

# Joint Strategic Needs Assessment



## Fuel Poverty

Update June 2019 following release of 2017 data

Source: Annual Fuel Poverty Statistics in England, 2019 (2017 data) National Statistics June 2019

In June 2019 the Department for Business, Energy and Industrial Strategy released updated fuel poverty figures (2017 data). National figures show that in 2017, 10.9 per cent of households in England (2.532 million households) were classed as fuel poor. This is a reduction of 0.2 percentage points on the previous year.

The average fuel poverty gap (the reduction in fuel bill that the average fuel poor household needs in order to not be classed as fuel poor) in England was estimated at £321, down from £333 in 2016 and continues the steady downward trend since 2014 and the aggregate fuel poverty gap for England also continued to decrease in 2017 (by 4.3 per cent in real terms) to £812 million:

Headline measure	2017	2016	2010
Average gap <sup>16</sup> (£)	321	333	355
Aggregate gap <sup>16</sup> (£ millions)	812	848	873
Proportion of households in fuel poverty (%)	10.9%	11.1%	11.4%
Number of households in fuel poverty (millions)	2.53	2.55	2.46

<sup>16</sup> The average gap figures are adjusted to 2017 prices.

2017 data shows a change in one of the key drivers of fuel poverty (energy prices) with the introduction of the prepayment price cap in April 2017. An enquiry by the Competition Market Authority (CMA) on energy markets resulted in Ofgem introducing the prepayment cap. The cap is a set level of payment for those using prepayment meters and suppliers can then charge up to this as their highest price.

Data relating to the fuel poverty is a combination of two English Housing Survey (EHS) years of data. The prepayment price cap was introduced at the beginning of the 2017-18 survey year, and as a result the full impact of the cap will not be seen in the data until next year's statistics relating to the fuel poverty 2018 data year. However, to date, the prepayment price cap has contributed to the positive progress we are seeing across all fuel poor and the fuel poverty gap.

<https://www.ofgem.gov.uk/energy-price-caps/about-energy-price-caps/price-my-energy-bill-capped/prepayment-energy-price-cap>

Locally, the proportion of households in fuel poverty is 11.0% (7,155) a reduction of 0.3 percentage points (n156) from 2016. Across the Island 56 LSOAs\* have seen a reduction in fuel poverty with areas such as Pan A and B, Parkhurst and Newport North A seeing the greatest reduction as well as Lake North A and Binstead A.

\*LSOA's Lower Super Output Areas – are geographical measurements that allow statistical analysis at small area level

Previously, the map indicated that central rural areas were most at risk of fuel poverty where housing stock and residents may be older, as well as less affluent urban areas in Ryde and

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Newport. It seems that the prepayment cap may have had an impact in reducing fuel poverty across the Island particularly in the rural areas.

31 LSOAs have seen an increase with Ryde North East B seeing the greatest increase as well as Ryde North West A, St Johns West B, St Johns East B and Shanklin South B.

Areas that have the highest levels of fuel poverty include Newport South B (17.2%), Ryde South East B (16.9%), Ryde South East A (15.7%), Mount Joy B (15.6%) and Ryde North East B (15.5%). In 2016 three of these were also in the top 5 areas for highest levels of fuel poverty as well as Pan B and Cowes Medina B both of which have seen a reduction.

It seems that the urban areas and parts of the rural south have been impacted less positively by the prepayment cap:

