Sub-regional Fuel Poverty in England, 2022 (2020 data)

28 April 2022

Experimental Statistics

Summary findings:

- The overall level of fuel poverty in England in 2020 is 13.2 per cent using the Low Income Low Energy Efficiency (LILEE) fuel poverty metric.
- The lowest levels of fuel poverty were in the South East at 8.6 per cent, South West 11.4 per cent and London 11.5 per cent
- The West Midlands has the highest rate of fuel poverty (17.8 per cent) followed by Yorkshire and the Humber (17.5 per cent) and North East (14.4 per cent).
- There were 19 Local Authorities with a fuel poverty rate above 18 per cent in 2020. Of these, eight had a fuel poverty rate above 20 per cent in 2020 with five in the West Midlands.
- There were 35 Local Authorities with a fuel poverty rate of less than eight per cent. Of these 33 were in the South East.

What you need to know about these statistics:

Estimates of fuel poverty at the regional level are taken from the main fuel poverty statistics. Estimates at the sub-regional level are modelled using proxy indicators available for low level geographies and should only be used to look at general trends and identify areas of particularly high or low fuel poverty. They should not be used to identify detailed trends over time.

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Experimental Statistics¹: Sub-regional fuel poverty, 2022 (2020 data)

1 Introduction

The Low Income Low Energy Efficiency (LILEE) fuel poverty metric was set out in the <u>Fuel</u> <u>Poverty Sustainable Warmth strategy</u> published in February 2021. The LILEE indicator considers a household to be fuel poor if:

- it is living in a property with an energy efficiency rating of band D, E, F or G as determined by the most up-to-date <u>Fuel Poverty Energy Efficiency Rating (FPEER)</u> Methodology; and
- its disposable income (income after housing costs (AHC) and energy needs) would be below the poverty line².

The Government is interested in the amount of energy people need to consume to have a warm, well-lit home, with hot water for everyday use, and the running of appliances. Therefore, fuel poverty is measured based on *required* energy bills rather than *actual* spending. This ensures that those households who have low energy bills simply because they actively limit their use of energy at home, for example, by not heating their home are not overlooked.

The <u>Annual Fuel Poverty Statistics Report</u> is a National Statistics report which provides a comprehensive view of the latest statistical trends and analysis of fuel poverty in England. These statistics report on the proportion of all households in fuel poverty in England and the depth of their fuel poverty. The report also looks at the key drivers of fuel poverty and how fuel poverty in England varies by a number of dwelling and household characteristics.

The sub-regional Experimental Statistics complement the National Statistics on fuel poverty, by estimating the number and proportion of fuel poor households at smaller geographical levels, for example, Local Authority (LA) level. The sub-regional statistics do not report on the average fuel poverty gap.

¹ They are Official Statistics which will be undergoing an evaluation process prior to being assessed as National Statistics.

² The poverty line (income poverty) is defined as an equivalised disposable income of less than 60% of the national median:

https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/articles/persistentpovertyintheukandeu/2015

This year's annual report, and a detailed methodology on how fuel poverty is calculated, can be found on the BEIS website at the following link(s):

https://www.gov.uk/government/collections/fuel-poverty-statistics

This is the second year that sub-regional breakdowns have been produced based on the LILEE indicator. Previous sub-regional breakdowns for 2010 to 2018 were based on the Low Income High Costs (LIHC) indicator at the following link:

https://www.gov.uk/government/collections/fuel-poverty-sub-regional-statistics

Accompanying tables

For each of the following geographical levels, estimates are available for the total number of households, the number of fuel poor households, and the proportion of households in fuel poverty:

- Table 1: English Region (former Government Office Region)³
- Table 2: Region, County, Unitary & Local Authority
- Table 3: Lower Super Output Area (LSOA)
- Table 4: Parliamentary Constituency

Interactive map

An interactive map for indicators of domestic energy efficiency and energy consumption is available which includes the percentage of households in fuel poverty down to Lower Layer Super Output Area. The fuel poverty data for 2020 will be updated in May 2022 www.domesticenergymap.uk

³ These are National Statistics and are presented in the Annual Fuel Poverty Statistics Report.

2 Regional fuel poverty

There is a high level of variation in the rates of fuel poverty between regions. This is analysed in the annual fuel poverty statistics and supporting tables. There is a strong correlation between high fuel poverty and low median incomes⁴.

The highest rates of fuel poverty were in the West Midlands (17.8%) and Yorkshire and the Humber (17.5%) which both had median incomes under £23,500. These regions also had the lowest share of overall homes reaching fuel poverty energy efficiency band A-C. The lowest fuel poverty rates are South East (8.6%), South West (11.4%) and London (11.5%) which had median incomes greater than £25,800.

