

Fuel Poverty

A policy perspective from England

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Overview

- What is Fuel Poverty
- Measuring Fuel Poverty
- Fuel Poverty Strategy
- Support Available
- Stakeholder Engagement



What is Fuel Poverty?

Three factors contribute to whether a household is considered to be in fuel poverty :

- Low Household Income
- Energy Prices
- Low Energy Efficiency

A household is considered to be in fuel poverty if they are on a lower income and unable to heat their home for a reasonable cost.



Target and Milestones

Legislation - Warm Homes and Energy Conservation Act 2000

Statutory Target for England is to:

Ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band C, by 2030.

Interim Milestones:

- Band E by 2020
- Band D by 2025



How do we measure Fuel Poverty?

- The **English Housing Survey** is key source of data and carries out –
 - 13,000 interviews per year with households (incl. income)
 - 6,000 physical surveys per year in dwellings (incl. energy efficiency)
- Data from physical surveys is reported over 2 years (24 month survey period)

Metric used: **Low Income Low Energy Efficiency (LILEE)**, finds a household to be fuel poor if it:

- Has a residual income below the poverty line (after accounting for required fuel costs) and
- Lives in a home that has an energy efficiency rating below Band C.



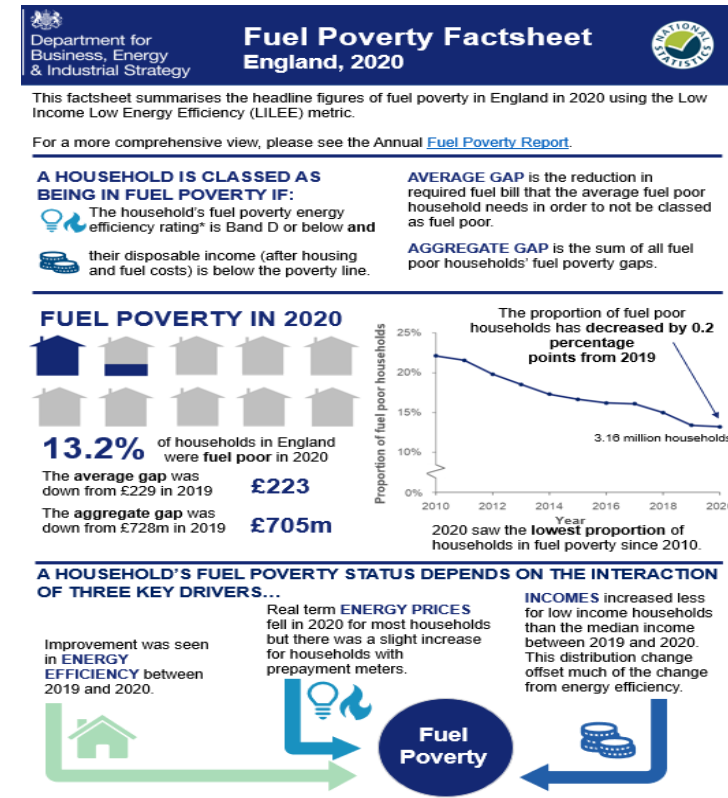
Fuel Poverty statistics & publications

- Published annually – most recent February 2022
- Reports on:
 - Number of fuel poor households in England – 13.2% of households were fuel poor in 2020
 - Fuel poverty gap
 - the reduction in fuel costs needed for a households to not be in fuel poverty - £223 in 2020
 - aggregate gap £705m in 2020
 - Projections to 2022



