

## Fuel Poverty

June 2016 (reporting 2014 data)

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**Aim:** To present the latest Fuel Poverty estimates and trends for Cumbria and Districts compared to England and the North West. The data presented is drawn from the 2014 Sub-Regional Fuel Poverty Estimates produced by the Department of Energy & Climate Change (DECC), published in June 2016.

### Key points

- Fuel poverty is linked to low income and/or high energy costs
- 2.38 million households in England are estimated to be in fuel poverty, 10.6% of all households, an increase of 1.4% from 2.35 million in 2013
- Rural areas have greater levels of fuel poverty
- An estimated 28,176 households in Cumbria are estimated to be in fuel poverty, 12.5% of all households
- Levels of fuel poverty in Cumbria and all of its districts are greater than national levels
- Levels of fuel poverty in Cumbria have increased from 10.9% in 2013 to 12.5% in 2014 (+1.6%)
- Levels of fuel poverty have increased in all of the districts with the exception of Barrow-in-Furness where they have fallen
- Levels of fuel poverty are the greatest in Eden (16.4%); they are the lowest in Copeland (11.2%)
- Levels of fuel poverty in Eden are the second highest in England (out of 326 local authorities)
- 51 Lower Super Output Areas (LSOAs) in Cumbria have levels of fuel poverty which fall within the worst 10% nationally
- The LSOA which falls within the ward of Warnell in Allerdale has the highest levels of fuel poverty in Cumbria at 28.9%

- There isn't one significant driver or causality of fuel poverty - factors affecting fuel poverty include household income; age of the property; household tenure; household type; household size/floor space; household size (number of people living in the household); economic status

### **Definition of Fuel Poverty**

Fuel poverty is measured based on required energy COSTS and not actual spending. Fuel poverty is measured using the Low Income High Costs (LIHC) indicator, a dual indicator which measures both the level (number of households) and depth (fuel poverty gap). A household is considered to be fuel poor if:

- they have required fuel costs that are above average (the national median level);
- were they to spend that amount, they would be left with a residual income below the official poverty line

There are three key elements in determining whether a household is fuel poor:

- Household income
- Household energy requirements (energy consumption)
- Fuel prices (fuel bills)

The LIHC indicator consists of two indicators:

- The number of households that have both low incomes and high fuel costs;
- The depth of fuel poverty among fuel poor households, measured through a fuel poverty gap which represents the difference between the required fuel costs for each household and the median required fuel costs.

Fuel poverty is modelled using data from the English Housing Survey (EHS). The EHS is a national annual survey of people's housing circumstances, household income, and the condition and energy efficiency of housing in England; where around 12,000 households are surveyed. The EHS is commissioned by the Department for Communities and Local Government, and covers both private and social housing and involves a physical inspection.

## **Income**

The LIHC indicator is based on modelled incomes calculated after housing costs (AHC). Incomes are then adjusted to reflect different household types and different spending requirements i.e. single person households and families; a process known as equivalisation.

## **Fuel prices**

Fuel price information is modelled using data from DECC Quarterly Energy Prices; ONS Consumer Price Index; and Sutherland Tables. Fuel costs are then equivalised to reflect the different sizes of households and different energy requirements.

## **Energy requirements**

Energy requirements include spending on heating, heating water, lighting, appliance usage and cooking. They are modelled taking into account economic circumstances (i.e. unemployed or retired); heating systems; fuels used; and dwelling characteristics.

## **Drivers of fuel poverty**

There isn't one significant driver or causality of fuel poverty. There are varying household and dwelling characters and varying levels of fuel poverty. Some areas with high levels of fuel poverty have very different household characteristics. Some areas with high levels of fuel poverty have high levels of low income households, and high levels of deprivation; equally, some areas are relatively affluent with low levels of overall deprivation and good levels of household income. Households in rural areas tend to have higher levels of fuel poverty, isolated properties are less likely to have a gas connection therefore increasing fuel costs.