In the annual fuel poverty statistics (section 3.1.7) an additional indicator of the fuel poverty gap is used to measure the depth of fuel poverty but this is not modelled at sub-regional level. This indicator shows that fuel poor households in the South West, East of England and North West have the deepest levels of fuel poverty due to larger sized homes and hence higher bills.

⁴ Median incomes and FPEER ratings by region are shown in table 5 of the Fuel Poverty Supplementary tables <u>https://www.gov.uk/government/statistics/fuel-poverty-supplementary-tables-2022</u>

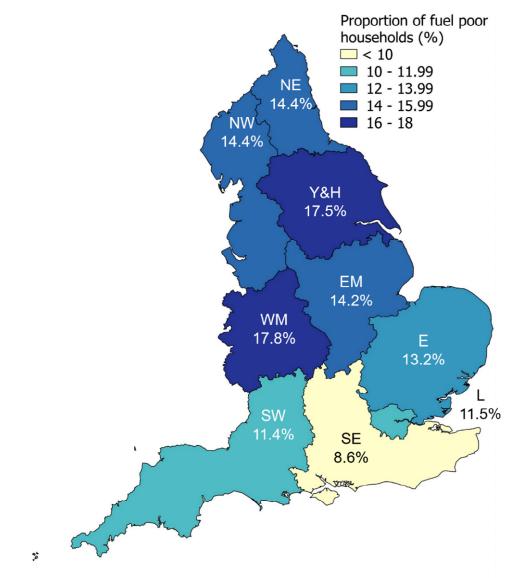


Figure 1: Proportion of households in fuel poverty, by Region, 2020

In 2019 the estimated rate of fuel poverty in London was 15.2% which has fallen to 11.5% in 2020. This follows an observed increase from the English Housing Survey in the share of A-C homes from 46% in 2019 to 55% in 2020. The 2020/21 data was collected during the Covid pandemic which necessitated a change in survey methods. These have affected the sample achieved and data recorded and as such the sharp fall in London may not be a true estimate of the rate of change between these years.

Since the sub-regional estimates are constrained to the regional estimate, decreases in the rate of fuel poverty have been seen in all London boroughs. The depths of such fall are likely to have been exaggerated.

3 Sub-regional fuel poverty

The variation in the rate of fuel poverty between Local Authorities within a region differs across regions. The largest difference between the top and bottom 10 per cent of Local Authorities was in the West Midlands where the 90th percentile was more than 8 percentage points higher than the 10th percentile. The second highest was the East of England with a gap of over 6 percentage points. The South West had the smallest variation in fuel poverty rates with a difference of just over 3 percentage points between the 90th and 10th deciles.

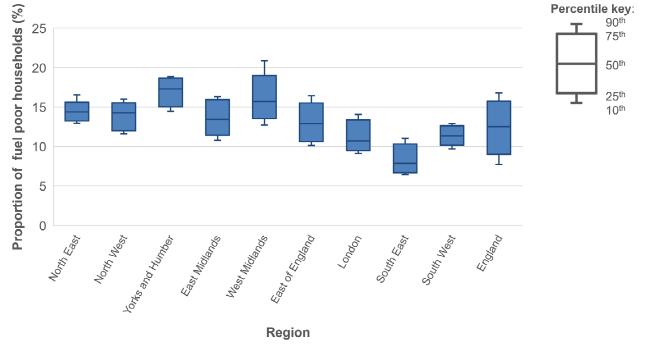


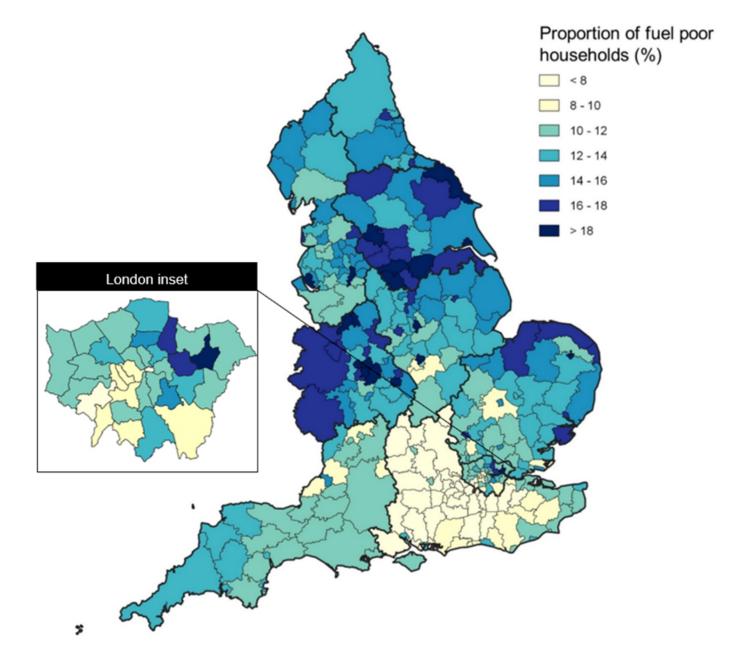
Figure 2: Proportion of households in fuel poverty, LAs with a Region 2020

