



## DEBATE PACK

Number 0276, 11 December 2018

# Fuel Poverty

## Summary

This pack has been produced ahead of the general debate on Tuesday 11 December 2018 on fuel poverty. It covers fuel poverty statistics and policy for the regions of the UK.

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

By Suzanna Hinson, Nikki Sutherland, Paul Bolton, Stephen Kennedy

## Contents

<b>1.</b>	<b>Fuel poverty in the UK</b>	<b>2</b>
1.1	Fuel poverty - England	2
1.2	Fuel poverty - Wales	3
1.3	Fuel poverty - Scotland	3
1.4	Fuel poverty - Northern Ireland	4
<b>2.</b>	<b>Policy</b>	<b>6</b>
2.1	Current UK Government fuel poverty initiatives	6
2.2	Energy efficiency Energy Company Obligation Green Deal	6
2.3	Energy efficiency for rented properties	6
2.4	UK wide social support Winter Fuel payments Cold weather payments	7
	The Warm Homes Discount	8
<b>3.</b>	<b>Press Articles</b>	<b>9</b>
<b>4.</b>	<b>Press releases</b>	<b>11</b>
<b>5.</b>	<b>Parliamentary questions</b>	<b>14</b>
<b>6.</b>	<b>Links to further information</b>	<b>24</b>

# 1. Fuel poverty in the UK

Fuel poverty is a devolved policy area, and is defined and measured differently in different parts of the UK. In general, fuel poverty relates to households that have to spend a high proportion of their household income to keep their home at a reasonable temperature. Fuel poverty is affected by three key factors: a household's income, their fuel costs, and their energy consumption (which in turn can be affected by the energy-efficiency of the household's dwelling).

**In 2016 an estimated 2.55 million households in England were defined as fuel poor. This was 11.1% of households.** Over the past decade fuel poverty rates have remained in the 10-12% range, increasing to a peak of 11.9% in 2009 before falling to 10.5% in 2013 and 2014 before rising again in 2016.<sup>1</sup>

As the other nations all use different definitions and ways of modelling, the rates are not directly comparable.

**In Scotland in 2017, 613,000 households were estimated to be in fuel poverty. This was 24.9% of households.** The rate has fallen from 34.9% in 2014 when a new modelling method was introduced.<sup>2</sup>

**In Wales 291,000 households were projected to be in fuel poverty under their 10% measure in 2016. This was 23% of households.** The latest rate is below the 28-30% range projected for 2012, 2013 and 2014.<sup>3</sup>

**160,000 households were estimated to be in fuel poverty in Northern Ireland in 2016; 22% of households.** Rates were 34% in 2006, increasing to 44% in 2009, before falling slightly to 42% in 2011. The latest rate is almost half this level.<sup>4</sup>

## 1.1 Fuel poverty - England

England has adopted the 'Low Income High Costs' (LIHC) definition of fuel poverty. Under this definition, a household is fuel poor if:

- the amount they would need to spend to keep their home at "an adequate standard of warmth" is above the national median level
- and if they spent that amount, their leftover income would be below the official poverty line.<sup>5</sup>

In England, the Government's fuel poverty target is based on Energy Performance Certificates for fuel poor homes rather than a specific fuel poverty level. An Energy Performance Certificate (EPC) is a rating of how energy efficient a property is. The certificates are graded on a scale of A (most efficient) to G (least efficient). An EPC is a legal requirement when a property is bought sold or rented. This legal requirement was

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<sup>1</sup> [Annual fuel poverty statistics report: 2018](#), DBEIS

<sup>2</sup> [Scottish house condition survey: 2017 key findings](#)

<sup>3</sup> [The Production of Estimated Levels of Fuel Poverty in Wales: 2012-2016](#)

<sup>4</sup> [2016 Northern Ireland House Condition Survey: main report](#)

<sup>5</sup> Gov.uk, [Fuel poverty statistics](#), 26 June 2018

introduced in 2008 under [The Energy Performance of Buildings \(Certificates and Inspections\) \(England and Wales\) Regulations 2007](#).

The Government's latest fuel poverty specific strategy was the 2015 [Cutting the Cost of keeping warm - A fuel poverty strategy for England](#). This reiterates an earlier 2014 target for fuel poverty:

The fuel poverty target is to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band C, by 2030.

In October 2017, the UK Government published the [Clean Growth Strategy](#) which included a similar target:

We are aiming to have the 2.5 million fuel poor homes in England improved to energy efficiency rating C or better by 2030. More broadly, our aspiration is that as many homes as possible are improved to EPC Band C by 2035, where practical, cost-effective and affordable.

The strategy included commitments related to energy efficiency. Details are covered in the Library debate pack on [Energy efficiency in the Clean Growth Strategy](#).

## 1.2 Fuel poverty - Wales

In Wales, a household is defined as being in fuel poverty if they need to spend over 10% of their net income on energy costs.

The Welsh Government's latest [fuel poverty strategy](#) was published in 2010. This reiterated the 2003 Fuel Poverty Commitment for Wales's targets:

We have an obligation to get rid of fuel poverty, as far as is practical:

- in vulnerable households by 2010
- in social housing by 2012
- in all households by 2018<sup>6</sup>

## 1.3 Fuel poverty - Scotland

At present, in Scotland, fuel poverty is defined as set out in Section 88 of the [Housing \(Scotland\) Act 2001](#). This designates a household as being in fuel poverty if, in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income (including Housing Benefit or Income Support for Mortgage Interest) on all household fuel use.

In summer 2018, the Scottish Government consulted on their fuel poverty strategy.<sup>7</sup> As a result, the government have now published a [draft fuel poverty strategy](#)<sup>8</sup>, and [Fuel Poverty \(Target, definition and Strategy\) \(Scotland\) Bill](#).<sup>9</sup>

<sup>6</sup> Welsh Government, [Fuel Poverty Strategy](#), 23 July 2010

<sup>7</sup> Scottish Government, [Fuel Poverty Strategy Consultation](#), 9 November 2017

<sup>8</sup> Scottish Government, [Draft fuel poverty strategy for Scotland 2018](#), 27 June 2018

<sup>9</sup> The Scottish Parliament, [Fuel Poverty \(Target, Definition and Strategy\) \(Scotland\) Bill](#)

This includes a revised definition:

Households should be able to afford the heating and electricity needed for a decent quality of life. Once a household has paid for its housing, it is in fuel poverty if it needs more than 10% of its remaining income to pay for its energy needs, and if this then leaves the household in poverty.<sup>10</sup>

The strategy includes some technical changes in the way fuel poverty would be measured:

Underpinning the overarching definition, there are some areas where we have made changes to how we will measure the number of households experiencing fuel poverty, including:

- introducing a new income threshold based on the UK Minimum Income Standard (MIS)
- moving the 10% fuel cost to income ratio from a Before Housing Costs (BHC) basis to an After Housing Costs (AHC) basis
- for households that we anticipate to be most affected by the adverse outcomes of living in a colder home, enhancing the temperature regime that will be applied in order to contribute to a healthy, indoor living environment.<sup>11</sup>

The draft strategy and Bill also include a proposed new statutory target for fuel poverty that in 2040, no more than 5% of households in Scotland are in fuel poverty. The draft strategy also proposes a series of non-statutory interim targets:

By 2030:

- The overall fuel poverty rate will be less than 15%
- Ensure the median fuel poverty gap is no more than £350 (in 2015 prices before adding inflation)
- Make progress towards removing poor energy efficiency of the home as a driver for fuel poverty

By 2040:

- Ensure the median fuel poverty gap is no more than £250 (in 2015 prices before adding inflation)
- Remove poor energy efficiency of the home as a driver for fuel poverty.<sup>12</sup>

The Bill was introduced to the Scottish Government on 26 June 2018, and is currently in Stage 1, meaning the general principles are being considered and debated.

## 1.4 Fuel poverty - Northern Ireland

In Northern Ireland (NI), a household is defined as being in fuel poverty if they need to spend over 10% of their income on keeping their home at a reasonable temperature.

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<sup>10</sup> Scottish Government, [Draft fuel poverty strategy for Scotland 2018](#), 27 June 2018

<sup>11</sup> Scottish Government, [Draft fuel poverty strategy for Scotland 2018](#), 27 June 2018

<sup>12</sup> Scottish Government, [Draft fuel poverty strategy for Scotland 2018](#), 27 June 2018

The latest NI Government [fuel poverty strategy](#) was published in March 2011. This states that a 2004 target to eradicate fuel poverty by 2016 will not be met, but states “the eradication of fuel poverty must remain as a core goal”.<sup>13</sup>

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<sup>13</sup> NI Government, [A new fuel poverty strategy for Northern Ireland](#), March 2011

## 2. Policy

### 2.1 Current UK Government fuel poverty initiatives

A range of measures are currently available to help alleviate fuel poverty. The UK wide measures are covered below. As fuel poverty is devolved, there are also additional measures available in Scotland, Wales, and Northern Ireland, as well as specific measures in certain local authorities. Further information on the measures below, and policies in the devolved nations, is available in the Library Note, on [Help with energy bills \(April 2018\)](#).

### 2.2 Energy efficiency

#### Energy Company Obligation

The UK Government's Energy Company Obligation (ECO) scheme aims to reduce carbon emissions and fuel poverty. Measures include insulation and new boilers. Eligibility criteria do apply. Further information is available in the Library Briefing Paper on the [Energy Company Obligation](#) and from [Ofgem](#) (the energy regulator).

The efficiency measures are installed through energy suppliers and paid for by a levy on all consumer bills. Details on eligibility are available on the Gov.uk webpage [Help from your energy supplier: the Affordable Warmth Obligation](#).

The UK Government have recently [made changes](#) to the ECO scheme, with the intention is to re-focus the scheme on households at risk from fuel poverty.