There is no clear association between levels of fuel poverty and socio-economic group, however, there are some reoccurring characteristics. Factors affecting fuel poverty include:

- Age of the dwelling – older properties tend to be less energy efficient and therefore have higher fuel costs;
- Household tenure – fuel poverty tends to be higher in privately rented households; the size/floor space – larger properties are often less efficient and therefore have higher fuel costs;
- Income – levels of fuel poverty tend to be greater in low income households;

- Economic status – there are greater proportions of unemployed fuel poor households than working households;
- Household type – lone parent households are more likely to be fuel poor (linked to low incomes); while single elderly households are least likely;
- Household size – households in fuel poverty tend to increase as the number of people increases (households with more people are more likely to be fuel poor).

### **National picture**

In 2014, around 2.38 million households in England were in fuel poverty, accounting for 10.6% of all households. Compared to the previous year (2013) levels of fuel poverty increased by 1.4% from 2.35 million. The average fuel poverty gap (the amount needed to meet the fuel poverty threshold) fell from £379 in 2013 to £371 in 2014, -2.1%. The increase in fuel poverty is likely to be caused by lower than average increases in disposable income, along with higher energy costs (increases in the cost of fuel which outweigh energy efficiency); despite this, increases in energy costs of fuel poor households have been smaller which has resulted in a reduction in the fuel poverty gap.

### **Analysis – Cumbria and Districts**

In Cumbria there are an estimated 28,176 households in fuel poverty, accounting for 12.5% of all households. Eden district has the greatest proportion of households in fuel poverty at 16.4% (3,837 households); levels of fuel poverty are lowest in Copeland at 11.2% (3,476 households). Levels of fuel poverty in Cumbria and in all of the districts in the county are above national levels (see Table 1). Levels of fuel poverty in Eden are the second highest in England (out of 326 local authorities); while levels of fuel poverty in Allerdale and Barrow-in-Furness are in the worst/bottom 20% nationally.

**Table 1: Number and proportion of households in fuel poverty (Cumbria and Districts, North West and England) 2013 v 2014**

	2013		2014		Change
	Fuel Poor Households		Fuel Poor Households		
	Number	%	Number	%	
Cumbria	24,682	10.9	28,176	12.5	+1.6
Allerdale	4,536	10.5	5,485	12.7	+2.2
Barrow-in-Furness	4,604	14.4	3,892	12.3	-2.1
Carlisle	5,002	10.1	5,866	11.9	+1.8
Copeland	3,059	9.8	3,476	11.2	+1.4
Eden	2,671	11.4	3,837	16.4	+5.0
South Lakeland	4,810	10.1	5,620	11.9	+1.8
North West	334,752	10.9	344,115	11.2	+0.3
England	2,346,715	10.4	2,379,357	10.6	+0.2

Source: Department for Energy & Climate Change, June 2016

There are 51 Lower Super Output Areas (LSOAs) in Cumbria with levels of fuel poverty which fall within the worst 10% nationally (out of 32,844 LSOAs in England); these are presented in Table 2 below, along with details of their associated wards. The LSOA with the greatest proportion of fuel poverty in Cumbria falls within the ward of Warnell in Allerdale at 28.9%, accounting for 1 in 4 households. Warnell ward is a relatively affluent ward with low levels of deprivation; the high level of fuel poverty in this area is likely to be linked to high fuel costs due to older properties with no central heating and poor energy efficiency. Conversely, Barrow Island ward is a relatively deprived ward, with high levels of unemployment and low levels of household income, therefore high levels of fuel poverty in this area indicate it may be linked to low income rather than poor energy efficiency.

