Joint Strategic Needs Assessment

People are prepared for and supported in old age – Fuel Poverty and Excess Winter Deaths

Last updated: March 2014

Summary

- Excess winter deaths claimed an estimated 31,000 lives in England and Wales in 2012/13
- Annual electricity bills have approximately doubled in the last ten years
- Annual gas bills have almost tripled in the last ten years
- The percentage of annual income used to pay energy bills has almost doubled in the last ten years
- Between 2005 and 2011, the percentage of Excess Winter Deaths on the Island increased at a much faster rate than the South East or England

Fuel Poverty

Why the concern?

Poor standards of energy efficiency mean that many low-income households face high costs to maintain a warm home and, as a result, many of these households do not heat their home to an adequate level. It is known that under-heating of a property can contribute to poor health outcomes, both in terms of mortality (including Excess Winter Deaths) and morbidity (particularly in terms of cardiovascular and respiratory conditions).

Excess winter deaths claimed an estimated 31,000 lives in England and Wales in 2012/13 and, although all the reasons behind these figures are not fully understood, it is known that some of them are caused by people living in cold homes.

Source: Department of Energy & Climate Change – Fuel Poverty: A Framework for Future Action
www.gov.uk/government/publications/fuel-poverty-a-framework-for-future-action

Definition

The government has recently set out the new definition of fuel poverty which it intends to adopt under the Low Income High Costs (LIHC) framework.

Under the previous definition, a household was said to be fuel poor if it needed to spend more than 10% of its income on fuel to maintain a satisfactory heating regime (usually 21 degrees for the main living area and 18 degrees for other occupied rooms).

Under the new definition, a household is said to be in fuel poverty 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.

The key drivers behind fuel poverty are:

- The energy efficiency of the property (and therefore, the energy required to heat and power the home)
- The cost of energy
- Household income

Source: www.gov.uk/government/collections/fuel-poverty-statistics

Who are the fuel poor?

Analysis suggests that the size and age of a property and the use of a fuel other than gas to heat the home are strongly associated with fuel poverty. This means that many of the most severely fuel poor households are living in larger dwellings with solid walls.

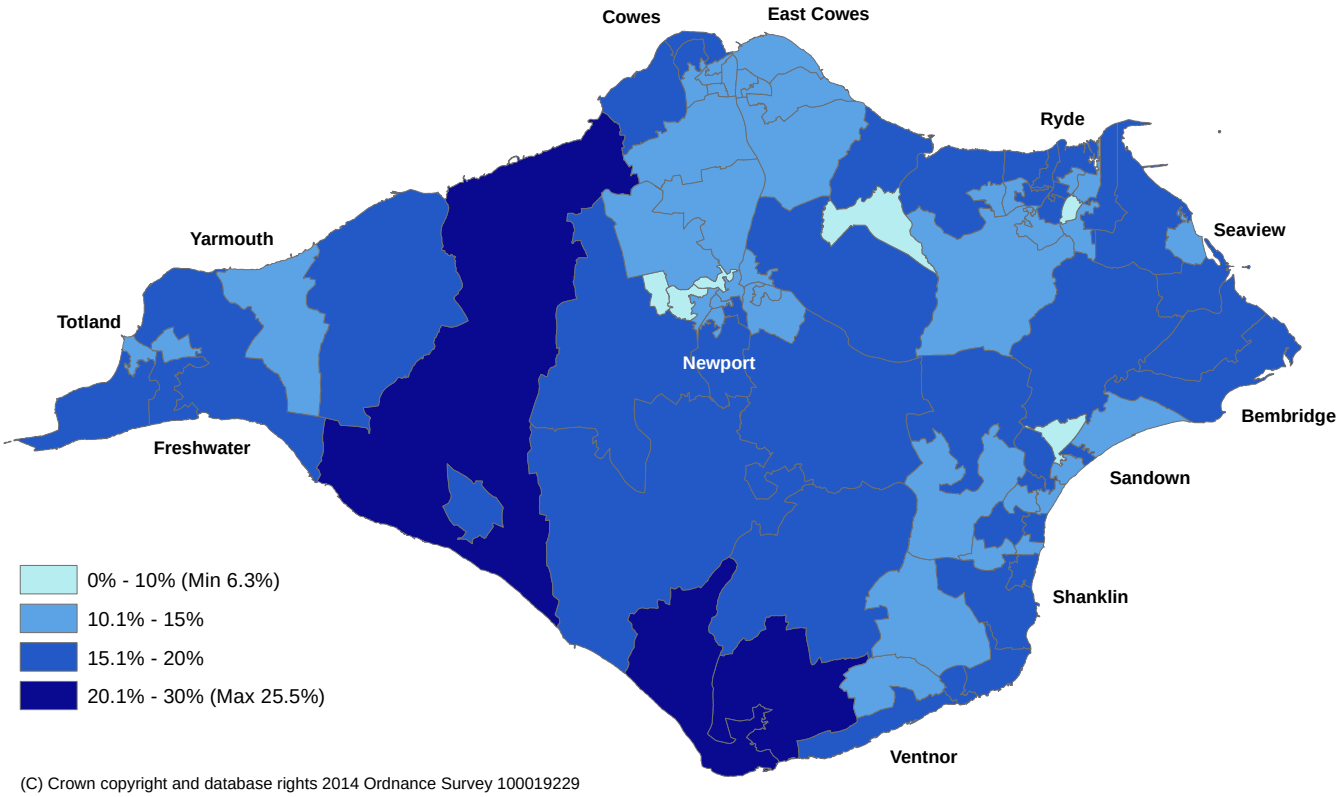
Many vulnerable households are also fuel poor, in particular, households containing older people, children and long-term sick and disabled people. Vulnerable fuel poor households face the problem of low income and high energy costs. These types of households often spend more time in the home and therefore have higher energy requirements.

