



Department  
of Energy &  
Climate Change

# Additional Indicators, 2015



# Income Fuel Poverty: Additional Indicators

This annex to the Government's Annual Statistics Report on Fuel Poverty 2015 summarises a range of indicators that can provide a useful background to consider alongside the report. A copy of the 2015 Report can be downloaded from <https://www.gov.uk/government/organisations/department-of-energy-climate-change/series/fuel-poverty-statistics>

The Annual Statistics Report on Fuel Poverty provides an explanation of the headline figures and trends in fuel poverty over time. As with previous years, detailed breakdowns of fuel poverty in England are published, as is documentation on how official fuel poverty estimates for England are calculated.

We welcome comments on the usefulness of this work and would welcome views on the need to incorporate them more closely with the latest statistical report.

To provide feedback or comments, please email: [FuelPoverty@decc.gsi.gov.uk](mailto:FuelPoverty@decc.gsi.gov.uk)

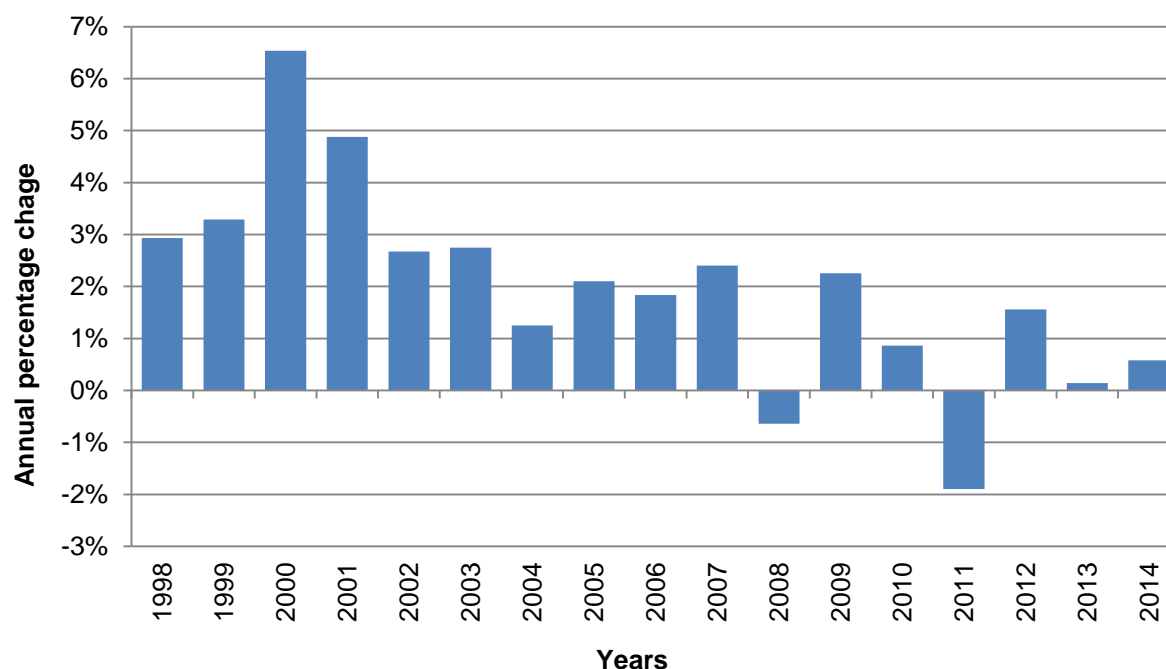
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# Income Indicators

## 1. Disposable Income

Year-on-year change in real disposable income, UK, 1998 – 2014



**Source:** Office for National Statistics (ONS)

**Coverage:** United Kingdom

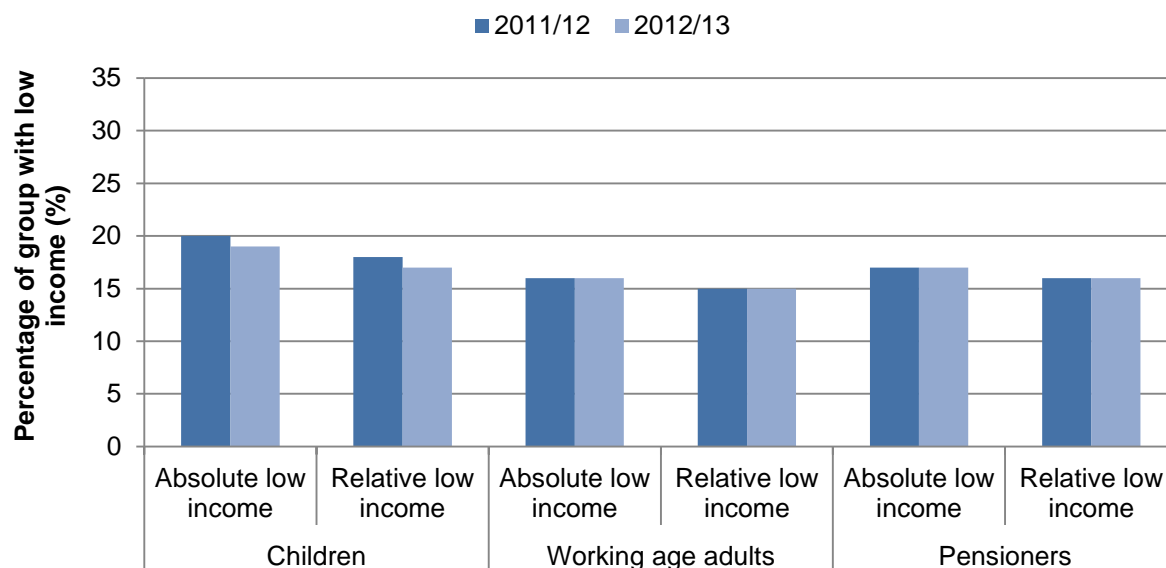
**Key messages:** Real disposable household income increased every year between 1996 and 2010 with the exception of a small decrease in 2008. The late 1990s and early 2000s saw the largest increases. In 2011, real incomes fell by nearly two per cent. However, by 2012 they began to rise again although the increased slowed in 2013 and 2014 to 0.1 per cent and 0.6 per cent.

It should be noted the income series presented above differs to income patterns seen through the EHS fuel poverty data. This is because the fuel poverty dataset considers incomes in cash terms, whereas the above ONS series considers incomes in real terms.

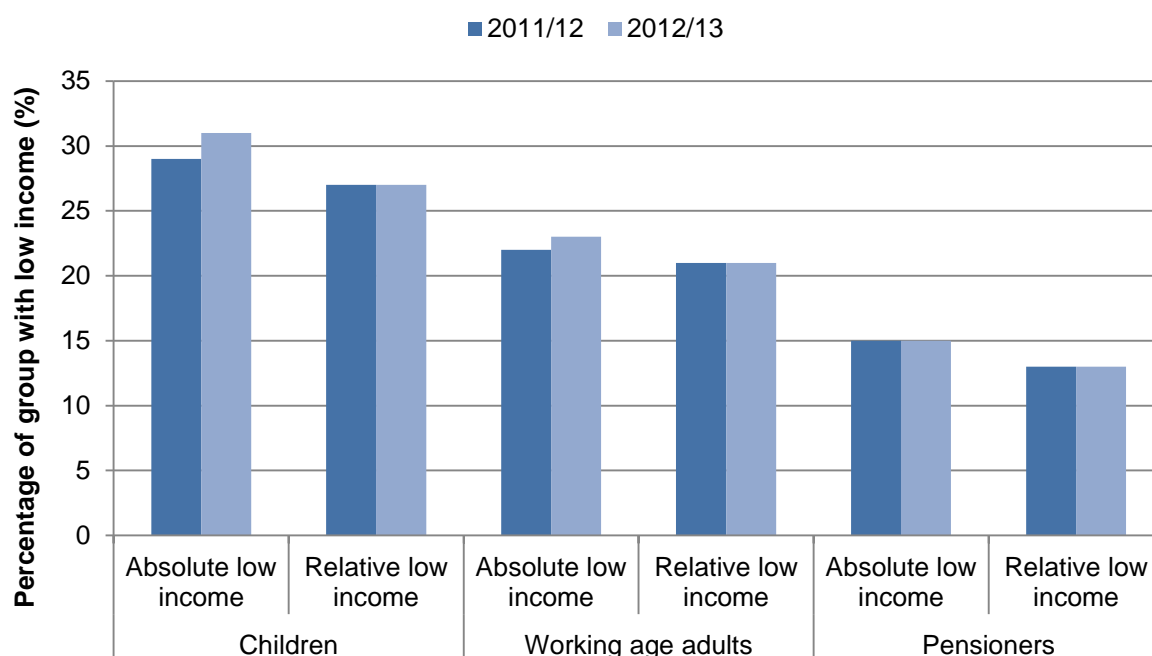
**Technical notes:** This indicator shows real disposable income and is based on the Real Disposable Income Series (series NRJR from the National Accounts), using calendar years. <http://www.ons.gov.uk/ons/rel/naa2/quarterly-national-accounts/q4-2014/tsd-quarterly-national-accounts-q4-2014.html>