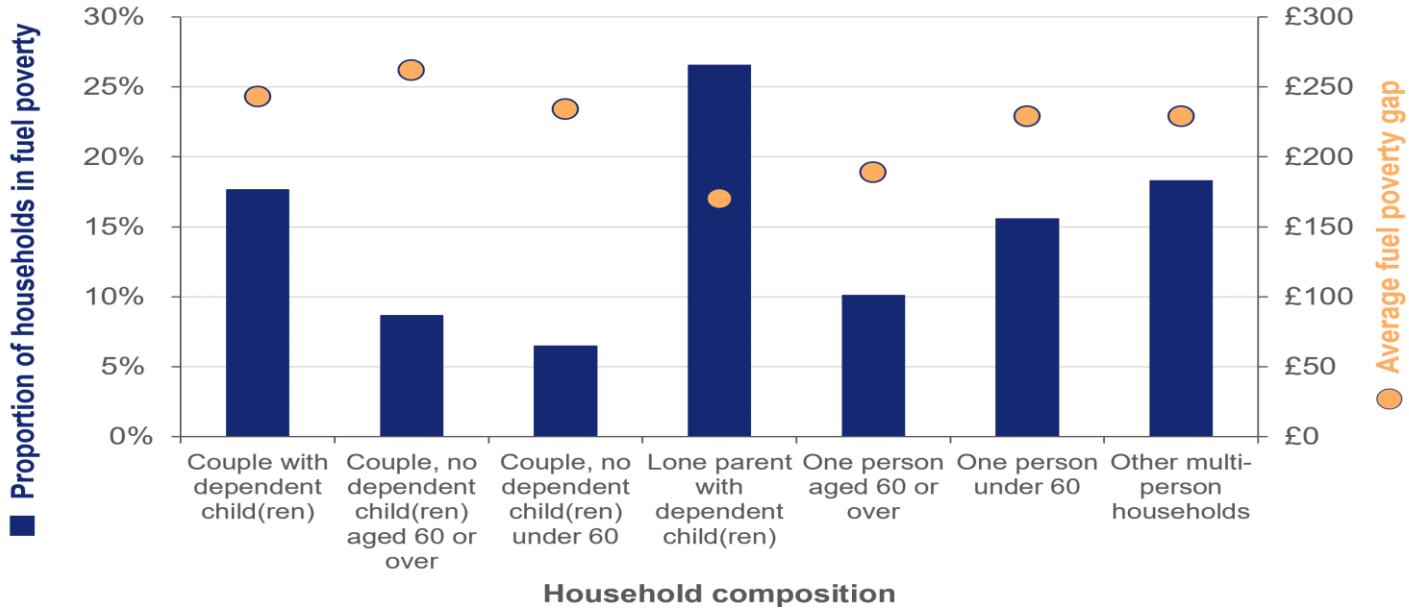
Fuel Poverty statistics & publications

- Documents include -
 - Factsheet
 - Detailed tables 2020
 - Trends tables 2010-2020
 - Supplementary tables (medians of income, Fuel Poverty Energy Efficiency Rating, floor areas & fuel costs - 2020)