Source: Department of Energy & Climate Change – Fuel Poverty: A Framework for Future Action
www.gov.uk/government/publications/fuel-poverty-a-framework-for-future-action

The map below shows that the areas most affected by fuel poverty are the rural areas to the south and west of the Island, although nearly all of the Island has at least 10% of the population affected by fuel poverty.

When comparing data about various household types, a correlation can be seen between fuel poverty and houses with no central heating, larger houses, retired and elderly residents.

Percentage of households that are fuel poor



Energy Efficiency

How efficient your home is in using and storing energy has a huge impact on your vulnerability to fuel poverty.

There are a number of things you can do to improve the energy efficiency of your home ranging from simple things like buying a draught excluder to more long-term initiatives like installing solar panels. Each little thing that can be done to improve your home will have a positive impact on your energy efficiency.

For more energy saving tips, please visit the Energy Saving Trust at: www.energysavingtrust.org.uk/Take-action/Energy-saving-top-tips

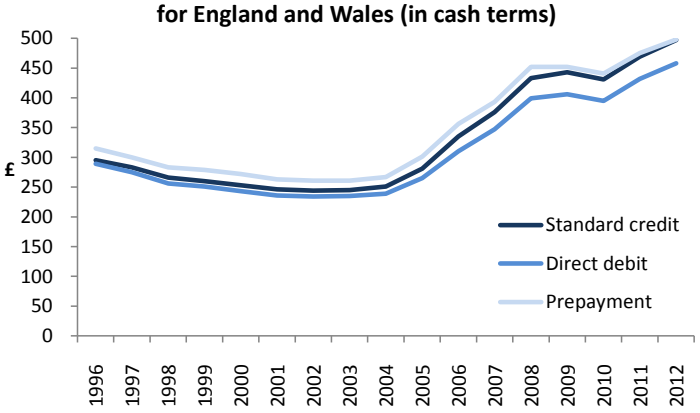
The Cost of Energy

Electricity

The Consumer Prices Index reports that electricity prices have increased by 108.1% between 2002 and 2012. This is an average of the electricity companies' tariffs.

Although between 1996 and 2005, the average annual domestic standard electricity bills for England & Wales reduced, overall they are much higher in 2012 than they were in 1996. In cash terms prices have risen from around £300 in 1996 to just under £500 in 2012.