The box plot shows the values for the median Local Authority and interquartile range in the box for each region and 10th and 90th percentile Local Authorities in the whiskers⁵.

⁵ These statistics are calculated by ranking the LAs within a region. The median (50th percentile) represents the middle LA, lower quartile (25th percentile) the LA ¼ through the distribution and upper quartile (75th percentile) ¾ through the distribution.

Maps provide a useful way of comparing fuel poverty across different geographical areas. Figure 3 shows the proportion of households in fuel poverty in England at Local Authority level.





The Local Authorities with the highest rate of fuel poverty are shown in dark blue where 19 Local Authorities had a fuel poverty rate of 18 per cent or above. Of these seven were in the West Midlands and six in Yorkshire and the Humber. Of these, eight had a fuel poverty rate over 20 per cent: Wolverhampton, Stoke-on-Trent, Birmingham, Sandwell, City of Kingston-upon-Hull, Nottingham, Manchester and Coventry.

There were 35 Local Authorities with a fuel poverty rate of less than eight per cent. Of these 33 were in the South East and two in London.

4 Methodology

Fuel poverty statistics are based on data from the English Housing Survey (EHS). Given the sample size of the EHS (11,152 households in the combined 2019/20 and 2020/21 dataset), it is not possible to reliably estimate fuel poverty levels in small geographical areas, such as Local Authorities, without the use of modelling.

A logistic regression model is created, matching data from the EHS on whether a household is fuel poor or not (as the binary dependent variable) with data from other sources available for all <u>Census Output Areas (OA)</u>, e.g. Census 2011 data (as the independent variables).

While the approach to the modelling used for these estimates is similar to last year when the LILEE metric was used for the first time on the 2019 statistics, the model has been revised to fit data over a longer period of time which has changed some of the independent variables selected in the sub-regional modelling. The factors used in the modelling are set out in the <u>sub-regional methodology documentation</u>.

The model is used to estimate the levels of fuel poverty for all OAs across England; these are then aggregated to higher level geographies, which are constrained to the regional totals. This modelling approach introduces the possibility that small, atypical areas are not accurately picked up by the model. It is therefore essential to compare, where possible, the modelled sub-regional level results to the national and regional statistics.

In 2013, BEIS undertook an internal review of the methodology used to produce subregional estimates of fuel poverty, in conjunction with Office for National Statistics (ONS) Methodology Advisory Service. This review found that estimates of fuel poverty were robust at Local Authority level, but not robust at lower levels of geography. As mentioned earlier in this report, there are specific issues relating to the reliability of 2020 data, due to a change in interviewing methods that mean that even the LA data are subject to greater uncertainty this year. Estimates of fuel poverty at Lower Super Output Area (LSOA) should be treated with caution. The estimates should only be used to look at general trends and identify areas of particularly high or low fuel poverty. They should not be used to identify trends over time within an LSOA, or to compare LSOAs with similar fuel poverty levels due to very small sample sizes and consequent instability in estimates at this level.

Annex: Further information

Revisions policy

The <u>BEIS statistical revisions policy</u> sets out the revisions policy for these statistics, which has been developed in accordance with the UK Statistics Authority <u>Code of Practice for</u> <u>Statistics</u>.

User engagement

Users are encouraged to provide comments and feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and should be sent to: <u>fuelpoverty@beis.gov.uk</u>

The BEIS statement on <u>statistical public engagement and data standards</u> sets out the department's commitments on public engagement and data standards as outlined by the <u>Code of Practice for Statistics</u>.

Pre-release access to statistics

Some ministers and officials receive access to these Official Statistics up to 24 hours before release. Details of the arrangements for doing this and a list of the ministers and officials that receive pre-release access to these statistics can be found in the <u>BEIS</u> <u>statement of compliance</u> with the Pre-Release Access to Official Statistics Order 2008.

Contact

- Responsible statistician: Stephen Oxley
- Email: fuelpoverty@beis.gov.uk
- Media enquiries: 020 7215 1000
- Public enquiries: 0300 068 5025



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