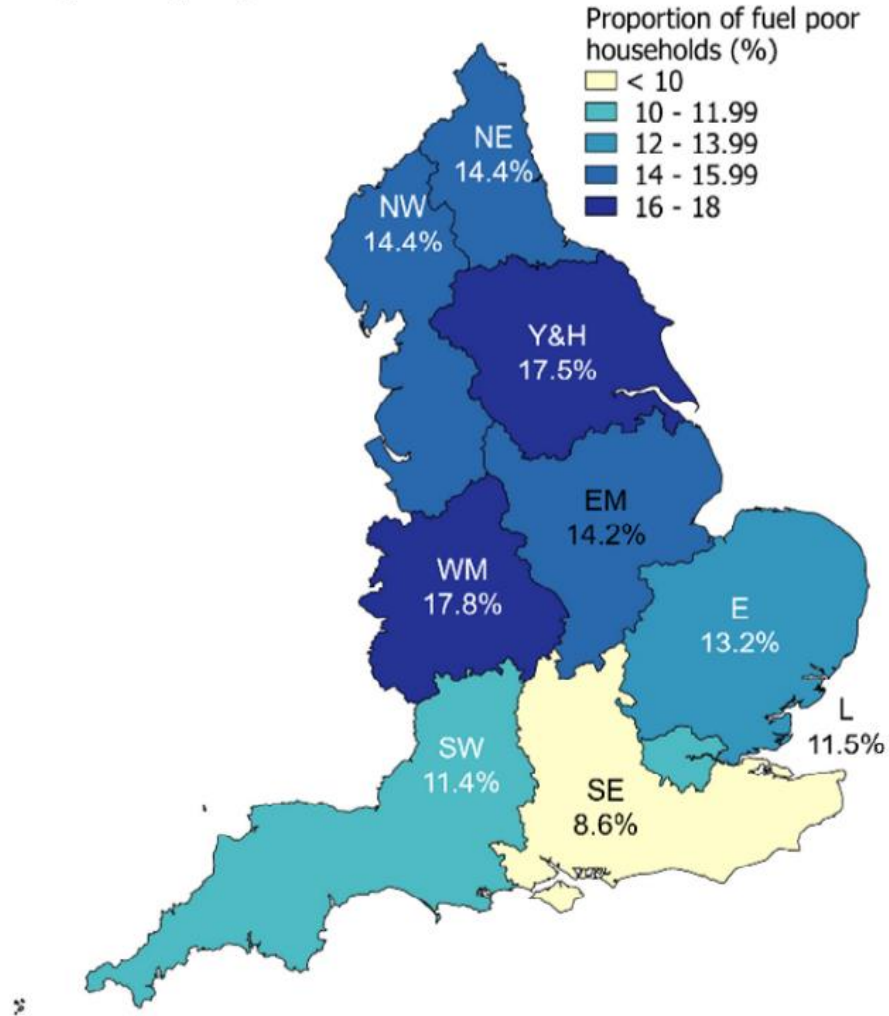


Who Are the Fuel Poor?

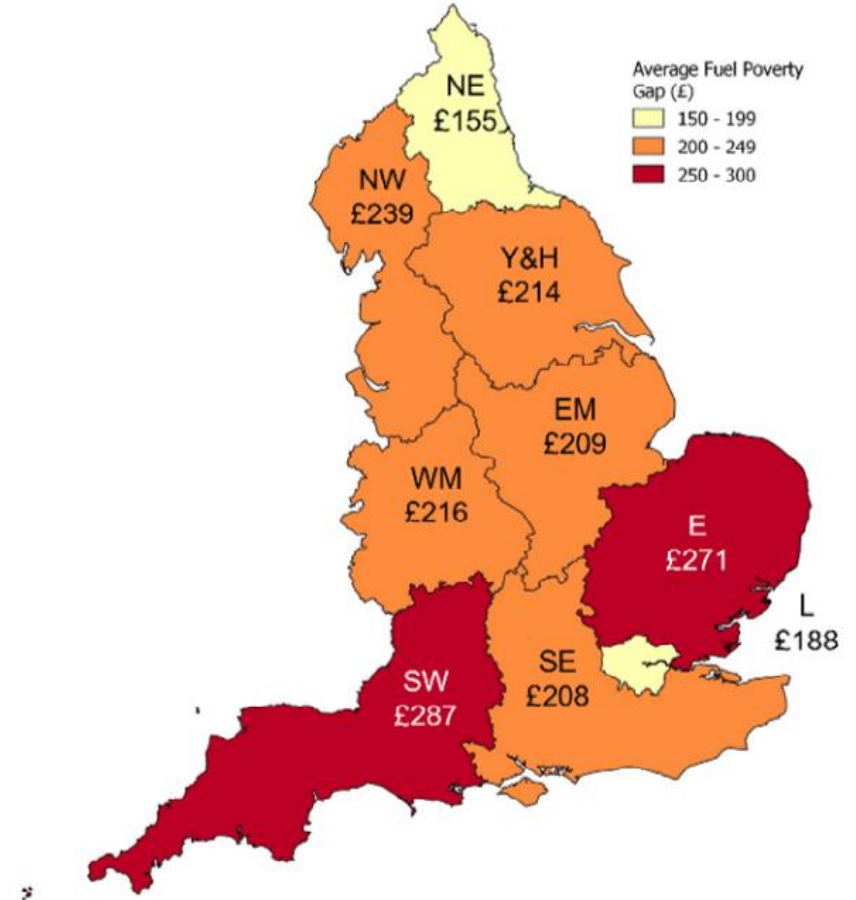
Figure 3.17: Single parents have the highest proportion of households in fuel poverty and couples aged over 60 have the highest average gap



