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# Fixing Fuel Poverty

Challenges and Solutions

Brenda  
Boardman

**Definitions and  
dimensions of  
fuel poverty in Europe**

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**Brenda Boardman**

**Emeritus Fellow**

**ECI**

**University of Oxford**

# Symptoms of fuel poverty

- 0 Fuel debts
- 0 Disconnections
- 0 Cold homes
- 0 Excess winter deaths and illness

# Fuel debts

Cause: people unable to afford adequate warmth, but providing it, eg for babies

The elderly rarely get into debt

Immediate solution: prepayment meters / methods to prevent and recover debts

# Disconnections

Cause: Driven by company policy rather than actual levels of debt

Solution: Cease disconnections and collect debt through other methods.  
Requires political support and shaming utility companies

# Cold homes

Difficult and expensive to survey, so evidence is rare

Self-reported data in SILC, helpful but underestimates the problem

# Excess winter deaths

- Good indicator, but always delayed by several months
- Substantial, associated illness is expensive, but difficult to quantify
- All cold-related, but link with cold homes contested

# Who are the vulnerable?

- Young
- Elderly
- Sick
- Disabled
- Rural
- 72% of UK households contain a vulnerable person
- No link to income

# Defining vulnerability

- Young = under 5 / 16 ?
- Old = over 60 / 75 ?
- All types of sickness and disability / just those with energy implications?
- Rural – when cheaper fuels unavailable, eg no gas, so have to use electricity / oil
- Only low income?
- Households, not people



# Fuel poverty definition

- 0 Country specific, as depends on fuel costs, income levels and location
- 0 Being unable to achieve adequate warmth at an affordable cost
- 0 ... adequate warmth and all other energy services ...

# Old UK definition

- 0 Fuel poverty occurs when a household needs to spend more than 10% of its income on fuel to maintain adequate energy services
- 0 Absolute, so can eradicate
- 0 Too responsive to fuel price rises?
- 0 Stresses affordability

# New English definition

- Low income  $< 60\%$  median income
- Fuel costs  $>$  average
- Called low income, high costs (LIHC)
- Problems
  - Relative, cannot eradicate
  - Unreflective of fuel prices: stable numbers
  - No link to affordability
  - Favours large homes

# Possible European definition

- A household is in fuel poverty if it needs to spend more than twice the median (as a proportion of income) on energy
- If median, all households = 6%
- Then fuel poverty  $\geq 12\%$
- A relative, not absolute, definition
- OK for monitoring
- Doorstep = difficult

# Definitions contd

- 0 Political debate on who to prioritize
- 0 Treatment of housing costs and family size affect who is defined as fuel poor
  - 0 Is rent excluded from income?
  - 0 Is income equivalised for family size?
- 0 Either pensioners OR families
- 0 Unlikely to be both

# Affordable warmth

```
graph TD; A[Affordable warmth] --- B[10% of income for all energy services]; A --- C[Energy efficiency of the dwelling]; A --- D[24 hour mean internal temperature of 18°C (+ other energy services)]; B --- E[}]; C --- E; E --- F[}; D --- F;
```

10% of  
income  
for all  
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} Energy  
efficiency  
of the  
dwelling {

{ 24 hour  
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services)

# Income + housing

	Low income			High income
Energy inefficient housing				
Energy efficient housing				

# Identifying the fuel poor on the doorstep

Have low income AND energy-inefficient home

0 Ignore social characteristics (eg age)

Focus on

0 Income level (benefit passbook)

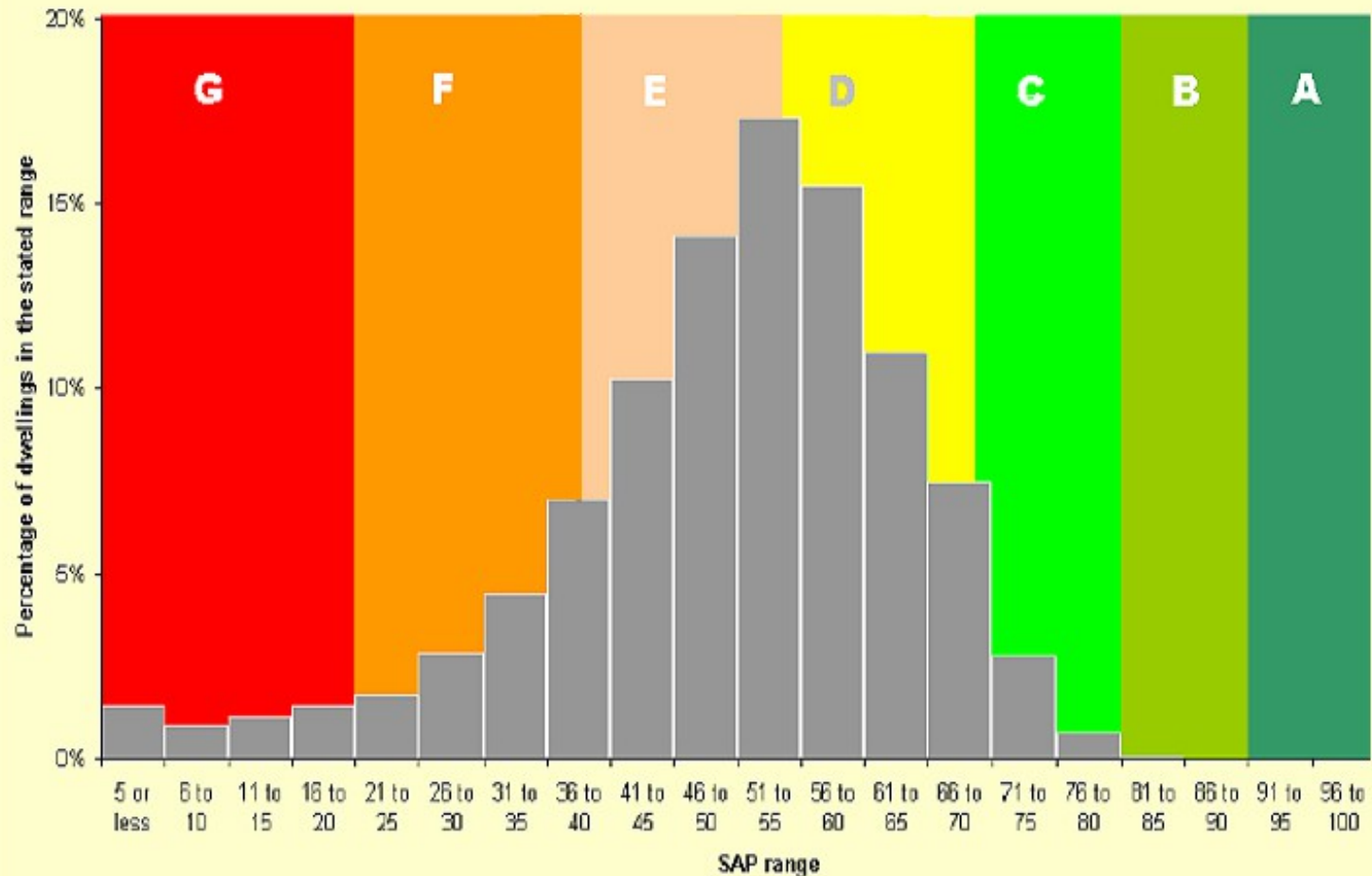
0 Energy efficiency of the home (audit)



# Finding the fuel poor

- 0 Expensive to find individual home
- 0 Household may refuse help because
  - 0 of stigma
  - 0 fear of landlord, hassle, unknown
- 0 Many will hide / not self-identify
- 0 So, focus on the area / community / street

# Minimum housing standards vs preventing fuel poverty



# Major upgrades needed



# Vital role of capital

- Poor do not have savings – no capital
- Require investment vs subsidise?
- Effect of tenure:
  - Make landlords responsible?
  - What about low-income owners?
- See investment as national benefit:
  - Maintaining the value of infrastructure
  - Climate change policy

# Low-carbon zones (do a lot quickly)

- In each local authority / city
- First area where fuel poor concentrated
- Ensure every home out of fuel poverty, in A- or B- rated property
- Do street-by-street
- Community options, eg CHP + waste / district heating schemes

# Role for community action

- 0 Advisors as advocates for fuel poor
- 0 Trained to
  - 0 Give energy advice
  - 0 Gain trust
  - 0 Promote the needs of the householder
  - 0 Discuss methods of paying / grants
- 0 Time consuming (not a one-off activity)

# Whose money?

- o Property owner's?
- o Other taxpayers?
- o Other utility customers?
- o Use money from EU ETS auctions
  - o 9 MS already doing
  - o UK – Energy Bill Revolution
  - o £4bn pa

# Strategy

- 0 Need comprehensive policies on incomes and housing
- 0 Area-based approach, all homes
- 0 Focus on fuel poor first
- 0 Low carbon = super efficient + micro-generation
- 0 Clear strategy with targets and timescales



# Fuel poverty in Europe

Country	Households in fuel poverty (%)	Ranking
Netherlands	8.1	1
Slovenia	12.0	5
Germany	12.6	7
Czech Republic	14.5	11
France	16.2	12
UK	19.2	13

# EU policy

- Mandatory minimum energy efficiency performance standards, improving over time – under EPBD
- Property owner responsible
- However defined, fuel poverty to be reducing
- Tackle on a community-wide basis (ie not individual homes)

Thank you  
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