#### Green Deal

[The Green Deal](#) was an energy saving scheme launched by the coalition Government to incentivise and help fund energy efficiency and renewable energy technologies for homes. Loans were offered for home efficiency improvements that were paid back over time. The UK Government [stopped funding](#) the Green Deal in 2015, citing low uptake. The Green Deal Finance Company was publicly funded to provide Green Deal loans. According to their [website](#) it has now been re-launched privately after being acquired from the Government in January 2017 by Greenstone Finance, Aurium Capital Markets and Honeycomb Investment Trust. As of May 2017, it has begun financing loans again through Green Deal providers under the same format as the original UK Government scheme but without public funding. More information is available on the Green Deal Finance Company [website under PR and News](#).

### 2.3 Energy efficiency for rented properties

An Energy Performance Certificate (EPC) is a rating of how energy efficient a property is. The certificates are graded on a scale of A (most efficient) to G (least efficient). An EPC is a legal requirement when a

property is bought, sold or rented. This legal requirement was introduced in 2008 under [\*The Energy Performance of Buildings \(Certificates and Inspections\) \(England and Wales\) Regulations 2007\*](#).

[\*The Energy Efficiency \(Private Rented Property\) \(England and Wales\) Regulations 2015\*](#) set new standards for energy efficiency in rented homes. The legislation means:

- first, that as of 1 April 2016, a tenant of a domestic private rented property can make a request to their landlord for consent to make energy efficiency improvements and the landlord must not unreasonably refuse consent.
- second, as of 1 October 2016, domestic and non-domestic private rented property, must have a minimum level of energy performance certificate band E.
- third, that if the property is below the minimum energy efficiency requirements, a landlord of a domestic private rented property must not grant a new tenancy of the property after 1st April 2018, and must not continue to let the property after 1st April 2020, and a landlord of a non-domestic private rented property must not grant a new tenancy of the property after 1st April 2018, and must not continue to let the property after 1st April 2023.

An EPC certificate will suggest ways in which a property could be made more energy efficient to increase its rating.

Similar requirements are being introduced in [Scotland](#).

## 2.4 UK wide social support

“Income replacement” benefits – such as Jobseeker’s Allowance and Employment and Support Allowance – are intended to cover all day-to-day expenses apart from housing costs, including domestic heating (although benefit rates are not based on any objective or scientific analysis of the amounts necessary to meet minimum needs).

In the benefits system, there are two additional payments intended to help specifically with fuel costs:

- The Winter Fuel Payment
- Cold Weather Payments

### Winter Fuel payments

The Winter Fuel Payment is a tax-free annual payment to help older people meet the cost of their winter fuel bills. The “standard” rates are £200 per eligible household where the oldest person is under 80, and £300 for households containing a person aged 80 or over. For the winters 2008/2009 to 2010/2011, additional payments worth £50 (or £100 for households where the oldest person was 80 or over) were made alongside the standard Winter Fuel Payment. These additional payments have not been made since 2010/2011.

To be eligible for a Winter Fuel Payment, a person must have reached the relevant age threshold before the end of the “qualifying week” (for Winter 2018/2019, this was 17-23 September 2018). The qualifying age

is linked to the State Pension age for women, which is increasing gradually. This means that, to have received a payment for Winter 2018/2019, a person must have been born on or before 5 November 1953. Further information on the rules, details of the payment arrangements for this winter and claim forms are available at the [GOV.UK website](#). Recent developments and debates about the future of the Winter Fuel Payment are covered in a Commons Library briefing, [Winter Fuel Payments update](#).

For Winter 2017/2018, around 11.8 million people received a Winter Fuel Payment. Total expenditure was just over £2.0 billion (DWP, [Social Fund account 2017-18](#), 1 August 2018).

### **Cold weather payments**

[Cold Weather Payments](#) are made from the Social Fund to certain recipients of Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Universal Credit or Pension Credit during periods of very cold weather. To "trigger" the payments, the average temperature at a specified weather station must be recorded as, or forecast to be, 0°C or below for seven consecutive days. The scheme runs from 1 November to 31 March each winter.

The payment is a fixed amount for each week of cold weather. For many years this was set at £8.50 a week but the Labour Government increased the rate to £25 a week as a temporary measure for winters 2008/2009 and 2009/2010. The 2010 Government made the £25 rate permanent.

Since payments are only made during periods of very cold weather, expenditure on Cold Weather Payments in any one year depends on the severity of the winter. In the four winters preceding the 2017-18 winter (2013-14, 2014-15, 2015-16 and 2016-17), relatively mild weather meant that far fewer Cold Weather Payments were made compared with previous years. Winter 2013-14 was exceptionally mild; payments "triggered" in one area only in one week, resulting in expenditure of £27,500. The highest annual expenditure during this period was £10.6 million in 2014-15; between 2008-09 and 2012-13, by comparison, annual expenditure never fell below £129 million.

Winter 2017-18 was colder than the four winters preceding it and this resulted in a greater number of Cold Weather Payments. Over the winter, there were 140 "triggers", resulting in an estimated 4.75 million payments and estimated expenditure of £118.7 million.