Average annual domestic standard electricity bills for England and Wales (in cash terms)

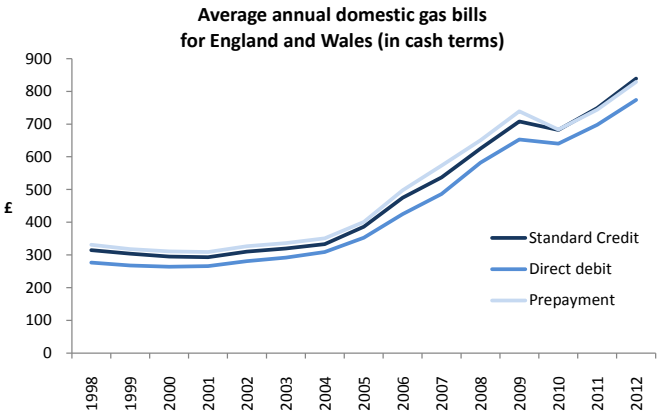


Source: www.gov.uk/government/collections/domestic-energy-prices

Gas

The Consumer Prices Index reports that gas prices have increased by 176.4% between 2002 and 2012. This is an average of the gas companies' tariffs plus butane gas.

Prices reduced slightly from 1998 to 2001 but have since increased dramatically. In cash terms, they have increased from around £300 in 1998 to around £800 in 2012.



Source: www.gov.uk/government/collections/domestic-energy-prices

Green Deal

The Green Deal programme introduced by the government lets householders and businesses pay for energy efficiency improvements to their properties over time through their energy bills.

As well as this, there has also been a £125 million cashback scheme for householders in England and Wales installing such improvements.

For more information about the Green Deal, please visit: www.gov.uk/government/policies/helping-households-to-cut-their-energy-bills/supporting-pages/green-deal

Energy Companies Obligation (ECO)

The ECO was introduced in January 2013 and will run until March 2015, supporting the installation of energy efficiency measures in low-income households and areas, and in properties which are harder to treat.

The ECO is funded by the energy suppliers. They determine how much subsidy they provide to each consumer dependent on individual circumstances.

For further information about the ECO, please visit: www.gov.uk/government/policies/helping-households-to-cut-their-energy-bills/supporting-pages/energy-companies-obligation-eco

Energy Price Rises

Prices continue to go up with all of the major energy providers announcing price rises in both gas and electricity in the autumn/winter of 2013.

Average gas prices will rise by between 3.7% and 11.1% across the six main providers.

Average electricity prices increase by between 3.7% and 10.4%.

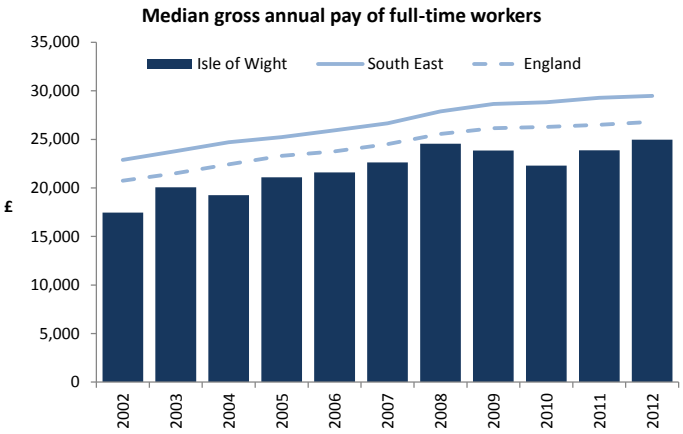
These increases cause average dual-fuel bill prices to rise by between £48 and £137 per year.

Source: BBC News Online

However, at the beginning of December 2013, the government outlined proposals to reduce energy bills by an average of £50 a year by paying for some green measures currently included in people's bills.

Household Income

The annual survey of earnings provides data that shows us how the median gross annual pay of full-time workers compares between the Island, the South East and England:



Source: NOMIS – Official Labour Market Statistics
www.nomisweb.co.uk/reports/lmp/la/1946157281/report.aspx

When you compare the increase in household income and the rise in energy costs, you can see that electricity and gas is taking up a higher percentage of income each year.

	Median gross annual pay of full-time workers in England & Wales (£)	Average annual domestic standard electricity and gas bills (£)	Energy bills as a percentage of annual pay (%)
2002	20,596	552	2.7
2003	21,387	563	2.6
2004	22,317	583	2.6
2005	23,197	662	2.9
2006	23,604	800	3.4
2007	24,300	904	3.7
2008	25,397	1,047	4.1
2009	26,000	1,134	4.4
2010	26,113	1,091	4.2
2011	26,307	1,189	4.5
2012	26,632	1,298	4.9

Source: NOMIS – Official Labour Market Statistics
www.nomisweb.co.uk/reports/lmp/la/1946157281/report.aspx /
GOV.UK – Domestic Energy Prices
www.gov.uk/government/collections/domestic-energy-prices

If income and energy prices continue to increase at this rate, it is looking likely that more and more people will enter fuel poverty.