The proportion of poor households across England by region



The average fuel poverty gap across England by region



Fuel Poverty Strategy

Sustainable Warmth: protecting vulnerable households in England (Feb 2021)

Updated strategy which

- Outlined key policies and programmes: funding and regulations
- Introduced new Fuel Poverty Metric
- Updated Vulnerability Principle, identifying low income groups we consider particularly vulnerable when living in a cold home
- Introduced a new Sustainability Principle



Fuel Poverty Strategy – guiding principles

- Cost Effective
- Worst First
- Updated Vulnerability principle (NICE), identifying low income group we consider particularly vulnerable when living in a cold home
 - 65 or older;
 - Younger than school age;
 - Living with a long-term health condition which **makes them more likely to spend most of their time at home**, such as mobility conditions which further reduce ability to stay warm; or
 - Living with a long-term health condition which **puts them at higher risk of experiencing cold-related illness** – for example, a health condition which affects their breathing, heart or mental health.
- New Sustainability principle



Fuel Poverty Strategy - Commitments

1. We will continue to publish annual fuel poverty statistics, and ensure these statistics reflect our updated view of vulnerability.
2. We will ensure that future fuel poverty policies reflect the updated strategic principles for fuel poverty.
3. We will monitor the delivery patterns of fuel poverty energy efficiency schemes, such as ECO and parts of the Green Homes Grant Voucher and LAD schemes, to identify where delivery is at lower than expected levels.
4. We will ensure that the design of new domestic energy schemes and policies, and reviews of existing schemes, have regard for fuel poverty.
5. We will continue to work with local partners where appropriate, giving justification for the approach during planning and design.
6. Government will engage with, listen to and support people and groups working on the frontline, tackling fuel poverty in communities across England.
7. We will share our world class expertise on fuel poverty with international partners.
8. We will seek to improve targeting in the next generation of national fuel poverty schemes, by building new proxies that reflect the Low Income Low Energy Efficiency indicator and looking for opportunities to extend the use of data matching wherever practical and appropriate.
9. We will work to improve targeting by enabling and facilitating more data sharing. This includes working to remove barriers to data sharing in the health arena.
10. We will seek to ensure fuel poor households, especially those off the gas grid, are early beneficiaries of the transition to low carbon heating.
11. We will consider how to make fuel poverty schemes easier to access for households facing barriers to support.
12. We will explore how energy advice could be better provided to households facing particular barriers to support.
13. We recognise the link between fuel poverty and health and wellbeing and we are committed to developing a means of measuring this.
14. We will seek to ensure that the fuel poor benefit from efforts to connect consumers with their energy use, as we establish a smart and flexible energy system to work towards the Net Zero target.
15. We will continue to identify gaps and work with others to improve the evidence base on fuel poverty.
16. We will continue holding an annual debate in Parliament on fuel poverty.
17. In line with the Statistics Code of Practice, we will work toward publishing our annual fuel poverty statistics more quickly, with the ultimate aim of publishing within one calendar year of the data being collected.
18. We will seek to report on fuel poor households using renewable technologies in future when greater levels of deployment make statistical reporting feasible.
19. We will seek to evaluate domestic energy efficiency schemes, making the results of the evaluations public and learning lessons to improve current and future fuel poverty schemes.
20. The Committee on Fuel Poverty will continue to have an active role in relation to scrutiny of progress on fuel poverty.
21. Government will continue review the fuel poverty strategy regularly.



What support is available?

