

**BERR** | Department for Business  
Enterprise & Regulatory Reform

**FUEL POVERTY STATISTICS**

Background Indicators, 2008

ANNEX TO FUEL POVERTY STRATEGY  
REPORT, 2008



# Fuel Poverty Monitoring – Indicators 2008

## Introduction

This annex, to the Government's *UK Fuel Poverty Strategy Sixth Annual Progress Report 2008*, summarises a range of indicators that can provide a useful background to consider alongside the detailed fuel poverty statistical annex.

A copy of the 2008 Progress Report and annexes can be downloaded from <http://www.berr.gov.uk/energy/fuel-poverty/strategy/index.html>. This year, a new statistical annex is also published for the first time. This annex provides explanation of the headline figures, projections and some research work that has been carried out on request of the Fuel Poverty Methodology Group. 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. The analysis of the company schemes is now led by Ofgem following the Budget announcement on Supplier Social Schemes in March 2008.

In compiling this years indicators we have attempted to create a greater focus on fuel poverty by compressing some of the indicators whilst retaining the range of key subject areas. We welcome comments on the usefulness of this work and would welcome views on the need to incorporate them more closely with the newly designed Statistical Annex.

**To provide feedback and comments, please contact Jack Cunliffe at [jack.cunliffe@berr.gsi.gov.uk](mailto:jack.cunliffe@berr.gsi.gov.uk) or on 0207 215 6532.**

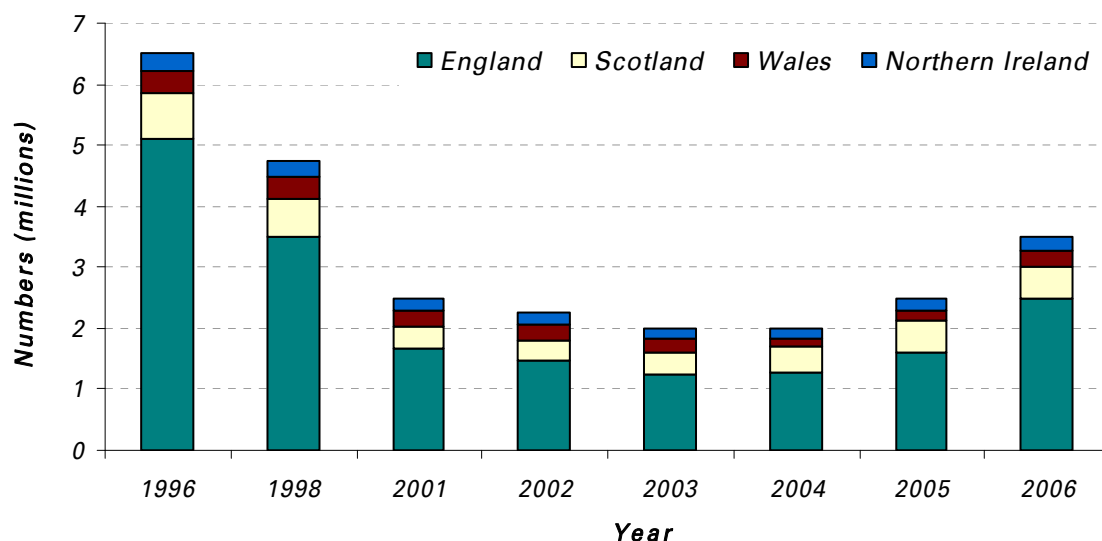
## Indicators of fuel poverty

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## Headline Indicator

### 1. The number of households in fuel poverty

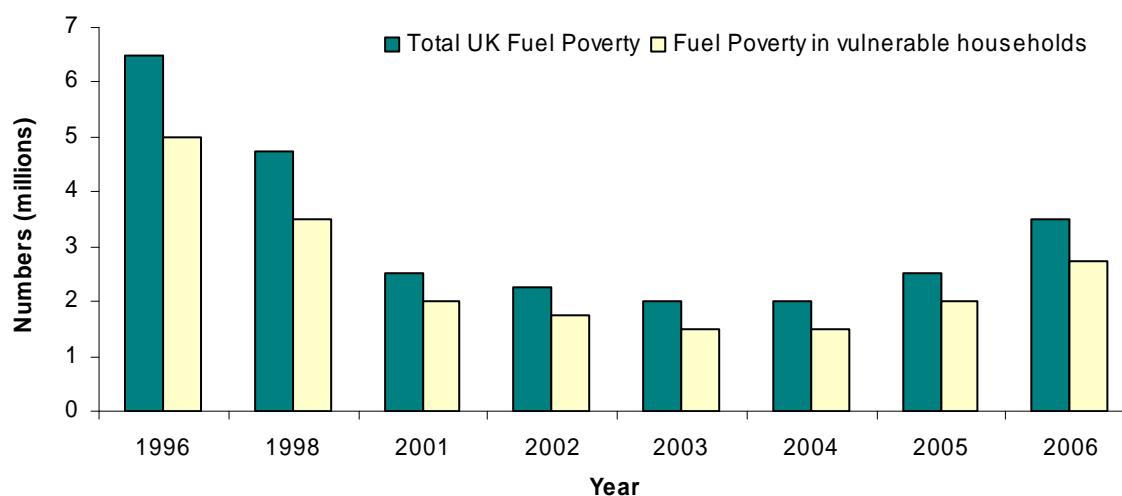
#### a) Estimated total number of households in fuel poverty



Note: Chart is based on the full income definition of fuel poverty, which includes Housing Benefit /Income Support for Mortgage Interest as income

| Estimated number of households in fuel poverty (millions)  |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 1996         | 1998*        | 2001         | 2002*        | 2003         | 2004         | 2005         | 2006         |
| <b>England</b>   | 5.1<br>(5.5) | 3.4<br>(4.0) | 1.7<br>(2.3) | 1.4<br>(2.0) | 1.2<br>(1.5) | 1.2<br>(1.5) | 1.5<br>(1.8) | 2.4<br>(2.8) |
| <b>UK Estimate</b>   | 6.5          | 4.75         | 2.5          | 2.25         | 2            | 2            | 2.5          | 3.5          |
| Figures in brackets do not include Housing Benefit/ISMI as part of income  |              |              |              |              |              |              |              |              |
| * Figures for England in 1998 and 2002 are estimates based on movements in energy prices, incomes and energy efficiency. |              |              |              |              |              |              |              |              |

**b) Estimated number of vulnerable households in fuel poverty compared to the UK estimate shown above**



Note: Chart is based on the full income definition of fuel poverty, which includes Housing Benefit /Income Support for Mortgage Interest as income

| Estimated number of vulnerable households in fuel poverty (millions)   |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 1996         | 1998*        | 2001         | 2002*        | 2003         | 2004         | 2005         | 2006         |
| <b>England</b>   | 4.0<br>(4.3) | 2.8<br>(3.2) | 1.4<br>(1.9) | 1.2<br>(1.6) | 1.0<br>(1.2) | 1.0<br>(1.1) | 1.2<br>(1.4) | 1.9<br>(2.3) |
| <b>UK Estimate</b>   | 5            | 3.5          | 2            | 1.75         | 1.5          | 1.5          | 2            | 2.75         |
| Figures in brackets do not include Housing Benefit/ISMI as part of income  |              |              |              |              |              |              |              |              |
| * Figures for England in 1998 and 2002 are estimates based on movements in energy prices, incomes and energy efficiency. |              |              |              |              |              |              |              |              |

**Source:** **England** – 1996, 2001, 2003, 2004, 2005 and 2006 English House Condition Survey, Department for Communities and Local Government (CLG); 1998 Energy Follow-Up Survey, Department for Business Enterprise and Regulatory Reform (BERR)  
**Scotland** – 1996, 2002, 2003, 2004, 2005/06 Scottish House Condition Survey  
**Wales** – 1997/98 Welsh House Condition Survey, National Assembly for Wales; 2004 Welsh Household & Dwelling Survey  
**Northern Ireland** –2001 Northern Ireland House Condition Survey, Department for Social Development; 2004 Interim House Condition Survey, Department for Social Development; 2006 House Condition Survey, Northern Ireland Housing Executive, 2008.

**Coverage:** United Kingdom

**Key Messages:**

The number of households in fuel poverty in 2006 remained lower than 1996. In broad terms it is estimated that the number of fuel poor households in the UK has fallen from about 6½ million in 1996 to about 3½ million in 2006. The 2006 figure is an increase of approximately 1million households since 2005 and continues the upward trend since 2004. This rise is attributable to the higher energy prices experienced in recent years.

The number of vulnerable fuel poor households in the UK is estimated to have fallen from about 5 million to about 2.75 million between 1996 and 2006. However, this represents a rise over the last two years of, approximately 1.25 million households.

