

# Fuel Poverty Factsheet England, 2023



This factsheet summarises the headline estimates of fuel poverty in England in 2023 using the Low Income Low Energy Efficiency (LILEE) metric. These figures are based on modelled English Housing Survey data. For a more comprehensive view, please see the Annual <u>Fuel Poverty Report</u> and the <u>Fuel Poverty Methodology Handbook</u>.

## A HOUSEHOLD IS CLASSED AS BEING IN FUEL POVERTY IF:



The household's fuel poverty energy efficiency rating\* is Band D or below and

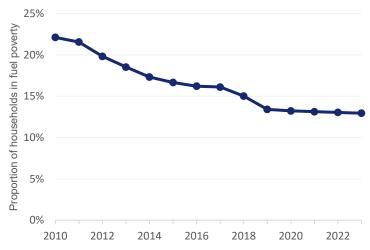


their disposable income (after housing and fuel costs) is below the poverty line.

**AVERAGE GAP** is the reduction in required fuel bill that the average fuel poor household needs to not be classed as fuel poor.

**AGGREGATE GAP** is the sum of all fuel poor households' fuel poverty gaps.

### **FUEL POVERTY IN 2023**



The proportion of fuel poor households has **remained relatively stable since 2019** 

13.0% of households in England were fuel poor in 2023

That's 3.17 million

households

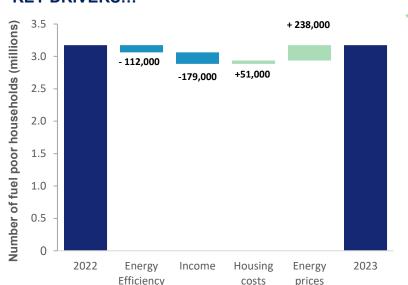
The average fuel poverty gap was

**£417** (up from £348 in 2022 in real terms)

The aggregate fuel poverty gap was

£1.32 billion (up from £1.11 billion in 2022 in real terms)

# A HOUSEHOLD'S FUEL POVERTY STATUS DEPENDS ON THE INTERACTION OF THESE KEY DRIVERS...

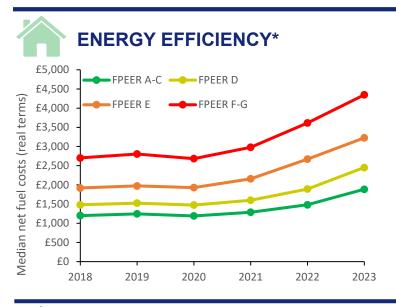


ENERGY EFFICIENCY measures lifted 112,000 households out of fuel poverty between 2022 and 2023.

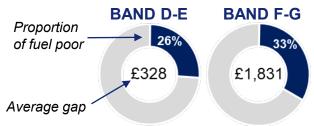
**INCOMES** for low income households grew faster than the median income in 2023 reducing fuel poverty. This was partially offset by rising housing costs, taking 128,000 out of fuel poverty.



**ENERGY PRICES** rose in 2023 moving 238,000 households into fuel poverty.



**Median required net fuel costs** for the least efficient properties (F-G) are nearly two and a half times higher than for the most efficient properties (A-C).



Band F-G are more likely to be fuel poor than Band D-E. Band D-E properties had an average fuel poverty gap **around 6 times lower** than band F-G.



### **FUEL POVERTY TARGET**

The fuel poverty target is to move as many fuel poor homes as is reasonably practicable to a minimum of Band C by 2030 with an interim milestone of Band D by 2025

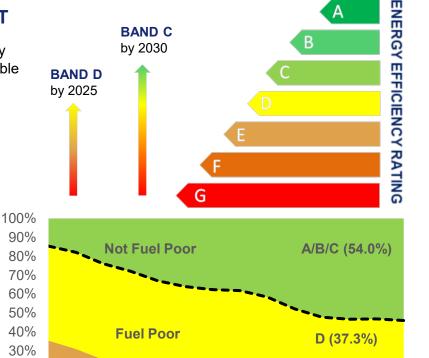
#### Share of low income households

The estimated share of low income households in 2023 was as follows:

Band C or above: 54.0%

• Band D or above: 91.3%

Since 2020 the share of low income households in **Band A-C** has remained relatively stable, 52.1% in 2020 and 54.0% in 2023. Progress with energy efficiency has continued but high energy costs have brought more lower energy efficiency homes into the low income group.



