

## 20 years of fuel poverty research

*Eaga Charitable Trust has been providing funding for fuel poverty research since 1993. From its inception the aim of this independent Trust has been to support projects and research that contribute to understanding and combating fuel poverty and ensure that energy services are fair and accessible for all groups in society. The Trust was founded by Eaga, whose donation of over £3.3 million has enabled grants to be awarded to around 70 studies and projects over the past 20 years. The findings of these studies have made a significant contribution to understanding the causes and effects of fuel poverty; and have pushed forward the boundaries in developing and delivering solutions.*

Government policy on fuel poverty has varied over the lifetime of the Trust. Following the devolution of power, differences in policy approaches across the four UK nations have developed. The number of people living in fuel poverty has fluctuated as has the way in which this number is measured. Methods of delivering assistance have evolved, while the 'holy grail' of how best to identify who needs help has remained elusive.

Throughout this period of change and development Eaga Charitable Trust has adapted its priorities in order to provide support for cutting edge research and projects which make a real contribution to the alleviation and, ultimately, the elimination of fuel poverty, through better policy-making and practice.

### **Informing and influencing**

The research and projects supported by the Trust - some of which are included in this digest - underline the wide-ranging nature of fuel poverty.

The segmented approach employed in our research projects (looking at older people, children, those with disabilities and those socially and financially excluded), along with specific topics, such as the potential for using low-carbon technologies, provide a wealth of information for practitioners about how to implement programmes for specific target groups.

There is a need to influence national decision-making where policy and interventions have often been under-funded, disjointed and not well targeted. There is, as yet, no coherent set of programmes to tackle fuel poverty.

In addition, in spite of a substantial and growing body of evidence pointing to the need to change behaviour in response to climate change and energy conservation, current policies lack a clear understanding of how to achieve this in practice.

However, the position is starting to change. Evidence from Trust-funded research has been influential in helping to shape policy and practice. Progress, particularly at local authority level, is gathering momentum with the use of toolkits, guidance, web resources and networks.

Included in this digest are testimonies from decision-makers, stakeholders and grant-holders who affirm the valuable and essential role the Trust has played in this context.

### **The future**

The UK Government has acknowledged that it will not achieve its target of eliminating fuel poverty by 2016 in England. There is now an urgent need to learn the lessons from this failure and develop more effective and efficient policy and practice in the future.

Among our grant-holders are academics, NGOs, advice agencies, housing bodies and community projects. The Trust has welcomed applications from a range of organisations keen to take forward the challenge to eliminate fuel poverty.

There is no shortage of studies and projects seeking support and the Trust is often unable to fund all viable applications. It would like to do more at this crucial time of steadily rising energy prices.

The on-going demand for support and the continuing stream of good ideas for solutions both serve to underline the important role of the Trust as an enabler today and in the future.

***To discuss how you might engage with the Trust and its work, please contact the Trust Manager or one of the Trustees: tel: 01539 736477; email: [eagact@aol.com](mailto:eagact@aol.com)***

## How the Trust is valued

### *Grant-holders' perspective*

“Eaga Charitable Trust’s support has really helped us to influence policy and practice nationally. They funded our analysis and mapping of fuel poverty at a local level and our work to expose the nature and scale of the problem in rural areas; these are now standard Government practice. Supporting our work to reveal the experiences of people struggling to keep warm has ensured that the real human impacts of fuel poverty aren’t lost in arguments over definitions and statistics.”

**Simon Roberts, Chief Executive, Centre for Sustainable Energy**

“The Department of Social Policy and Centre for Housing Policy at the University of York received a grant from Eaga Charitable Trust in 2012 to investigate the relationship between fuel poverty, disabled people and policy change. The grant has enabled the research team to investigate the extent of fuel poverty levels amongst households containing disabled people, the barriers to receiving or accepting fuel poverty support and the implications of benefit cuts. Undertaking this research as policy changes are implemented has enabled the team to identify those most affected by the reforms, and to make policy recommendations to protect the most vulnerable.”