There were around 2.4million fuel poor households in England in 2006, a rise of 1.2million households since the low seen in 2004.

**Technical Notes:**

Estimates of fuel poverty at an aggregate level should be treated as a broad approximation as different data collection periods and methods are used across countries.

Data for England has been sourced from CLG's English House Condition Survey which, since 2002, has been conducted on a rolling annual basis.

Data is available for Scotland based on the annual Scottish House Condition Survey.

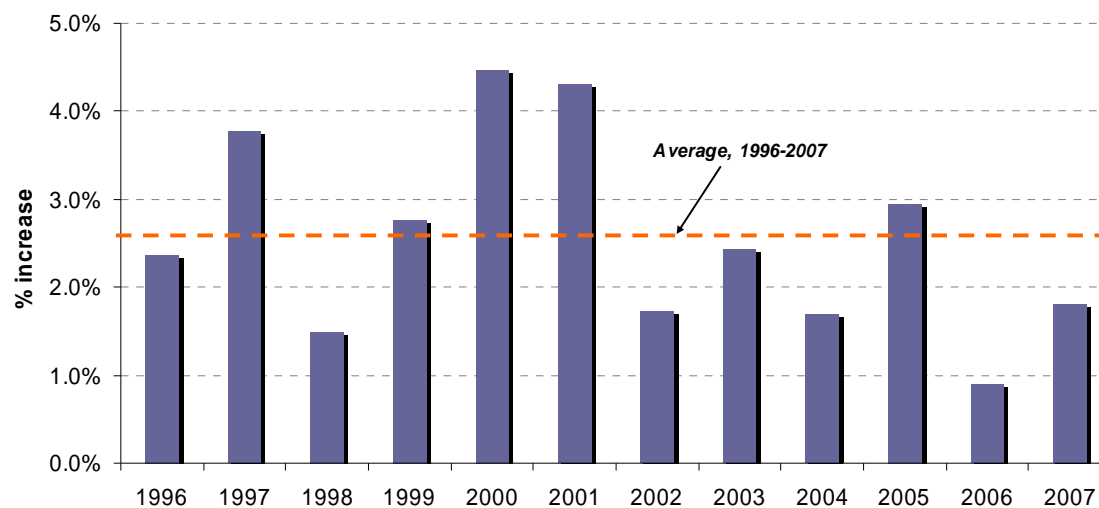
Northern Ireland has results available for 2004 from an Interim House Condition Survey, and from 2006 from the new House Condition Survey run by the Northern Ireland Housing Executive.

Data for Wales also relates to 2004, and was collected through the Welsh Household and Dwelling Survey with results for 2004; figures since then have been up-rated by the Welsh Assembly.

The definitions and sources used by each of the Devolved Administrations for determining the numbers in fuel poverty are set out in the UK Fuel Poverty Strategy, Boxes 8.1 and 8.2 respectively (<http://www.berr.gov.uk/files/file16495.pdf> p68 & p69).

## 2. Income Indicators

### Real disposable household income growth, UK, 1996-2007



**Source:** Real Disposable Household Income, Office for National Statistics

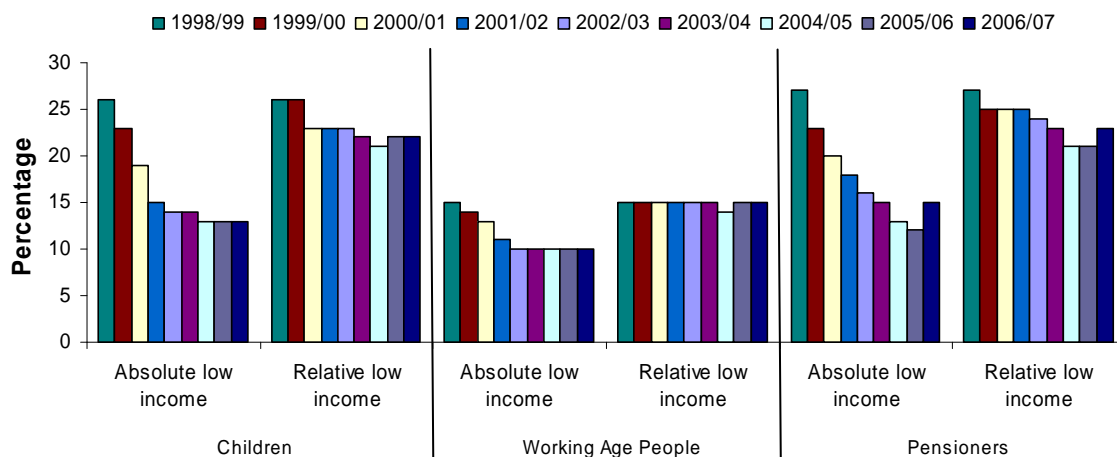
**Coverage:** United Kingdom

**Key Messages:** Over the twelve year period, real disposable household income growth has been above average on five occasions, but only once in the last six years.

**Technical Notes:** This indicator shows real disposable income growth and is based on the Real Disposable Income series, calendar years.

### 3. Proportion of children, working age adults and pensioners living in households with low incomes (absolute and relative)

#### Percentages of children, working-age adults and pensioners living in households with income below 60 per cent of median (before housing costs)<sup>(1)</sup>



<sup>(1)</sup>Net equivalised income before housing costs (BHC) consists of income from all sources net of National Insurance Contributions, Income Tax, Council Tax, private/occupational pension contributions, child maintenance payments, insurance premiums paid in case of sudden loss of earnings, and student loan repayments.

- (i) Net equivalised income After Housing Costs (AHC) consists of BHC income as defined above net of housing costs. These include rent (gross of housing benefit), mortgage interest payments, water rates, structural insurance premiums, ground rent and other service charges.
- (ii) The process of equivalisation is used in determining household income. Equivalisation attempts to account for variations in the size and composition of the households in which individuals live.

**Source:** Households Below Average Income (HBAI), DWP

**Coverage:** United Kingdom

**Key Messages:** Rising incomes have led to a fall in the proportion of the population living in households with relative low income since 1998/99.

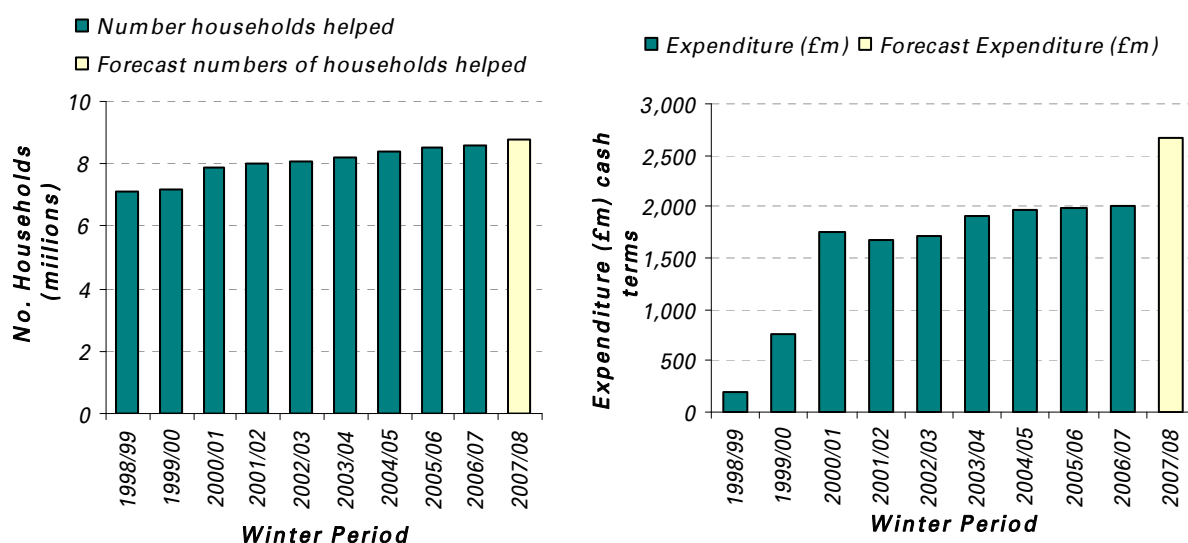
**Technical Notes:** The Government's *Opportunity for all* report presents statistics for a range of low-income thresholds. Low income for the charts above is based on households that are 60 per cent below median threshold. A more comprehensive picture of changes in incomes at the bottom of the distribution is set out in *Opportunity for all* <http://www.dwp.gov.uk/ofa/reports/latest.asp> or in the HBAI first release, [http://www.dwp.gov.uk/asd/hbai/hbai2007/first\\_release\\_0607.pdf](http://www.dwp.gov.uk/asd/hbai/hbai2007/first_release_0607.pdf).