Further information is given in Commons Library briefing CBP-8254, [Cold Weather Payments for winter 2017-2018](#), 30 April 2018.

### **The Warm Homes Discount**

The Warm Home Discount Scheme (WHD) is a set rebate of £140 for the electricity bills of eligible customers. There are two groups of eligible customers: the core group, and the broader group. Further information can be found on the Gov.uk webpage on [The Warm Home Discount Scheme](#).

### 3. Press Articles

Utility Week

**Progress tackling fuel poverty is 'stalling', committee reveals**

8 November 2018

<https://utilityweek.co.uk/progress-tackling-fuel-poverty-stalling-committee-reveals/>

Independent

**Energy bills jump 21% in five months leaving millions facing fuel poverty this winter**

17 October 2018

<https://www.independent.co.uk/news/business/news/energy-bills-rise-gas-electricity-prices-fuel-poverty-this-winter-a8588901.html>

Business Green

**Government confirms fuel poverty refocus for £6bn ECO energy efficiency scheme**

19 July 2018

<https://www.businessgreen.com/bg/news-analysis/3036187/government-confirms-fuel-poverty-refocus-in-gbp6bn-eco-energy-efficiency-scheme>

Scotsman

**Redefine the meaning of fuel poverty to better help Scots affected, say experts**

18 July 2018

<https://www.scotsman.com/news/define-the-meaning-of-fuel-poverty-to-better-help-scots-affected-say-experts-1-4770465>

Guardian

**Government 'will miss fuel poverty target by more than six decades**

3 July 2018

<https://www.theguardian.com/society/2018/jul/03/government-fuel-poverty-target-ippr-energy-efficiency>

Irish News

**Two in five households in Northern Ireland affected by fuel poverty**

6 March 2018

<http://www.irishnews.com/business/2018/03/06/news/two-in-five-households-in-northern-ireland-affected-by-fuel-poverty-1268619/>

## 4. Press releases

### Chartered Institute of Housing Scotland

#### CIH Scotland calls for clarity on funding for Fuel Poverty measures

**1 November 2018**

In its submission to the Finance and Constitution Committee on the financial memorandum of the Fuel Poverty Bill, CIH Scotland has called for the Scottish Government to be realistic and clear about the resources needed to achieve the new fuel poverty target.

The Bill sets out proposals for a new statutory target to reduce fuel poverty to no more than 5% of households in Scotland by 2040. It also introduces a new definition of fuel poverty and a duty for Ministers to publish a fuel poverty strategy and report on progress every five years.

CIH Scotland has welcomed the focus on reducing fuel poverty but called for more ambitious targets backed by the resources needed to achieve real change. Despite a previous target to eradicate fuel poverty by 2016, 26.5% of households in Scotland are still living in fuel poverty.

CIH Scotland policy and practice manager, Ashley Campbell said:

We absolutely support the need for homes across all tenures to be more energy efficient and want to see every person in Scotland living in a home that they can afford to heat. We have welcomed the introduction of a new statutory target but more can and must be done before 2040 – it is not acceptable to leave thousands of households in fuel poverty for the next 20 years.

The Scottish Government needs to invest more in energy efficiency measures, advice and information if it is serious about tackling fuel poverty. While the financial memorandum only covers the direct costs to the Government we need decisions on how much money will be spent and whether it is to come from landlords, taxpayers or the private sector. Recent figures showing winter deaths at their highest level in 18 years show that more of the same will not be enough to make the changes we need to end fuel poverty.

#### *Notes to Editors*

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: [www.cih.org](http://www.cih.org)

CIH Scotland's submission to the committee can be downloaded [here](#).

**3 July 2018**

**Government set to miss 2030 target for delivering energy efficiency measures for fuel poor households by at least 60 years**

Failure to reform the government's policies will leave the fuel poor out in the cold until the end of the century

New analysis of government figures shows that the government will dramatically miss its target, set out in its 2015 Fuel Poverty Strategy, of ensuring fuel poor homes are upgraded to an energy efficiency rating (EPC) of C by 2030.

Recent government figures show that the 2.55 million households that live in fuel poverty in England face an average fuel poverty gap (the amount by which a fuel-poor household's energy bills exceed reasonable costs each year) of £326. This gap is considerably larger for households which live in the most energy inefficient homes (with Energy Performance Certificates (EPC) of G) at £1,482.

The report by IPPR, the progressive policy think tank, calls for fundamental reform of the government's scheme to tackle fuel poverty as the analysis shows the pace of progress is far too slow.

Based on the current pace of deployment of energy efficiency measures under the Energy Company Obligation (ECO) scheme, the government will not meet its target for upgrading fuel poor homes until 2091 at the earliest.

Since many ageing households are likely to require multiple home improvements before they reach an EPC of C, and because some fuel poor households are currently ineligible for the scheme as they do not meet the criteria to claim the benefits which could qualify them for the scheme, this timeline is likely to be even longer.

The research highlights that 20 per cent of fuel-poor households (500,000) are not even covered by the scheme because they do not receive, or are unaware of their eligibility for, benefits. Moreover, it is estimated that only 30 per cent of the available funds are likely to be spent on fuel-poor consumers.