**Caroline Snell, Lecturer, Department of Social Policy and Social Work, University of York**

“A grant from Eaga Charitable Trust enabled us to find out what Parish, Town and Community councils needed to help them take part in local energy efficiency action. We developed a toolkit that aimed to meet these needs and hence hopefully increase their ability to help people in their local areas. As Government expects and encourages more local action to address fuel poverty and other energy issues, the role of a wide range of local and community organisations is becoming more and more important. Many of these organisations have very limited resources: the Trust can support the provision of targeted tools and information, which will help them to make best use of these resources to play a sometimes crucial part in ensuring that help reaches the most vulnerable people.”

**Dr Joanne Wade, Independent Consultant**

“Changeworks is a charity and social enterprise that provides practical, impartial and straightforward solutions to tackle waste and energy use. We have received support from Eaga Charitable Trust for three of our recent research projects:

- Energy Heritage: A guide to improving energy efficiency in traditional and historic homes;
- Renewable Heritage: A guide to microgeneration in traditional and historic homes; and
- Using Solar PV to Tackle Fuel Poverty.

In each case, the grant funding provided by the Trust has enabled us to build on existing relationships and deliver research that would otherwise not have been possible.”

**Alex Hilliam, Senior Researcher, Changeworks**

### *Stakeholders' perspective*

“Eaga Charitable Trust has supported some really innovative action and research projects that, over the years, have improved our understanding of fuel poverty. Importantly, the Trust has helped unearth new and practical solutions to the problem. The Trustees and Trust Manager have all helped ensure that funds are dispersed to creative research teams and fuel poverty activists. They have identified topics where we had little understanding, such as rural fuel poverty, and are helpfully making links with European researchers. Every success for the future.”

**Jenny Saunders OBE, Chief Executive, NEA**

### *Policy-makers' perspective*

“Fuel poverty is right at the top of the news agenda, and rightly so. To tackle it most effectively, consumers need to understand the help that is available to them and we constantly need to be doing more to find new and better ways of supporting people struggling to pay their fuel bills. The Eaga Charitable Trust does vital and ground-breaking work in this field and deserves our support.”

**Charles Hendry MP**

“As we confront the twin challenge of fossil fuel dependency, and rising fuel poverty, the need for integrated, strategic and robust public policy becomes ever more pressing. From the perspective of a cross cutting parliamentary select committee endeavouring to understand and recommend how the many contradictions facing the energy conundrum can be reconciled, the value of Eaga Charitable Trust’s work to inform this agenda is significant. It is vital that their work secures funding.”

**Joan Walley MP, Chairman, Environmental Audit Select Committee**

## Research and projects

The range of projects summarised in this digest represents just a small sample of the work funded by Eaga Charitable Trust. Most of the work is focused on fuel poverty, but research into wider issues of deprivation and their connection with fuel poverty has also received support. This reflects researchers' and practitioners' recognition of the importance of an integrated approach to policy and practice.

To illustrate some of the work that has been funded, project examples are grouped into four main areas:

- policy focus: policy evaluation and insights into future policy design;
- best practice and toolkits: provision of better information to consumers or practitioners involved with fuel poverty programmes;
- attitudes and impacts: causes and impacts of fuel poverty and cold housing on, and responses by, different target groups of vulnerable consumers; and
- use of low-carbon technologies: their contribution to alleviating fuel poverty.

## Policy focus

### *Impacts of environmental costs*

Obligations placed on energy companies to achieve energy or carbon-saving targets often invoke costs that are passed on to consumers in their energy bills. The manner in which these costs are passed on (e.g. split per customer account, per unit of energy consumed, varied by payment type or customer profile) affect the impact of the obligations on fuel poor and vulnerable households.

During the planning process for the new Energy Companies Obligation (ECO), the Association for the Conservation of Energy (ACE)<sup>1</sup> undertook to assess the way in which these costs had been passed on to date. It also developed recommendations for cost-recovery under the ECO, so as to maximise the number of households removed and protected from fuel poverty. Its report had an important impact on policy.