The absolute measure shown here fixes the low-income threshold at 60 per cent of the 1998/99 level in real terms. The relative measure uses 60 per cent of the contemporary median income.

For more information: <http://www.dwp.gov.uk/asd/hbai.asp>

## 4. Winter Fuel Payments

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



**Source:** DWP

**Coverage:** United Kingdom

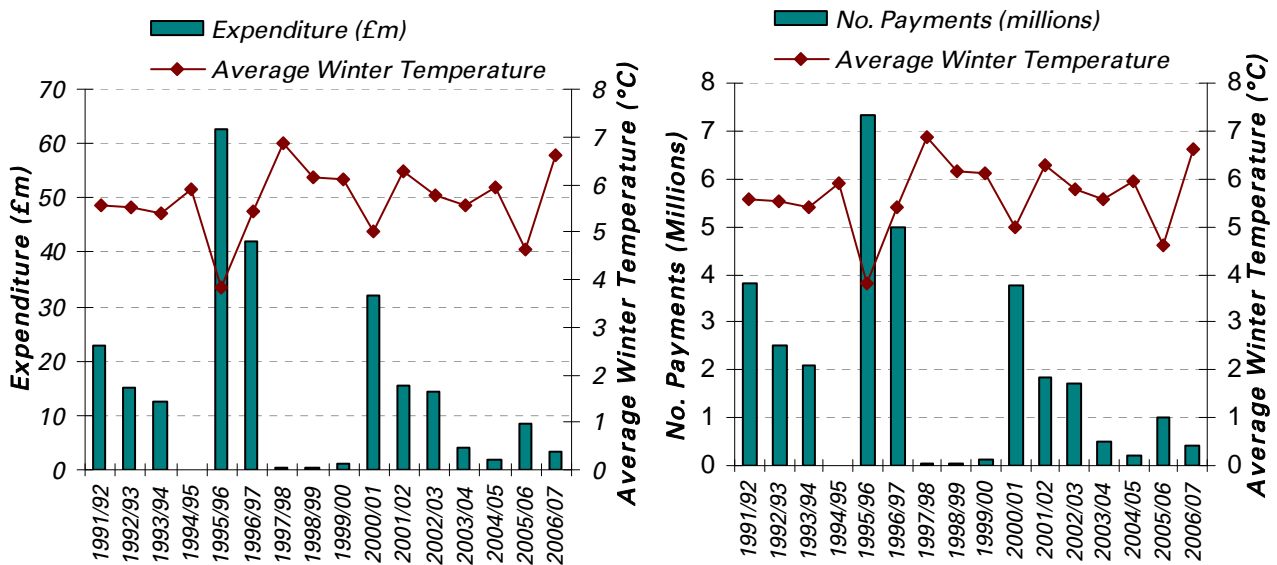
**Key Messages:** Expenditure increased to around £2 billion in 2006/7 from around £759 million in 1999/2000. In 2006/07, approximately 8.6 million households benefited. In the March 2008 budget the Chancellor announced a one-off increase in the winter fuel payment of £50 for over 60s and £100 for over 80s. This brings the payment to £250 for over 60s and £400 for over 80s in the winter of 2008/09, increasing forecast expenditure to over £2.5 billion.

**Technical Notes:** Winter Fuel Payments are payable to eligible individuals aged 60 or over, to help towards the cost of winter fuel bills. They do not relate specifically to the fuel poor. Since around half of those living in fuel poverty in England are of pensionable age, Winter Fuel Payments are an important measure of additional assistance given to this vulnerable group.

This indicator shows trends in the amount of financial support (and number of payments) provided through Winter Fuel Payments. When they were first introduced there were two rates, one for people on Income Support or income-based Jobseekers Allowance and a lower rate for people on other qualifying benefits. The rates were increased to £100 for all pensioners in winter 1999/2000 and increased again to £200 the following winter. When more than one qualifying individual lives in a household each receives a 50 per cent payment.

## 5. Cold Weather Payments

### Total Expenditure and annual number of payments on Cold Weather Payments



**Source:** Annual Report by the Secretary of State for Work and Pensions (DWP) on the Social Fund and Northern Ireland Annual Report on the Social Fund (Northern Ireland Assembly)

**Coverage:** United Kingdom

**Key Messages:** People within the vulnerable groups qualify for an automatic payment of £8.50 for each week of very cold weather in their area (see technical notes). In September 2008, it was announced that a one off increase would be made for the 2008/9 winter, raising the payment to £25.

Cold Weather Payments reflect very cold periods within a winter and thus do not necessarily follow the average winter temperature. This helps to explain the low number of payments in 1994/95 (just under 11,000) and in the three winters from 1997/98 to 1999/2000 when there were few significant periods of very cold weather throughout the UK.

**Technical Notes:** Cold Weather Payments are made automatically to people in receipt of Income Support, Pension Credit or income-based Jobseeker's Allowance. Those receiving Income Support or income-based Jobseeker's Allowance must also be receiving a pensioner or disability premium, or have a child who is disabled or under the age of five.

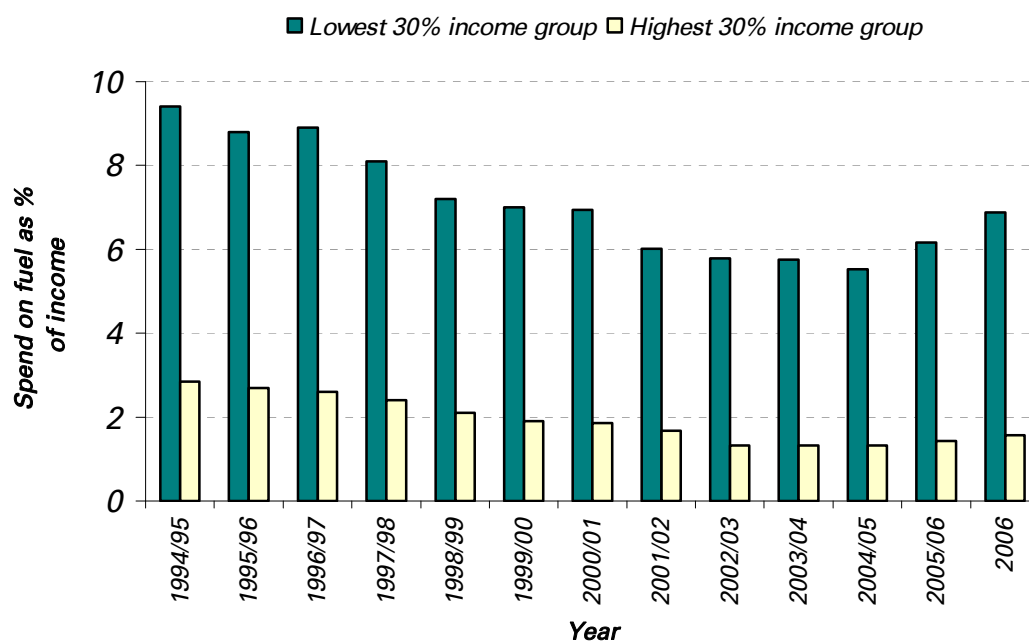
A period of cold weather is defined by the average temperature at a specified weather station being, or forecast to be, 0°C or below over 7 consecutive days.

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.

## Fuel Prices Indicators

### 6. Actual expenditure on fuel (as a percentage of total income) of the lowest 30 per cent income groups

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



**Source:** Office for National Statistics, Expenditure and Food Survey (formerly Family Expenditure Survey)

**Coverage:** United Kingdom

**Key Messages:** The proportion of expenditure on fuel has changed over the last decade for both the lowest and highest income groups. Whilst there has been an overall reduction in the proportion spent by both groups, a significant difference still exists.

