

Fuel Poverty

Fuel poverty disproportionately affects the most vulnerable in society. As well as those on low incomes, the elderly, disabled, children, those with long term health conditions and those who live in rural areas are particularly affected. This report looks at how the issue affects residents in East Herts and how we can support.

What is fuel poverty?

According to the Warm Homes and Energy Conservation Act of 2000, 'a person is to be regarded as living "in fuel poverty" if he is a member of a household living on a lower income in a home which cannot be kept warm at reasonable cost'¹. This means that the person is not able to sufficiently heat their home and this can have many adverse effects. There are three main areas to take into consideration when determining fuel poverty: household income; fuel prices; and energy requirements which can be affected by things such as the level of insulation in the property². Fuel poverty is measured using the Low Income High Costs indicator which identifies a household as fuel poor if their fuel costs are higher than the national median and if they were to spend this amount they would 'be left with a residual income below the official poverty line'³. The fuel poverty gap is the difference in price between the fuel bill of the average fuel poor household compared to the price the bill would need to be for them to not be regarded as fuel poor. In the latest government statistics (2018) this gap was £334, an increase of £6 since 2017⁴.

Effects of fuel poverty

Fuel poverty has major effects on the lives of people who cannot afford to keep their homes warm. For some, people must choose between food or heating their home or going into debt which can be a very difficult decision especially in winter when it is very cold and seasonal illnesses spread. Statistics show that 20% of parents in fuel poverty go without food in order to feed their children and keep them warm⁵. Cold, damp housing proves a significant harm to health especially when children are involved and children in fuel poor households are twice as

¹ Warm Homes and Energy Conservation Act 2000

² Paul Bolton, Suzanna Hinson, 'Fuel Poverty' (March 2020, House of Commons Library) p.3

³ Fuel Poverty Sub Regional Statistics 2020 2018 Data (April 2020) p.2

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/882192/fuel-poverty-sub-regional-2020.pdf

⁴ Fuel Poverty Fact Sheet England 2018 Data

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/882159/fuel-poverty-factsheet-2020-2018-data.pdf

⁵ NEA, 'What is Fuel Poverty?' (Jan 2020) <https://www.nea.org.uk/the-difference-you-can-make/individuals/what-is-fuel-poverty/>

likely to develop lung conditions such as asthma or bronchitis⁶. Respiratory illnesses are also more common in fuel poor households across all ages due to the presence of mould as a result of cold and damp conditions which can cause or exacerbate these illnesses. Other health issues can also develop as a result of fuel poverty and the associated poverty for example malnutrition due to a lack of food, death from coronary heart disease and cerebrovascular disease is more likely in cold conditions. Furthermore, fuel poverty is linked to excess winter deaths with an estimated 10% of excess winter deaths linked directly to it.⁷

Mental health issues are also much more likely to develop as a result of fuel poverty. As well as the stress and anxiety related to poverty and financial problems in general, social isolation and loneliness can occur as people may feel embarrassed inviting others into their cold homes and this can lead to depression. One study concluded that bedroom temperatures of 21 degrees were associated with a 50% reduction in anxiety and depression compared to temperatures of 15 degrees.⁸

There are also many effects at a national level which have environmental and economic repercussions. High energy usage has proven to be detrimental to the environment and has contributed heavily to climate change due to high levels of carbon. The Committee on Climate Change has advocated for a sustained focus on fuel poverty as energy efficiency is the key to decarbonisation as well as reduced energy consumption and therefore costs. They estimated that, by 2035, total energy usage could be reduced by 25% through investing in low-carbon energy and this would save households an average of £270 and thus reduce fuel poverty. It has also been estimated that a more carbon efficient approach would save the NHS an estimated £1.4 billion per year in England alone (with the present value of avoided harm to health calculated at £4.1 billion) and help to sustain up to 86,000 new jobs nationally.⁹

Fuel poverty in East Herts

According to the 2018 statistics, 7.3% of households in East Herts are living in fuel poverty¹⁰. While this percentage is below the average for the country as a whole which is 10.2%¹¹, thousands of people in this area are still living in cold, damp conditions without being able to

⁶ ibid

⁷ Public Health England, UCL Institute of Health Equity, 'Local action on health inequalities: Fuel poverty and cold home-related health problems' p.13

