
Energy poverty in England

1. Independent Review (The Hills Review of Fuel Poverty)
2. Government published Framework for Future Action
3. Energy Act 2013
4. Fuel Poverty Target 2014
5. Fuel Poverty Strategy 2015.

What impact has the framework had over 2015 - 2019?

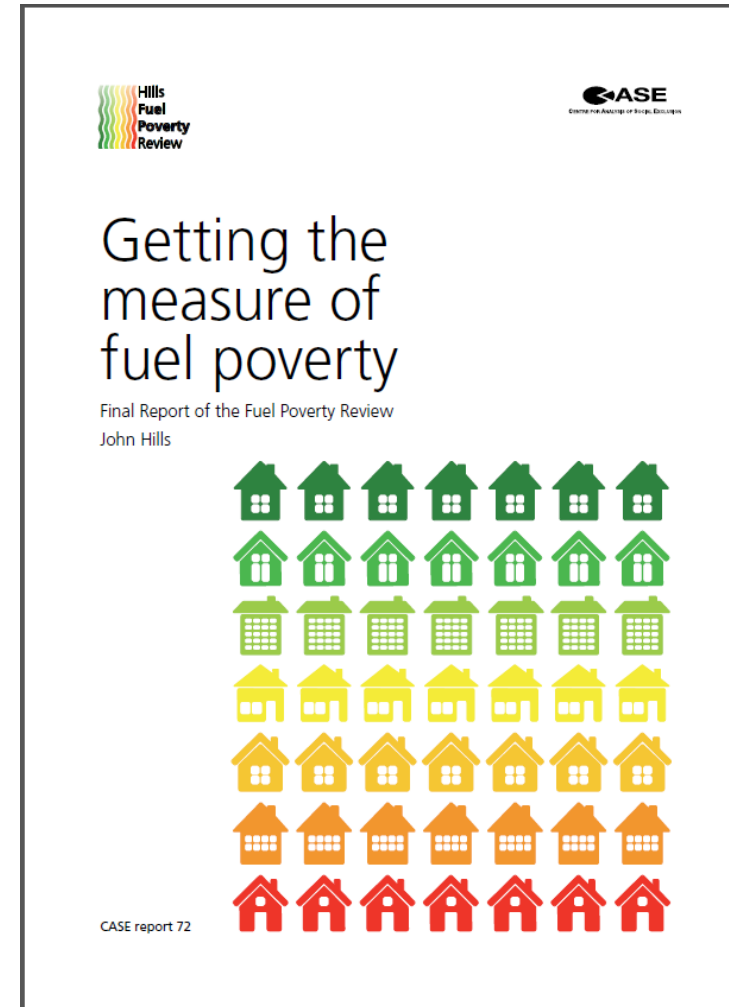
The Hills Review

In 2011 Government asked Sir John Hills of LSE to undertake an independent review of fuel poverty in England.

Hills agreed that the overlap between income, energy inefficiency and high energy costs means that fuel poverty is a distinct issue.

Hills recommended that Government adopt the Low Income High Cost Indicator of fuel poverty.

In 2013 Government adopted this recommendation.



Adopted the findings of the Hills Review, including:

- That energy efficiency is the best long term solution to tackling fuel poverty
- Update the way in which fuel poverty is measured from a 10% indicator to ‘Low income High Costs’
- That Government would introduce new Primary Legislation to create new requirements for a fuel poverty target and fuel poverty strategy



