

Fuel poverty - making up for missed opportunities

Jonathan Stearn

Director

Sustainability and Disadvantage

Consumer Focus

Fuel poverty: who is responsible?

- The government bears primary responsibility to end fuel poverty
- And energy suppliers? They have rapidly acquired responsibility to collect the money from consumers and deliver the policies to tackle fuel poverty
- But neither are really doing that well. With 6 million UK households in fuel poverty. The government is set to fail to meet the target of ending fuel poverty by 2016
- At last count energy companies had, on average, only delivered 46 per cent of the Carbon Emissions Reduction Target (CERT) for the super priority group.

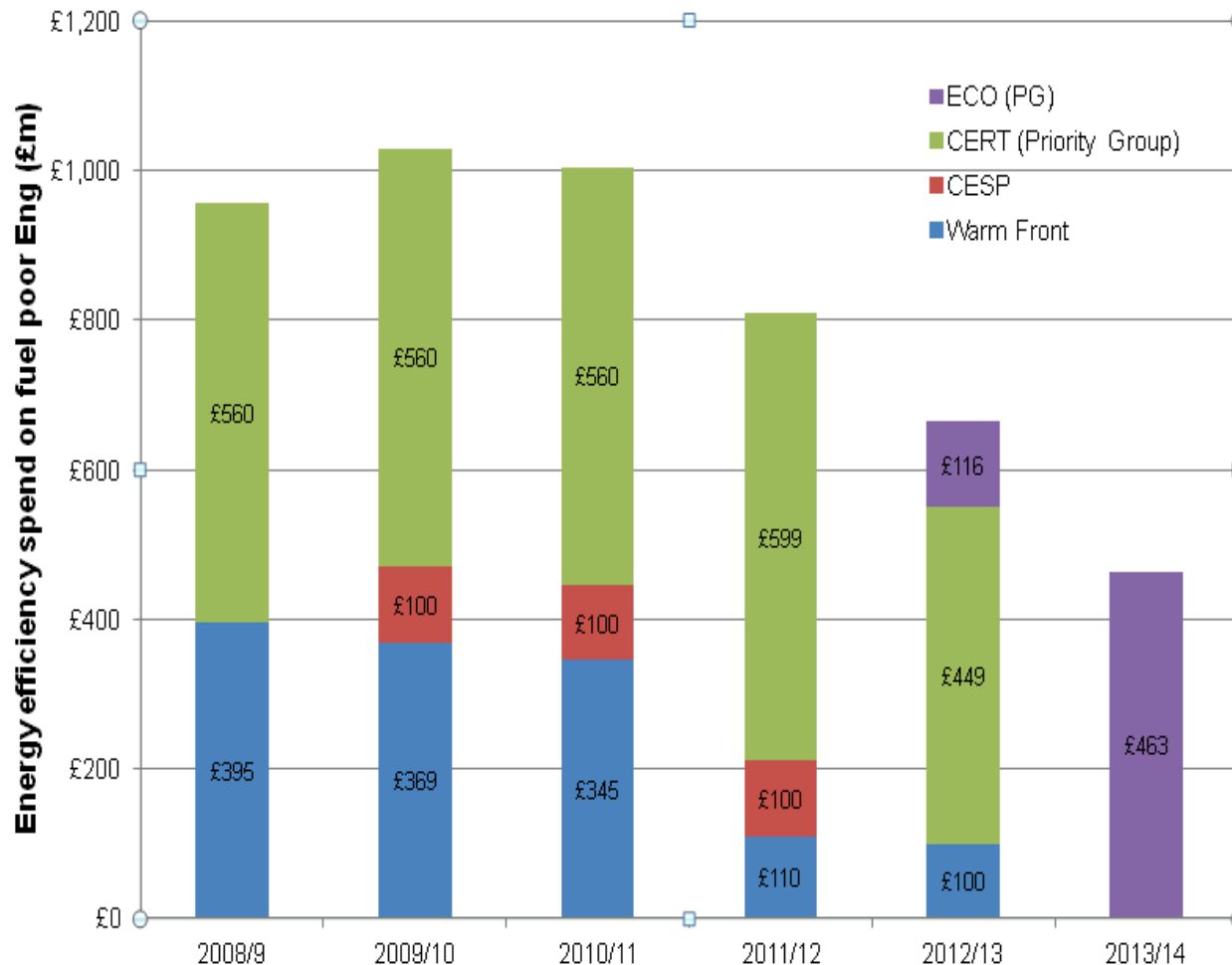
Fuel poverty: local authorities

- Local authorities can take a key role in all three drivers of fuel poverty –
 - energy prices - collective switching, oil clubs
 - Income – living wages and benefit take up
 - energy efficiency
- According to the research for Consumer Focus by Joanne Wade 46 per cent of responding authorities gave a high priority to fuel poverty. But only 20 reported having fuel poverty targets.
- The driver that could give a new impetus to local authorities is the new responsibility for public health.