## 2. Children, work age and pension age adults living in households with low incomes (absolute and relative)

**Proportion of children, work age and pension age adults living in households with equivalised<sup>1</sup> incomes below 60% of the median (*before* housing costs, BHC)**



**Proportion of children, work age and pension age adults living in households with equivalised incomes below 60% of the median (*after* housing costs, AHC)**



<sup>1</sup> The process of equivalisation is used to determine household income for this indicator – equivalisation attempts to account for the variance in the size of households.

**Source:** Households Below Average Income (HBAI),  
Department for Work and Pensions (DWP)

**Coverage:** United Kingdom

**Key messages:** In 2012-13 the percentage of children in relative and absolute low-income BHC households generally remained flat, when measured against 2011-12 levels.

The percentage of children in relative low income AHC was unchanged, and the percentage of children in absolute low income AHC saw a slight increase of 3 per cent, but this increase was not statistically significant. The proportion of children living in relative and absolute low income AHC is higher than that of the general population. In 2012-13, 31 and 27 per cent of children were living in absolute and relative low income AHC, compared to 23 and 21 per cent of the general population respectively.

The proportion of working age adults living in relative low income remained flat in both BHC and AHC, at 15 per cent and 21 per cent, from 2011-12. There was a small fall in working age adults living in absolute low income BHC by one percentage point to 16<sup>2</sup> per cent. However, there was also a rise in working age adults absolute low income AHC, by one percentage point.

In 2012-13 the proportion of pensioners on both relative and absolute low income for BHC and AHC remained flat. Pensioners are least likely to be in relative and absolute low income than the population as a whole.

**Technical notes:** The Government's Households Below Average Income (HBAI) report presents statistics for a range of low-income thresholds. For the charts above, low income is based on households that are below 60 per cent of median income.

A more comprehensive picture is set out in the HBAI publication, available at:

<https://www.gov.uk/government/statistics/households-below-average-income-hbai-199495-to-201213>

The absolute measure shown here fixes the low-income threshold at 60 per cent of the 2012/13 level in real terms.

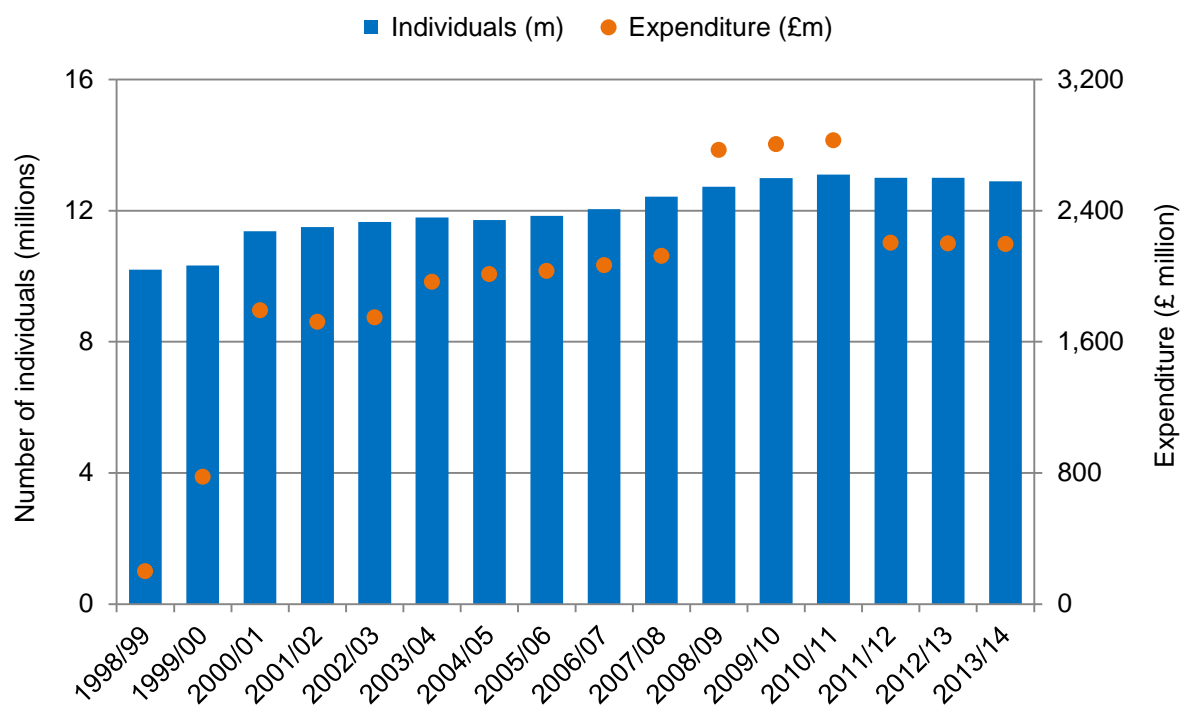
The relative measure uses 60 per cent of the annual median income.

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<sup>2</sup> The apparent inconsistency to the chart is due to rounding.

### 3. Winter Fuel Payments

**Annual number of payments and total expenditure on Winter Fuel Payments**



**Source:** Department for Work and Pensions (DWP)  
Department for Social Development Northern Ireland (DSD NI)

**Coverage:** United Kingdom

**Key messages:** Expenditure on Winter Fuel Payment remained unchanged since 2012/13, at around £2.2 billion. In 2013/14 around 13 million older people benefited from a winter fuel payment.

**Technical notes:** The Winter Fuel Payments started in 1997/98 and are payable to all eligible individuals who have reached state pension age for women, to help towards the cost of winter fuel bills.

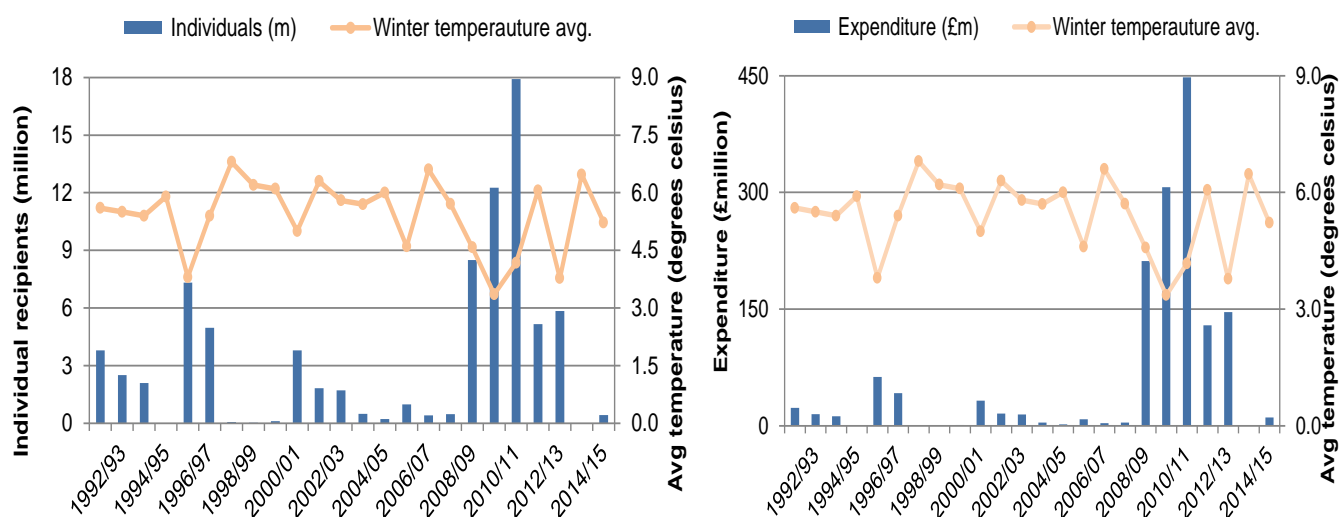
Winter Fuel Payments were increased to £100 for all pensioners in winter 1999/2000, and increased again to £200 the following winter. In 2003/04 an extra £100 was awarded to households with a person aged 80 or over. In the winters of 2008/09, 2009/10 and 2010/11, Winter Fuel Payments were increased again to £250 for households with someone aged 60 up to 79, and £400 for households with someone aged 80 and over. However, since winter 2011/12, the payments reverted back to £200 and £300 respectively.

