

PRESS NOTICE



Department
of Energy &
Climate Change



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STATISTICAL PRESS RELEASE

Fuel Poverty, England 2011

The Government has recently set out a new definition of fuel poverty, which it plans to adopt. As a result, new fuel poverty statistics are published today, 8 August 2013 by the Department of Energy and Climate Change, based on this new definition.

The new Low Income High Costs (LIHC) measure differs slightly to the one proposed by Professor Hills' in his independent review of Fuel Poverty¹, and which was reported in the Fuel Poverty Annual report² in May this year. The difference reflects changes made following the Government consultation³.

Headline Statistics on the *new* LIHC measure

In 2011:

- Around 2.39 million households in England were fuel poor under the new proposed LIHC measure, representing approximately 11% of the overall population. This is a decrease of around 84,000 households since 2010.
- The aggregate fuel poverty gap under this new measure increased by £23 million, to £1.05 billion in 2011.
- The average fuel poverty gap increased by £24 to £438 in 2011.

The charts below show the long term trends in the key indicators of the proposed LIHC measure.

¹ See <https://www.gov.uk/government/news/independent-review-on-fuel-poverty-final-report-published>

² See <https://www.gov.uk/government/publications/fuel-poverty-report-annual-report-on-statistics-2013>

³ See <https://www.gov.uk/government/consultations/fuel-poverty-changing-the-framework-for-measurement>

Chart 1 – Fuel poverty in England under the proposed LHC measure

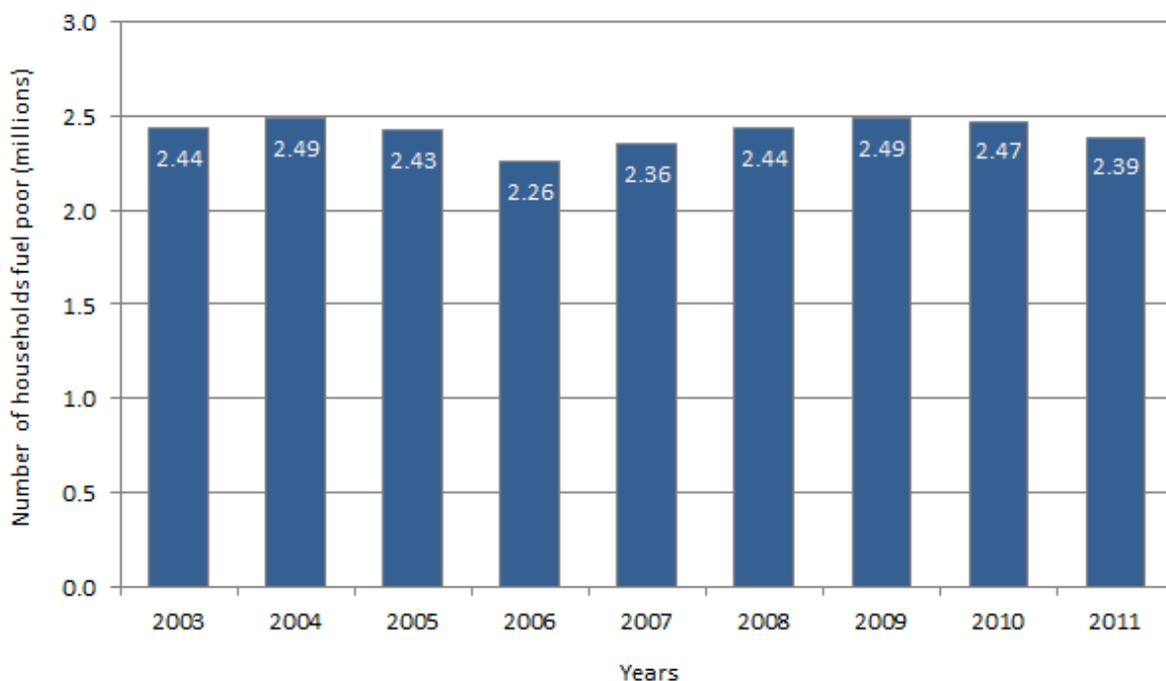
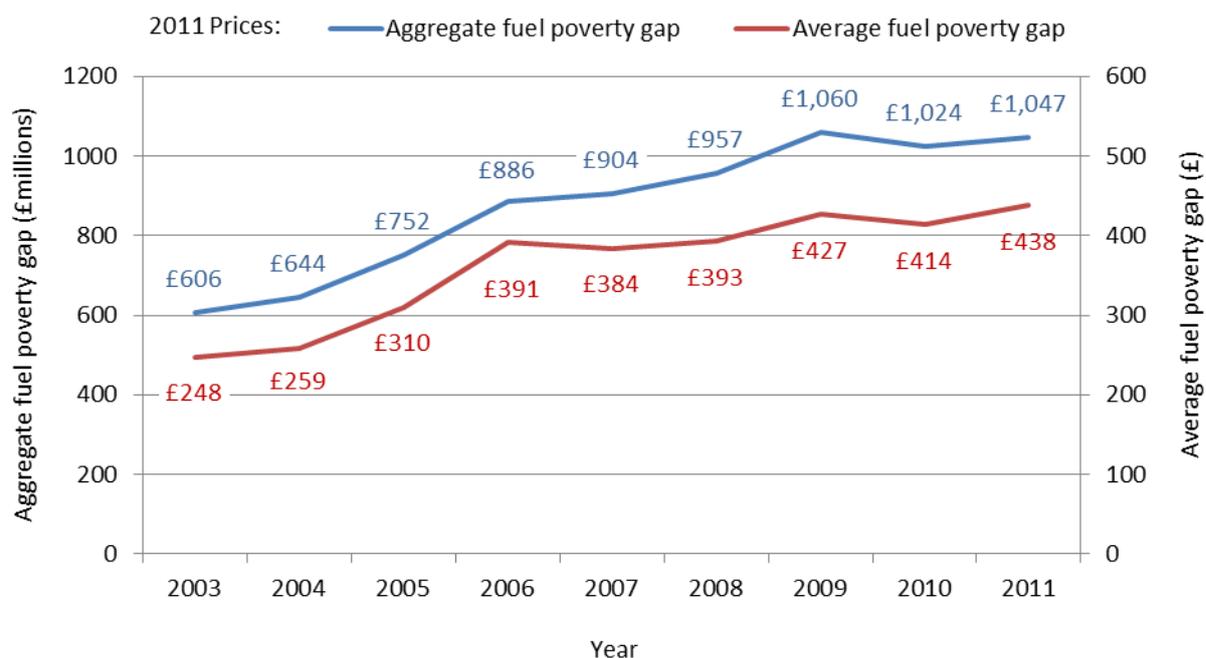