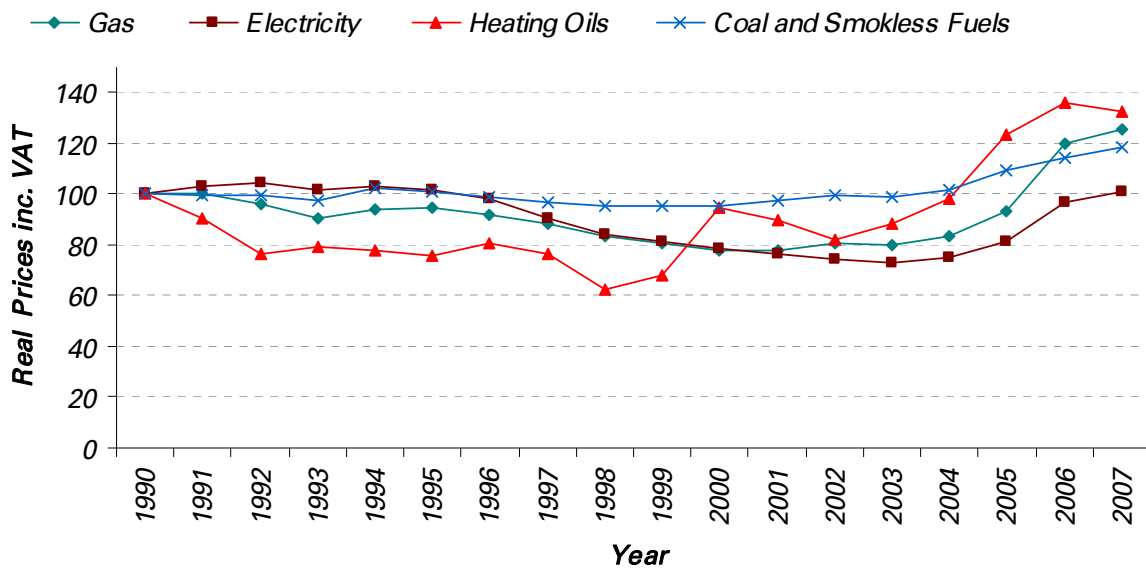
Between 1996/97 and 2006 expenditure as a proportion of income fell by nearly a quarter for the lowest 30% income group and by 40 per cent for the highest 30% of income households.

**Technical Notes:** The lowest 30 per cent of incomes has been focussed on because the definition of fuel poverty has its roots based on those in the lowest 30 per cent of income groups. It is more consistent with the approach taken on incomes (60 per cent of the median) than focussing on an absolute percentage (the 10 per cent of income as used in the headline calculation). Taking the bottom 3 deciles reduces the risk of sampling fluctuations showing false trends compared with using a narrower band such as just the lowest decile.

The Expenditure and Food Survey switched to calendar years in 2006.

## 7. Fuel prices

### Average energy prices for domestic customers in real terms



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

**Coverage:** United Kingdom

**Key Messages:** In the year between 2006 and 2007, the price of gas and electricity witnessed real terms increases of 4.4 and 4.7 per cent respectively. This compares with rises of 28.3 per cent in gas and 18.6 per cent in electricity between 2005 and 2006.

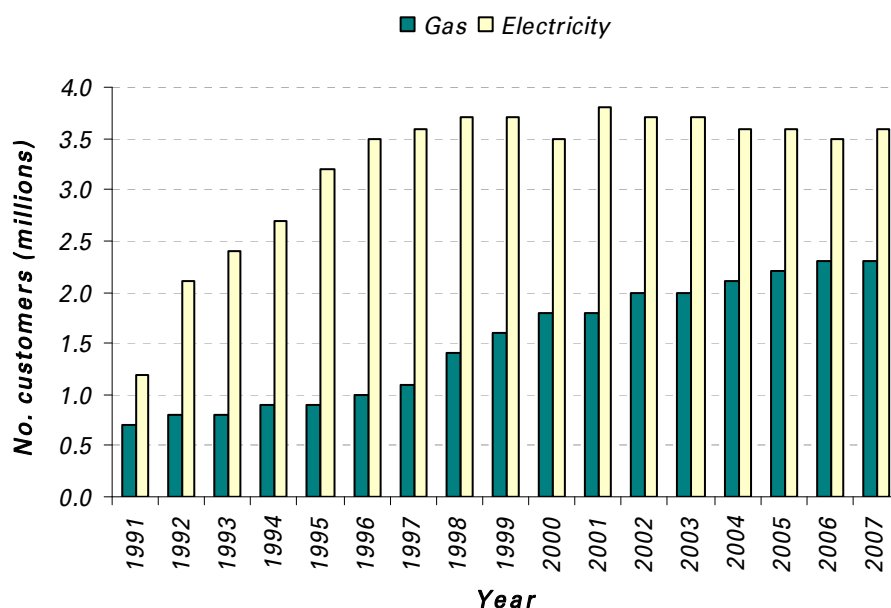
Prices for heating oils witnessed a real terms fall of 2.2 per cent from 2006 to 2007, compared to a rise of 10.2 per cent between 2005 and 2006. Coal and smokeless fuels continued their upward real terms trend, rising 3.8 per cent between 2006 and 2007, compared with a 4.8 per cent rise between 2005 and 2006.

**Technical Notes:** This indicator shows changes in average fuel prices paid by domestic customers throughout the UK. Since 2004, prices have risen sharply, mainly due to increasing wholesale gas prices, higher international coal prices, the recovery of wholesale electricity prices from unsustainably low levels and the introduction of the EU Emissions Trading scheme (in 2005). Increases in oil prices are the main factor behind rising gas prices as the two are often contractually linked.

Although prices fell back in the first half of 2007, in early 2008 all the main six energy companies increased their prices and summer 2008 saw further rises.

## 8. Number of customers on prepayment meters

### Customers on prepayment meters for gas and electricity 1991 to 2007



**Source:** Ofgem Domestic Suppliers' Social Obligations: 2007 Annual Report available online at: <http://www.ofgem.gov.uk/Sustainability/SocAction/Monitoring/SoObMonitor/Documents1/Suppliers%20Social%20Obligations%20Monitoring%20Report%202007%2011208.pdf>

**Coverage:** Great Britain

**Key Messages:** There was an increase in the number of customers using prepayment meters during the 1990's for both fuels, although especially for electricity, where they are largely used instead of disconnection for debt. Between 2001 and 2006 there was a reduction in electricity prepayment meter customer numbers, although numbers rose slightly in 2007. Recent years have also seen a rise in numbers of gas prepayment customers.

In addition to the households shown in the chart above there are approximately 185,000 electricity prepayment meters in Northern Ireland, and approximately 46,000 gas prepayment meters.

**Technical Notes:** Prepayment meter customers pay more than customers paying by quarterly credit or direct debit. Around 13% of gas pre-payment customers and 15% of electricity pre-payment customers are fuel poor.

The table below shows how average annual bills have changed since 1996. Average annual bills are calculated assuming annual consumption of 3,300kWh for electricity and 18,000 kWh for gas.

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

| <b>Cash terms (£)</b>                    |              | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|--------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Electricity                              | Credit       | 297  | 285  | 268  | 264  | 257  | 250  | 249  | 250  | 257  | 285  | 338  | 383  |
|  | Direct Debit | 291  | 277  | 258  | 253  | 245  | 239  | 237  | 238  | 244  | 269  | 313  | 349  |
|  | Prepayment   | 317  | 302  | 285  | 281  | 274  | 267  | 265  | 266  | 274  | 304  | 359  | 401  |
| Prepayment less Credit                   |              | 20   | 17   | 17   | 17   | 17   | 17   | 16   | 16   | 17   | 19   | 21   | 18   |
| Prepayment less Direct Debit             |              | 26   | 25   | 27   | 28   | 29   | 28   | 28   | 28   | 30   | 35   | 46   | 52   |
| <b>Gas</b>                               |              |      |      |      |      |      |      |      |      |      |      |      |      |
| Gas                                      | Credit       | 330  | 328  | 315  | 305  | 295  | 293  | 310  | 320  | 333  | 386  | 474  | 552  |
|  | Direct Debit | 308  | 307  | 277  | 268  | 264  | 266  | 281  | 292  | 309  | 353  | 424  | 497  |
|  | Prepayment   | 350  | 349  | 331  | 318  | 311  | 309  | 327  | 336  | 351  | 401  | 498  | 589  |
| Prepayment less Credit                   |              | 20   | 21   | 16   | 13   | 16   | 16   | 17   | 16   | 18   | 15   | 24   | 37   |
| Prepayment less Direct Debit             |              | 42   | 42   | 54   | 50   | 47   | 43   | 46   | 44   | 42   | 48   | 74   | 92   |
| <b>Real 2000 terms (£)<sup>(1)</sup></b> |              |      |      |      |      |      |      |      |      |      |      |      |      |
| Electricity                              | Credit       | 325  | 303  | 278  | 267  | 257  | 245  | 236  | 230  | 230  | 250  | 290  | 320  |
|  | Direct Debit | 318  | 295  | 267  | 256  | 245  | 234  | 225  | 219  | 219  | 236  | 268  | 291  |
|  | Prepayment   | 347  | 321  | 295  | 285  | 274  | 261  | 252  | 245  | 246  | 267  | 308  | 335  |
| Prepayment less Credit                   |              | 22   | 18   | 17   | 18   | 17   | 16   | 16   | 15   | 16   | 17   | 18   | 15   |
| Prepayment less Direct Debit             |              | 29   | 26   | 28   | 29   | 29   | 27   | 27   | 26   | 27   | 31   | 40   | 44   |
| <b>Gas</b>                               |              |      |      |      |      |      |      |      |      |      |      |      |      |
| Gas                                      | Credit       | 361  | 349  | 326  | 309  | 295  | 287  | 294  | 295  | 299  | 339  | 406  | 461  |
|  | Direct Debit | 337  | 327  | 287  | 272  | 264  | 260  | 267  | 269  | 277  | 309  | 364  | 415  |
|  | Prepayment   | 383  | 371  | 343  | 322  | 311  | 302  | 311  | 309  | 315  | 352  | 427  | 491  |
| Prepayment less Credit                   |              | 22   | 22   | 17   | 13   | 16   | 15   | 17   | 14   | 16   | 13   | 21   | 30   |
| Prepayment less Direct Debit             |              | 46   | 44   | 56   | 50   | 47   | 42   | 44   | 40   | 38   | 43   | 63   | 76   |

