

Fuel Poverty in the UK and beyond

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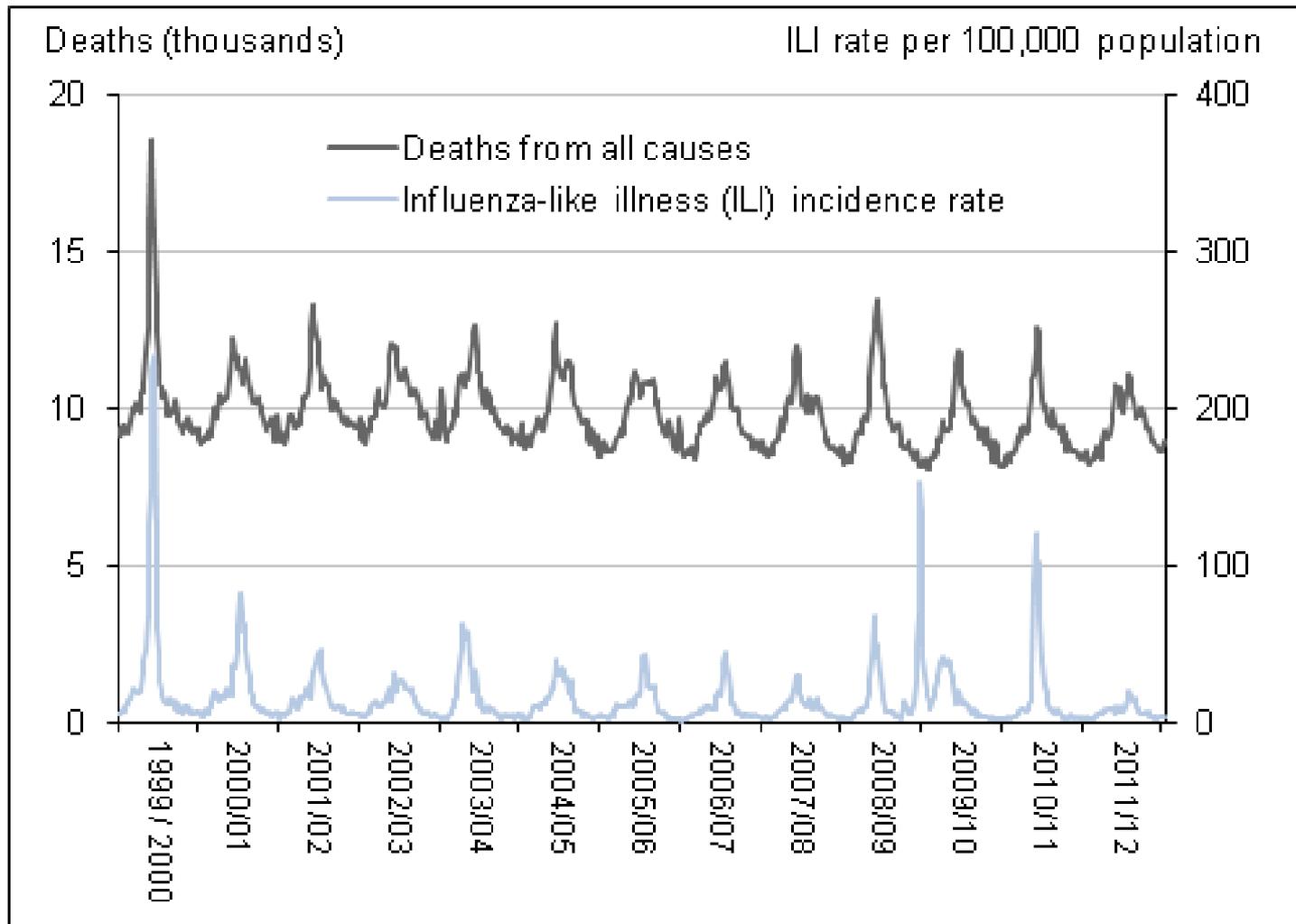
Fuel poverty: past UK definition

“a fuel poor household is one which needs to spend more than 10% of its income on all fuel use and to heat its home to an adequate standard of warmth. This is generally defined as 21°C in the living room and 18°C in the other occupied rooms - the temperatures recommended by the World Health Organisation”*

(Uk fuel poverty strategy 2001, BERR)