Where more than one qualifying individual lives in a household, a shared rate is payable to each.

In the context of fuel poverty, winter fuel payments are treated as income, rather than offsetting fuel bills.

## 4. Cold Weather Payments

### Annual number of payments and total expenditure on Cold Weather Payments



**Source:** Department for Work and Pensions (DWP)  
Department for Social Development Northern Ireland (DSD NI)

**Coverage:** United Kingdom

**Key messages:** Cold Weather Payments reflect extended 7-day cold periods within a winter, and therefore do not always follow average winter temperatures. A winter could be very cold on average, but if there were few extended cold spells of a week or more, then fewer cold weather payments would be made. The areas involved also affect the number of payments and expenditure. For example, if large cities such as London and Manchester have a sustained cold spell, this would result in far more payments than if a smaller, rural area did so. Just under £11 million in payments were made last year which was fairly typical for a mild winter.

**Technical notes:** Cold Weather Payments are made to those eligible without the need to claim for every week of very cold weather (defined by the average temperature being, or forecast to be, 0°C or below over 7 consecutive days at the weather station linked to an eligible customer’s postcode). People in receipt of Income Support, Pension Credit, income-based Jobseeker’s Allowance or income-related Employment and Support Allowance are eligible for Cold Weather Payments. Those receiving Income Support, income-based Jobseeker’s Allowance or income-related Employment and Support Allowance in the assessment phase must also be receiving a pensioner or disability premium, or have a child who is disabled or under the age of five.

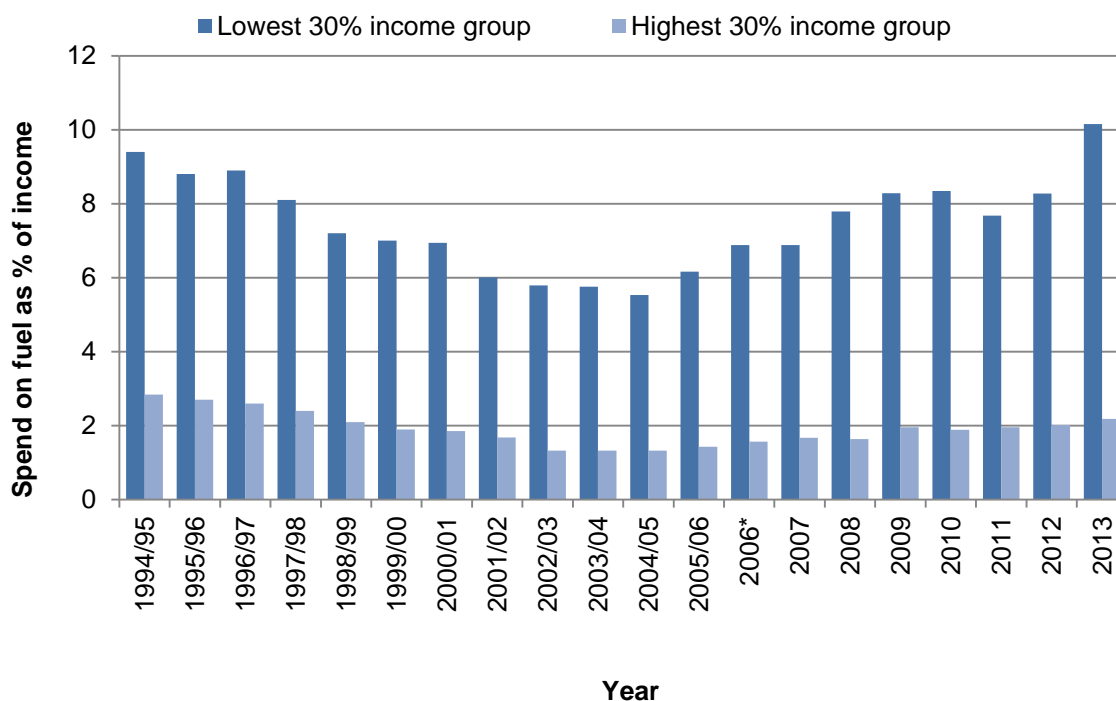


The Cold Weather Payment season runs from 1st November to 31st March. The temperature data used for this indicator relates to the average winter temperature during the months of December to March, and is consistent with the temperature data used in the indicator on excess winter deaths. Cold Weather Payments were increased for the 2008/9 winter, from £8.50 to £25. Although originally a temporary measure, this increase was made permanent in October 2010. This partially explains the sharp increase in expenditure on these payments from 2008/09 onwards.

# Fuel Price Indicators

## 5. Actual expenditure on fuel (as percentage of total income)

### Percentage of income spent on fuel for households in the lowest and highest 30 per cent income groups



**Source:** Office for National Statistics, Living Costs and Food Survey (formerly Expenditure and Food Survey, Family Expenditure Survey)  
<http://www.ons.gov.uk/ons/rel/family-spending/family-spending/2014-edition/index.html>

**Coverage:** United Kingdom

**Key Messages:** The Living Costs and Food Survey (LCFS) is an annual survey of around 5,500 households in the UK. Information about semi-regular purchases (including utilities) is obtained from a household interview and each individual over 16 is asked to keep a diary of expenditure over a two week period.

In 2013 there were some methodological changes made to the LCFS. Information on actual expenditure on gas and electricity was captured in a questionnaire rather than as previously in a diary. This led to a marked increase in the reported expenditure for both gas and electricity than in previous years, particularly for households using pre-payment meters. Pre-payment meters are

used disproportionately by the low income deciles, and as such this change has had a bigger effect on the low income deciles than the higher income deciles.

The proportion of expenditure on fuel has changed over the last 15 years for both the lowest and highest income groups. Whilst there was an overall reduction in the proportion spent by both groups between 1994/95 and 2004/05, and a subsequent increase between 2004/05 and 2013, a significant difference existed between them throughout this period.