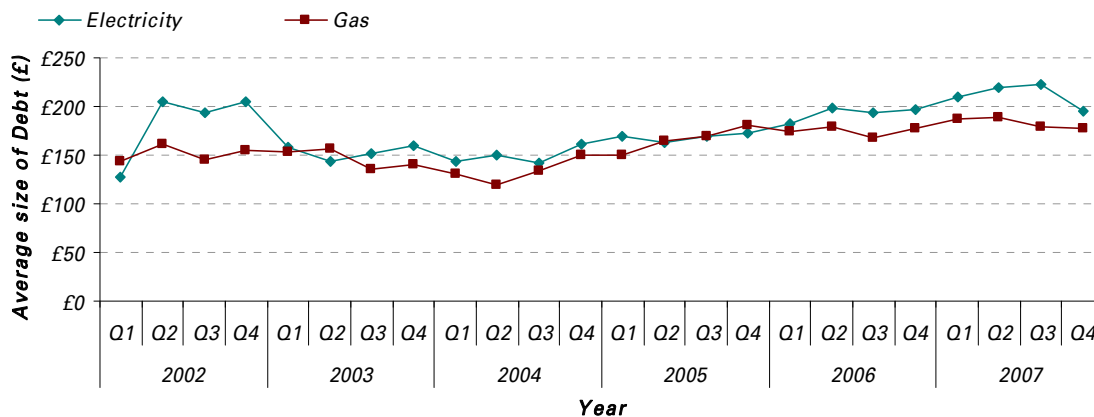
(1) Bills deflated to 2000 terms using the GDP (market prices) deflator

**Source : BERR <http://www.berr.gov.uk/energy/statistics/publications/prices/index.html>**

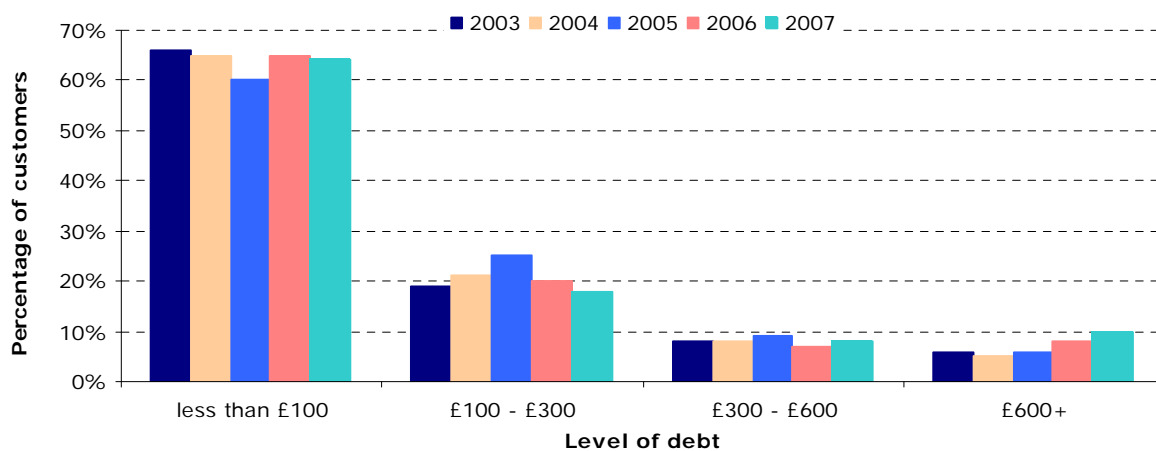
## 9. Fuel Debt

**Source:** The next set of indicators all come from the Ofgem Domestic Suppliers' Social Obligations Annual Reports. 2007 report available online: <http://www.ofgem.gov.uk/Sustainability/SocAction/Monitoring/SoObMonitor/Documents1/Suppliers%20Social%20Obligations%20Monitoring%20Report%202007%2011208.pdf>

### Average Level of Customer Debt



### Amounts owed by gas customers on a debt payment arrangement (as at December of each year)



**Coverage:** Great Britain

**Key Messages:** The average debt owed by electricity customers is £177, and the average owed by gas customers is £196 (similar to 2006).

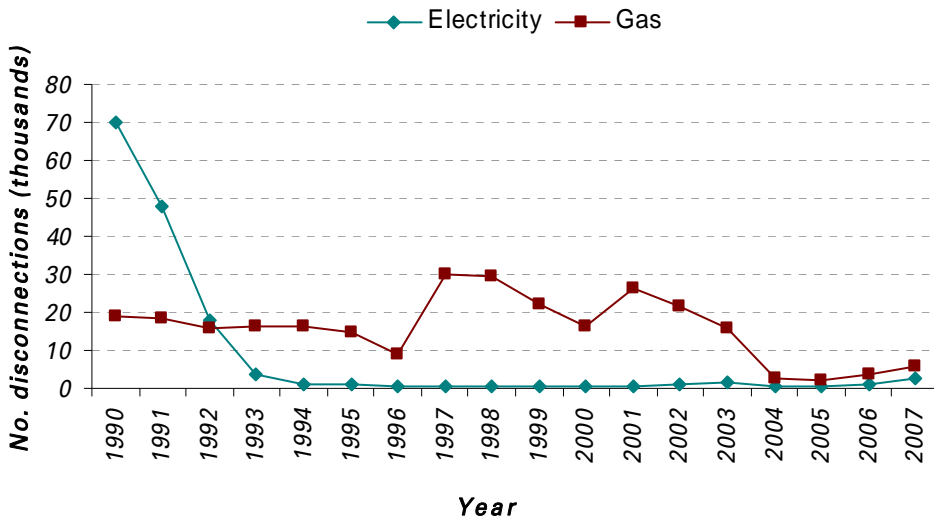
Trends in electricity debt levels follow a very similar pattern, with a similar increase in the over £600 percentage level of customers.

Approximately 5 per cent of electricity and 4 per cent of gas customers are repaying a long term debt.

Approximately 18 per cent of electricity prepayment meter customers (0.7m) and 16 per cent of gas prepayment meter customers (0.4m) are repaying a debt through a prepayment meter, an increase on 2006 (when figures were 0.5 and 0.3 million respectively)

Approximately 0.6 million electricity credit customers and 0.4 million gas credit customers are on debt payment arrangements. This is a decrease on 2006 (0.7 and 0.5 million respectively)

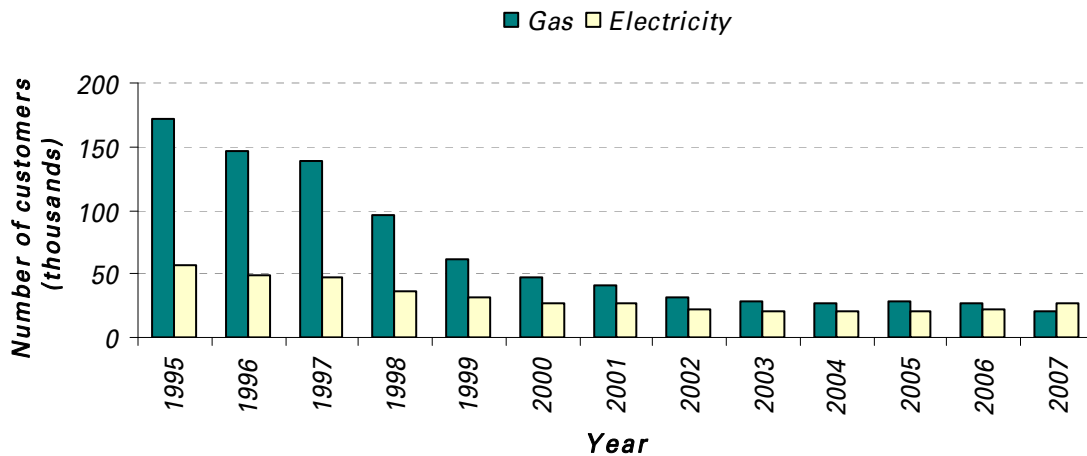
**Number of customers disconnected for debt for gas and electricity**



**Coverage:** United Kingdom

**Key Messages:** Disconnections for debt rose in 2007, although they are still at very low levels compared with fifteen years ago.