Year



### HOUSEHOLD COMPOSITION

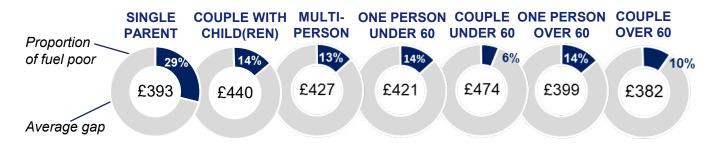
Single parent households were most likely to be fuel poor (29%) and couples under 60 without children had the highest average gap (£474).

Proportion of low income households

20%

10%

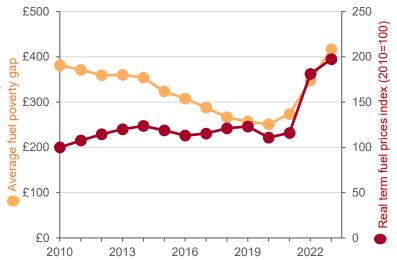
0%



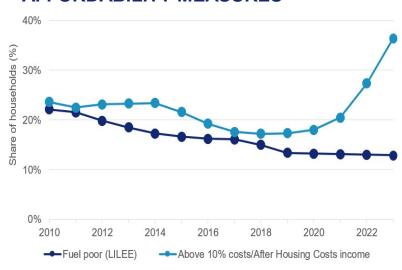
# FUEL PRICES

Overall, domestic energy prices rose by 9 per cent from 2022 to 2023 in real terms. The average fuel poverty gap increased by 20 per cent between 2022 and 2023 in real terms.

When prices were stable, the fuel poverty gap decreased due to improvements in energy efficiency. Since 2020, the average fuel poverty gap has risen due to the impact of higher energy prices.



#### **AFFORDABILITY MEASURES**



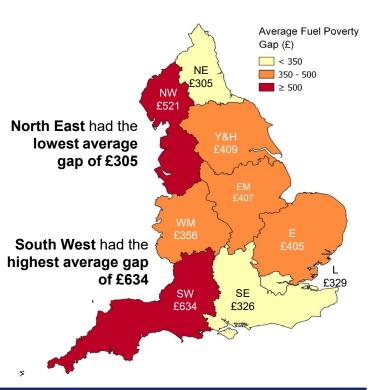
Between 2020 and 2023 there was an increase from 18.0 per cent to 36.4 per cent in households required to spend more than 10 percent of their income on energy, after housing costs.

Fuel costs have a larger impact on affordability measures than on the LILEE metric. An increase of £100 in energy bills would require £1,000 increase in After Housing Costs income to offset the effect of increased price.

# PROPORTION OF FUEL POOR HOUSEHOLDS (%)

#### Proportion of fuel poor households (%) **West Midlands** < 10 had the highest NF 10 - 12 proportion of fuel 10.6% 12 - 14 poor households 14 - 16 NW ≥ 16+ (19.5 per cent) 14 4 Y&H 16 4% EM South East had 14.8% the lowest WM 19.5% proportion of fuel 10.3% poor households (9.6 per cent) SE 12.9% 9.6%

### **AVERAGE FUEL POVERTY GAP (£)**





Households where the household reference person is unemployed or in full-time education are almost three times more likely to be in fuel poverty than the national average

Proportion of fuel poor ce ucation e in fuel

E400

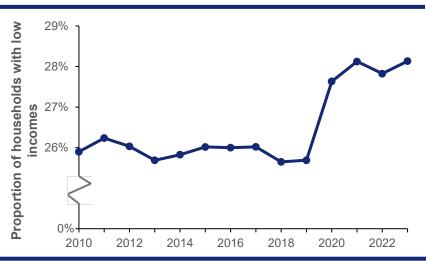
13% £417

Average gap



#### **INCOME**

There has been an increase in the proportion of low income households since 2019 (25.7% in 2019 and 28.1% in 2023). Initially the economic impact of Covid-19 negatively impacting the lower income deciles, followed by higher fuel costs in 2022 and 2023 increasing the number of households below the low income threshold.





Households who live in a property they own had the least likelihood of being fuel poor (9.2%), however they have the largest average fuel poverty gap (£462).

Households living in **privately rented** accommodation were most likely to be fuel poor (24.1%). Despite only 18.9% of all households privately renting their homes, 35.1% of all fuel poor households live in privately rented accommodation.

Those living in social housing had the lowest average fuel poverty gap (£228).