*usually taken to mean for 16 hours a day, or waking hours

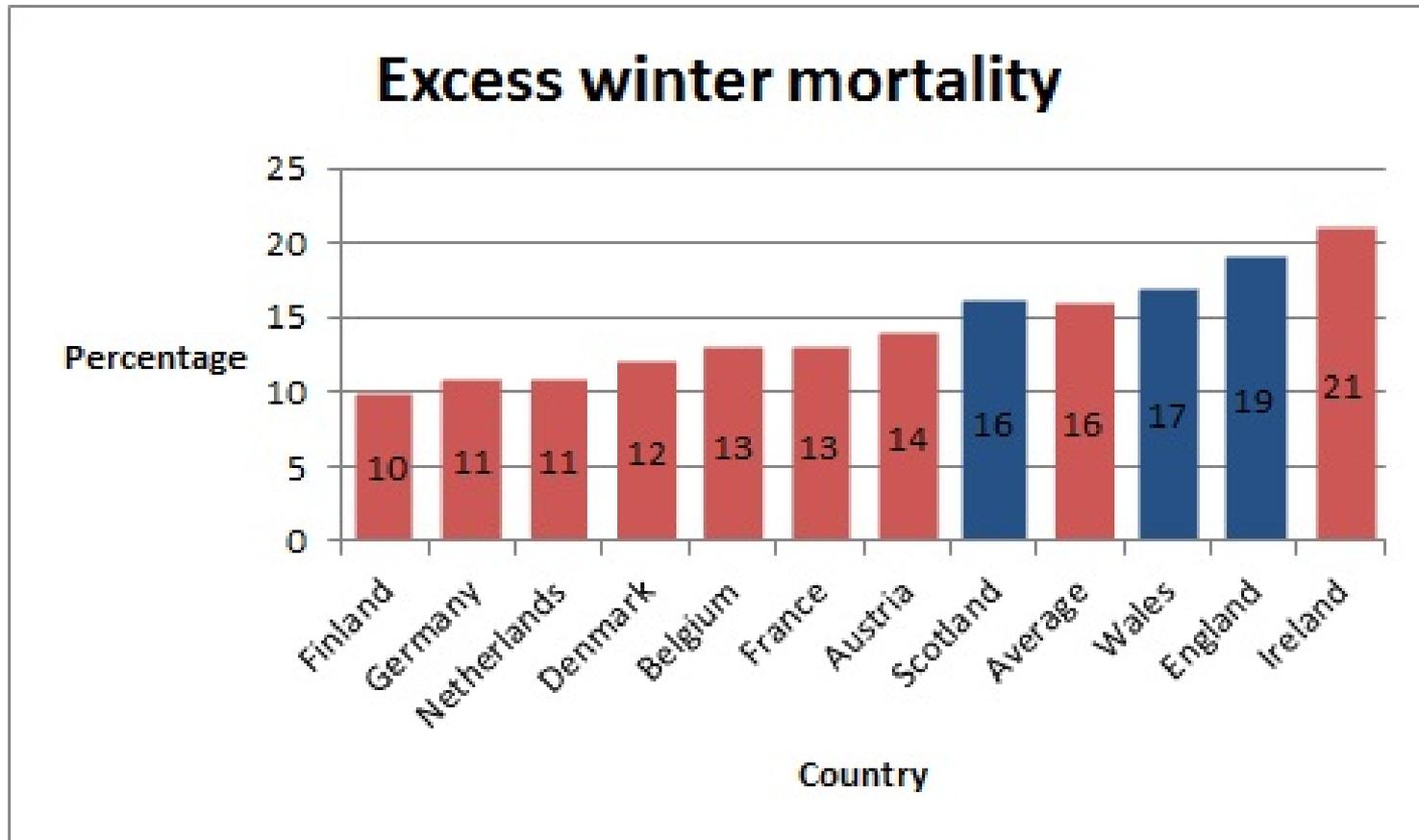
Why is this a political issue in the UK?



Excess winter mortality

- Excess winter deaths calculated by comparing number of deaths in winter months December – March with deaths in the non-winter months each side
- Estimated 24,200 EWDs in 2011-12 (15.5% more than in summer) and 31,100 in 2012-13 (19.6% more than in summer) – England and Wales
- Slightly more females than males (58% female in 2012-13)
- The majority of EWDs are among older people aged 75+ (82.3% in 2012-13)