Fuel Poverty: a Framework for Future Action

The Fuel Poverty Target

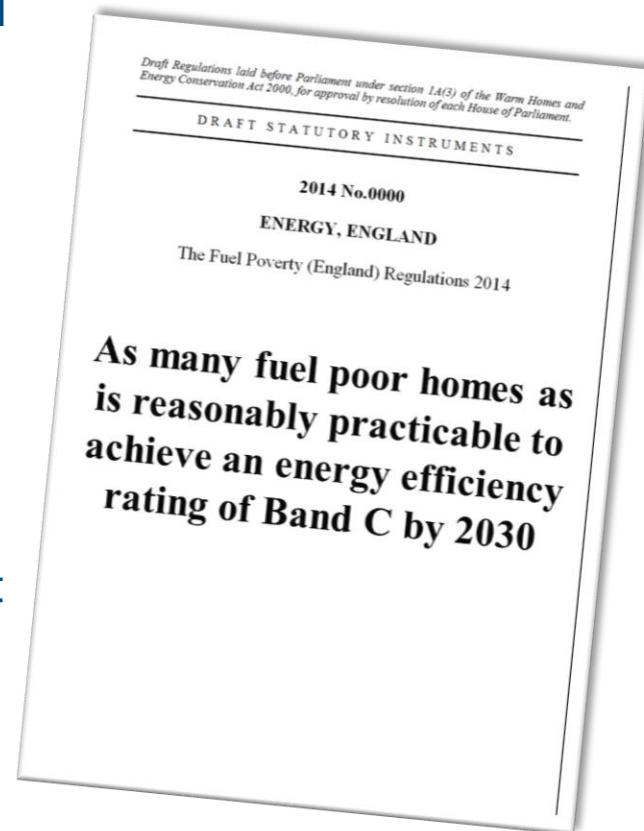
The 2013 Energy Act created new duties to set a fuel poverty target and publish a strategy.

In 2014 Government introduced the fuel poverty target for England:

*“As many fuel poor homes as reasonably practicable achieve a minimum energy efficiency rating of **Band C** by 2030.”*

The fuel poverty strategy (published March 2015) set out two interim milestones to ensure that as many fuel poor homes as reasonably practicable achieve:

- an energy efficiency rating of **Band E** by 2020;
- an energy efficiency rating of **Band D** by 2025.



In 2015 Government published the fuel poverty strategy for England, to set out how the fuel poverty target will be met.

Key principles:

- Prioritisation of the most severely fuel poor (**'worst first'**)
- Supporting the fuel poor with **cost-effective policies**
- **Reflecting vulnerability** in policy decisions

Commitments:

Included a series of commitments, including that energy efficiency funding should be focused on those that need it most.

Scrutiny:

Created the Committee on Fuel Poverty, an advisory group to hold Government to account. Plus a commitment for an annual Parliamentary debate.

What impact has the strategic approach had?

- Having a target set in law and commitments in the strategy has helped to focus existing resources on fuel poverty:
 - Energy efficiency funding for low income and vulnerable households increased from £320m in 2015, to £450m in 2017, to £640m in 2018.
- Commitments made in the strategy have translated into positive policy reforms:
 - Introduced 'flexible eligibility' enabling Local Authorities to work with health professionals to identify vulnerable households who are in need of support.
- The target and strategy combined with the Committee on Fuel Poverty, Annual Debate have kept fuel poverty on the political agenda.
 - Fuel Poverty Target reiterated in 2017 Conservative Manifesto and in 2017 Clean Growth Strategy, with funding announced to 2028.
- The strategy has created a shared goal fostering partnership working
 - Government's £25m Central Heating Fund, replicated by the National Grid £150m Warm Homes Fund.

Reflections on setting up the new approach to tackling fuel poverty in England

- Low Income High Costs is a relative measure, which has communication challenges:
 - Energy efficiency is improving, but the number of people living in fuel poverty rises with population growth.
- Setting the measure of fuel poverty and target to address fuel poverty independently can cause difficulties:
 - has led to effective measurement of a social problem, but ineffective measurement of progress towards the statutory target.
- Difficult to rigorously apply key principles to policy design and to re-target exiting policies:
 - There are 222,000 F&G rated fuel poor homes remaining, out of 23m homes. Focusing support on less than 1% of the housing stock is a policy design and delivery challenge.

Over 2019 we will update the fuel poverty strategy for England.