At the same time, the levies on energy bills which provide the funding for the scheme are highly regressive, meaning that fuel-poor households spend a disproportionately larger share of their income on energy than affluent consumers. This situation is even worse for rural consumers who, despite paying more than £70 million in bill levies over two years, only received energy efficiency measures worth £3.5 million.

The report calls for wide-ranging changes to the Energy Company Obligation (ECO) - the main government policy for delivering energy efficiency improvements – which include:

- Focussing the policy solely on addressing fuel poverty rather than providing energy efficiency measures for a range of households.

- Funding the scheme through general taxation rather than as a levy on bills which is regressive, hitting the poorest households the hardest.
- A new area-based approach delivered by local authorities with particularly intensive engagement in hard-to-reach places such as rural areas.
- A more rigorous approach to targeting fuel-poor consumers by forcing energy suppliers to share energy consumption data and billing information with local authorities to be matched with the data that they hold on the energy efficiency of housing stock and benefits data.

Joshua Emden, Research Fellow at IPPR said:

While we welcome recent government plans to focus 100% of funds on fuel poor, low income and vulnerable households (the Affordable Warmth group), everyone knows that there will still be problems with reaching fuel poor consumers within this group.

“Until we fundamentally re-design ECO and properly fund local authorities to deliver it, it will always look like the ghost of an old energy policy rather than the truly social policy it must become.

Luke Murphy, Associate Director for Energy, Climate, Housing and Infrastructure at IPPR said:

The Energy Company Obligation is not delivering for the fuel poor households it is designed to help. At its current rate of delivery, hundreds of thousands of fuel poor households will be left out in the cold until the end of the century.

If the government is to meet its 2030 target then its approach to improving energy efficiency for those households in fuel poverty needs fundamental reform. Our report calls for a new scheme to be focused solely on fuel poor households and delivered by local authorities in a new area-based approach. Crucially this new scheme must be funded through general taxation, rather than as a levy on bills which is hugely regressive and hits those in fuel poverty the hardest.

## 5. Parliamentary questions

### [Fuel Poverty](#)

**Asked by: Drew, Dr David**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what information he holds on local authority spending plans to reduce fuel poverty over the next (a) five and 10 years.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

The Home Energy Conservation Act 1995 (HECA) requires local authorities to prepare and publish reports every two years on their plans to achieve improved energy efficiency in their areas. These are not spending plans, but contain actions, policies, initiatives, grants, match funding and other measures offered in the local authority that encourage home energy efficiency improvements and tackle fuel poverty. Local authorities were last required to report in 2017, and their full reports are available on their websites. The Department for Business, Energy and Industrial Strategy will be issuing guidance to local authorities on the content of their 2019 reports shortly.

Under the Energy Company Obligation local authorities are able to refer low income and vulnerable households for receipt of energy efficiency measures under 'flexible eligibility'. Obligated energy suppliers can deliver up to 25% of their obligation by installing measures under this mechanism, which could be worth around £560m between now and March 2022.

**HC Deb 23 November 2018 | PQ 191855**

### [Energy: Housing](#)

**Asked by: Drew, Dr David**

To ask the Secretary of State for Business, Energy and Industrial Strategy, how much funding from the EU is proposed to be allocated to (a) improve the energy efficiency of the housing stock and (b) to reduce fuel poverty in England in the next (i) five years and (ii) ten years; and whether that funding from the EU will still be available in the event that the UK leaves the EU.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

Under the EU's 2014-2020 Multiannual Financial Framework there are several funding streams that bodies within England may bid for to help them address fuel poverty and the energy efficiency of the housing stock, such as the European Regional Development Fund and Horizon 2020. However, this funding is not automatically allocated and must be successfully applied for by interested entities, and is not specifically ringfenced for energy efficiency or fuel poverty. The precise amount of EU funding allocated to address these issues therefore varies year-on-

year. Given this variability, it is not possible to confirm what EU funding could be allocated in future years.

In December 2017 the UK Government secured the agreement of the EU to continue providing funding until the current programmes end in 2020, and also undertook to underwrite current EU commitments. As such, any existing contracts will be honoured by either the UK Government or the EU until 2020. Following our departure from the EU we will create the UK Shared Prosperity Fund (UKSPF), a domestic investment programme aimed at tackling inter-community inequality. We will be consulting on the UKSPF's design later this year, with the final decisions on its detail and operation being made following the 2019 Spending Review.

**HC Deb 22 November 2018 | PQ 192087**

[Housing: Insulation](#)

**Asked by: Norris, Alex**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what support his Department is providing to improve energy usage through better domestic insulation.