UK comparison with other countries



Health effects of living in cold

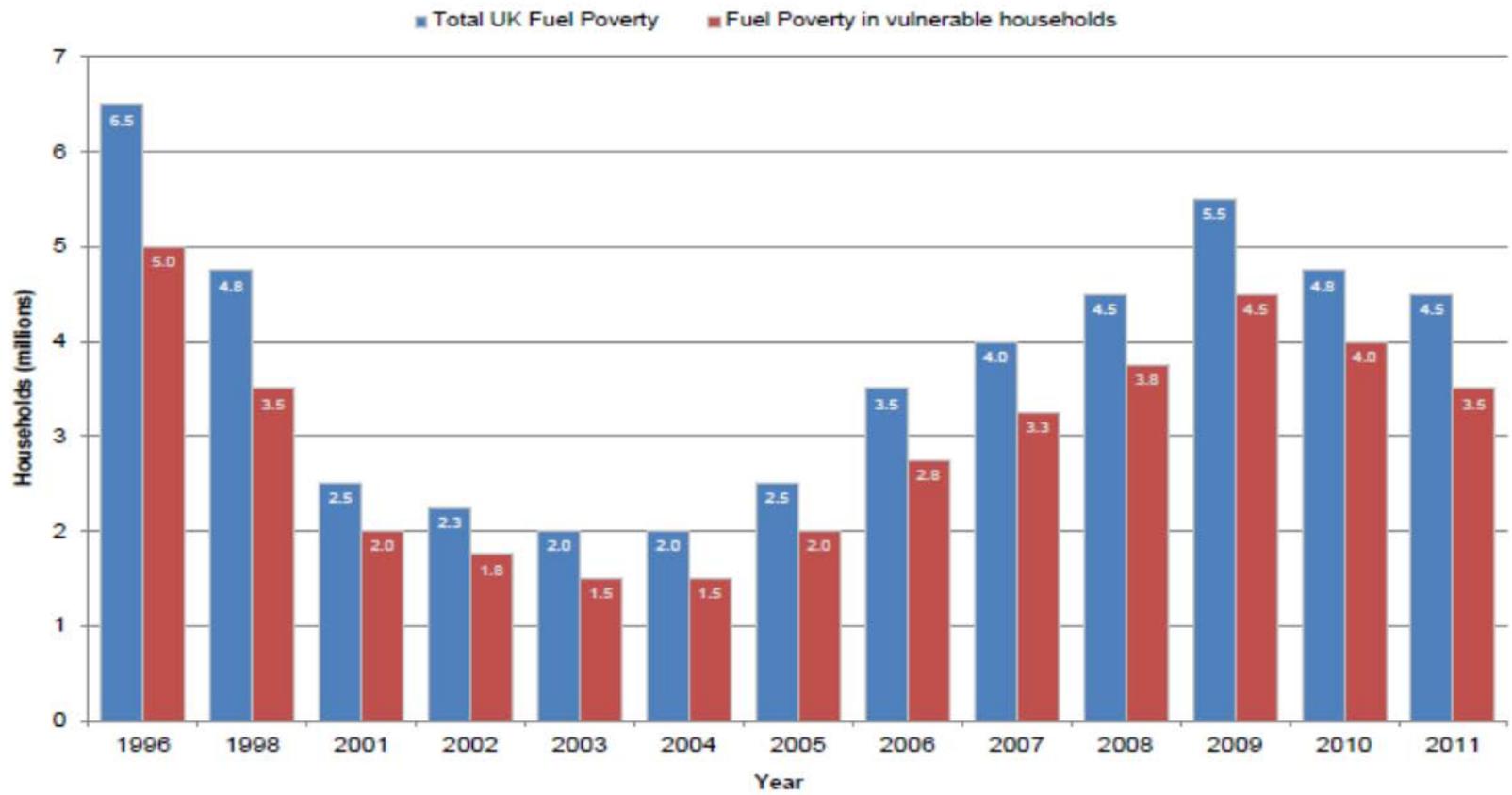
- Changes to blood pressure and blood chemistry
- Increased risk of heart attacks and strokes
- Suppressed immune system
- Increased risk of flu, pneumonia, asthma
- Increased risk of accidents and falls

Who are the fuel poor?

In 2011 in England:

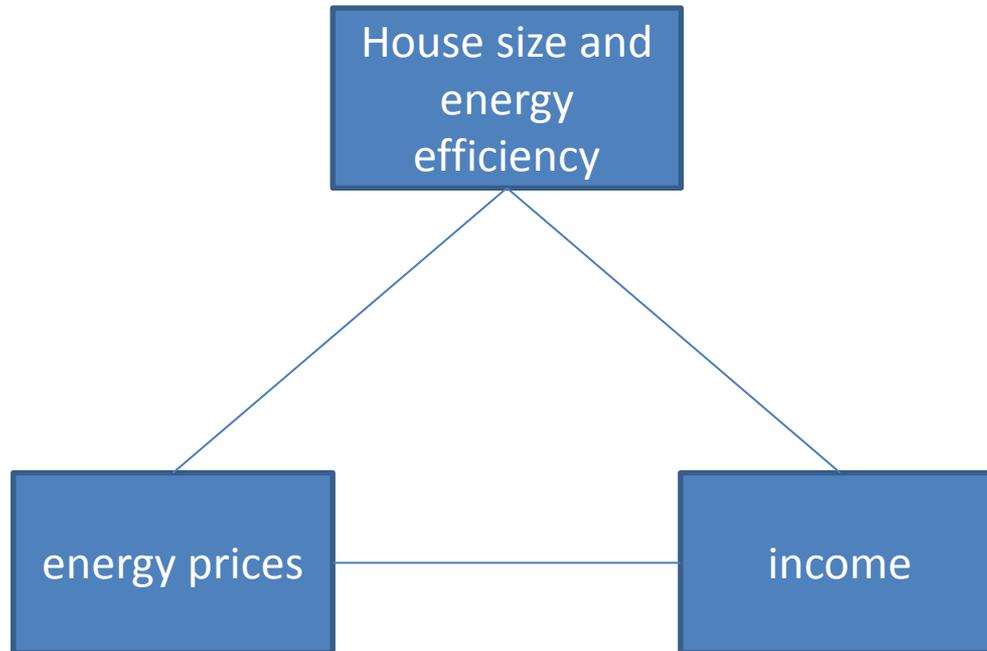
- 3.2 million households were fuel poor (14.6% of all households)
- Almost 29% of the fuel poor were single people over 60; 21% single people under 60
- 73% were in the lowest 20% of income
- 74% were urban

(DECC, 2013)



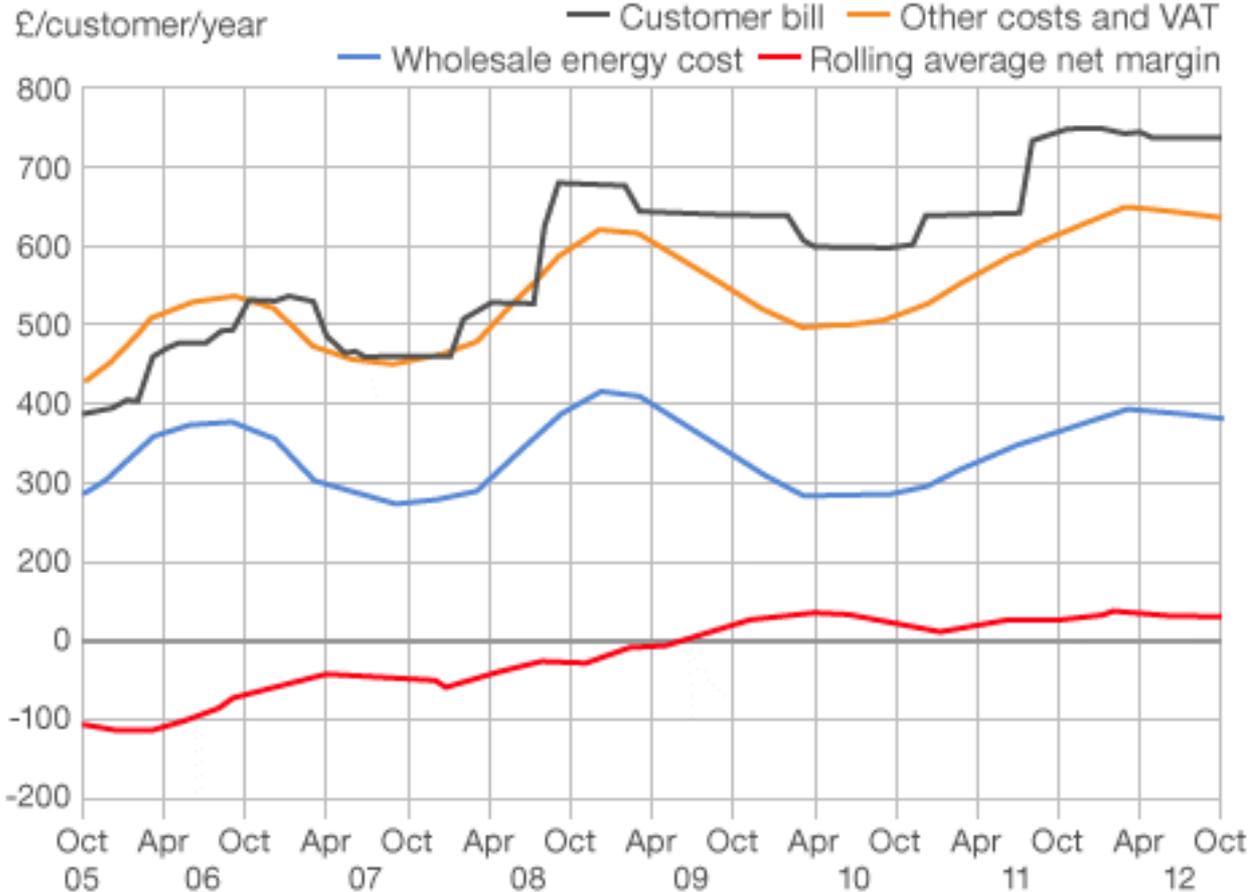
Why does fuel poverty come about?

Energy affordability



Energy prices

Typical gas bill*, 2005-2012



*Covers standard tariffs with electricity consumption of 16.9MWh/year.

Figures are weighted by payment method and market share.

Source: Ofgem

Energy bills rise by 37% in three years

Gas and electricity prices are rising at up to eight times the rate of earnings, warns Citizens Advice

Jamie Doward

The Observer, Saturday 16 November 2013 21.36 GMT

 [Jump to comments \(293\)](#)



The big six suppliers will have increased their prices by a total of 36% since October 2010. Photograph: Dan Kitwood/Getty Images

Energy prices are rising at up to eight times the rate of earnings

Money · Energy

Energy giant raked in massive profit while pushing up costs to struggling customers

Feb 13, 2014 20:53 | By **Graham Hiscott** | 1 Comments

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EDF, Europe's biggest power generator, saw its group profits go up to £13.8billion yet took its typical dual fuel bill to a budget-busting £1,300 a year



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10 February 2014 Last updated at 14:16

Energy firms' gas profit margins questioned by minister



Energy companies have been attacked by politicians in recent months

The prices and profits of British Gas have been questioned by the energy minister, who suggested it might have to be broken up.

In a letter to regulators, Ed Davey said profit margins made by the "big six" energy firms when supplying gas were higher than previously thought.

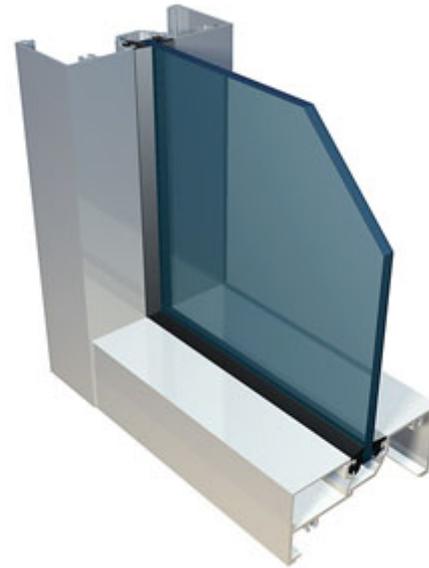
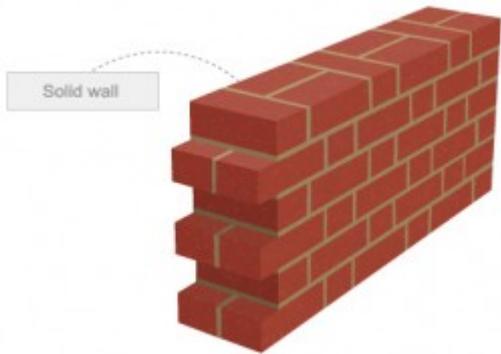
He called on regulators to study the dominance of British Gas, which said it would participate in any discussions.

The company's owner, Centrica, saw its shares fall by 1.7% to 308.9p.

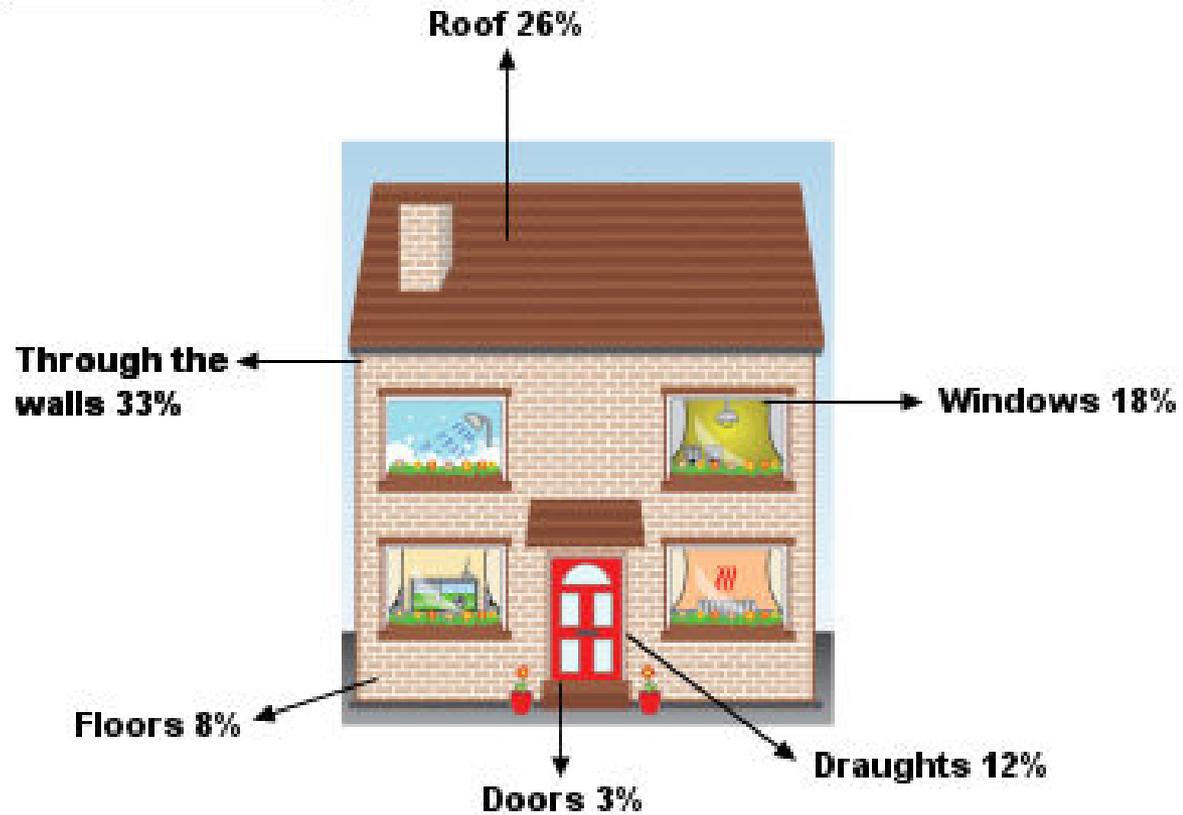
Mr Davey wants a market investigation, pointing out that British Gas had