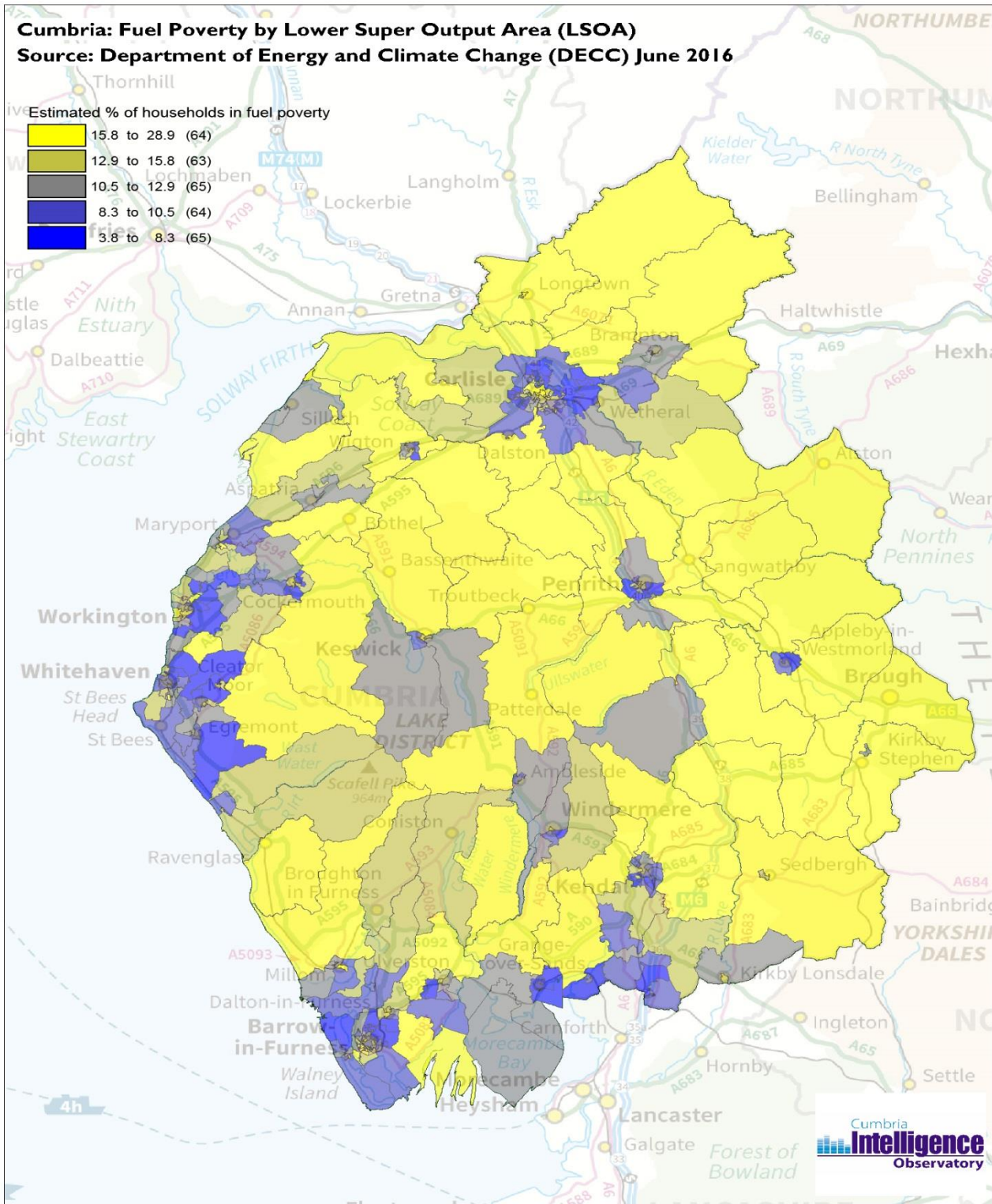
**Figure 2: Proportion of households in fuel poverty by LSOA, which fall in the bottom 10% nationally**

