Any reform within energy provision must attempt to redistribute this inequality between energy provider and consumer.

At Care Full, our work intends to ambitiously move us towards an economy and society that enables us to care for ourselves, each other and the planet by design. The foundations of such a transformation lie in ensuring everyone has the means to afford and access the basics that make life possible.

There is no doubt that access to energy is one of these foundations. So, what if we started from the position that everyone should have access to the energy they need to survive, and built policy up from there?

In this paper, we make the case for a universal basic energy service on the basis of three core benefits: fairness, efficiency and sustainability.

WHAT IS A BASIC ENERGY SERVICE?

In its simplest form, a basic energy service would provide everyone with access, free at use, to a defined amount of clean, safe and reliable energy to meet their essential needs.

A basic energy service might also be called Universal Basic Energy, Energy for All or a National Energy Guarantee.

Coote and Mang also make the case - which we support - that this provision must fall within planetary boundaries. And it is here that care for our population aligns with care for our planet.

Of course, no two households basic needs are the same. This is something we see acutely in the case of households with unpaid carers and those living with long-term health conditions or disabilities. So a basic provision alone will not solve all our issues, but it will go some way to ensuring no household goes without.

In the same way our social security system is there for us when we need it, so too must the other foundations we all need to live well.

WHY UNIVERSAL BASIC ENERGY

Fairness

According to research from Unite the Union, an average household pays £500 a year to energy provider profits. For unpaid carers in fuel poverty, living alone or with children, this amounts to almost 3 months worth of bills heading directly to energy provider profits.

This just exemplifies the unfairness built into our current approach to energy provision. Consumers hold little power and their access to energy is predicated on individual circumstances.

The philosophy of a universal basic energy provision is underpinned by the principle that in our modern economy, we collectively have all the resources we need to ensure everyone's basic needs are met; these just need to be redistributed support.

Efficiency

The current patchwork of support offered to individuals to help with energy costs is an inefficient and overly complex approach to meeting the population's energy needs. The Warm Homes Discount, Winter Fuel Payments, Household Support Fund and countless other local or third sector support grants make for a complex system for individuals to navigate with very little assurance they will get the funds they need or that they will meet their energy costs.

Further, with some of these policies - like the Warm Homes Discount - being paid for by everyone's bills, money is being moved around rather than providing expansive support. A universal basic provision puts people first, simplifying access to energy and when paired with a social tariff going a significant way to ensure provision is affordable, with the costs recouped through additional and redistributive taxation.

Sustainability

A universal basic energy provision is an idea with huge potential to overcome the market dominance of fossil fuels. As Autonomy outline in their exploration of the idea, a state led provision would 'continue to invest in, build, operate and maintain a range of new clean energy infrastructures such as solar and onshore and offshore wind'. Their work cites the newly formed GB Energy as one avenue to mobilise such a provision and to in part nationalise the energy system via renewables.

Elsewhere, Anna Coote writes that the contribution of a universal basic energy provision to ecological sustainability comes in three forms: 'by influencing public attitudes and consumption patterns; by transforming provisioning systems; and by underpinning political programmes to bring about a green transformation'.

In short, if we assume that there is a basic need for energy across households, and in some cases this cannot be reduced, then it is clear that our existing markets do a poor job of meeting this demand without a destructive effect on our environment. A provision of energy to meet basic needs that centres the opposite would be an impactful part of any just transition.

HOW A UNIVERSAL BASIC ENERGY PROVISION COULD WORK

We propose a universal basic energy provision, paired with a social tariff for usage above the basic provision for low income or higher needs households would, in combination, create a fairer system for all.

Whilst some advocate for grouping energy into different pricing blocks that increase in price as usage increases, this assumes that all above-average use is a choice or luxury. In reality, in our research we heard from carers that their use is rarely something within their control but is instead closely aligned to the needs of the person they cared for, whether through specialist equipment, the need for heating or additional washing. Therefore we suggest a basic provision in combination with a social and standard tariff to target support to those most in need.

The redistributive power of such an intervention would be supported by progressive avenues of funding. As JRF outline, 'funding interventions to reduce the cost of essential energy through general taxation is more progressive than through energy bills'. A contribution from additional general taxation could act as a means to ensure that those who can afford to pay more are the ones who do. With Tax Justice UK outlining how ten wealth tax reforms could raise £60bn this too could be an under-utilised revenue raising approach.

Fuel Poverty Action make the case that a shift to renewables opens up additional provision and funding in their manifesto. They argue that surplus energy is being curtailed from the system but could be used to introduce a free basic provision, whilst elsewhere subsidies to fossil fuels could be redirected towards a free, renewable provision for households.

These require us to think differently about the nature of our economy, and the provision of energy within it. The idea has a foundational post-growth philosophy, putting the needs of people above the determination to grow the economy at all costs. Disconnecting energy from growth means the opportunity for cleaner, greener and fairer energy. A universal basic energy model offers a chance to lay the first foundation for a caring economy.

ABOUT CARE FULL

Care Full has a vision of social and economic systems that centre care - in all its forms - by design. We understand this will require transformative change that engages with the root causes of marginalising care in our economy. Our role is to drive forward that change; building essential evidence, catalysing a movement of solidarity and shifting narratives towards a more expansive and collective understanding of care.