Further Information

This study, carried out by Grontmij for the Isle of Wight Council, shows heat demand density across the Island for both existing and proposed development. It suggests those areas where district heating could effectively be deployed in the future.
www.iwight.com/documentlibrary/download/heat-mapping-study

Excess Winter Deaths

Excess Winter Deaths (EWD) is the term used to describe the number of additional deaths that occur in the winter months, compared with deaths in the non-winter months. This can be expressed as a ratio/percentage and does not refer to deaths of specific individuals.

For calculation purposes:

- The year runs from August to July
- Winter months are December to March.
- Non-winter months are August to November and April to July.
- 'Expected winter deaths' are non-winter deaths divided by two (non-winter being eight months and winter being four months).
- 'Observed EWD' are winter deaths minus expected winter deaths.

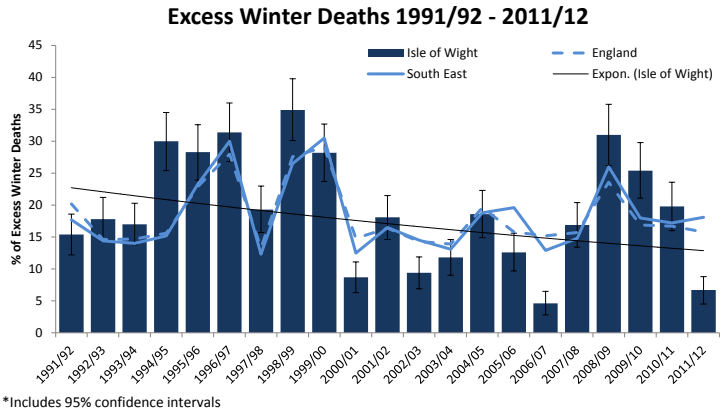
The number of EWDs depends on the temperature and the level of disease in the population, as well as other factors such as how well equipped people are to cope with a drop in temperature. Most EWDs are due to circulatory and respiratory diseases, and the majority occur amongst older people.

The following data is shown using the EWD Index figure so a comparison can be made between areas. For example, an EWD index of 20 shows that there were 20% more deaths in winter compared with the non-winter period.

Looking at the graph below, the general pattern of EWDs for the Isle of Wight broadly follows the England and South East trend but with some noticeable differences. Most recently, 2008/09 to 2010/11 produced some very harsh winters along with heavy snowfall. This, combined with the Island's large elderly population and therefore likely fuel poverty in these households, might go to explain these peaks.

Troughs can also be seen. The winter of 2006/07 was exceptionally mild – The warmest for 140 years. 2011/12 was also a very mild winter.

The Isle of Wight trendline in the graph below shows that since Winter Fuel Payments were introduced in 1998, the numbers of deaths are significantly lower than before.



*Includes 95% confidence intervals

Source: www.ons.gov.uk/ons/rel/subnational-health2/excess-winter-mortality-in-england-and-wales/index.html

It is interesting to note that, in 2011, the Isle of Wight was only slightly above the national average for percentage of households in fuel poverty with 14.9% compared to the average of 14.6%. It was ranked 163rd out of 326 local authorities in England. However, it was the second highest local authority from the South East region.

Provisional 2012/13 results show that an estimated 31,100 EWDs occurred in England & Wales, a 29% increase compared to the previous winter.

As in previous years, there were more EWDs in females than males in 2012/13. Between 2011/12 and 2012/13, male EWDs increased from 10,590 to 13,100, and female EWDs increased from 13,610 to 18,000.

The majority of deaths occurred among those aged 75 and over. There were 25,600 EWDs in this age group in 2012/13 compared with 5,500 in people under the age of 75.

For the South East region (the smallest area size currently published for 2012/13) the number of EWD has increased from around 4,290 in 2011/12 to 4,600 (an EWD index of 18.1 to 18.9).

The ONS report links the excess deaths to the bitterly cold weather between January and March 2013, pointing out that March 2013 was the coldest since 1962 with an average monthly temperature of just 2.6°C. This, combined with people's inability to afford to heat their homes satisfactorily, will be a massive contribution to EWDs.