## Number of customers on the Fuel Direct scheme

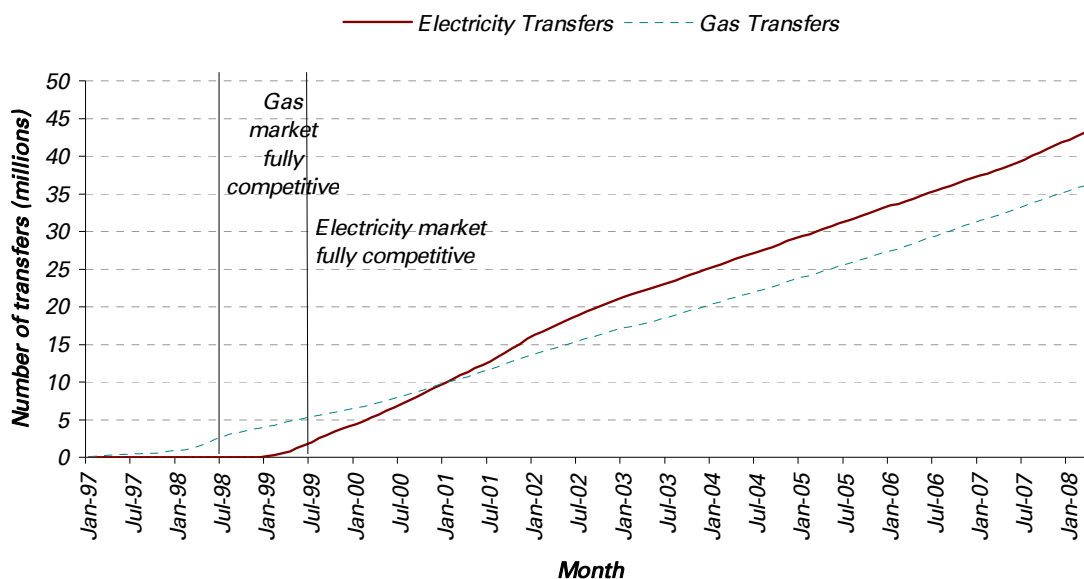


**Coverage:** Great Britain

**Technical Notes:** Fuel Direct is a scheme designed to act as a last resort measure for vulnerable households receiving Income Support, Pension Credit or income-based Job Seekers Allowance who are threatened with the disconnection of an essential fuel supply. It allows for deductions to be made from the households' benefits, which are then paid by the DWP directly to the consumer's supplier. The deductions contribute to repayment of the debt and current consumption.

## 10. Customers switching supplier

### Cumulative numbers of gas and electricity transfers



**Source:** Ofgem, BERR

**Coverage:** Great Britain

**Key Messages:** There are different rates of switching between customers on the three main payment methods when switching supplier. For gas, 44 per cent of prepayment customers were not with their original home supplier. However, the proportion of electricity prepayment customers no longer with their home supplier is now higher than that for standard credit. For electricity, 48 per cent of prepayment customers are no longer with their home supplier, compared with 46 per cent of standard credit customers.

These figures do not take into account switching payment types on top of switching supplier, which could lead to even higher savings.

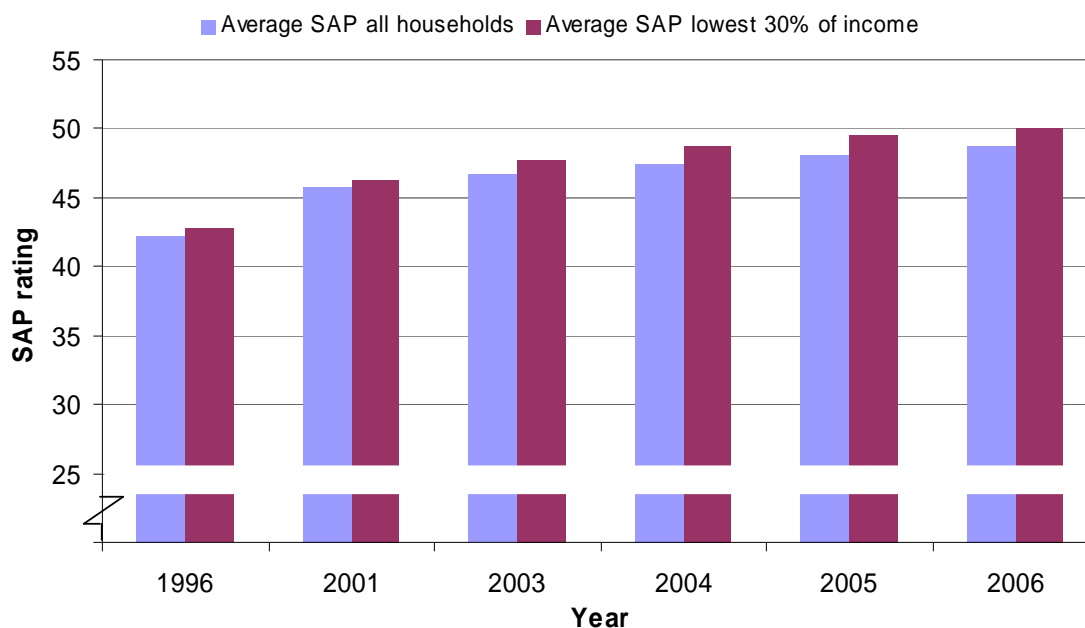
**Technical Notes:** The term “original supplier” or “home supplier” refers to the former Public Electricity Suppliers operating within their historical distribution boundaries in the electricity market and to British Gas in the gas market.

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

## Housing Indicators

### 11. Energy efficiency (SAP rating) of the housing stock of the lowest 30 per cent of income groups

#### SAP rating of households in the lowest 30 per cent of income groups and the average SAP rating for England



**Source:** EHCS 1996, 2001, 2003, 2004, 2005, and 2006 CLG

**Coverage:** England

**Key Messages:** The average SAP rating for England has increased from 42.2 in 1991 to 48.8 in 2006. The average SAP rating of dwellings occupied by households in the lowest three income deciles has been consistently higher than the overall average during this period.

Results from the 2006 EHCS 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:

<http://www.berr.gov.uk/files/file48038.pdf>.

**Technical  
Notes:**

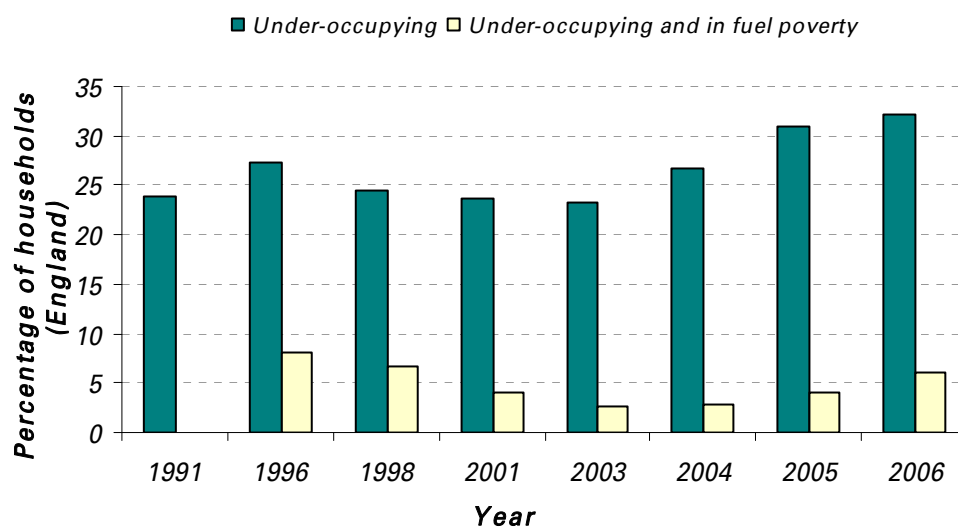
The Standard Assessment Procedure (SAP) is adopted by Government as the methodology for calculating the energy performance of dwellings. The SAP rating is based upon the energy costs associated with space heating, water heating, ventilation and lighting in a dwelling. It is adjusted for floor area so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

The SAP rating calculation is based on the energy balance of the dwelling, taking into account (among other factors) the materials used for construction of the dwelling, thermal insulation of the building fabric, ventilation of the dwelling, efficiency and control of the heating systems and the different fuels used within the dwelling.

