

# More than one in five British households suffers fuel poverty

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Figures released recently by the Department of Energy and Climate Change (DECC) from their Annual Report on Fuel Poverty Statistics 2011 show a large rise in British households suffering from fuel poverty.

Households are defined as being in fuel poverty if they spend at least 10 percent of their income on energy bills. According to the study, the number of families that fell into fuel poverty had risen from 4.5 million in 2008 to 5.5 million in 2009. The majority of these were in England, where the number rose from 3.3 million to 4 million.

Official figures show that one in five British households suffered fuel poverty in 2009. Two years on, with a rise in unemployment, spiralling prices and falling wages, they will undoubtedly be much higher.

The majority of the DECC report concentrates on an analysis of fuel poverty in England, but incorporates separate statistics from the devolved administrations of Scotland, Wales and Northern Ireland. These administrations use slightly different models than England, based on the English Housing Survey, to calculate fuel poverty. The last official figures for Northern Ireland, Scotland and Wales cover the 2008/09 period.

In those 12 months Northern Ireland had the biggest proportion of households—a staggering 43.7 percent in 2008—suffering fuel poverty, followed by Scotland with 32.7 percent in 2009, Wales, 26.2 percent in 2008 and England 18.4 percent in 2009.

Even the Conservative/Liberal government has admitted that 100,000 more families in England alone were expected to go into fuel poverty this year.

The DECC report was released only days prior to the announcement of increases in gas and electricity prices by all the major suppliers. British Gas said its gas prices will rise by an average of 18 percent and

electricity by 16 percent. Scottish Power has raised its gas prices by 19 percent and electricity by 10 percent.

In early July, prior to the release of government figures, uSwitch (a price comparison web site) published research strongly suggesting that some 6.3 million British households pay 10 percent or more of their household income towards their energy bills. It means that in one of the biggest economies of the world, an astonishing quarter of all households find it difficult to heat their homes.

The uSwitch research does not factor in the increases just announced by the privatised energy companies, which have yet to hit household budgets. It was only last December, when energy prices rose 7 percent. In total, in less than a year, British energy prices have risen on average by approximately 25 percent.

Consumer Focus said the official figures of an extra 100,000 in fuel poverty hides the true hardship caused by rising fuel prices for millions of families. The charity's spokeswoman Audrey Gallacher said this was because the department's predictions did not take into account that four of the big six energy providers have yet to announce expected price increases, "If these [new price rises] are in line with British Gas and Scottish Power, around 12 million people, or 6.4 million British households, are likely to be in fuel poverty," she said.

The endemic level of fuel poverty in the UK was revealed in recent figures for Scotland. The Scottish National Party (SNP) government said last month that recent price rises by utility firms could result in an additional 170,000 households facing fuel poverty, bringing the total to 939,000 households. The most recent survey found that mid-2010 there were 2.36 million households in Scotland. This means, based on the government's own figures, nearly 40 percent of all

Scottish households will be forced into fuel poverty in the immediate period ahead.

Not one politician from any of the main parties has seriously protested the rampant profiteering by the private utility companies who supply British households. Climate Change Minister Greg Barker, while admitting the fuel poverty figures were very high, was able to pass responsibility onto the previous Labour government, who he accused of creating the circumstances for today's crisis.

Just as is the case with the Conservative-Liberal Democrat coalition, the Labour government from 1997 to 2010 was firmly in the pocket of big business. With unabashed hypocrisy, Luciana Berger, the Labour shadow minister for climate change, said in response to the DECC figures, "We urgently need to curb price rises and tackle the menace of fuel poverty."

But the only "solution" she advanced was for, "more competition in the energy market to drive down the cost of electricity and gas bills".

Opposed to making the slightest inroad into the super profits of the major utilities, Berger stated, "Labour is calling for a Competition Commission inquiry into the big six energy companies and how they dominate the market".

She does not explain that "they dominate the market" and are able to reap today's gargantuan profits precisely because of the previous Conservative government's privatisation of the electricity, gas and water industries. Labour did nothing to oppose any of this in its 13 years in office and its own pro-business agenda has enabled the utilities to do as they please today.

Berger hailed Labour's much-vaunted Warm Front scheme, where very basic insulation and heating was installed in households on a highly restrictive means-tested basis. But the truth is that fuel poverty still increased markedly during Labour's period in office. The number of households in fuel poverty increased each year from 2003 to 2009. By 2009, four million households in England (18 percent of all households) were classified as being in fuel poverty. This was three times the number of households that were in fuel poverty in 2003.

The majority of those suffering from "fuel poverty" will be poor and suffer the effects of low wages, or be dependent upon welfare benefits, and living in

substandard accommodations. The UK has some of the highest poverty and child poverty figures among developed nations. Last winter was exceptionally cold and many had to spend upwards of 30-40 percent of their income on fuel.

The government is in the process of cutting schemes to support the elderly, phasing out energy assistance for poor households via the Warm Front scheme and reducing winter fuel payments by up to £100. This will lead to the deaths of thousands more elderly people. In 2009/10, nine elderly people died every hour from cold-related illnesses. In just a four-month period, 25,400 elderly people died in England and Wales, plus 2,760 in Scotland. The UK has the highest winter death rate in northern Europe; worse than much colder countries such as Finland and Sweden.



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