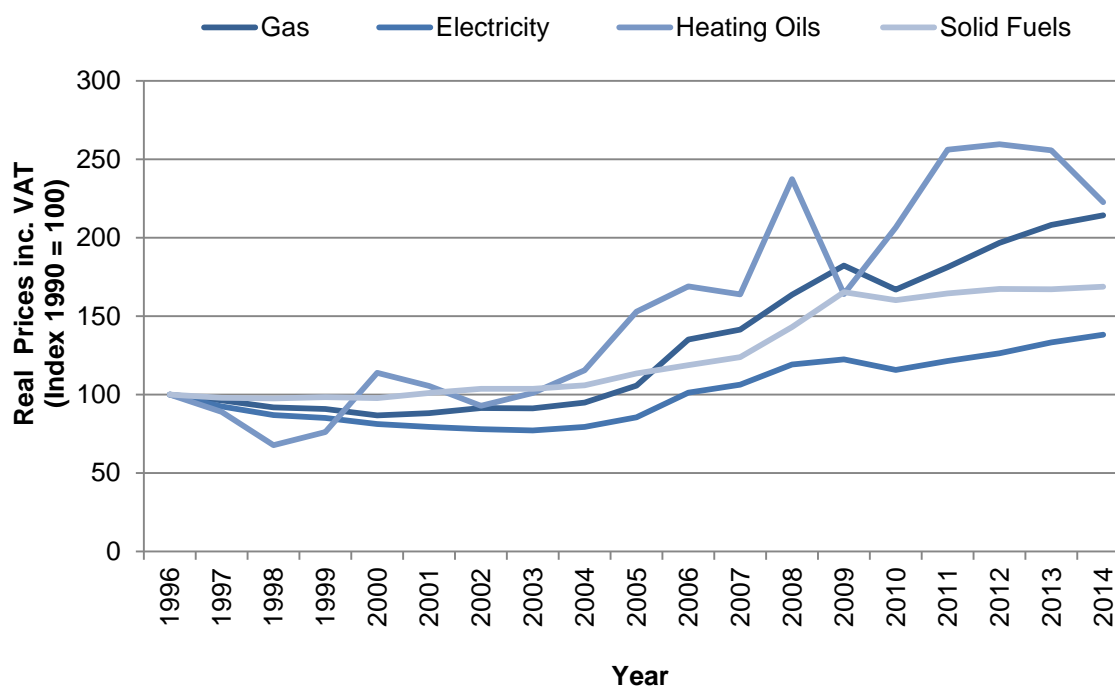
From 1994/95 to 2004/05, the proportion of income that the lower income groups spent on fuel did not decrease by as much as for the higher income groups (41% decrease vs 53%). Yet from 2004/05 to 2010, this proportion increased by more for the lower income groups than the higher ones. This suggests that historically lower income households have fared worse when fuel prices moved in either direction.

2011 represents a break in this trend with lower income groups seeing a fall in the proportion of income spent on fuel while the higher income group saw a rise. However by 2012 the trend had returned with low income groups experiencing a bigger percentage increase in the proportion of income spent on fuel than the higher income groups.

In 2013 the lowest income groups spent nearly 23 per cent more of their income on fuel than in 2012. However, this is largely driven by changes in the methodology.

## 6. Fuel prices

### Average domestic energy prices in real terms



**Source:** Office for National Statistics, Retail Prices Index; DECC, Quarterly Energy Prices

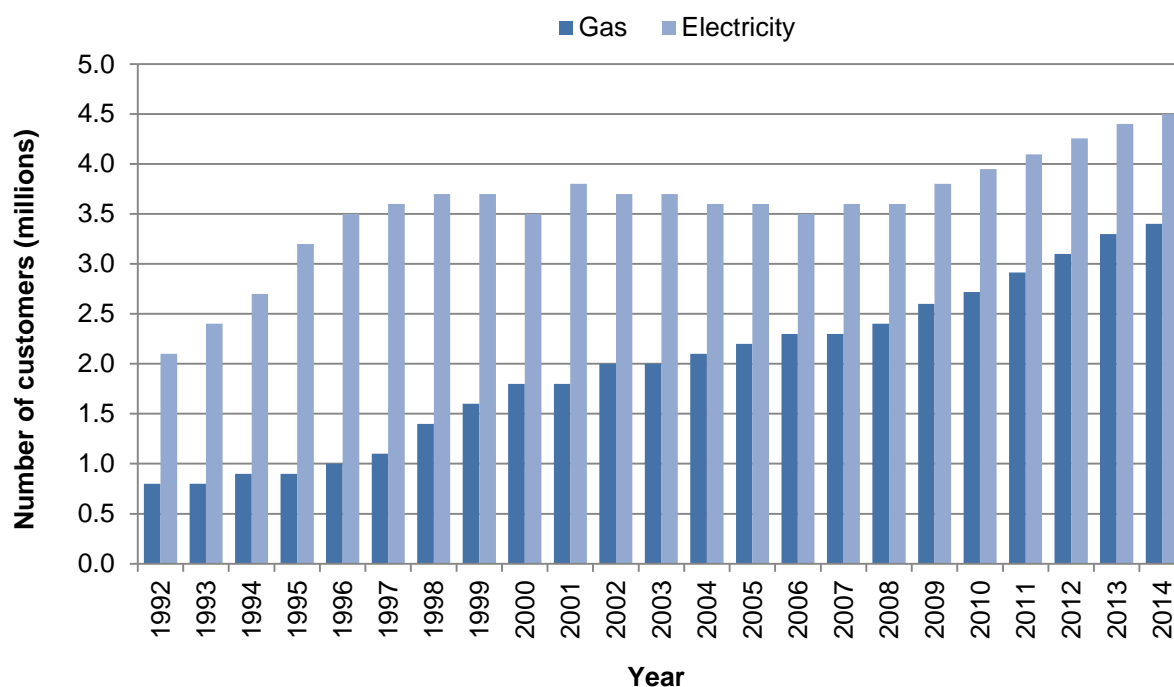
**Coverage:** United Kingdom

**Key Messages:** This indicator shows changes in average domestic fuel prices throughout the UK. Since 2004, prices have risen sharply (with some exceptions), mainly due to increasing wholesale gas prices, higher international oil and coal prices and the resulting increase in wholesale electricity prices.

Between 2013 and 2014 the price of gas and electricity both increased in real terms by three and four per cent respectively. Over the same period the price of heating oil dropped by nearly 13 per cent, and the price of coal rose by one per cent in real terms between 2013 and 2014.

## 7. Number of customers on pre-payment meters

### Customers on prepayment meters for gas and electricity



**Source:** Ofgem Domestic Suppliers' Social Obligations: 2013 Annual Report available online at: <https://www.ofgem.gov.uk/publications-and-updates/domestic-suppliers-social-obligations-2013-annual-report>

**Coverage:** Great Britain

**Key Messages:** There was an increase in the number of customers using prepayment meters during the 1990s for both fuels, although especially for electricity, where they are largely used for debt management to avoid disconnection. Between 2001 and 2006 there was a reduction in electricity pre-payment meter customer numbers, while gas prepayment meter customer numbers continued to increase. Between 2007 and 2013, there were increases in both the number of gas and electricity pre-payment meter customers. At the end of 2013, around 16 per cent of electricity customers and 15 per cent of gas customers paid through a pre-payment meter.

In addition to the data for Great Britain shown above there were, at the end of 2014, approximately 324,000 electricity prepayment meters and approximately 128,000 gas prepayment meters in Northern Ireland. This has grown continuously and steadily since 2010.

Aside from managing a debt, many households prefer using prepayment meters as they allow the householders to manage their budgets closely.

**Technical Notes:** Prepayment meter customers have historically paid higher prices than customers paying by quarterly credit or direct debit, although the differentials have narrowed in recent years between standard credit and pre-payment. Since 2010 customers paying for their gas through a pre-payment meter have paid lower bills than those on standard credit. This can be seen in DECC's Quarterly Energy Prices publication: <https://www.gov.uk/government/organisations/department-of-energy-climate-change/series/domestic-energy-prices>

In 2013 around 21 per cent of gas and 22 per cent of electricity pre-payment customers were fuel poor. This is higher than customers paying by standard credit or direct debit. The table below shows how average annual bills have changed in real terms since 1996. Average annual bills are calculated assuming annual consumption of 3,300 kWh for electricity and 18,000 kWh for gas.

