



## Department of Energy & Climate Change

### **Energy Act: Fuel Poverty**

**Issue:** A new target for tackling fuel poverty

**Policy commitment:**

The Government is committed to tackling fuel poverty. Action on fuel poverty is underpinned by the duties set out in the Warm Homes and Energy Conservation Act (WHECA). These include the requirement to take steps to ensure that no person lives in fuel poverty. This gives an effective target to eradicate fuel poverty so far as reasonably practicable by 2016.

**Legislative proposal:**

The provisions propose a new target for fuel poverty that would be set through secondary legislation. They remove the current target to eradicate fuel poverty so far as reasonably practical by 2016 and replace this with a duty to set a new target to address fuel poverty. The provisions include a requirement to put in place a new fuel poverty strategy for achieving the new target.

The provisions also introduce a requirement for the Government to bring forward proposals for the new target within 6 months of the commencement date of this duty. In addition a new fuel poverty strategy must be in place within 6 months of the regulations for the fuel poverty target having been agreed.

**Relationship to other legislative proposals:**

These sections will result in changes to the Warm Homes and Energy Conservation Act.

**Why have you introduced this power?:**

In 2011, Professor John Hills of the LSE was commissioned to undertake an independent review of fuel poverty looking at the causes and impacts of fuel poverty and to determine whether the definition of fuel poverty that was being used was fit for purpose. He concluded that the way in which fuel poverty was being measured was not fit for purpose and proposed a new indicator. The Government has announced its intention to adopt this new Low Income High Costs indicator. This approach to fuel poverty, characterising the problem as a long term structural one, also suggests that the target in place was no longer appropriate and so we have taken the opportunity to amend the statutory requirements so that they better reflect the nature of the problem we are trying to address whilst also maintaining a requirement on Government to measure the progress made in tackling fuel poverty.