

## PRESS NOTICE



## STATISTICAL PRESS RELEASE

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# Fuel Poverty, England and the UK 2011

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The 2013 Annual Report on Fuel Poverty Statistics is published today, 16 May 2013 by the Department of Energy and Climate Change. The publication covers new data for England for 2011, and an estimated level of fuel poverty in the UK for 2011.

Last year, the Government published a consultation document setting out its proposals to adopt an alternative fuel poverty measure based on the Low Income High Costs (LIHC) indicator that was recommended by Professor Hills in his independent review.<sup>1</sup> The Government is currently considering the responses to this consultation and hopes shortly to be able to issue a formal response. As such, this year's report covers the existing 10 per cent measure of fuel poverty and the LIHC measure that was proposed in last year's consultation document.

### Headlines

The main points for 2011 are:

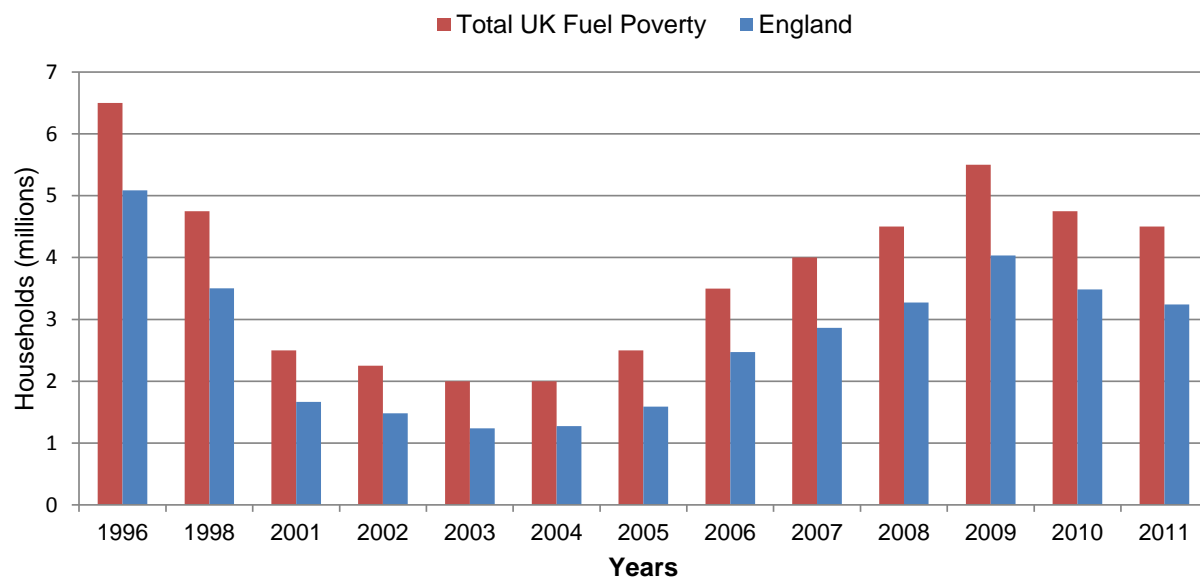
- The number of fuel poor households in England, under the 10 per cent measure, fell to 3.2m in 2011, from 3.5m in 2010. In the UK, fuel poverty fell from 4.75m households in 2010 to 4.5m in 2011.
- According to the low income high cost measure of fuel poverty, as defined by Professor Hills, 2.6 million households were fuel poor in England in 2011<sup>2</sup>, a decrease of 0.1 million from 2010.
- The fuel poverty aggregate gap, a new measure recommended by the Hills Review to measure the depth of fuel poverty, increased by £22 million to £1.15 billion in 2011, and the average gap increased by £26 to £448.
- The difference between the number of households in fuel poverty under the two measures is due to their absolute and relative nature as discussed in Chapter 1 and 3 of the report.