### Average Annual Gas and Electricity Bills by Payment Method

Real 2010 terms (£) <sup>(1)</sup>	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electricity Credit	466	435	403	392	373	358	348	342	342	369	426	463	517	523	493	522	544	570	575
Electricity Direct Debit	458	424	389	378	357	344	333	327	326	350	396	428	478	481	453	483	502	527	529
Electricity Prepayment	498	461	429	418	399	383	371	365	365	394	453	484	541	535	505	531	546	573	579
Prepayment less Credit	32	27	26	26	26	25	23	23	23	25	27	21	24	12	12	9	2	3	4
Prepayment less Direct Debit	40	37	40	41	42	39	38	38	39	44	57	56	63	54	52	48	44	46	50
Gas Credit	392	379	359	344	325	318	328	332	335	379	452	498	563	626	586	630	693	726	740
Gas Direct Debit	365	354	314	301	290	288	297	302	310	345	404	449	520	574	546	585	637	664	670
Gas Prepayment	416	403	377	358	342	336	346	349	353	393	475	532	586	656	584	625	683	718	737
Prepayment less Credit	24	24	18	14	17	18	17	18	14	23	34	23	30	-2	-5	-10	-8	-3	
Prepayment less Direct Debit	51	49	63	57	52	48	49	47	43	48	71	83	66	82	38	40	46	54	67

(1) Bills deflated to 2010 terms using the GDP (market prices) deflator

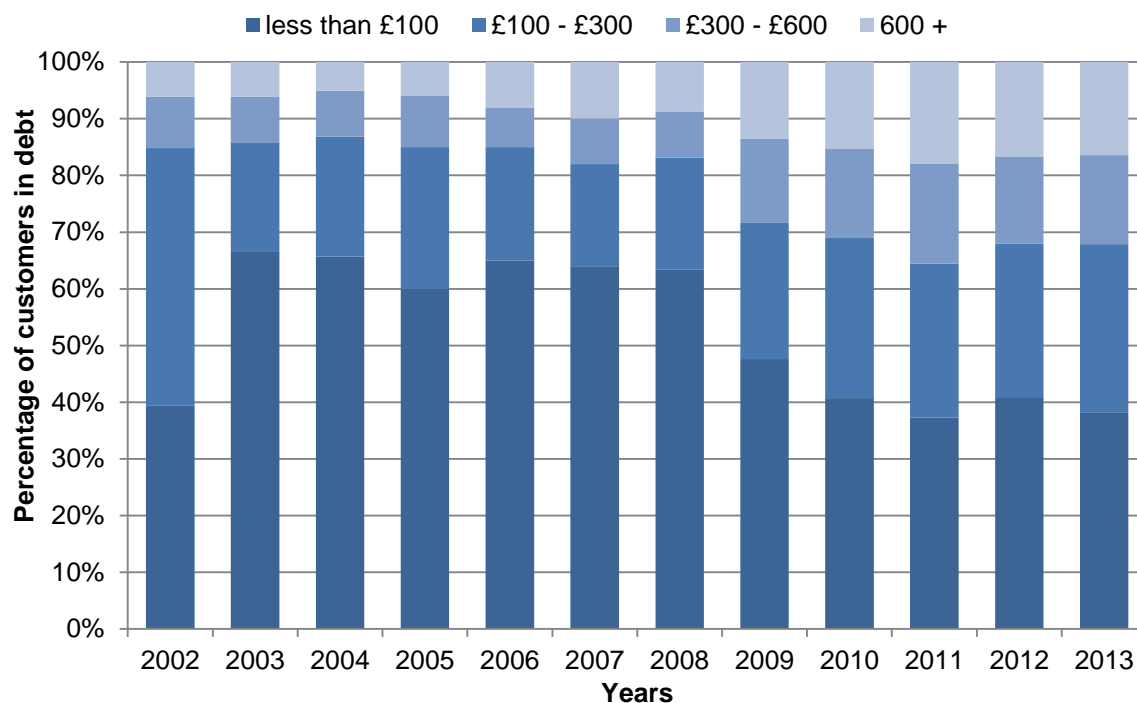
Source: <https://www.gov.uk/government/statistical-data-sets/annual-domestic-energy-price-statistics>

Coverage: UK for electricity, Great Britain for gas

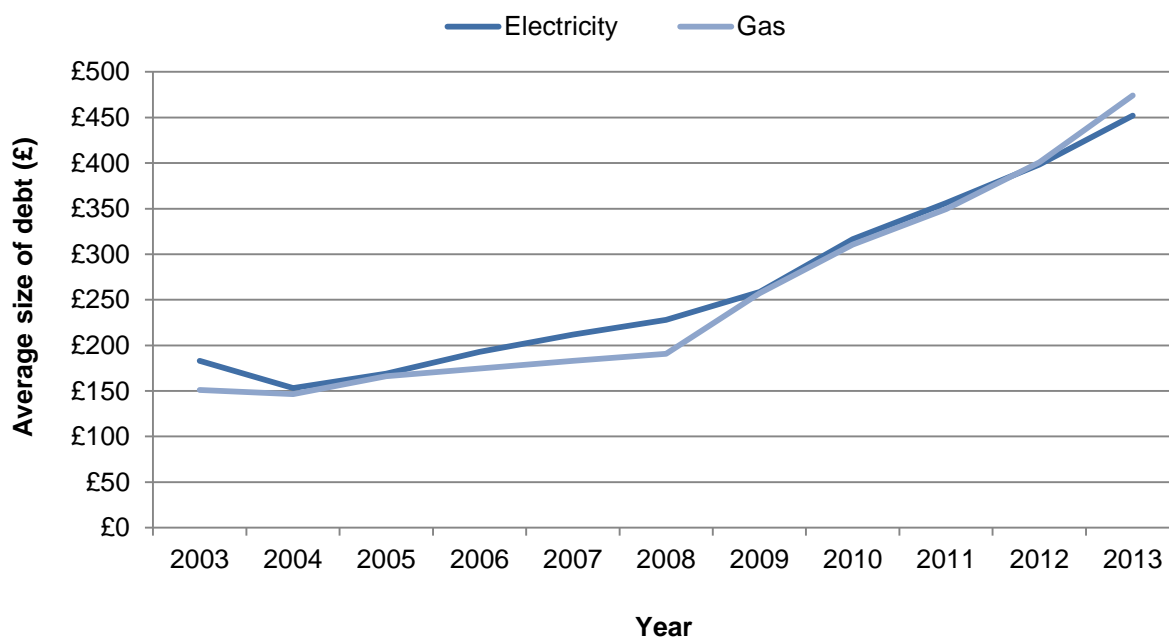
Bills are calculated assuming annual consumption of 3,800kWh for electricity and 15,000 kWh for gas.

## 8. Fuel Debt

Amounts owed by gas customers on a debt payment arrangement  
(in the final quarter of each year)



### Average Level of Customer Debt<sup>3</sup>



<sup>3</sup> In 2012 Ofgem began collecting more detailed data on debt as opposed to a simplified overall average figure, to help improve the consistency of reporting.

<b>Source:</b>	Ofgem, Domestic suppliers' Social Obligations: 2013 annual report <a href="https://www.ofgem.gov.uk/ofgem-publications/92186/annualreport2013finalforpublication.pdf">https://www.ofgem.gov.uk/ofgem-publications/92186/annualreport2013finalforpublication.pdf</a>
<b>Coverage:</b>	Great Britain
<b>Key Messages:</b>	<p>Overall, in the last quarter of 2013, 3.8 per cent of electricity customers and 4.2 per cent of gas customers were repaying a debt<sup>4</sup>. Of the gas customers repaying debt, 62 per cent owed more than £100, compared to 59 per cent in the same quarter in 2012. Of the electricity customers repaying debt, 57 per cent owed more than £100, compared to 56 per cent in quarter 4 of 2012.</p> <p>While the overall numbers repaying a debt has decreased since early 2009, there are signs that high energy bills are continuing to have an impact on customers struggling to pay. The average debt owed by electricity customers in the final quarter of 2013 was £460, and the average owed by gas customers was £466.</p> <p>In 2012 Ofgem begun to collect more detailed data on debt to improve the consistency of reporting. Snapshot debt shows the debt that remains as owed at a particular point in time following a repayment arrangement, and at the end of quarter 4 of 2013 this averaged at £306 for electricity and £323 for gas. Take on debt shows the total debt the customer agreed to pay at the start of the repayment arrangement. At the end of 2013, average levels were £457 for electricity and £486 for gas.</p> <p>In quarter 4 of 2013, approximately 8.1 per cent of electricity prepayment meter customers (0.36m) and 10.7 per cent of gas prepayment meter customers (0.35m) were repaying a debt through a prepayment meter. Compared to the same quarter a year earlier, this represents an increase in the proportion of prepayment consumers in debt, with electricity increasing from 7.9 per cent and gas from 10.6 per cent.</p>
<b>Technical Notes:</b>	'Debt' refers either to customers who have a PPM set to collect a debt or customers who are on a rescheduled debt repayment programme due to last longer than 91 days/13 weeks. Direct debit customers would only fall within this definition if they have specifically set up a direct debit in order to repay a debt <sup>5</sup> .