**Answering member: Claire Perry Department: Department for Business, Energy and Industrial Strategy**

Last year, the Government published the Clean Growth Strategy which set out our aspiration that as many homes as possible will be upgraded to an Energy Performance Certificate (EPC) Band C by 2035, where practical, cost-effective and affordable. A number of policies have been put in place to help drive domestic insulation including:

- The Energy Company Obligation (ECO) scheme which requires obligated energy suppliers to install energy efficiency and heating measures to people's homes in England, Scotland and Wales. ECO is funded at £640 million per annum (2017 prices, rising with inflation), and we are taking steps to focus that scheme on those in fuel poverty. The Clean Growth Strategy announced that we would extend support for home energy efficiency out to 2028 at least at the current level of ECO funding.
- The Private Rented Sector Minimum standard regulations which were introduced on 1<sup>st</sup> April 2018 and require landlords to bring their properties to EPC Band E or above; or register an exemption, if one applies. We have recently announced that we will be strengthening those regulations further to require a contribution of up to £3,500 from landlords towards the cost of improvements.
- Six local supply chain demonstration projects which are about to be launched across the country. They will focus on reducing the cost for retrofit and building supply chain capacity whilst also addressing the non-financial barriers to deeper retrofit, such as supply chain fragmentation and the high hassle costs of installing measures.

- The Simple Energy Advice Service, which was launched as part of Green Great Britain Week. The new digitally-led service provides impartial and tailored advice on how homeowners can cut energy bills and make their homes greener. Individuals can also find out which insulation measure best suits their home, how much they could save and what governmental financial support is available.
- The BEIS Thermal Efficiency Innovation Fund which awarded organisations £7.5m grant funding to develop technologies and approaches to improve the energy efficiency of existing UK (domestic and commercial) buildings in summer 2018. Funded project activities include piloting approaches to optimising the specification and performance of domestic insulation measures, and the development of innovative insulation materials and processes to reduce the installation costs of measures.
- The launch of a new quality mark for home energy improvements following the independent Each Home Counts review to help provide greater consumer confidence in the quality of installations.

We also committed in the Clean Growth Strategy to bring forward further measures in the future, including our intention to consult on making improvements to Building Regulations, and to look at a long-term trajectory for energy performance standards in the rented sector, with a view to as many rented homes as possible reaching EPC Band C by 2030.

**HC Deb 06 November 2018 | PQ 187128**

### [Fuel Poverty](#)

**Asked by: Evans, Chris**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what steps his Department is taking to support consumers in financial difficulty to meet their energy costs.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

Protecting low income and vulnerable consumers when it comes to their energy costs is a priority for this Government. This is why the Energy Company Obligation, our main domestic energy efficiency scheme, will now be solely focused on upgrading the homes of those on low incomes to help tackle the root cause of fuel poverty.

The Government has also recently extended the Warm Home Discount scheme, which supports over 2 million low income and vulnerable households by cutting £140 off their winter energy bills.

The Government is also introducing the energy price cap to protect over 11 million households on poor value standard variable tariff deals this winter.

**HC Deb 24 October 2018 | PQ 179201**

[Fuel Poverty](#)**Asked by: Evans, Chris**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what steps his Department is taking to reduce the number of households in fuel poverty.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

Government is addressing fuel poverty by improving home energy efficiency and making energy more affordable for vulnerable households. Parliament has passed legislation to introduce an energy price cap, protecting households on standard variable and default tariffs in addition to the protection provided by the pre-payment and vulnerable customer safeguard tariffs. Over 2 million low income and vulnerable households will also benefit this winter from the Warm Home Discount, a £140 rebate on their energy bill which we have committed to through to 2021 and all pensioner households receive between £100 and £300 over the winter months through the Winter Fuel Payment.

We have also announced that we will focus all of the £640 million per year Energy Company Obligation on low income and vulnerable households from 2018 to 2022. This new scheme will also include support for innovation, aimed at improving quality and reducing the cost of technologies that will be required to meet the fuel poverty target. Beyond those dates, we committed through the Clean Growth Strategy to extending support for energy efficiency at least at the current level of ECO through to 2028, meaning over £6 billion of investment will be made into home energy efficiency over the next ten years. In addition, we introduced legislation in April this year requiring private landlords to improve the energy efficiency of F and G rated properties, so that all tenants can heat their home at a reasonable cost.

**HC Deb 24 October 2018 | PQ 179200**

[Fuel Poverty](#)**Asked by: Lord Bird**

To ask Her Majesty's Government what assessment they have made, or intend to make, of the report by the Institute for Public Policy Research, *Beyond ECO: the future of fuel poverty support*, published on 3 July, and its conclusion that they are set to miss their 2030 target of delivering energy efficiency measures for fuel poor households as set out in their report *Cutting the cost of keeping warm – a fuel poverty strategy for England (Cm9019)*, published 3 March 2015, by at least sixty years.

**Answering member: Lord Henley | Department: Department for Business, Energy and Industrial Strategy**

We recently announced that the Energy Company Obligation will be entirely focused on low income households from later in 2018, in a new scheme that will run to 2022. We also committed in the Clean Growth Strategy to extending energy efficiency support from 2022 to 2028 at least at the current level of ECO, bringing the total investment to over £6bn over the next decade. As part of this we will review the best form of support beyond 2022, recognising the need to both save carbon and meet the Government's commitment to upgrade all fuel poor homes to EPC Band C by 2030. Research such as the July IPPR report provide valuable inputs to decision making around achieving the target. The latest statistics show that there were nearly 800,000 fewer E, F or G rated fuel poor homes in 2016 compared to 2010 and that we had reached 91% of fuel poor homes were rated E or above in line with our 2020 milestone.