- **Energy Company Obligation (ECO)** - an obligation on larger energy suppliers to provide energy efficiency and heating measures to low-income and vulnerable households living in the least energy efficient homes across Great Britain.
 - The current iteration, ECO4, runs from 2022 - 2026 with an increased value of £4bn
- **Home Upgrade Grant (HUG)**- Funding for local authorities to improve the energy performance and heating systems of off gas grid homes in England.
- **Social Housing Decarbonisation Fund (SHDF)** - will upgrade a significant amount of the social housing stock currently below Energy Performance Certificate (EPC) C up to that standard.
- **Local Authority Delivery scheme (LAD)** - aims to raise the energy efficiency of low income and low energy performance homes with a focus on energy performance certificate (EPC) ratings of E, F or G.



What support is available? (2)

- **Warm Home Discount (WHD)** - currently provides around 3 million low-income and vulnerable households across Great Britain with a £150 rebate off their winter energy bill.
- **Winter Fuel Payment** - pensioners can get between £100 and £300
- **Cold Weather Payment** - £25 extra a week for those on certain benefits, available during the winter when the temperature is zero or below for more than seven days
- **Energy Bills Support Scheme** £400 non-repayable government discount in instalments over six months from October 2022 to March 2023 to help 29 million households with energy bills over the winter.
- **Energy Price Guarantee** - reduces the unit cost of electricity and gas this winter



Cost of Living Support

Wider **Cost of Living support package** (26 May 2022) includes targeted support for low income and vulnerable households this winter (2022/23):

- £650 one-off Cost of Living Payment for those on means tested benefits
- One-off £300 Pensioner Cost of Living Payment for over 8 million pensioner households across the UK to be paid alongside the Winter Fuel Payment
- £150 Disability Cost of Living Payment
- £500m increase and extension of the Household Support Fund.

Further to this support, the government set out **additional Cost of Living support for 2023-24** in the Autumn Statement (17 November 2022). This includes:

- an additional Cost of Living Payment of up to £900 in 2023-24 for households on means tested benefits.
- a further £300 Pensioner Cost of Living Payment in 2023-24.
- a further £150 Disability Cost of Living Payment in 2023-24.
- an extra £1 billion of funding to enable the extension of the Household Support Fund in England for a further year from April 2023



Stakeholders

- Work closely with stakeholders including
 - Energy suppliers
 - Local Authorities
 - Charities
 - Representative Organisations
 - Government Departments
- Committee on Fuel Poverty - advisory Non Departmental Public Body



Links

Sustainable Warmth Strategy: <https://www.gov.uk/government/publications/sustainable-warmth-protecting-vulnerable-households-in-england>

Fuel Poverty Statistics <https://www.gov.uk/government/statistics/annual-fuel-poverty-statistics-report-2022>

Cost of Living Support Factsheet: [https://www.gov.uk/government/publications/autumn-statement-2022-cost-of-living-support-factsheet/cost-of-living-support-](https://www.gov.uk/government/publications/autumn-statement-2022-cost-of-living-support-factsheet/cost-of-living-support-factsheet#:~:text=Benefit%20cap%20levels%20increase,%C2%A322%2C020%20for%20families%20nationally.)

[factsheet#:~:text=Benefit%20cap%20levels%20increase,%C2%A322%2C020%20for%20families%20nationally.](https://www.gov.uk/government/publications/autumn-statement-2022-cost-of-living-support-factsheet#:~:text=Benefit%20cap%20levels%20increase,%C2%A322%2C020%20for%20families%20nationally.)

Energy Bills Support Scheme: <https://www.gov.uk/government/news/millions-across-great-britain-see-energy-bills-reduced-as-18-billion-is-paid-out-in-first-month-of-government-scheme>

Autumn statement 2022: <https://www.gov.uk/government/news/beis-in-the-autumn-statement#:~:text=Energy%20Price%20Guarantee,->

[The%20Energy%20Price&text=The%20government%20will%20consult%20on,households%20can%20continue%20to%20benefit.](https://www.gov.uk/government/news/beis-in-the-autumn-statement#:~:text=Energy%20Price&text=The%20government%20will%20consult%20on,households%20can%20continue%20to%20benefit.)

Warm Home Discount: <https://www.gov.uk/the-warm-home-discount-scheme>



Thank you for listening!

Please feel free to make contact:

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