Chart 2 – Aggregate and average fuel poverty gap under the proposed LHC measure



The small reduction in the number of households in fuel poverty may be due to a larger increase in the energy efficiency levels of the LIHC group compared to the overall population. Price rises in 2011 have led to the increases seen in the aggregate and average fuel poverty gap since 2010.

The main change from Hills proposed measure in the May 2013 publication is the method by which fuel bills are equalised. Under the new measure of fuel poverty, fuel costs are equalised according to the number of people in a household, rather than the household composition. This is to reflect the fact that different sizes of households will have different required spend on fuel.

Background

Fuel poverty figures are calculated across two years, and so energy prices, income changes and changes in the housing stock for two years need to be considered when viewing these figures. For example, the 2011 data is based on household incomes, bills and dwellings in 2010 and 2011. So, the gas and electricity prices used for 2011 reflect the fall in energy prices in 2010 and the subsequent rise observed in 2011.

Fuel poverty statistics use modelled levels of energy consumption as the source of household bills. Consumption is modelled based on the number of people living in a dwelling and on that dwelling achieving an adequate level of warmth (21 degrees in the main living area and 18 degrees in other rooms). The modelling takes a long run base temperature according to its geographical location, and does not attempt to reflect any short term fluctuations in temperatures and how these impact on heating patterns.

This report includes additional analysis on:

- Sub-regional fuel poverty statistics for England under the new LIHC measure;
- Detailed analyses of the types of households that are fuel poor in 2011;
- Projected future levels of fuel poverty.

Additional annexes are published alongside the main report today and can be downloaded at: <https://www.gov.uk/government/organisations/department-of-energy-climate-change/series/fuel-poverty-statistics>

Fuel Poverty 2011 – Detailed Tables

This document presents a series of detailed tables analysing the headline fuel poverty statistics for 2011, published on the internet. The tables are available for the new LIHC measure and the 10 per cent measure. These are available in spread-sheet format.

Trends in Fuel Poverty

This internet publication brings together detailed tables from 2003 to 2011 allowing detailed comparisons of fuel poverty over time. This is also available for both measures.



Issued by:

Department of Energy and Climate Change, 3 Whitehall Place, London SW1A 2AW

Contacts:

Lead statistician: Liz Whiting (liz.whiting@decc.gsi.gov.uk), Tel: 0300 068 5435

General fuel poverty statistics enquiries: fuelpoverty@decc.gsi.gov.uk

Press enquiries: Tel: 0300 068 5218

General enquiries: Tel 0300 060 4000

Notes to editors

1. Today's report 'Fuel Poverty Statistics – Updated August 2013', compiled by the Department of Energy and Climate Change, contains tables and extensive commentary, charts and technical notes. As well as giving new data for 2011, it also presents data for earlier years, findings from research undertaken over the year and projections.
2. The Updated Report on Fuel Poverty Statistics 2013 can be downloaded free, alongside the other reports published today at:
http://www.decc.gov.uk/en/content/cms/statistics/fuelpov_stats/fuelpov_stats.aspx
3. This report is based on the new definition of fuel poverty following the consultation on the measurement of fuel poverty, and Professor Hills' Independent review. Under the Low Income High Cost definition, a household is considered to be fuel poor where they have required fuel costs that are above average (the national median level), and were they to spend that amount, they would be left with a residual income below the official poverty line. There are two parts to the low income high cost measure: the number of households that have both low incomes and high fuel costs, and the depth of fuel poverty amongst these households. This is measured in terms of a fuel poverty gap, which represents the difference between the modelled fuel bill for each household, and the reasonable cost threshold for the household.
4. Fuel poverty is measured by combining modelled survey data from the English Housing Survey over a two year period with fuel prices. The 2011 fuel poverty figures are based on survey data, fuel prices and income in 2010 and 2011. Full details of the methodology for calculating fuel poverty are published on the DECC website.
5. The fuel poverty statistics are accredited National Statistics. This means that the fuel poverty statistics are considered to be of high quality and meet the requirements of the Code of Practice for Official Statistics with regards to meeting user needs, impartiality and integrity, etc.