The initial focus of our work on fuel poverty has been to improve the least energy efficient homes. We are aware that this focus on the worst homes has meant that we have not yet begun to improve the proportion of fuel poor homes rated C or above and we will be assessing the appropriate policy mix to improve fuel poor homes to that standard over the 2020s.

**HL Deb 01 August 2018 | PQ HL9834**

*[Fuel Poverty](#)*

**Asked by: Jarvis, Dan**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what steps his department are taking to (a) reduce fuel poverty and (b) prevent excess winter deaths in the winter of 2018-19.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

The best long-term solution to tackling fuel poverty is to improve energy efficiency to bring the cost of heating homes down. That's exactly what we're doing through the Energy Company Obligation where £450 million of the £640 million per year scheme is currently directed towards low income and vulnerable households. We recently announced that we will focus the whole of the scheme on low income and vulnerable households from later this year. We also announced that we will increase the size of 'flexible eligibility', which enables Local Authorities to work with partners such as the health sector to determine which households are most in need of support. In addition, initially up to 10% of the scheme will be focused on innovation, bringing forward new technology that will help tackle fuel poverty over the long term.

In order to help low income and vulnerable households with the cost of keeping warm each winter, the Warm Home Discount provides over 2 million households with a £140 rebate off their energy bill. In addition, Winter Fuel Payments provide all pensioner households, who can be some of the most vulnerable to the impacts of living in a cold home, with a payment of between £100 and £300 each winter.

Also, the current Safeguard Tariff caps energy prices for 4 million pre-payment meter customers, and 1 million households in receipt of the Warm Home Discount, two groups who are known to be among the most vulnerable in society. The Domestic Gas & Electricity (Tariff Cap) Act 2018 will require Ofgem to temporarily extend these protections to a further 11 million customers on standard variable and default tariffs.

**HC Deb 30 July 2018 | PQ 163560**

[Energy: Meters](#)

**Asked by: Baroness Featherstone**

To ask Her Majesty's Government what recent assessment they have made of the efficacy of the smart meter programme in reducing the proportion of households in fuel poverty.

**Answering member: Lord Henley | Department: Department for Business, Energy and Industrial Strategy**

No recent assessment has been made. However, BEIS research published in 2015 (the *Early Learning Project*) concluded that there is potential for households in all income groups to make energy and/or cost savings from smart metering. Previous research (the *Energy Demand Research Project*) had also identified a more positive response to smart metering from consumers in areas of relatively high fuel poverty.

**HL Deb 06 July 2018 | PQ HL8977**

[Fuel Poverty](#)

**Asked by: Hollern, Kate**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what assessment his Department has made of regional disparity in energy poverty; and what estimate his Department has made of the number of households living in energy poverty in Blackburn.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

Fuel poverty figures by region can be found in Table 6 of the fuel poverty detailed tables: <https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2018>

The number of households living in fuel poverty in Blackburn in 2016 is estimated to be 6,400 (15.4 per cent).

Source: <https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2018>, Table 5

**HC Deb 05 July 2018 | PQ 158269**

[Fuel Poverty](#)

**Asked by: Hollern, Kate**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what steps the Government is taking to support (a) single parents and (b) households in private rented accommodation at risk of energy poverty.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

The best long-term solution to fuel poverty is to improve energy efficiency to bring the cost of heating homes down. That is what we are doing through the Energy Company Obligation where we have consulted on focussing the whole of the scheme on low income and vulnerable households from later this year. We are also introducing a price cap to stop unreasonable price rises for those 11 million households on standard variable and default tariffs. Under the Warm Home Discount Scheme, over 2 million low income and vulnerable households are provided with a £140 rebate off their energy bill each winter.

Single parents and households in private rented accommodation will benefit from all of these measures. For those in the latter category, new Private Rental Sector Regulations came into force as planned on the 1st April 2018. They mean that all private landlords need to ensure that their properties reach at least a minimum Energy Performance Certificate rating of E before granting a tenancy to new or existing tenants. We also want to use new powers under the Digital Economy Act to help us focus support more accurately towards low income and vulnerable households living in fuel poverty.

**HC Deb 02 July 2018 | PQ 158268**

[\*Fuel Poverty\*](#)

**Asked by: Hollern, Kate**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what assessment his Department has made of the implication for his policies of 2.5 million people living in energy poverty.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

This Government is committed to tackling fuel poverty. The [latest statistics](#) on fuel poverty in England show the average fuel poverty gap – the amount needed on average to lift households out of fuel poverty – decreased to £326 in 2016, down from £341 in 2015.

The best long-term solution is to improve energy efficiency to bring the cost of heating homes down. That is why we have just consulted on focussing the whole of the £640m per year Energy Company Obligation on low income and vulnerable households from later this year.