LSOA	Ward	District	%
E01019131	Warnell	Allerdale	28.9
E01019310	Crosby Ravensworth	Eden	28.8
E01019325	Orton with Tebay	Eden	28.6
E01019229	Lyne	Carlisle	27.8
E01019338	Skelton	Eden	26.6
E01019139	Barrow Island	Barrow-in-Furness	25.4
E01019394	Whinfell	South Lakeland	25.3
E01019225	Irthing	Carlisle	25.2
E01019314	Hartside	Eden	25.0
E01019228	Longtown & Rockcliffe	Carlisle	24.7
E01019259	Bootle	Copeland	24.4
E01019142	Central	Barrow-in-Furness	24.0
E01019239	Stanwix Rural	Carlisle	23.8
E01019315	Hesket	Eden	23.8
E01019340	Warcop	Eden	23.7
E01019293	Millom without	Copeland	23.6
E01019313	Greystoke	Eden	23.6

E01019356	Hawkshead	South Lakeland	23.6
E01019090	Crummock	Allerdale	23.5
E01019309	Brough	Eden	23.0
E01019227	Longtown & Rockcliffe	Carlisle	22.8
E01019083	Boltons	Allerdale	22.5
E01019321	Langwathby	Eden	22.3
E01019157	Hindpool	Barrow-in-Furness	22.2
E01019386	Staveley-in-Cartmel	South Lakeland	21.9
E01019339	Ullswater	Eden	21.7
E01019320	Kirkoswald	Eden	21.6
E01019380	Low Furness & Swarthmoor	South Lakeland	21.5
E01019206	Castle	Carlisle	21.0
E01019141	Central	Barrow-in-Furness	20.9
E01019102	Holme	Allerdale	20.8
E01019276	Ennerdale	Copeland	20.8
E01019308	Askham	Eden	20.8
E01019319	Kirkby Thore	Eden	20.8
E01019143	Central	Barrow-in-Furness	20.7
E01019305	Alston Moor	Eden	20.3
E01019351	Crake Valley	South Lakeland	20.3
E01019158	Hindpool	Barrow-in-Furness	20.0
E01019384	Sedbergh	South Lakeland	20.0
E01019236	St. Aidans	Carlisle	19.2
E01019322	Lazonby	Eden	19.2
E01019204	Castle	Carlisle	19.1
E01019381	Lyth Valley	South Lakeland	19.1
E01019132	Waver	Allerdale	18.2
E01019323	Long Marton	Eden	18.0
E01019107	Marsh	Allerdale	17.9
E01019212	Dalston	Carlisle	17.8
E01019171	Parkside	Barrow-in-Furness	17.7
E01019316	Hesket	Eden	17.4
E01019324	Morland	Eden	17.2
E01019299	Newtown	Copeland	17.1

Source: Department for Energy & Climate Change, June 2016

Figure 1: Map of Cumbria showing the estimated % of households in fuel poverty, by LSOA



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## Changes in levels of fuel poverty

Levels of fuel poverty in Cumbria have increased from 10.9% in 2013 to 12.5% in 2014, an increase of +1.6%. Fuel poverty increased across all districts in Cumbria with the exception of Barrow-in-Furness where they fell from 14.4% to 12.3% (-2.1). The greatest increase in levels of fuel poverty was in Eden, from 11.4% to 16.4% (+5.0).

In 2014, median household income increased; as did housing costs. However, the increases in household income for those on low incomes were not as prominent as those with higher incomes; furthermore, those who own their properties outright are better off than households with rent or mortgage payments to make as they have no housing costs. Energy efficiency ratings increased in England, however, energy prices increased outweighing increases in income and energy efficiency for many households therefore pushing some into fuel poverty. The rise in the number of households in fuel poverty, both nationally and locally, suggests that some households may have experienced decreases in household income; increases in fuel bills/energy costs; or a combination of both.

## Further Information

Ali Wilson  
Senior Analyst  
Email: [ali.wilson@cumbria.gov.uk](mailto:ali.wilson@cumbria.gov.uk)  
Tel: 07876502719

English Housing Survey:  
<https://www.gov.uk/government/collections/english-housing-survey>

DECC - Fuel Poverty Annual Report and data:  
[http://www.decc.gov.uk/en/content/cms/statistics/fuelpov\\_stats/regional/regional.asp](http://www.decc.gov.uk/en/content/cms/statistics/fuelpov_stats/regional/regional.asp)