The figures presented here are not comparable with previous publications - prior to 2005 the rating was on a scale of 1 (highly inefficient) to 120 (highly efficient). In 2005 a new SAP rating from 1 to 100 was launched with a different methodology. Data for earlier years have been converted to this new SAP 2005 rating.

## 12. Occupancy levels

### Percentage of underoccupied households in England



**Source:** EHCS 1991, 1996, 2001, 2003, 2004 and 2005, CLG: EFUS 1998, DEFRA/BERR

**Coverage:** England

**Key Messages:** Underoccupied households have a higher likelihood of being fuel poor, due to being single income households. There has been an increase in their numbers in recent years.

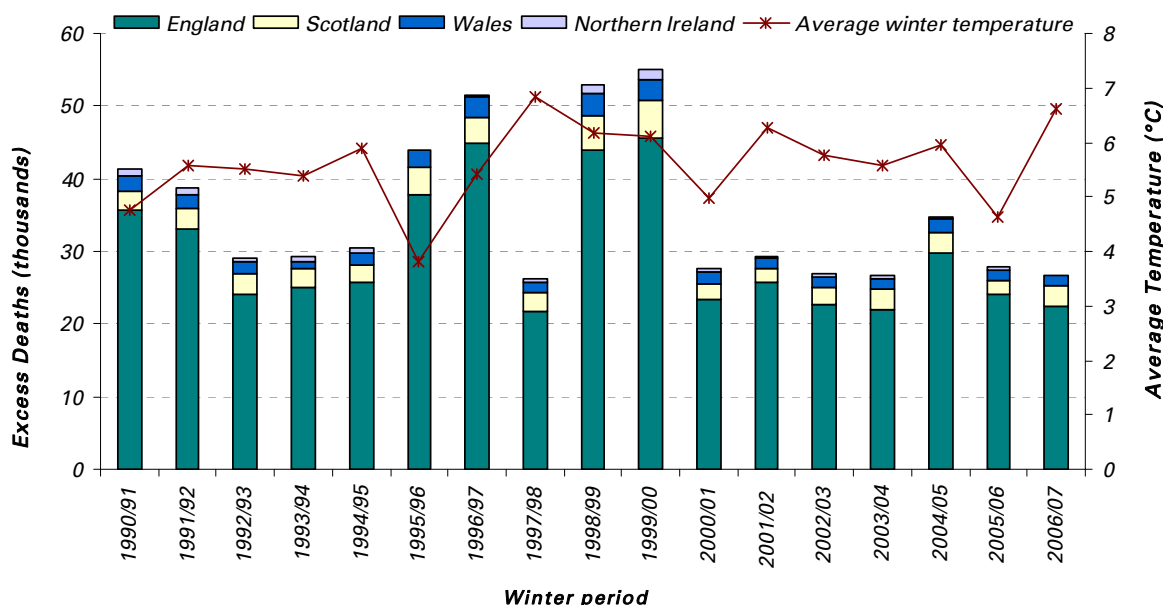
**Technical Notes:** Underoccupancy is defined in terms of the 1968 Parker Morris standard and the bedroom standard. The Parker Morris standard gives a minimum floor area for a home depending upon the number of occupants as shown in the table below:

| Number of occupants                  | 1  | 2    | 3  | 4  | 5    | 6  | 7     |
|--------------------------------------|----|------|----|----|------|----|-------|
| Minimum floor area (m <sup>2</sup> ) | 33 | 48.5 | 61 | 79 | 89.5 | 97 | 114.5 |

Under the bedroom standard a separate bedroom is allocated to each cohabiting couple, any person aged 21 or over, each pair of young persons aged 10 to 20 of the same sex and each pair of children under 10 regardless of sex. Unpaired young persons aged 10 to 20 are paired with a child under 10 of the same sex or if possible, allocated a separate bedroom. The calculated standard for the household is then compared with the actual number of bedrooms available for its sole use. Bedroom includes bedsitters, boxrooms and bedrooms, identified as such by informant even though they may not be in such use. It has been assumed that all homes where the floor area is over twice the minimum set down in the Parker Morris standard and the number of bedrooms are in excess of the bedroom standard are under occupied.

## 13. Excess winter deaths

### Excess winter deaths in countries of the UK



**Source:** Office for National Statistics, Scottish Executive, Northern Ireland Assembly, Met Office

**Coverage:** United Kingdom

**Key Messages:** The risks of cold-related ill health apply to all people; however those in the vulnerable groups are particularly at risk. Between 1990/91 and 1999/00 the average deaths per year were around 33,000, between 2000/01 and 2006/07 this had fallen to 24,000.

**Technical Notes:** Links between cold, damp housing and poor health are well documented. However, excess winter deaths cannot solely be attributed to fuel poverty. There is also strong evidence that cold temperature contributes to winter mortality - there are more deaths in colder winters and in colder spells within winters.

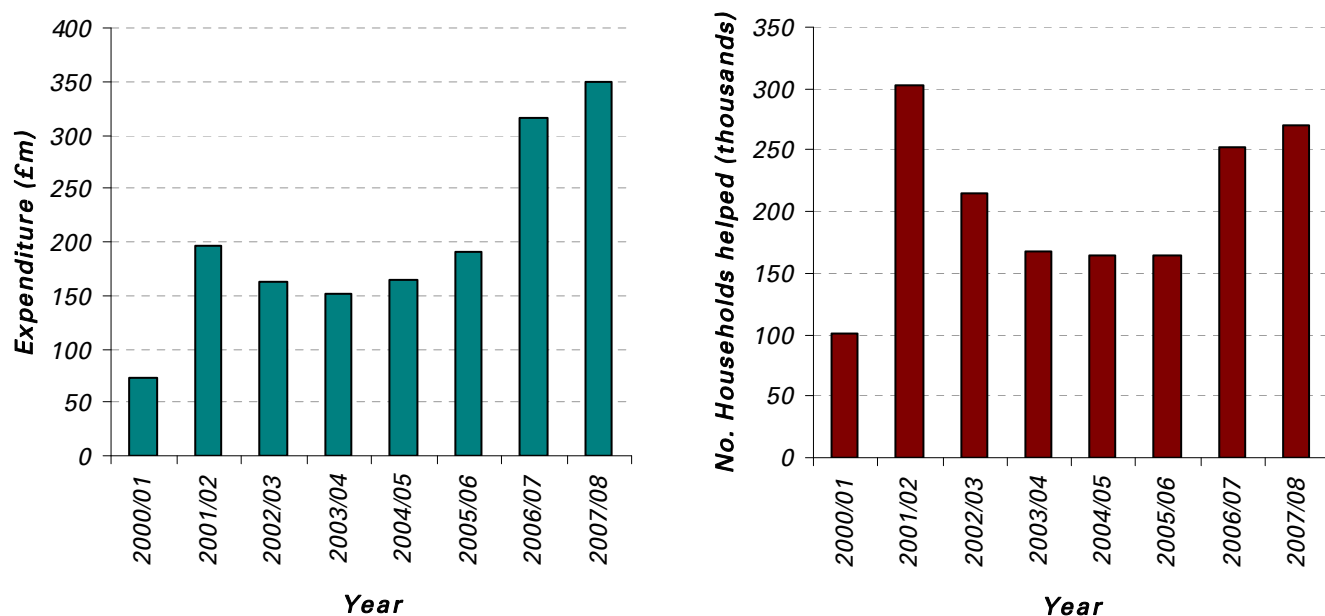
It has long been recognised that the level of excess winter deaths in the United Kingdom is above the average of other European countries. Although annual data relating to excess winter deaths must be considered against such factors as the severity of the winter and other key factors e.g. flu epidemics, these figures provide a useful insight into how improvements in housing stock and other measures to address fuel poverty might be affecting some of the most vulnerable.

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.