The net costs to the consumer of nine climate change policies were examined by ACE and the Centre for Sustainable Energy (CSE).<sup>2</sup> They compared the impact on household income if the policy measures were funded from fuel bills or from taxation, taking account of income changes. The work concluded that income tax was the least regressive funding option, but considered that this was unlikely in the political climate. (It should be noted that, since this research was published, the RHI has been introduced and is funded from taxation.) The research proposed a framework within which energy suppliers recovered costs equitably rather than allowing commercial objectives to dominate. It also considered the impacts of a rising block tariff where the more fuel consumers use, the more they pay.

### *Rural fuel poverty*

CSE<sup>3</sup> quantified and reported on the extent and characteristics of rural fuel poverty in England. The study made comparisons between urban fuel poverty and rural deprivation and made policy recommendations. A separate study by Energy for Sustainable Development<sup>4</sup> provided information on domestic energy use and energy efficiency among low-income households in an area of South West Wiltshire designated a Rural Development Area (RDA). Although focused on one area of the country, the study provided insights and recommendations for actions which could be easily applied in other rural areas.

### *Health impacts of fuel poverty*

The University of Aberdeen with Castlehill Housing Association and Aberdeen City Council Community Services<sup>5</sup> carried out a randomised controlled trial among homeowners, housing association and council tenants experiencing fuel poverty. It assessed the impact of participation in a programme to improve the energy efficiency of homes to bring them up to the affordable warmth standard. The trial evaluated health benefits of the scheme for patients with Chronic Obstructive Pulmonary Disease and the effect of the home improvements on respiratory health. This study informed housing and health policy in the UK.

### **Access to services**

People in vulnerable circumstances face multiple barriers in accessing information, advice and assistance to alleviate their fuel poverty. These have led to a number of studies being funded whose overall objective was to achieve a better understanding of consumer vulnerability, and to make practical recommendations for improving policies and practices. Among these was a study by the Centre for Consumers and Essential Services at the University of Leicester<sup>6</sup> which concluded that consumer vulnerability should draw on over-arching anti-discrimination and equality policies.

### **Disability and fuel poverty**

In a later study, the Centre for Consumers and Essential Services<sup>7</sup> examined the circumstances and needs of disabled people in relation to energy, including factors relating to high essential usage and affordability. Similarly, in recognition of growing concern about the impact of fuel poverty on disabled people, particularly at a time of changes to the benefits system, the Department of Social Policy and Social Work at the University of York<sup>8</sup> undertook a project which makes clear policy recommendations as to how to alleviate the negative and unintended consequences of changes in social security.

### **The European dimension**

Traditionally, fuel poverty has been regarded as a British and Irish phenomenon. However, with the accession of numerous countries to the European Union (EU), rising fuel prices and the move towards a single liberalised energy market, fuel poverty is becoming an increasingly recognised phenomenon for the EU as a whole. Thomson at the University of York<sup>9</sup> recognised a lack of information in this area and undertook a Masters dissertation on existing and emerging definitions of fuel poverty across the EU member states and how these were linked to social inclusion agendas. She later continued, with colleagues at York, to create a database of European fuel poverty resources and a website to support and bring together researchers and practitioners working in the field of fuel poverty across the EU.<sup>10</sup> The University of York's Department of Social Policy and Social

Work<sup>11</sup> is now using its experience to conduct a pilot survey in 8 EU Member States and to develop a toolkit that provides guidance on best practice for measuring fuel poverty.

### **Best practice and toolkits**

Many Trust-funded projects have assessed barriers to adopting measures or behaviours to reduce the incidence of fuel poverty. They have gone on to provide toolkits and practical products for individuals or practitioners.

