

# Methodology and notes for targeted bill support blueprints

Annex 2

December 2025



With modelling by:



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## About this report

This report has been developed through a collaboration between Citizens Advice, IPPR and Policy in Practice.

- **Citizens Advice** has led the design of the blueprints to propose effective and sustainable targeted bill support across essential markets.
- **IPPR** has led the economic modelling using IPPR's tax-benefit model, mapping the impact and costs of different levels of support across each market.
- **Policy in Practice** has led on how technology and data can increase up-take, drawing lessons from its partnerships with a third of UK councils and utilities across the country to improve access to social tariffs and other essential support.

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## IPPR tax-benefit model

1. The model is built using data from the IPPR tax-benefit model with the Living Cost and Food Survey (LCFS) to transform data from the LCFS from 2018/19 to 2022/23 to “now-cast” for the current 2025/26 financial year. This means that the model takes expenditure data in each year and applies a different uprating factor based on inflation within each utility.
2. All modelling data is based on households not individuals.
3. We removed from the sample a small number of observations which appear to have extraordinarily high expenditure on utilities in the LCFS data. We then performed a small re-weighting of the remaining sample to restore the original number of households.
4. The distributional analysis uses equivalised income. All other income is not equivalised.
5. Broadband, energy and motor insurance are modelled across Great Britain. Water is modelled for England and Wales only, because in Scotland water charges are usually paid through council tax. The distributional analysis is modelled using United Kingdom data. There is no change in bill support modelled for Northern Ireland.
6. To understand the impact of the proposed policy solutions, we predicted a “scenario 0” baseline for each market. In our baseline, the year 2025-26 continues as it would with no additional policy solutions. We therefore include what currently exists or is planned for that year, including local water social tariffs, broadband social tariffs at current uptake levels and the Warm Home Discount (WHD) at its predicted level of support. This helps us understand the impact of proposed additional interventions.
7. Means-tested benefits (MTB) are an eligibility criteria for broadband, energy and motor insurance. The modelling has included the following benefits which would enable eligibility:
  - a. Child Tax Credit
  - b. Housing Benefit
  - c. Income Support
  - d. Income-based Jobseeker’s Allowance (JSA)
  - e. Income-related Employment and Support Allowance (ESA)
  - f. Pension Credit
  - g. Universal Credit
  - h. Working Tax Credit.

8. MTB uptake has been adjusted in the tax-benefit model for individual benefits to produce plausible totals for qualifying MTB in 2025/26 in line with the published spring statement forecasts from the Department for Work and Pensions (DWP). This results in slightly different estimates to those produced from other organisations which have been driven by different data sources such as the English Housing Survey.
9. Weekly household income and 5% water poverty are eligibility criteria for the water bill support. The criteria for water poverty uses 5% or more spending on water bills of household income after tax and housing costs. Household income is not equivalised. Housing costs also include the interest component of mortgages only, council tax, “structural insurance premiums”, ground rent and service charges consistent with the DWP definition of after housing costs income. For households with mortgages, if the “full” monthly mortgage cost was operationalised instead of the interest component only, it would lead to a greater number of households to be deemed in water poverty, and therefore eligible.
10. Modelling assumes that for scenarios using households in receipt of MTB as eligibility criteria, 70% of eligible households will take-up the targeted bill support. This is based on assumptions from the Warm Home Discount 2025/26 expansion to all households on MTB. This applies to modelling for broadband, energy and motor insurance.
  - a. For water, which does not use MTB as eligibility criteria, take-up is calculated as a weighted estimation. This is based on households who receive MTB with qualifying income have a take-up of 70% take-up, and households not receiving MTB with a qualifying low income, or those who qualify under the water poverty criteria at 25% take-up. Discounts for eligible households are modelled as fixed discounts, not percentage discounts.
11. Where the total scheme cost is cross-subsidised, the cost is recovered from all bill payers distributed as an additional percentage premium on households. In this way, the model assumes those who pay higher utility bills pay more towards the targeted bill support. We recognise that this is not currently how existing subsidies such as the WHD works, which applies a fixed amount to the standing charge.
12. Administration costs for each market are based on the estimated administrative costs for the 2025/26 Warm Home Discount.<sup>1</sup> The administration costs have

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<sup>1</sup> Department for Energy Security and Net Zero, [Expanding the Warm Home Discount Scheme 2025/26: Impact Assessment](#), April 2025

been estimated based on the number of eligible households receiving support. We would expect it would be possible to achieve cost efficiencies through systems being developed centrally. The administration costs have not been included in the total scheme cost for cross-subsidy.

13. This modelling was completed prior to the Autumn 2025 Budget, and therefore the baseline does not account for changes announced during the Autumn Budget, including changes to the two-child benefit cap or Energy Company Obligation (ECO) scheme.

## **Citizens Advice commissioned survey conducted by Yonder Consulting, July-August 2025**

14. Citizens Advice commissioned Yonder Consulting to conduct a nationally representative online survey of GB energy bills payers with a total sample size of 4,270. Fieldwork was conducted between the 31st July and 6th August 2025.
15. Survey questions were also asked on water bill affordability. These results are based on respondents in England and Wales only and excludes anyone who doesn't pay a water bill.

## **Citizens Advice commissioned survey conducted by Opinium, April-June 2025**

16. Citizens Advice commissioned Opinium to survey 6,000 UK adults to find out more about the process of haggling for a better deal with mobile and broadband providers. Fieldwork took place between the 22nd April and 6th June 2025.
17. The survey was disseminated online and 'sample boosts' were used for particular demographic groups (people with mental health conditions, financial struggles, older people, English as an additional language). This ensured that enough data was captured about these groups to allow meaningful analysis of their opinions and behaviour.
18. Survey results were weighted to be nationally representative of the UK adult population (aged 18+) on age and gender, religion, social grade, working status and ethnicity.

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