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Heat loss from dwellings



Fuel poverty and UK policy

- Warm Homes and Energy Conservation Act 2000 led to..
- Fuel Poverty Strategy 2001
 - Gave the ‘10%’ definition
 - Set target of ending fuel poverty in ‘vulnerable households’ by 2010
- Hills Review 2011

‘vulnerable households’

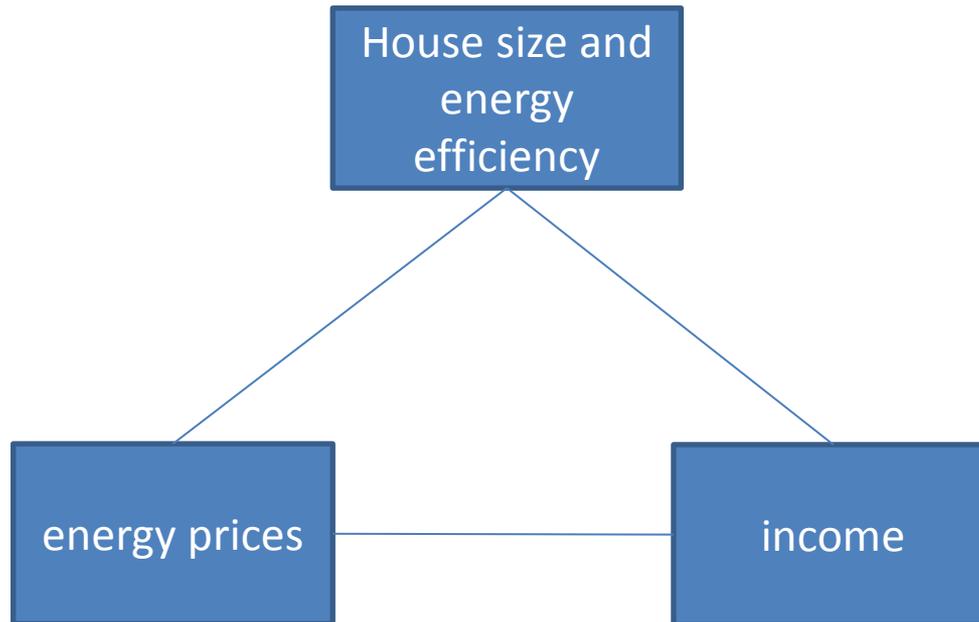
“Although the risks from fuel poverty and cold-related ill health apply to all people, older householders, families with children and householders who are disabled or suffering from a long-term illness are especially vulnerable.”

(UK fuel Poverty Strategy, BERR 2001: 8)

- 15% couples over 60 and 29% single people over 60 in fuel poverty in 2011
- 17.4% of households with a long term illness or disabled member were in fuel poverty in 2011



Fuel poverty interventions



Income-related interventions

- Direct payments
 - Winter fuel allowance (controversial)
 - Cold weather payments (limited)



Labour would axe rich older people's fuel payments - Ed Balls



3 June 2013 Last updated at 11:42

Labour would cut winter fuel payments for the UK's richer older people if they won the next general election, shadow chancellor Ed Balls has said.

It would affect about 600,000 people over 61 who pay higher and top income tax rates - saving about £100m.

Mr Balls said that in tough economic times it could "no longer be a priority to pay the winter allowance to the wealthiest pensioners."

[Read More](#)



28 April 2013 Last updated at 14:05



Iain Duncan Smith urges wealthy elderly to 'hand back' benefits

[COMMENTS \(1456\)](#)

Wealthy elderly people who do not need benefits to help with fuel bills, TV licences or free travel should return the money, the work and pensions secretary says.

Iain Duncan Smith told the Sunday Telegraph he would "encourage" people who do not need such financial support "to hand it back".

But the decision whether or not to do so was up to them, he added.

Deputy PM Nick Clegg said the suggestion did "not make sense".