### ***Chart 1 – Fuel poverty in the UK and England (10 per cent measure), 1996-2011***

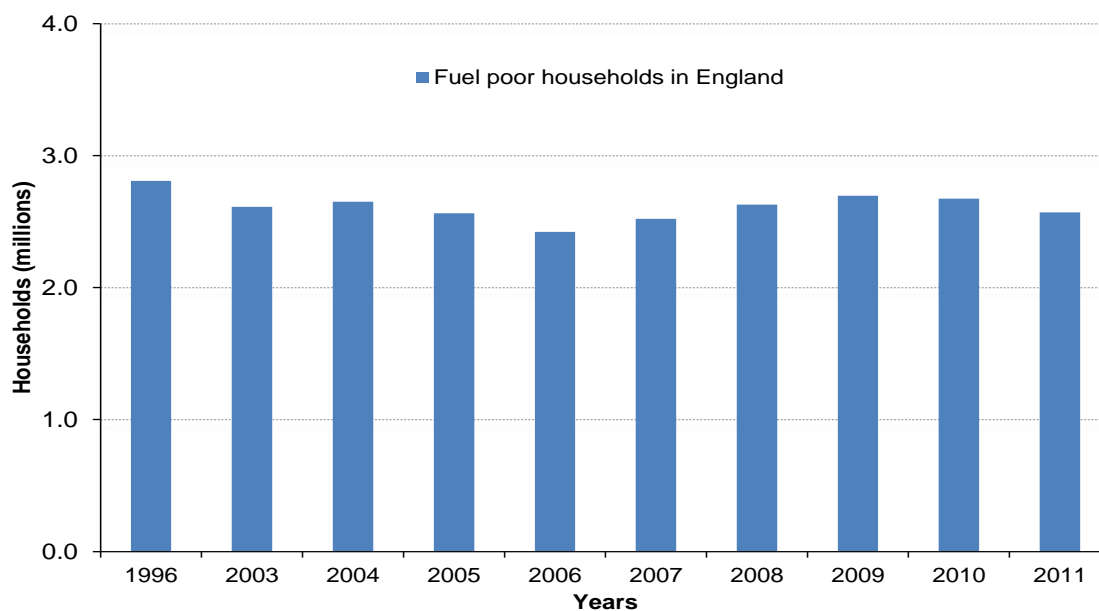
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<sup>1</sup> See: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/66570/6406-fuel-poverty-changing-the-framework-for-measureme.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/66570/6406-fuel-poverty-changing-the-framework-for-measureme.pdf)

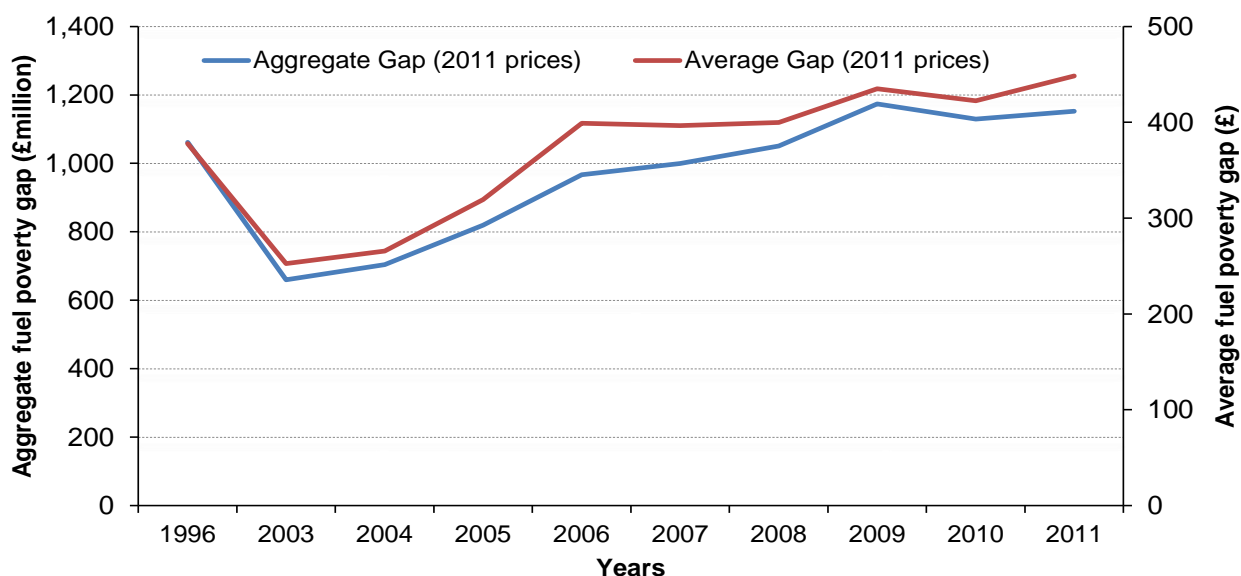
<sup>2</sup> The low income high cost measure is only available for England. It is not available for the years 1998-2002.