Parish, Town and Community Councils have close links to the people within their communities. They are therefore well-placed to play an active role in encouraging energy efficiency investment. Wade and Jones<sup>12</sup> undertook a project on how local councils could act to improve the equity of implementation of home energy efficiency policies in the UK, focusing in particular on the Green Deal (including Green Deal finance and the Energy Companies Obligation). Following workshops, they went on to develop a free toolkit of resources to support local councils' work on energy efficiency. They also concluded that there is a need for much more work to engage local councils in energy efficiency action.



**Animating communication in Leeds.**  
(Image © Leeds Animation Workshop)

The approach taken by the Leeds Animation Workshop<sup>13</sup> was to use focus groups and needs assessment to determine how best to present information to vulnerable consumers, particularly those with learning disabilities. Working with people with a learning disability and with energy

experts, they produced a DVD resource pack that includes three short animated stories showing examples of people saving energy at home. It is available on Leeds Animation Workshop's website and over 8,000 copies of the DVD pack and accompanying poster have been produced and distributed widely.

A project by the group Thrive<sup>14</sup> worked with people suffering from financial exclusion. Using the Sustainable Livelihoods Framework, this community-based project in Stockton-on-Tees mentored and developed social bonds with excluded individuals. They trained 15 local volunteers to work with households to identify people's budgeting strengths and highlight gaps between those strengths and the services they need. The outcomes included stronger social networks, enhanced self-confidence and esteem, better access to services and improved well-being. The project succeeded in moving people from financial disadvantage to financial inclusion using their own assets, rather than relying on external agencies.

CSE, ACE and Moore<sup>15</sup> developed an interactive tool, the Housing Energy and Fuel Poverty Assessment Tool (HEAT), that helps practitioners and researchers decide which measures will provide the most impact on fuel poverty in any specific area. It takes account of wall constructions, conservation areas and the other variables that make up a regional housing profile. Their aim was to develop the tool so that it could easily and continually be kept up to date. This important work builds on previous Trust-funded studies.

## Attitudes and impacts

The coping strategies of 700 households in Great Britain were looked at by CSE and the University of Bristol Personal Finance Research Centre<sup>16</sup>. They found that those on low incomes had to control their budgets very tightly. They cut back on essentials to cope with available income, sacrificed food quality and searched for bargains. Over 60% had cut back on costs by turning their heating down or off. Whether they felt cold or not frequently depended on the success of their strategies for wrapping up warm, staying in one room and making hot drinks. The incidence of switching

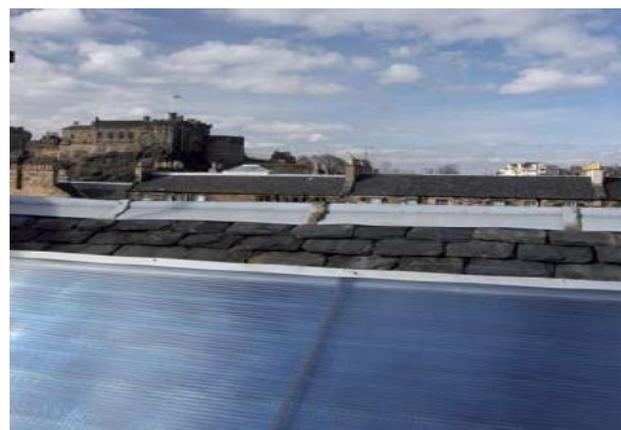
energy supplier was low and unpopular, as there was no guarantee that prices would be lower.

The impact of cold housing on children was looked at by the National Centre for Social Research<sup>17</sup>. They analysed the findings of the Families and Children Study (FACS), a longitudinal survey of the same families over a four year period. It divided 'bad housing' into three types: overcrowded, poor state of repair, and inadequately heated. They found that far more children live in bad housing at some stage than single-year surveys suggest: 4% of all children, but 19% of children in private-rented accommodation persistently live in inadequately heated housing. The research concluded that policy should focus on children who live in bad housing for long periods.

The Trust has supported research into fuel poverty in 'hard to treat' homes since 2002. In one such study CSE<sup>18</sup> evaluated attitudes to technically complex external and internal solid wall insulation. The study focused on households' perspectives in fourteen privately-owned homes in Somerset and provided insight into barriers and ways to overcome them.

## Use of low-carbon technologies

The final group of projects focus on low-carbon technologies and their role in addressing fuel poverty.



Solar panels in Edinburgh's World Heritage site. (Reproduced from the *Renewable Heritage* guide. Photograph © Changeworks)

Heritage properties, listed buildings and buildings in conservation areas have long been a thorny issue for energy efficiency practitioners. Changeworks<sup>19</sup> followed up their Trust-funded

project on insulating heritage properties with an award-winning demonstration project in Edinburgh's Old Town, a World Heritage Site where many residents are at severe risk of fuel poverty. Homes were highly energy inefficient but closely protected by conservation regulations. The demonstration project installed a number of solar water heating systems. Their findings were widely disseminated through a Renewable Heritage website and guide.<sup>20</sup>

Changeworks<sup>21</sup> has since gone on to develop and trial guidance on using solar photovoltaic (PV) systems to help tenants maximise their financial benefits to alleviate fuel poverty. A toolkit for social landlords has been produced, providing guidance on selecting properties and tenants who could benefit most from PV and on how best to implement user advice.

Finally, Saunders<sup>22</sup> in his Masters thesis at Imperial College London examined the impact of the Feed-In Tariffs (FITs) and Renewable Heat Incentive (RHI) using a literature review, modelling and case studies. Saunders studied renewable energy projects in low income areas to test his model and draw conclusions on access and affordability.

**The projects included in this digest in the order in which they are cited are as follows. Full details and reports can be found on Eaga Charitable Trust's website:**

<http://www.eagacharitabletrust.org/index.php/projects>

<sup>1</sup> *Costs of the ECO: the impact on low income households (2011)*

<sup>2</sup> *Distributional impacts of UK climate change policies (2010)*

<sup>3</sup> *Rural fuel poverty: defining a research agenda (2002)*

<sup>4</sup> *Rural fuel poverty: a project in South West Wiltshire to study rural fuel poverty and develop practical solutions (1998)*

<sup>5</sup> *The effect of the Affordable Warmth programme on internal environmental variables and respiratory health in a vulnerable group (2004)*

<sup>6</sup> *Too many hurdles: information and advice barriers in the energy market (2011)*

<sup>7</sup> *The Energy Penalty: disabled people and fuel poverty (2013)*

<sup>8</sup> *Fuel poverty and disabled people: the impact of policy change (2013)*

<sup>9</sup> *Qualifying and quantifying fuel poverty across the European Union using consensual indicators (2011)*

<sup>10</sup> *EU Fuel Poverty Network: development of an online fuel poverty database (2012)*

<sup>11</sup> *European fuel poverty measurement: pilot project (Western Europe) (in progress)*

<sup>12</sup> *Local councils and the Green Deal (2012)*

<sup>13</sup> *Everyone can save energy (2008)*

<sup>14</sup> *Community financial inclusion project (2010)*

<sup>15</sup> *Housing, Energy and Fuel Poverty Assessment Tool (HEAT) (2013)*

<sup>16</sup> *"You just have to get by": coping with low income and cold homes (2010)*

<sup>17</sup> *The dynamics of bad housing: the impact of bad housing on the living standards of children (2008)*

<sup>18</sup> *Evaluation of solid wall insulation in fuel poor households in the private sector (2012)*

<sup>19</sup> *Energy Heritage (2008)*

<sup>20</sup> *Renewable Heritage (2009)*

<sup>21</sup> *Using solar PV to tackle fuel poverty (in progress)*

<sup>22</sup> *What barriers and opportunities exist for FITs and RHIs to contribute positively to fuel poverty, equality and social inclusion while maximising renewable energy uptake? (2010)*

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**The Trustees would like to thank all contributors to this digest, including grant recipients and Jacky Pett.**

November 2013