## 14. Expenditure on, and number of households helped through, Warm Front

### Expenditure and number of households helped through home energy efficiency schemes, England



**Source:** Defra

**Coverage:** Private domestic housing sector of England

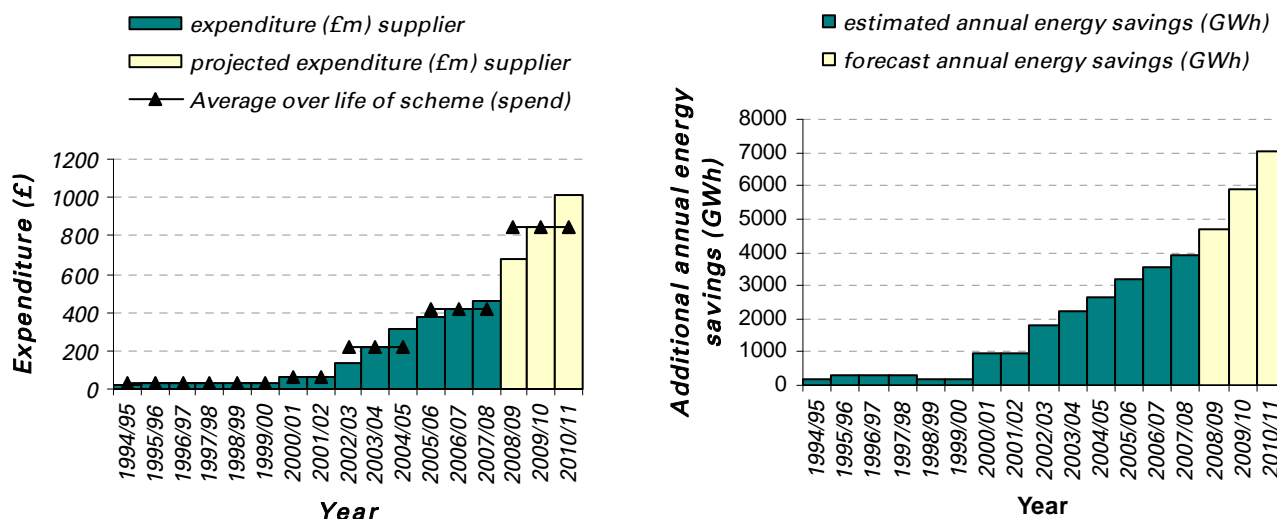
**Key Messages:** From the introduction of the Scheme in June 2000 to the end of March 2007, around 1.8 million households received assistance. The Scheme was boosted by an additional £140 million announced in the 2004 Spending Review, and augmented further by the Chancellor's announcement in the 2005 Pre-Budget Report that an additional £300 million was to be made available across the UK for tackling fuel poverty over the 2005-08 period. This means that funding for the Scheme during that period was over £800 million.

The Home Energy Saving Programme, launched on September 11<sup>th</sup> 2008, also committed an extra £74 million over the next two years to the Warm Front Scheme. This will enable around 40,000 additional households to see their fuel bills reduced by an average of £180 through the provision of energy efficiency measures.

**Technical Notes:** Warm Front, launched in June 2000, is designed to tackle fuel poverty among the most vulnerable groups; older householders, families with children, householders who are disabled or have a long-term illness and households on low income or certain benefits. It provides grants for the provision of energy efficiency and insulation and heating measures in their homes. All applicants to the Warm Front Scheme are now also offered a benefits entitlement check.

## 15. Expenditure on, and energy savings through, the Energy Efficiency Commitment (formerly EESOPs) and the Carbon Emission Reduction Target

### Actual and forecast expenditure and potential energy savings for the EESOP and EEC schemes (including comfort taking, excluding business-as-usual deadweight)



Note: all expenditure is in 2007 prices. See text below for further details.

**Source:** EST (EESOP: 1994-2002), DEFRA (EEC/CERT: 2002-2011)

**Coverage:** Great Britain

**Relevance:** While the EEC is focused on the reduction of carbon emissions, it also gives particular help to low-income consumers, who spend a larger proportion of their income on energy, to reduce their fuel costs or to enjoy greater comfort.

**Key Messages:** It is estimated that around 60 per cent of expenditure goes to low-income households (which make up about a third of all households).

**Technical Notes:** **EESOPs:** The Energy Efficiency Standards of Performance were launched in 1994 in England and Wales as part of the electricity companies' price controls and gave them specific obligations for funding of energy efficiency measures to deliver energy savings. The scheme was extended to gas suppliers in April 2000.

**EEC:** Under the Energy Efficiency Commitment, electricity and gas suppliers are required to meet targets for the promotion of improvements in household energy efficiency, and from 2008 of reductions in carbon emissions. It is open to suppliers as to how they do this, and there is no specified amount of money that a supplier must spend in meeting its target.

EEC was split into EEC1 and EEC2; the latter ran from 2005 to 2008. Over EEC2's lifetime 57 per cent of the energy saving was accounted for by insulation measures and 12 per cent from lighting. More information is available from the Ofgem review of the Energy Efficiency Commitment 2005-08, available online at:

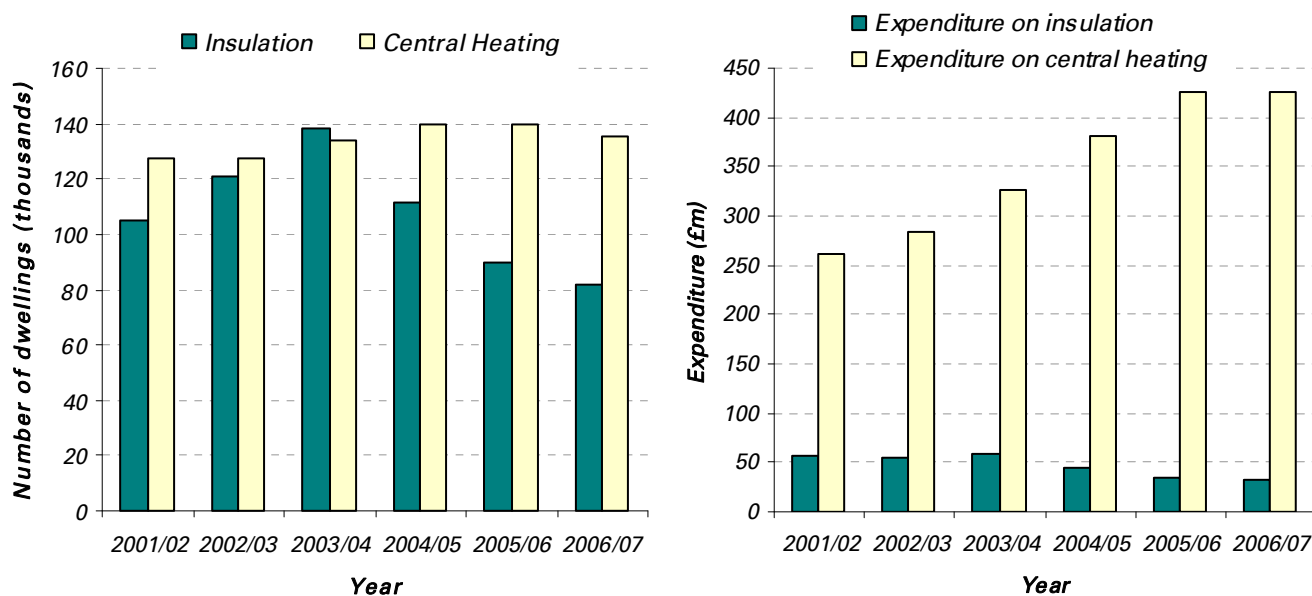
<http://www.ofgem.gov.uk/Sustainability/Environmnt/EnergyEff/PrevSchemes/Documents1/Annual%20Report%202008%20Final.pdf>.

**CERT:** For 2008-11 the obligation became the Carbon Emission Reduction Target (CERT) and is more generally aimed at reductions in household carbon emissions, including the promotion of micro-generation and behavioural measures besides energy efficiency. The target is expressed in lifetime carbon savings. In annual terms, the savings were expected to be 4.2 MtCO<sub>2</sub>/year by 2011. However, in September 2008, the Government announced an increase in the target of 20%. The annual savings would therefore be expected to increase to 5 MtCO<sub>2</sub>/year by 2011. 40% of savings are targeted at low income or elderly consumers.

Also illustrated are the potential annual energy savings of the schemes introduced. Not all of these potential savings may be realised; customers may prefer to enjoy improved comfort levels (i.e. a warmer home) rather than reductions in bills. Annual energy savings are illustrated to enable comparison between EESOP and EEC programmes, since lifetime savings are calculated on a different basis between the schemes.

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

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



**Source:** CLG, based on Local Authority returns through the Housing Revenue Account Business Plans Statistical Appendices.

**Coverage:** England

**Key Messages:** Works that improve household energy efficiency may either be part of a specific programme to improve energy efficiency or a result of routine repair work where materials and methods are used that will increase the energy efficiency of the dwelling. Installing cavity or loft insulation and efficient heating are the most effective improvements to increase the energy efficiency of a dwelling.

In 2006/07, 81,600 dwellings received insulation (either thermal/and or sound), compared with 89,900 the previous year and 111,600 in 2004/05. The Housing Revenue Account Business Plans' Statistical Appendices records the number of local authority owned dwellings that undergo renovation works including energy efficiency.

The number of local authority dwellings which have had new central heating systems (either for the first time or as a renewal/replacement), has fallen slightly between 2005/06 and 2006/07 from 139,000 to 135,000. Between 2004/05 to 2005/06, there was little change in the number of installations.

**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.