

PRESS NOTICE



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STATISTICAL PRESS RELEASE

Fuel Poverty, England 2012

Through the Energy Act 2013, the Government has laid the ground for a new legal framework to monitor fuel poverty in England using the Low Income High Costs Indicator (LIHC). The Fuel poverty statistics report published today, 12th June 2014, is based on this LIHC definition and presents a comprehensive view of the latest statistical trends and analysis relating to 2012.

Headline Statistics

In 2012:

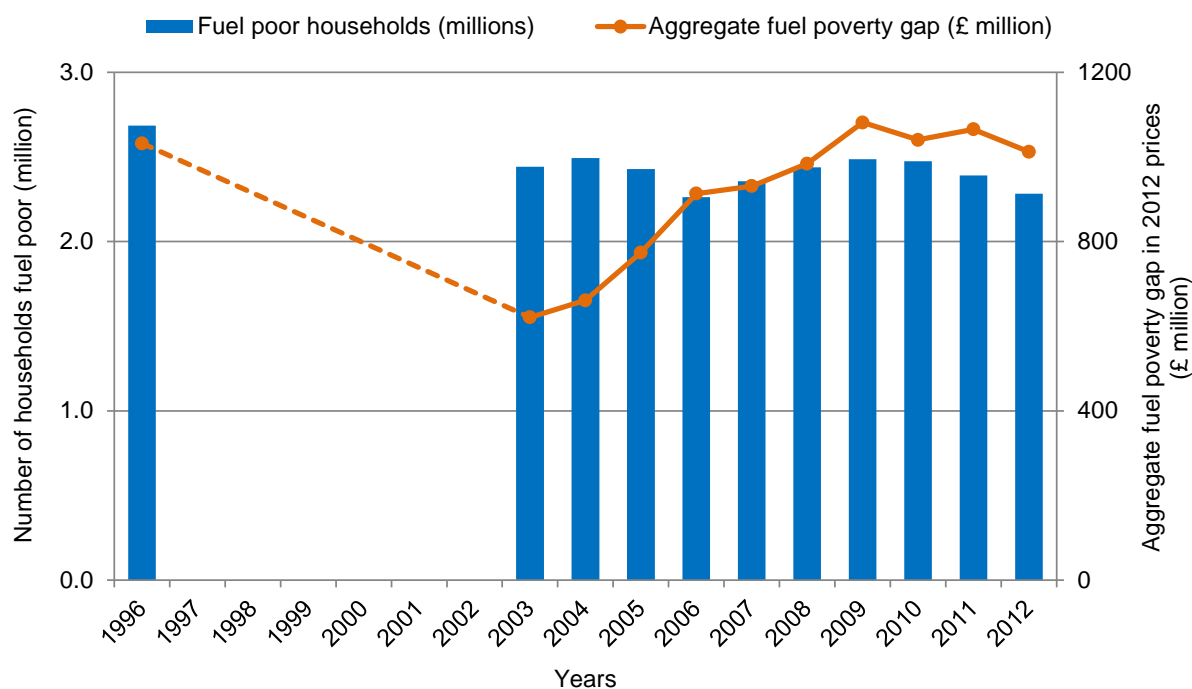
- The number of households in fuel poverty in England was estimated at around 2.28 million, representing approximately 10.4 per cent of all English households. This is a fall from 2.39 million households in 2011 (a reduction of almost 5%).
- The aggregate fuel poverty gap also dropped by around five per cent, from £1.06 billion in 2011 to £1.01 billion in 2012 (in real terms), as did the average fuel poverty gap - from £445 to £443.

The table and chart below show the long term trends in the key indicators under the LIHC measure.

Aggregate and average fuel poverty gap, 1996-2012

	1996	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Fuel poor households (millions)	2.68	2.44	2.49	2.43	2.26	2.36	2.44	2.49	2.47	2.39	2.28
Aggregate fuel poverty gap: 2012 prices (£ million)	1032	621	661	774	913	931	984	1081	1040	1065	1012
Average fuel poverty gap: 2012 prices (£)	384	254	265	319	403	395	404	435	421	445	443

Fuel poverty in England 1996-2012



Due to the relative nature of the LIHC measure, it is difficult to accurately isolate absolute reasons for changes. However, in summary, changes in income, fuel costs and energy efficiency levels amongst fuel poor households are broadly consistent with the changes seen for the population as a whole. Hence the overall change in the number of households in fuel poverty was relatively small – with the reduction happening mainly due to income increases for higher income fuel poor households.

The reduction in the number of fuel poor households, coupled with the improvements to incomes and energy efficiency levels for households have reduced the aggregate and average fuel poverty gap.

Other key findings from the report include:

- All fuel poor households came from the bottom four income decile groups. In 2012, 41 per cent of all households in the lowest income decile group were fuel poor, compared to 36 per cent of all households in the second income decile group and 13 per cent of all households in the third and fourth combined income decile groups.
- The depth and likelihood of being fuel poor increases markedly with lower SAP scores. In 2012, 35 per cent of households living in G rated properties were fuel poor compared to only two and seven per cent living in A/B/C and D rated properties respectively.
- Of the different tenure groups, households living in privately rented accommodations have continued to have the highest fuel poverty rates, whilst owner occupied households have had the lowest rates of fuel poverty. This pattern has been consistent since 2003.

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 2012 data is based on household incomes, bills and dwellings in 2011 and 2012, so any changes observed in these key drivers will be a mixture of changes observed in 2011 and 2012.

Fuel poverty statistics use modelled levels of energy consumption as the source of household bills. The modelled consumption is 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 also includes:

- Detailed analyses of the types of households that are fuel poor in 2012.
- Sub-regional fuel poverty statistics for England under the LIHC indicator and 10% indicator.
- Projected future levels of fuel poverty for 2013 and 2014 under the LIHC indicator.
- Estimates of fuel poverty in the UK under the 10% definition.

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>

Detailed Tables

This document presents a series of detailed tables analysing the headline fuel poverty statistics for 2012 and is published alongside the main report on the internet in a spreadsheet format. These tables are available for the LIHC indicator of fuel poverty.

Trends in Fuel Poverty

This internet publication brings together detailed tables from 2003 to 2012 allowing further comparisons of fuel poverty over time. This is available under the LIHC indicator of fuel poverty.

The UK level of fuel poverty is estimated based on 2012 data under the 10 per cent definition for England and Scotland and extrapolated estimates for Wales and Northern Ireland.

Issued by:

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

Contacts:

Lead statistician: Masuma Ahmed (masuma.ahmed@decc.gsi.gov.uk), Tel: 0300 068 5922

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 'Annual Fuel Poverty Statistics Report, 2014', 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 2012, it also presents data for earlier years, and findings from research undertaken over the year as well as projections on fuel poverty levels to the current year 2014.
2. The 'Annual Fuel Poverty Statistics Report, 2014' can be downloaded free, alongside the other reports published today at:
<https://www.gov.uk/government/collections/fuel-poverty-statistics>
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 2012 fuel poverty figures are based on survey data, fuel prices and incomes in 2011 and 2012. Full details of the methodology for calculating fuel poverty are published alongside the report 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.

