

CONSULTATION ON CHANGING THE FRAMEWORK FOR MEASURING FUEL POVERTY

Please use the table below as a template to respond to the consultation. It will help us to record and take account of your views. Also, please provide evidence for your answers and comments where possible.

PERSONAL DETAILS

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Would you like this response to remain confidential? No

If yes, please state your reasons:

QUESTIONS

Q1: Do you agree with the Government's intention to change the definition away from the 10% definition and adopt the Low Income High Costs approach?

Yes/No

Comments: We accept that no definition will ever capture everyone that we consider to be 'fuel poor'. We believe that the definition should strike the right balance between capturing the highest number of fuel poor households and simplicity. By simplicity, we mean the cost and difficulty of obtaining the necessary data. Whatever definition is finally adopted we believe the existing (10%) definition should be retained for the foreseeable future for comparative purposes. It would also be useful to publish figures for the 10% definition both before and after housing costs to provide a more direct comparison with the new approach.

Q2: Do you agree with the proposals for setting the income and energy costs thresholds? If not what alternatives are there for setting these thresholds?

Yes/No

Comments: Broadly we agree 'YES' on the income thresholds and 'NO' on the energy costs thresholds. We believe two alternatives are worthy of further exploration: (i) the Brenda Boardman suggestion (i.e. a household is fuel poor if it has a low income AND it cannot obtain adequate energy services for less than 10% of income); (ii) the CSE et al approach 'Improving Hills' which provides a suggestion for setting the energy costs threshold that would appear to provide a more accurate result but potentially at the cost of complexity and additional data collection requirements.

Q3: Do you agree that incomes should be equivalised to take account of household size and composition?

Yes/No

Comments:

Q4: Do you agree that energy costs should be equivalised to take account of household size and composition?

Yes/No

Comments: The Hills proposal of equivalising costs based on household composition is appealing because of its simplicity and relative ease of measurement. However, dwelling size is an important factor (as in BREDEM) and, when taken into account, provides a better result than household size and composition alone. We recognise that this introduces a further level of complexity that will have data collection implications, but that the additional hassle factor may be compensated by a substantially better result.

Q5: Do you agree with the method proposed for equivalising energy costs?

Yes/No

Comments: The key problem here relates to the energy inefficiency of much of the UK housing stock and the fact that householders therefore need to spend more on energy than many of those in fuel poverty are able to afford. The 'improved costs' threshold proposed by CSE et al is attractive in the sense that it captures a higher proportion of households that most of us would consider to be fuel poor. However, we have questions regarding the complexity of this methodology and the ease with which data could be collected.

Q6: Do you agree that the core indicator should calculate income after housing costs have been deducted?

Yes/No

Comments: We agree.

Q7: Do you agree that extra cost benefits should continue to be included in the calculation of income, in line with current Government practice?

Yes/No

Comments:

Q8: Do you agree that we should consider changing the legislation and if so do you have a view on how and where the target should be specified?

Yes/No

Comments: We have not discussed in any depth how and where the target should be specified.

Q9: Do you have a view on the possible options for the form of target?

Yes/No

Comments: In general we should continue to aim to eradicate fuel poverty. We believe that whilst poverty is relative (and therefore changes over time), fuel poverty is based largely on the energy efficiency of the home. We should therefore seek to make all homes 'fuel poverty proof' by increasing their SAP rating to an agreed level (e.g. 80). We would argue that where householders living in homes with a high SAP rating have difficulty in paying fuel bills the 'problem' is poverty and the response would typically be to increase income. The date to achieve the target should be set to 2020 and this should be the principal objective of Government programmes such as ECO.

The Boardman suggestion to set a target based on the Green Deal Occupancy Assessment is attractive and an improvement on SAP rating alone.

Any other comments:

- CANs Executive Board have varying levels of support for the Hills definition, including those who prefer the existing (10%) definition, those who believe that Hills represents a considerable improvement and those who feel that an enhanced version of LIHC is preferable.
- Individual regional CAN bodies such as London CAN and the North West CAN are also responding to this consultation separately.
- **We believe that there are alternative suggestions that represent an improvement on Hills, and would welcome an opportunity to discuss these further with DECC; essentially these are the CSE and Boardman ideas referred to earlier. There are strong arguments for supporting each of them but further work is required to determine which offers the best compromise between complexity and precision.**
- The acceptance that fuel poverty is distinct from poverty in general is welcomed.
- There is general support for the 60% median thresholds for low income under the Hills indicator.
- There is support for the inclusion of housing cost.
- There is concern over the definition of high energy cost and the lack of acceptance that the average UK fuel bill is too high due to energy inefficiency.
- Fuel poverty will become impossible to eradicate under the Hills definition. This could reduce interest in the problem and provide an excuse for inaction.
- There should be an attempt to make the new 2016 target in some way equivalent to the old target, not watered down because of the new definition.
- There is concern that rural areas will be unfairly disadvantaged under the Hills definition.
- There is concern that many pensioners who are in need of assistance will not be defined as fuel poor under the Hills definition. This suggests a disconnect with the health agenda. Mortality and morbidity statistics show that they are the people whose health is most likely to be impacted by fuel poverty.
- It is important that the link between fuel poverty and the health agenda and social care is strengthened.
- It is important that the indicator makes it easy for local authority officers to identify, locate and target those in fuel poverty.
- CAN acknowledges that a practical indicator will always be a compromise between the level of data required and accuracy. If a relatively easy way can be found to identify those in fuel poverty from the CSE / ACE indicator then we would support this over the Hills proposal.
- There is concern that the Hills definition is too “academic”. Fuel Poverty officers know instinctively when someone is in need of assistance whether or not they are officially defined as fuel poor. We need to be sure that the introduction of a new definition does not preclude local authority officers from assisting individuals if they do not fall within the new definition of fuel poverty.

- There is concern that the Hills indicator is difficult to communicate. Part of this problem with this is that it is not simply a “definition” of fuel poverty but is a new measure of a “fuel poverty gap” from proposed (potentially arbitrary) thresholds. A way round this might be for DECC to provide its own ‘narrative’ definition of fuel poverty without reference to seemingly arbitrary boundaries or thresholds, for example: *“A household or individual is in fuel poverty if they are struggling to afford to heat their home to a reasonable temperature which is conducive to their health.”* Various Indicators could then be published alongside each other including the original 10% measure along with other indicators such as rates of excess winter mortality and SAP ratings.

Please send your completed form and any supporting documents to the following email address: fuelpovertyconsultation@decc.gsi.gov.uk

If you are responding by post, please send your completed form and any supporting documents to the following address:

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