⁸ Edin Lakasing, James G. Johnson, 'Fuel poverty: significant cause of preventable ill health' (GM Journal, April 2019)

⁹ Suzanna Hinson and Paul Bolton, 'Fuel Poverty' (House of Commons Library Briefing Paper, March 2020) p.5

¹⁰ LG Inform, Department for Business, Energy & Industrial Strategy, 'Fuel Poverty Sub Regional Statistics' https://lginform.local.gov.uk/reports/lgastandard?mod-area=E07000242&mod-group=AllRegions_England&mod-metric=2131&mod-type=namedComparisonGroup

¹¹ ibid

sufficiently heat their homes and 73.8 annual excess winter deaths occur in the district as a result¹².

In 2019-20 Citizens Advice East Herts saw 49 clients, an average of nearly one a week, with a total of 61 issues 'dealing with fuel debt repayment'¹³.

However, some parts of East Herts are disproportionately affected with higher percentages, around 13%, of households in rural areas in fuel poverty compared to 3% in some other areas¹⁴. This increase can be attributed to poor insulation and lack of mains supply to the properties which are generally older, less energy efficient and harder to treat. The majority of those in fuel poverty live in residences with an EPC rating of E or below which is low compared to the average of the country which is band D¹⁵.

In 2015 East Herts Council devised a fuel poverty strategy to 'develop advice, guidance and assistance to eligible private sector residents to assist those in fuel poverty in the District to achieve adequate and affordable warmth'¹⁶. The strategy includes goals to alleviate fuel poverty in the area through investigative work, training, promoting and raising awareness of support networks and continuing to provide grants such as the East Herts Home Insulation Grants and the East Herts Discretionary Decent Homes Grants.¹⁷

Support in this area

In addition to the assistance offered by East Herts council there is nationwide support available for those struggling with fuel poverty in the form of charities and numerous government schemes in place to provide grants and benefits for fuel poor households. For example:

- The Warm Home Discount Scheme offers a £140 discount on energy bills between September and March for those on low incomes¹⁸.
- Winter Fuel Payments are offered to those who were born on or before 5th November 1954 and consist of between £100 and £300 towards energy bills¹⁹.
- Cold Weather Payments mean those on certain benefits can get £25 per 7 days of consecutive cold weather with an average temperature of on or below 0 degrees celsius between 1st November and 31st March.²⁰

¹² 'East Herts Council Fuel Poverty Strategy' 2016-2020 (December 2015) pp.12-13

¹³ Casebook report C6 for CAEH for the period 01/04/2019 - 31/03/2020

¹⁴ 'East Herts Council Fuel Poverty Strategy' 2016-2020 (December 2015) pp.12-13

¹⁵ 'East Herts Council Fuel Poverty Strategy' 2016-2020 (December 2015) pp.12-13

¹⁶ *ibid*

¹⁷ *ibid*

¹⁸ 'The Warm Home Discount Scheme' <https://www.gov.uk/the-warm-home-discount-scheme>

¹⁹ 'Winter Fuel Payment' <https://www.gov.uk/winter-fuel-payment>

²⁰ 'Cold Weather Payment' <https://www.gov.uk/cold-weather-payment>

- The Carbon Saving Communities Obligation provides free insulation and other materials to those who live in rural and low income areas²¹.
- The Affordable Warmth Obligation offers energy saving home improvements to those who claim benefits and live in private housing²².
- The Energy Company Obligation offers energy saving measures in order to reduce carbon consumption as well as fuel poverty²³.

At Citizens Advice we can offer free advice on available grants/schemes and can assist with budgeting and making sure people do not pay more than needed. Where a client is in debt, we can help work out a repayment schedule that is acceptable to creditors. Additionally, the energy suppliers themselves can assist with bills and meter readings. Some offer their own grants, for example the British Gas Energy Trust which focuses on debt relief and emergency fuel support²⁴.

²¹ 'The Carbon Saving Communities Obligation' <https://www.gov.uk/government/publications/carbon-saving-community-obligation-rural-and-low-income-areas>

²² 'The Affordable Warmth Obligation' <https://www.gov.uk/energy-company-obligation>

²³ 'The Energy Company Obligation' <https://www.ofgem.gov.uk/environmental-programmes/eco>

²⁴ British Gas Energy Trust <https://britishgasenergytrust.org.uk/>