We are also introducing a price cap to stop unreasonable price rises for those 11 million households on standard variable and default tariffs and

under the Warm Home Discount Scheme, over 2 million low income and vulnerable households are provided with a £140 rebate off their energy bill each winter.

**HC Deb 02 July 2018 | PQ 158267**

[\*Fuel Poverty\*](#)

**Asked by: Carmichael, Mr Alistair**

To ask the Secretary of State for Business, Energy and Industrial Strategy, how many households have been connected to the gas grid under the fuel poor network extension scheme since 1 April 2014.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

According to Ofgem statistics, between 1 April 2014 and 31 March 2017, the Gas Distribution Networks in Great Britain made 37,597 connections under the Fuel Poor Network Extension Scheme.

**HC Deb 27 June 2018 | PQ 154617**

[\*Fuel Poverty\*](#)

**Asked by: Carmichael, Mr Alistair**

To ask the Secretary of State for Business, Energy and Industrial Strategy, how many households in fuel poverty have had their homes upgraded since January 2015 to band (a) C, (b) D and (c) E for energy efficiency.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

The Department does not hold the number of households in fuel poverty that have had their homes upgraded since January 2015.

Due to the nature of the survey, on which the fuel poverty statistics are based, the department cannot track when an energy efficiency measure is installed in a property and the resulting change in efficiency rating.

The fuel poverty trends tables estimate the number of households in each energy efficiency band between 2003 and 2015, these tables can be found here:

<https://www.gov.uk/government/statistics/fuel-poverty-trends-2017>.

**HC Deb 27 June 2018 | PQ 154616**

[\*Fuel Poverty\*](#)

**Asked by: Carmichael, Mr Alistair**

To ask the Secretary of State for Business, Energy and Industrial Strategy, how many households in fuel poverty have a home that is

rated (a) band C, (b) band D, (c) band E and (d) lower than band E for energy efficiency.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

Fuel poverty is a devolved matter, each nation in the UK has its own fuel poverty definition, targets and policies to tackle the issue.

Between 2010 and 2015, the number of households in fuel poverty in England was estimated to be as follows:

**SAP bands Number of households (thousands)**

	2010	2011	2012	2013	2014	2015
A/B/C	*	68	104	104	135	151
D	694	772	893	1055	1199	1337
E	1227	1146	1015	875	758	736
F and G	531	447	348	313	287	278

\* Figures have been suppressed due to small sample size

Source: BEIS data <https://www.gov.uk/government/statistics/fuel-poverty-trends-2017>

**HC Deb 27 June 2018 | PQ 154615**

[Fuel Poverty](#)

**Asked by: Carmichael, Mr Alistair**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what proportion of households in fuel poverty have (a) no connection to the gas grid, (b) at least one prepayment meter installed and (c) electric central heating.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

Fuel poverty is a devolved issue, each nation in the UK has its own fuel poverty definition, targets and policies to tackle the issue.

In 2015, the proportion of fuel poor households in England with no connection to the gas grid was estimated to be 18.5% (463,000 households).

The proportion of fuel poor households in England with at least one prepayment meter was estimated to be 32.9% (823,000 households).

The proportion of fuel poor households in England using electric central heating was 8.2% (204,000 households).

The latest fuel poverty detailed tables for England can be found at the following link:

<https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2017>

Note that the latest fuel poverty annual statistics for England are due to be published on the 26<sup>th</sup> of June, 2018.

**HC Deb 27 June 2018 | 154614**

[Energy Companies Obligation](#)

**Asked by: Lucas, Caroline**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what assessment his Department has made of whether the affordable warmth component of the Energy Company Obligation that will come into effect on September 2018 will be more focused on those living in fuel poverty in (a) England, (b) Wales and (c) Great Britain compared to the current eligibility criteria.

**Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy**

The current Energy Company Obligation (ECO) runs until September 2018. Seventy percent of the current scheme, Affordable Warmth, is focused on low income and fuel poor households. The remaining part of the scheme, the Carbon Emissions Reduction Obligation is available for all households.

The Department has recently consulted on the future ECO scheme that will run from October 2018 until March 2022, and the response to consultation will be published shortly.

**HC Deb 20 June 2018 | PQ 152722**

## 6. Links to further information

Committee on Fuel Poverty *annual report: 2018*

<https://www.gov.uk/government/publications/committee-on-fuel-poverty-annual-report-2018>

IPPR *Beyond ECO: The future of fuel poverty support* July 2018

<https://www.ippr.org/publications/beyond-eco>

Energy Action Scotland *Fuel Poverty Overview*

[https://www.eas.org.uk/en/fuel-poverty-overview\\_50439/](https://www.eas.org.uk/en/fuel-poverty-overview_50439/)

Welsh Government *Fuel Poverty*

<https://gov.wales/topics/environmentcountryside/energy/fuelpoverty/?lang=en>

Northern Ireland Department for Communities *Fuel Poverty*

<https://www.communities-ni.gov.uk/topics/housing/fuel-poverty>

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