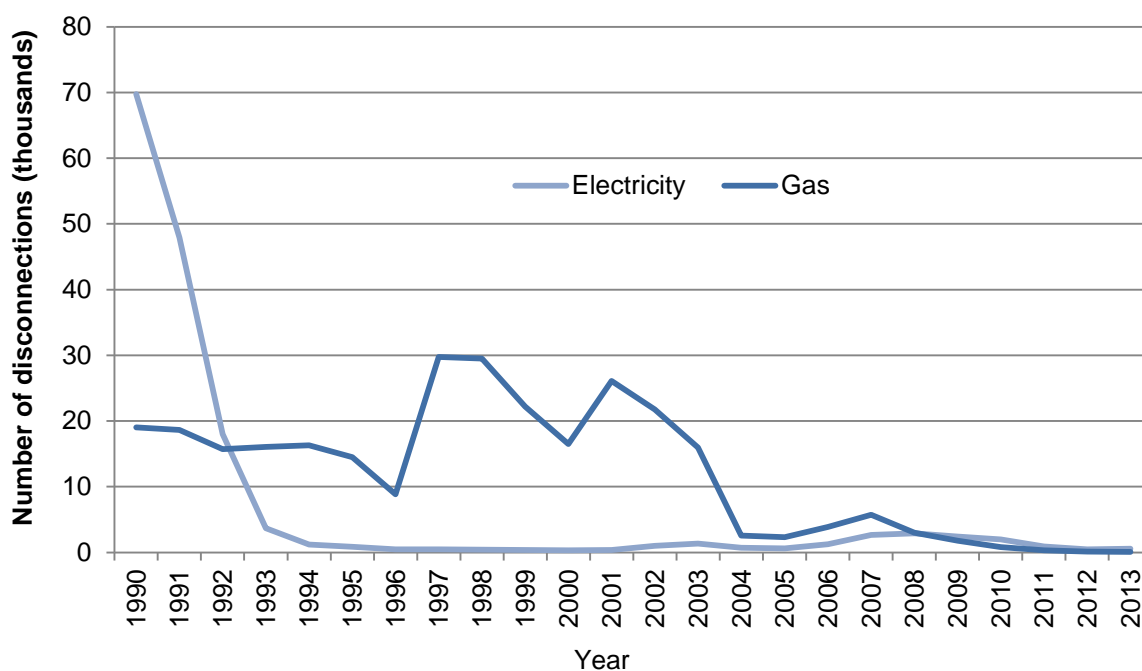
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<sup>4</sup> To note that some of these consumers are the same individuals, repaying a debt on both fuels.

<sup>5</sup> See reporting guidance set out by Ofgem for more details: <https://www.ofgem.gov.uk/publications-and-updates/guidance-monitoring-suppliers%E2%80%99-performance-relation-domestic-customers-updated-march-2012>



**Number of customers disconnected due to debt**

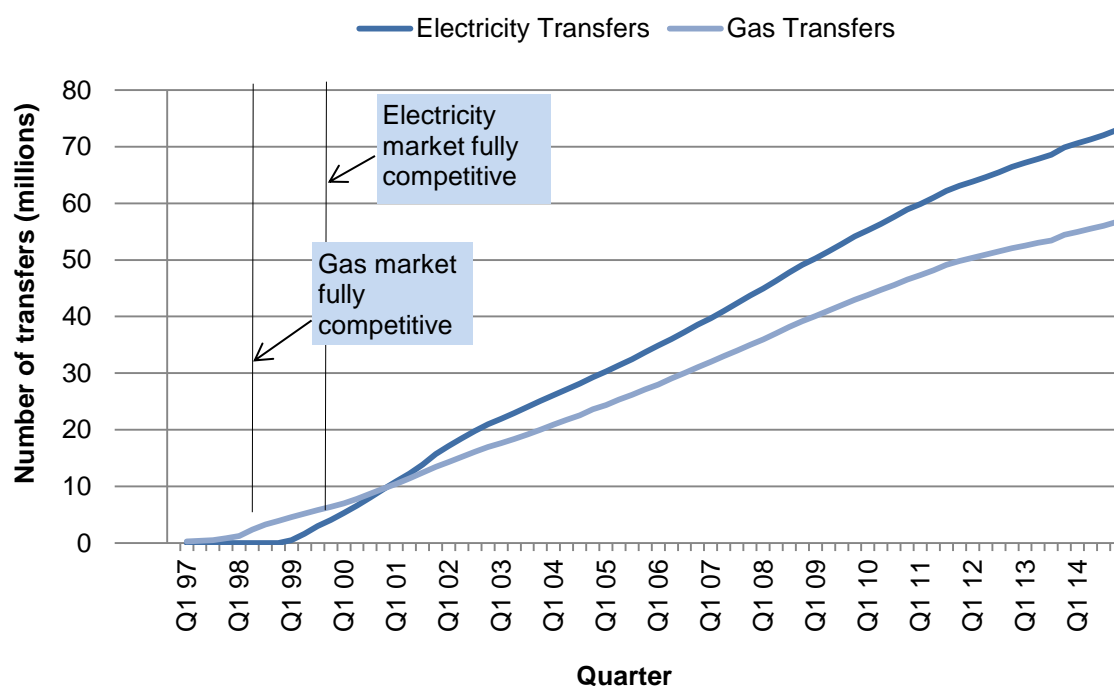


**Coverage:** United Kingdom

**Key Messages:** Disconnections for Gas debt fell by 20 percent from 104 in 2012 to 84 disconnections in 2013. There was a slight rise in the number of electricity customer disconnected from 453 in 2012 to 556 in 2013, an increase of just under a quarter. For both fuels, the levels are significantly reduced from the early 1990s.

## 9. Customers switching supplier

### Cumulative numbers of gas and electricity transfers



**Source:** Ofgem; DECC, Quarterly Energy Prices  
<https://www.gov.uk/government/statistical-data-sets/quarterly-domestic-energy-switching-statistics>

**Coverage:** Great Britain

**Key Messages:** By the end of 2014, there had been 73 million changes of electricity supplier and 57 million changes of gas supplier since their respective markets opened to competition. However, these figures are likely to include some consumers switching many times, whilst others haven't switched at all.

There are different rates of switching supplier between customers on the three main payment methods. For both gas and electricity, direct debit customers were most likely to have switched away from their home supplier, with 67 per cent of gas customers and 67 per cent of electricity customers having done so. Standard credit customers were least likely to have switched away, with 57 per cent of electricity customers and 45 per cent of gas customers having done so.