Prime Minister David Cameron has already said the benefits would be protected for the entirety of this Parliament, including for the year 2015-16.

A general election will be held in 2015, and Mr Duncan Smith said there were no plans to means test to exclude richer pensioners.



Iain Duncan Smith said the wealthy elderly have a choice as to whether to hand back some of their benefits

Benefits changes

Life when the Jobcentre says you broke the rules

Energy Price Interventions

- ‘liberalised’ energy market
- Emphasis on consumers choosing the best price
- Supplier switching
- Social tariffs

Labour would freeze energy prices until 2017, says Ed Miliband

In keynote speech to Labour conference, Miliband says he wants to 'press the reset button' on profiteering energy firms

Patrick Wintour, political editor
theguardian.com, Tuesday 24 September 2013 16.51 BST

[Jump to comments \(1518\)](#)



[Link to video: Ed Miliband: Labour would freeze energy prices until 2017](#)

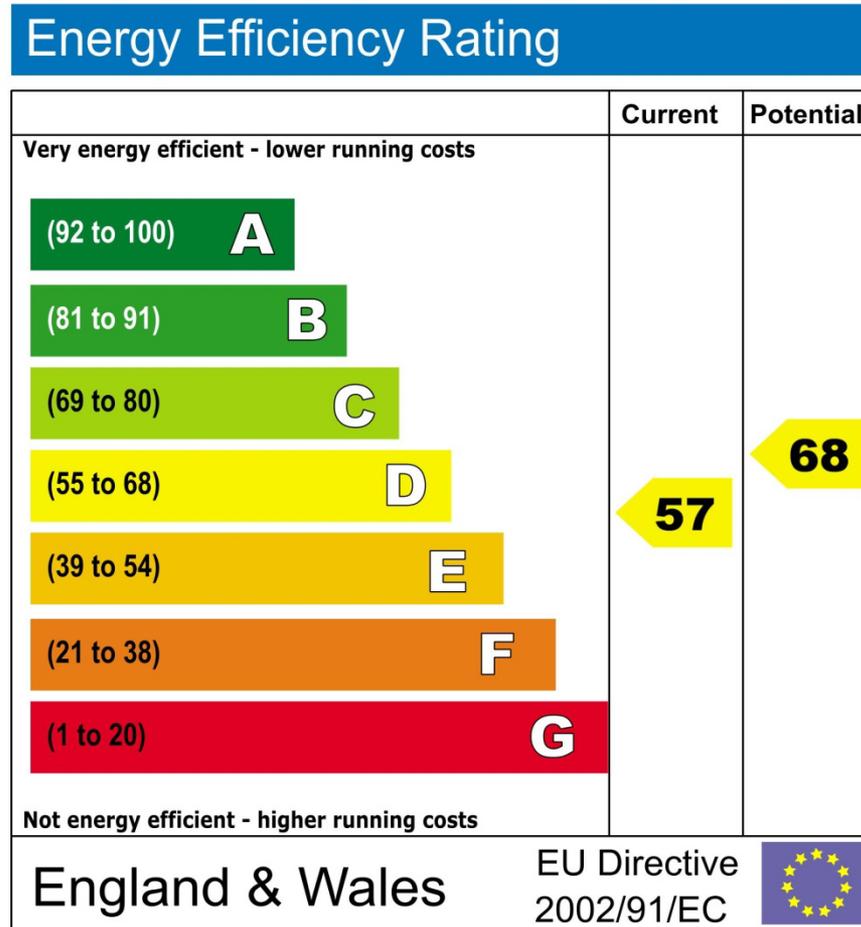
Labour would impose a 20-month price freeze to 2017 on all the energy companies, Ed Miliband announced on Tuesday, in the party's most dramatic move yet to show it is determined to address the living standards crisis.

Efficiency-related interventions

- Building regulations – new build
- ‘Warm Front’ (2002-2013)
 - Grants for insulation and new heating systems for private sector households on low incomes
- Carbon Emissions Reduction Target (CERT) (2002-2013)
 - Energy suppliers had to meet targets to insulate homes
 - 40% had to be ‘vulnerable households’



Energy performance certificates



Intervention policy 2013 onwards

- ‘Green Deal’
 - Facilitates ‘retrofits’: home improvements to reduce energy consumption including e.g. solid wall insulation and solar panels
 - Available to home owners and to tenants
 - Pay back through energy bills
 - Delivered by private companies
 - Low take up

