

Energy Efficiency Rating

Very energy efficient - lower running costs

(92 plus)

A

potential

76

49

E

F

G

(39-54)

(21-38)

(1-20)

Least energy efficient - higher running costs

to save

Fuel Poverty Strategy and Policy



Overview

- Consultation on proposals to update the fuel poverty strategy
- COVID-19 and vulnerable consumers
- Next steps

Fuel Poverty Strategy

Consultation

We consulted on proposals to update the Fuel Poverty Strategy for England in July 2019.

Proposals included:

- Updating the way fuel poverty is measured
- Reforming the vulnerability principle to focus on low income households most at risk to the impact of living in a cold home
- Introducing a new sustainability principle

Low income low energy efficiency (LILEE)

What is the proposed change?

The low income component is proposed to stay the same.

Under the proposal for LILEE **any low income household living in an inefficient home** (rated D to G) would be captured as fuel poor.

This would move from a **relative** measure to an **absolute** measure, aligned with the fuel poverty target to improve homes to Band C

Number of households

The **number of households** classed as living in fuel poverty would increase to **3.66 million**.

This is a **net increase of 1.1 million**.

Due to the relative nature of LIHC many of these household would have become fuel poor in the 2020s

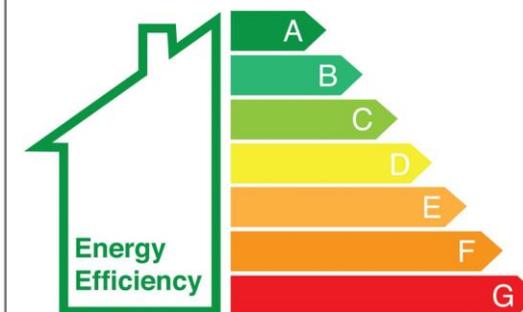
Who are the additional million?

The majority of **additional households** who would be considered fuel poor are living in **Band D** properties.

The **existing households** living in **Band F & G** properties that are classed as fuel poor would *still* be classed as fuel poor.

Low income households in Band C

Low income households in **Band C** properties would cease to be classed as fuel poor. These properties would be deemed to have reasonable fuel costs.



Vulnerability principle

	2015 strategy	Proposal
Income	<p>Only focus on low income households who are measured as fuel poor.</p> <p>Required to be low income, plus health or age based criteria.</p>	<p>Expand to all low income households. Focus for energy efficiency remains those D-G, but consider specific support for those in A-C homes.</p> <p>Required to be low income, plus health or age based criteria.</p>
Age	<p>“oldest old and youngest young” (In our statistics, under 16 or over 60)</p>	<p>Align with NICE NG6 Guidance on excess cold:</p> <ul style="list-style-type: none"> - Over 65 - Under 5
Health	<p>Long-term health condition or disability</p>	<p>Align with NICE NG6 guidance on excess cold: Conditions such as respiratory, cardiovascular, mental health.</p>

Sustainability principle

Consultation proposed introducing a sustainability principle. This proposes to:

- resolve tensions between fuel poverty objectives and other Government priorities e.g. phase out of high carbon fuels
- ensure that fuel poor households can be some of the first beneficiaries of the transition to net zero, rather than left behind

COVID-19 and vulnerable consumers

Voluntary Supplier Agreement

On 19 March the Government established an industry-wide agreement to a set of principles for assisting consumers through difficulties caused by COVID-19.

All energy suppliers agreed to:

- Identify and prioritise customers at risk.
- Support customers who are impacted financially as a direct or indirect result of COVID-19.
- Support pre-payment customers to stay on supply.
- Provide information to their customers.

Voluntary Supplier Agreement

Support will depend on individual circumstances, but could include:

- Reassessing, reducing or pausing debt repayment and bill payments for domestic customers in financial distress.
- Referring customers who are struggling to pay to third party debt advisers such as StepChange and Citizens Advice.
- Suspending credit meter disconnections.

COVID-19 and fuel poverty

As we develop the Fuel Poverty Strategy, we are considering:

- Over the coming months, how can we support the safe installation of energy efficiency measures?
- How will the number of people in fuel poverty, and the depth of fuel poverty they are experiencing, be impacted by COVID-19?
- How can fuel poverty programmes play a role in supporting people's health and the economy?

If you have any evidence on these questions, or related topics, please feel free to email fuelpoverty@beis.gov.uk.

Next steps

- Announcements on related manifesto commitments?
- Publication of government response and strategy
- Work on COVID-19 impacts on vulnerable consumers
- Consultations on future of Warm Home Discount and Energy Company Obligation
- Consultations on related energy efficiency policies, including private rented sector regulations

Energy Efficiency Rating

Very energy efficient - lower running costs



Questions?