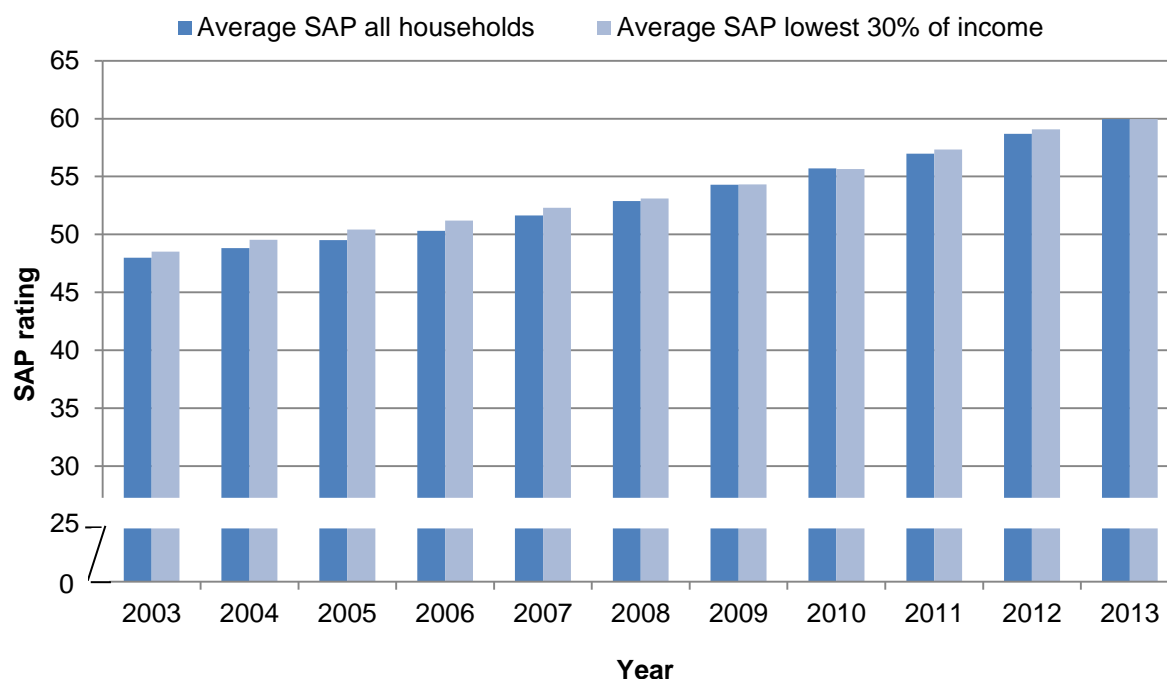
**Technical Notes:** The term "original supplier" or "home supplier" refers to the former Public Electricity Suppliers operating within their historical distribution boundaries in the electricity market, and to British Gas in the gas market. Before the market opened up to competition, all customers would have been with their home supplier.

All domestic customers in Great Britain have been able to choose their gas supplier since May 1998 and their electricity supplier from May 1999.

# Housing Indicators

## 10. Indicator SAP Rating

**Average SAP rating of all households and those in the lowest 30 per cent of income groups**



**Source:** EHCS 2003 to 2007; EHS 2008 to 2013 (DCLG)

**Coverage:** England

**Key Messages:** Between 2013 and 2012 the average (mean) SAP12 rating increased slightly more for all household, at just over one per cent, than for those in the lowest three income deciles where the rise was just under one per cent. This means that all household now have a similar SAP rating to those in low income, both at just under 60 points.

Results from the 2013 EHS have again indicated that there is a direct relationship between the degree of fuel poverty experienced, and SAP ratings. This is illustrated in the detailed tables available at:

<https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2013>

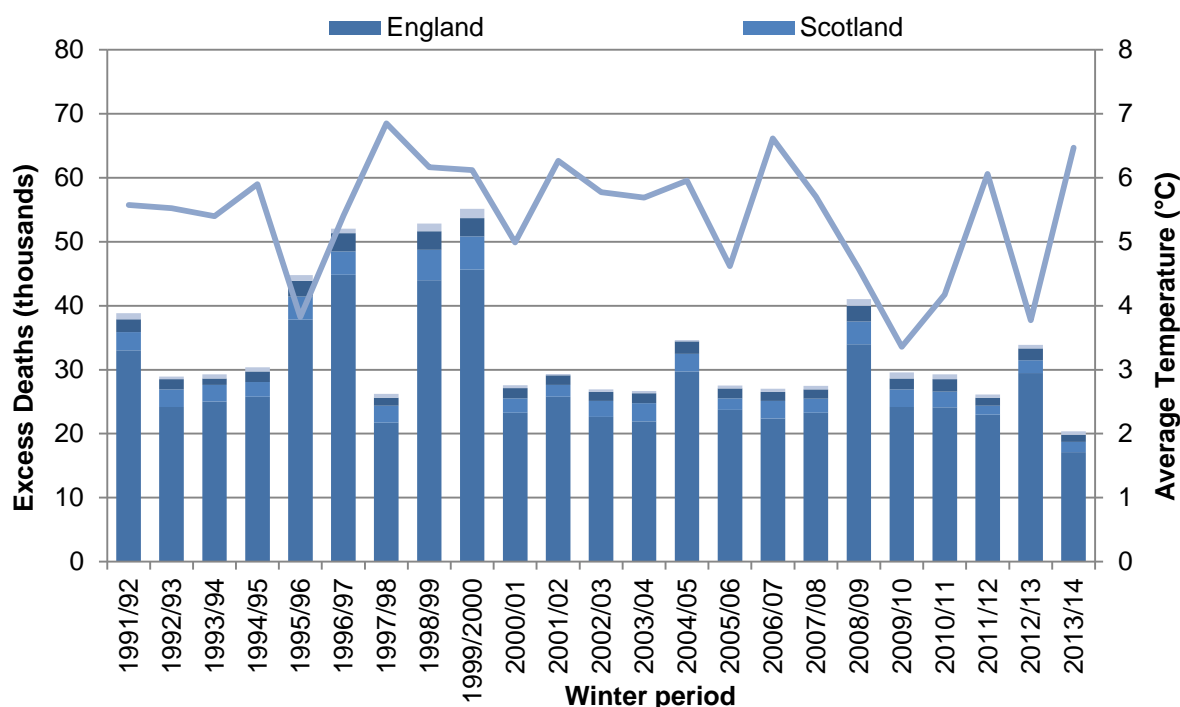
**Technical Notes:** The Standard Assessment Procedure (SAP) is adopted by Government as the methodology for calculating the energy performance of dwellings. The SAP rating is based upon the energy costs associated with space heating, water heating, cooking and lighting in a dwelling. It is adjusted for floor area so that it is essentially independent of this for a given built form. SAP ratings are expressed on a scale of 1 to 100, with higher numbers reflecting lower energy costs.

This indicator is based on the latest revision to SAP methodology SAP 2012

More information on SAP ratings can be found here:  
<https://www.gov.uk/standard-assessment-procedure>

## 11. Excess winter deaths

### Excess winter deaths in countries of the UK



**Source:** Office for National Statistics; The National Register Office for Scotland; Northern Ireland Statistics and Research Agency; Met Office

**Coverage:** United Kingdom

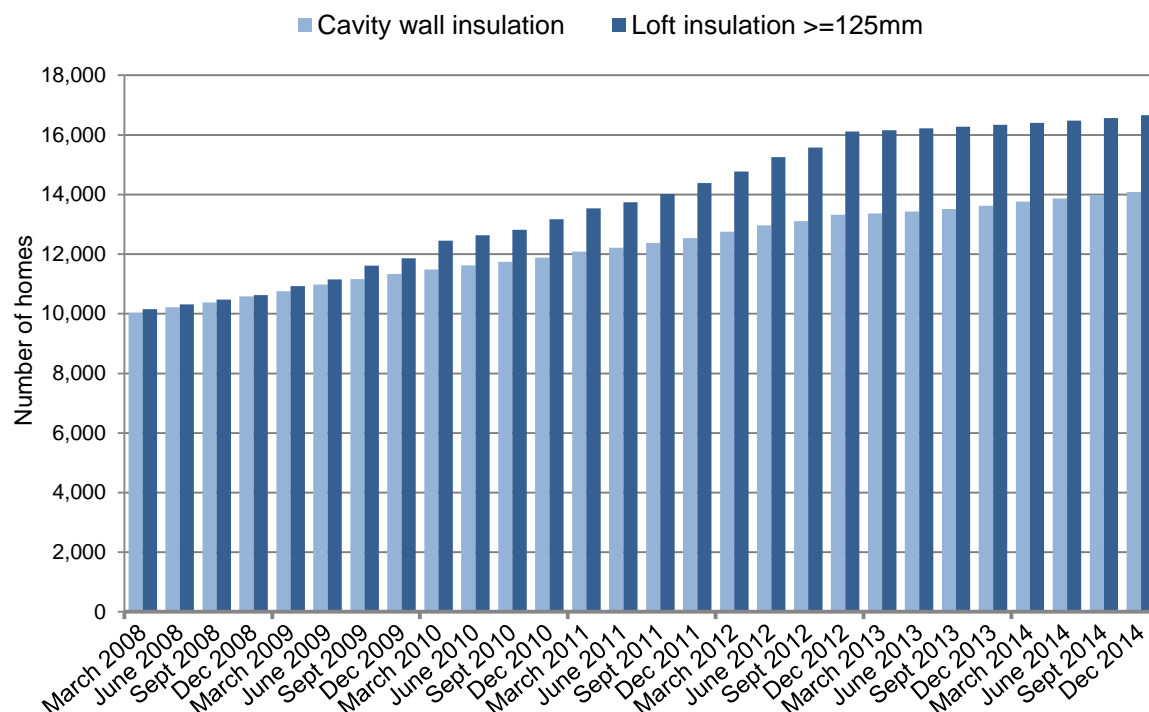
**Key Messages:** The number of excess winter death fell to a low of around 20,000 in the U.K in 2013-14. The average (mean) air temp was 6.5° C, which was the warmest winter we have experienced since 2006-7 and nearly 3°C warmer than the previous winter of 2012/13, where there were 34,000 deaths.