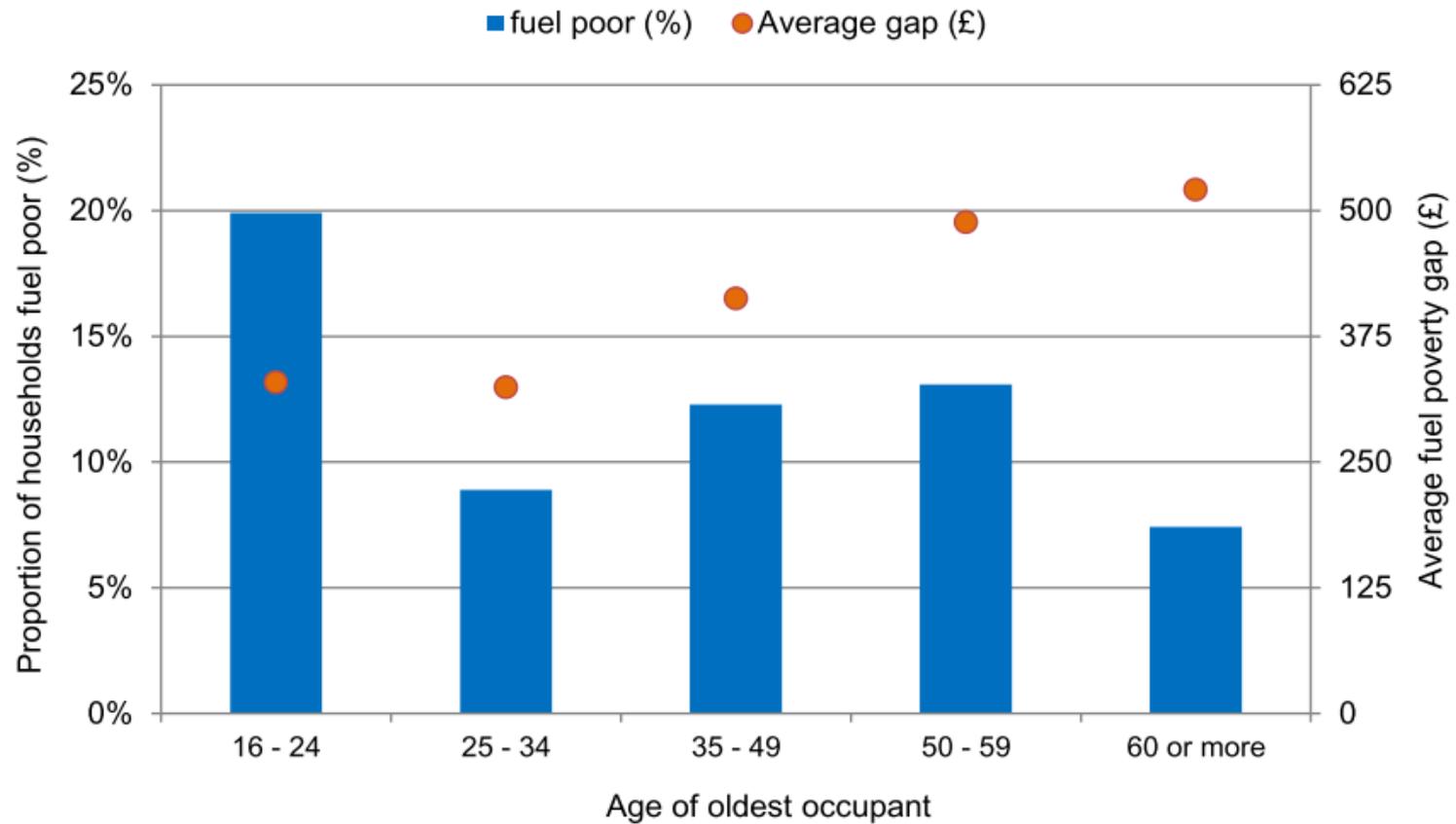


HATE RISING
ENERGY COSTS?
**GREEN
DEAL**
WITH IT.

New definition for fuel poverty in England and Wales

- Hills review started 2011
- Proposed new definition now accepted in policy
 - ‘Low income high cost’
 - Must have (theoretical) equivalised fuel costs above median
 - Income after energy bills must be below poverty line
- Keen to separate fuel poverty from general poverty
- Reduced the number in fuel poverty (2.39 million instead of 3.2 million households)

Chart 3.8: Fuel poverty and average fuel poverty gap by age of older household occupant, 2012



Interesting issues for us

- In what ways is fuel poverty represented in the media and public discourse? Whose rights are discussed? Who is responsible?
- What about non-heating costs? E.g. appliances
- What about non-heating related consequences?
 - Alternative and broader definitions of energy poverty
- Is 21C / 18C temperature important or appropriate? Where did these figures come from?
- Energy poverty and environmental / social justice (Walker and Day 2012, 'fuel poverty as injustice...' Energy Policy 49 p69-75)

Fuel poverty / energy poverty in other contexts





Summary

- Fuel poverty in the UK linked with excess winter deaths and problems keeping warm
- Function of low affordability and poor energy efficiency
- Associated with older people in general discourse
- UK policy focuses on housing related solutions
- In other contexts, warmth is less of an issue
- Our interests in rights, justice, broadening definitions / understandings, more global and contextual understandings, moving beyond heat