**Chart 2- Fuel Poverty in England (Low Income High Costs measure), 1996-2011**



**Chart 3 – The fuel poverty gap, England, 1996-2011**



The reduction in the number of households in fuel poverty under the 10 per cent measure was caused by two main factors:

- Rising incomes, particularly amongst lower income households at risk of fuel poverty;
- Reduced energy consumption, reflecting general improvements in the energy efficiency of dwellings.

Rising incomes and reduced energy consumption combined to offset the impact of the price increases seen in 2011 (section 3.3 of main report).

The LIHC headcount fell by less than the 10 per cent measure, reflecting the relative nature of the measure. The reduction seen may be due to the larger improvements in energy efficiency amongst the LIHC group, compared with other groups. The price rises seen in 2011 caused the aggregate and average fuel poverty gap to increase from 2010. Chapter 3 describes the importance of these changes for the two measures.

#### Vulnerable households

Under the 10 per cent measure in England, around 2.5 million vulnerable households were fuel poor in 2011, down from 2.8 million in 2010. In the UK, an estimated 3.5 million vulnerable households were fuel poor in 2011, compared with around 4 million a year earlier. A vulnerable household is one that contains the elderly, a child or somebody who is disabled or long term sick.

#### 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 looking at these figures. For example, the 2011 data is based on household incomes, bills and dwellings in 2010 and 2011. So gas and electricity prices used for 2011 reflect the fall in energy prices in 2010 and the rise observed in 2011.



Fuel poverty statistics use modelled levels of energy consumption as the source for household bills. Consumption is modelled based on the dwelling and people living there achieving the adequate standard 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 the location of the house and does not attempt to reflect short term fluctuations in temperatures and how these impact on heating patterns. More information on this is detailed in Chapter 3 of the report.

The UK level of fuel poverty is estimated based on 2011 data for England, Scotland and Northern Ireland and extrapolated estimates for Wales based on earlier years.

The report also includes a range of further analyses including:

- Sub-regional fuel poverty statistics for England for 2011, for the 10 per cent measure of fuel poverty (Chapter 6);
- A comparison of fuel poverty in 2010 and 2011 explaining the movement in fuel poverty levels between the two years and considering trends in the drivers of fuel poverty (Chapter 3);
- Detailed analyses of the types of households that are fuel poor in 2011 and analyses of the trends in fuel poverty since 2003 (Chapters 4 and 5);

Additional annexes are published alongside the main report today and can be downloaded from: [http://www.decc.gov.uk/en/content/cms/statistics/fuelpov\\_stats/fuelpov\\_stats.aspx](http://www.decc.gov.uk/en/content/cms/statistics/fuelpov_stats/fuelpov_stats.aspx)

### **Fuel Poverty Monitoring – Indicators 2013**

This is an internet-only annex summarising a range of indicators on income, fuel prices and housing that can provide a useful background to consider alongside the Statistics Report.

### **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. This is available for the 10 per cent measure and the low income high cost headcount and fuel poverty gap. 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 available for the 10 per cent measure and the low income high cost headcount and fuel poverty gap.



**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](mailto:fuelpoverty@decc.gsi.gov.uk)

[Press enquiries](#): Tel: 0300 068 5218

[General enquiries](#): Tel 0300 060 4000

**Notes to editors**

1. The **Annual Report on Fuel Poverty Statistics 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 **Annual 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](http://www.decc.gov.uk/en/content/cms/statistics/fuelpov_stats/fuelpov_stats.aspx)
3. The report is based on two definitions of fuel poverty; the previously reported 10 per cent measure and the low income high cost measure, proposed by Professor Hills in his Independent review of fuel poverty published in March 2012. Under the **10 per cent measure**, a household is said to be in fuel poverty if it needs to spend more than 10 per cent of its income on fuel to maintain an adequate level of warmth (usually defined as 21 degrees for the main living area, and 18 degrees for other occupied rooms). 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.