**Technical Notes:** Excess winter deaths are defined as the difference between the number of deaths which occurred in winter (December to March), and the average number of deaths during the preceding and subsequent four month periods (August to November and April to July).

The temperature data used for this indicator relates to the average temperature during the months of December to March, and is consistent with the temperature data used in the indicator on cold weather payments.

## 12. Number of insulated homes

### Time series of homes with cavity wall insulation and loft insulation in Great Britain



**Source:** DECC: Green Deal, Energy Company Obligation (ECO) and Insulation Levels in Great Britain:

<https://www.gov.uk/government/collections/green-deal-and-energy-company-obligation-eco-statistics>

**Coverage:** Great Britain

**Key Messages:** There were 27.4 million homes in Great Britain<sup>6</sup>. Of these: 19.4 million had cavity walls, with the remaining 8.0 million having solid walls. 23.9 million properties had a loft. At the end of December 2014 14.1 million properties had cavity wall insulation, a three per cent rise on December 2013. In addition, 16.7 million had loft insulation and 294,000 had solid wall insulation. This represented a two per cent rise in loft insulation and a 26 per cent increase in solid walls insulation since, December 2013.

It should be noted that measures installed as a mitigation action after the end of CERT and CESP are not currently included in these figures, and therefore actual delivery during 2013 is likely to be higher than reported in this document.

<sup>6</sup> This includes both occupied and unoccupied dwellings

**Technical Notes:** The estimates provided in this time series use 2008 housing survey data, which coincides with the start of the Carbon Emissions Reduction Target (CERT), and adds known measures delivered through Government schemes (these include CERT<sup>7</sup>, the Community Energy Saving Programme (CESP)<sup>8</sup>, Warm Front<sup>9</sup>, Green Deal (including Cashback)<sup>10</sup> and the Energy Company Obligation<sup>11</sup> (ECO)). This is supplemented with data on house building published by Communities & Local Government to provide an estimate for the latest quarter.

Data for Dec 2013 to Sep 2014 are revised data, while figures for June 2013 to Dec 2014 are provisional.

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<sup>7</sup> <https://www.ofgem.gov.uk/environmental-programmes/energy-companies-obligation-eco/previous-energy-efficiency-schemes>

<sup>8</sup> <https://www.ofgem.gov.uk/environmental-programmes/energy-companies-obligation-eco/previous-energy-efficiency-schemes>

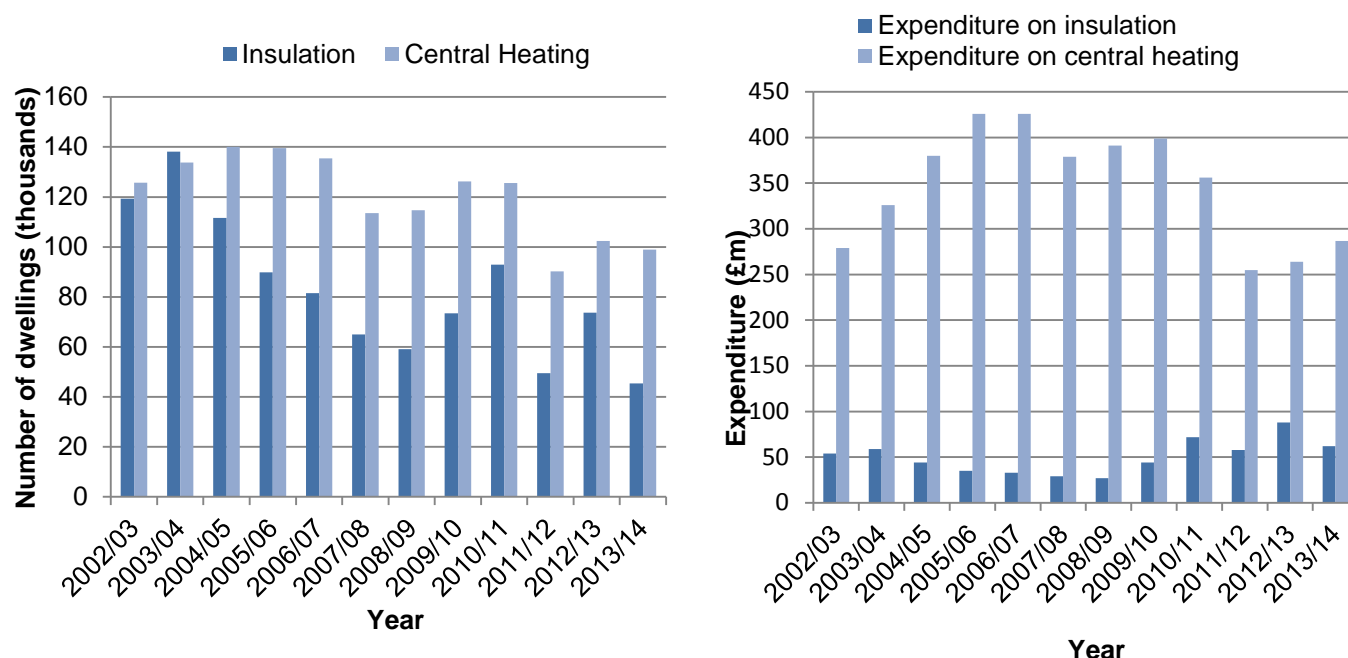
<sup>9</sup> <https://www.gov.uk/government/policies/helping-households-to-cut-their-energy-bills/supporting-pages/warm-front-scheme>

<sup>10</sup> <https://www.gov.uk/green-deal-energy-saving-measures>

<sup>11</sup> <https://www.gov.uk/government/policies/helping-households-to-cut-their-energy-bills/supporting-pages/energy-companies-obligation-eco>

### 13. Local Authority housing investment on energy efficiency improvements

#### Number of Local Authority-owned dwellings receiving insulation and central heating



**Source:** Local authority housing statistics data returns for 2012 to 2013, DCLG

**Coverage:** England

**Key Messages:** The number of insulation measures decreased between 2012/13 and 2013/14 by 38 per cent from 74,000 to 45,000. This is reflected by a decrease in spending by 30 per cent, from £88m to £62m over this time.

Despite a nine per cent increase in expenditure, the number of dwellings receiving new central heating systems (either for the first or as a renewal/replacement) decreased between 2012/13 and 2013/14 from 102,000 to 99,000.

**Technical Notes:** Dwellings in receipt of more than one type of measure are counted under each category of works, e.g. a dwelling counted as having new insulation installed may be counted again as having central heating installed. Therefore, the dwellings receiving new insulation cannot simply be added to those receiving central heating as an estimate of the number receiving either measure.



The increase in dwellings receiving insulation during 2009/10 was mainly due to cavity wall insulation from the SHESP Programme, which concluded in March 2011. Local authority-owned dwellings receiving insulation are also counted in the number of insulated homes in Indicator 13.