Fuel poverty: public health - a new driver?

- Despite what Wikipedia says public health is not just about hand washing, breast feeding and the distribution of condoms. It means recognising the link between cold homes and poor health
- We found 24 authorities took the lead in energy company programmes (CERT and Community Energy Saving Programme). Just think what could happen if the other 300 + authorities had got involved! We would not have a major failing in reaching the super priority group for the energy efficiency programme CERT or £50m left in the Treasury's coffers from Warm Front in 2012.

Delivering energy efficiency: Programmes in England



Source: ACE (2012), *National fuel poverty budgets*, supplier obligation funds pro-rata for Eng only

- 2012 END: CARBON EMISSIONS REDUCTION TARGET
- Green Deal (GD) and Energy Company Obligation (ECO)
- 2013: END: WARM FRONT, CESP and GOVT spend
- Reduced spend on fuel poor: £463m (ECO England only)

Fuel poverty: glass half full

- The government has already turned to local authorities to help with Warm Front (now closed)
- Despite the cuts in the energy efficiency programme the Energy Company Obligation in 2013 will have £350m available plus £190m in the Energy Carbon Savings Community Obligation (CSCo) – it needs local authorities to be involved
- Investing in warm and energy efficient homes could provide cost benefits to the NHS. The Chief Medical Officer estimated that the NHS spends £859m each year treating cold related illnesses due to poorly insulated homes.

Fuel poverty: civil society

- The voluntary and community sector and the rest of civil society can play a key role.
- Consumer Focus, Age UK, Citizens Advice and NCB have run two campaigns that have doubled Warm Front applications.
- And here is a Brighton example:
 - A grant from *Scottish Power* Energy People Trust, allowed Amaze to extend its work to include energy audits. It focused on helping parent/carers of children with special needs to identify how to make their homes more affordable to run and to help pull families out of fuel poverty.



Where could extra funds come from?

- Energy Bill Revolution

The screenshot shows the Energy Bill Revolution website. At the top, the logo reads "Energy Bill REVOLUTION" with a house icon, followed by the tagline "Warm Homes, Lower Bills". A search bar is located to the right. Below the logo is a navigation menu with links: "What's the campaign?", "Who's behind it?", "Fuel poverty", "Your MP", "Resources", "Get Involved", "FAQs", and "News".

The main banner features a black and white photograph of a young girl and an elderly woman, with the text "The human cost of cold homes".

Below the banner is a red button that says "Sign our petition today!". To the right of this button are social media icons for Facebook and Twitter.

The central text area contains the following information:

- We are facing an energy bill crisis.** Families are suffering huge financial hardship, and one in four households can't afford to heat their homes. Cold homes are damaging the health of our most vulnerable citizens, including children and older people.
- But there is a fair and permanent solution. We can have warm homes *and* reduce our fuel bills.**
- We call on the Government to use the money it gets from our carbon taxes to make our homes super-energy efficient – driving down our energy bills forever.

Below this text is a "Your Details" form with fields for Title, Forename, Surname, Email Address, and Postcode. A checkbox is present for "If you DON'T want us to contact you with news and updates about the revolution by email, please tick here. See our privacy policy here." A red "ACT NOW" button is at the bottom right of the form.

To the right of the form is a section titled "Follow the revolution:" with social media icons and a counter for "MPs supporting the campaign" showing the number "124". Below this is a quote: "The only permanent solution to drive down energy bills and end fuel poverty." At the bottom right is a map of the UK titled "In your area" with a green "GO" button over the map.

Recycle carbon tax:

- Over next 15 years Government will raise an average of £4 billion every year from Carbon Taxes
- energy efficiency programme focused on fuel poor
- 'fuel poverty proof' homes: 'home built today' standard
- almost all of fuel poor removed from fuel poverty

www.energybillrevolution.org

Energy bill revolution supporters



The Poverty Premium

**Consumer
vulnerability**

Three types of intervention

Correct market failures

- Fair trading
- Competition
- Information

Analysis of how
operation of market
affects consumers in
vulnerable positions
Strategy to improve
outcomes

Intervene in supply structures

- Price structures
- Product types

Consumers in vulnerable positions

- Social tariffs
- Help use the market
- Help reduce costs

