

## Fuel Poverty and disabled people: the impact of policy change

### Research Summary

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This research investigated the relationship between fuel poverty and disability in the context of policy change. The project consisted of a literature review, statistical analysis of the English Housing Survey using three measures of fuel poverty, and findings from qualitative interviews with 16 key stakeholders and 19 households containing disabled people.

#### Research rationale:

Disabled people are recognised within research and policy as being a group 'vulnerable' to fuel poverty, however, there is very limited evidence that considers the relationship between fuel poverty and disabled people, or the impact of welfare reform *and* fuel poverty policy on disabled people. Given this gap in knowledge Eaga Charitable Trust funded the Department of Social Policy and Social Work and Centre for Housing Policy at the University of York to investigate the relationship between fuel poverty and disability in the context of policy change. This project set out to answer three research questions:

1. What evidence currently exists around the relationship between fuel poverty and disabled people?
2. What are the needs of disabled people living in fuel poor households?
3. What can policy learn from these research findings?

#### Methodology:

The project methodology consisted of: a literature review; statistical analysis of the

2010-2011 English Housing Survey (EHS), using the 10 per cent (basic and full income) and Low Income High Cost (LIHC) measures of fuel poverty; qualitative interviews with 16 stakeholders working in agencies that address fuel poverty, and 19 interviews with disabled people and the parents of disabled children.

#### Summary of the literature review:

There is a clear relationship between ill health and fuel poverty, and those with particular impairments and conditions may require more energy in order to maintain their existing health status (for example, warmer temperatures, longer periods of warmth, or the use of energy intensive equipment). At present the existing definition of fuel poverty does not reflect these additional needs. Equally, the current definition treats Disability Living Allowance (DLA) and Attendance Allowance (AA) as general income despite advice to the contrary by the Fuel Poverty Review.

Substantial changes to the welfare system have been implemented during the lifespan of this project including the following: Incapacity Benefit (IB) to Employment

Support Allowance (ESA), Universal Credit, and DLA to Personal Independence Payments (PIP). The impact of cuts to budgets is already said to have had a negative impact on disabled people on low incomes, through changes to local authority budgets, benefit levels and the availability of charitable support. Changes in welfare have corresponded with changes in fuel poverty policy. Whilst there is support for disabled people through policy, those of working age miss out on the Warm Home Discount Scheme (WHDS) core group and Winter Fuel Allowance. Depending on the criteria used, they may also be unable to access schemes through the Energy Companies Obligation (ECO) schemes, whilst subsidising those who are eligible.

Overall the literature review found that reduced incomes and higher energy bills will lead to an increased prevalence and experience of fuel poverty amongst some disabled people, especially those who lose out under benefit reforms and are ineligible for fuel poverty support. Additionally, it is likely that the circumstances of some disabled people will not be reflected in official statistics either because their incomes are exaggerated, or energy needs under estimated.

#### Headline findings:

The statistical analysis of the EHS found that:

- A greater proportion of households containing disabled people are fuel poor compared with households that do not contain disabled people.
- When DLA and AA are removed from the calculation of income, fuel poverty rates increase amongst households containing disabled people.

- Fuel poverty levels vary by household composition type, the presence of a disability and the measure of fuel poverty used. For example, under the full and basic income measures of fuel poverty, the highest rates are found amongst single disabled people under 60 (36.6 and 53.5 per cent respectively). However, these rates are substantially lower under the LIHC measure at 21.1 per cent.
- For households containing disabled people, fuel poverty rates are highest in the private rented sector. This occurs across all measures, with the highest rates found under the LIHC measure.
- Fuel poverty rates tend to be highest amongst all households that pay energy bills using prepayment methods across all three measures of fuel poverty, and are generally higher amongst households containing someone who is disabled. Fuel poverty rates amongst households containing disabled people that use standard credit are also comparatively high.

The qualitative analysis of households containing disabled people demonstrated diverse experiences in terms of affording the costs of energy. For respondents who were reliant on benefits, managing the costs of energy as part of total outgoings was becoming increasingly problematic. The increasingly discretionary and localised nature of support for households containing disabled people was identified as a concern, because in some areas, DLA was being counted as general income to pay for rent, disabled people were being turned down for Discretionary Housing Payment, or were a low priority for this form of assistance. In

addition, the uses to which benefits such as DLA and Carers Allowance were being put meant that incomes were being stretched. The combination of changes to benefit entitlements, for example to council tax or Housing Benefit, had significant consequences on the ability of these respondents to pay for fuel.

Stakeholders highlighted the crucial role of working at the local level to identify and work with households who would benefit from energy efficiency measures. A number of respondents and agencies highlighted the difficulties of maintaining adequate levels of warmth for households containing disabled people in dwellings with poor levels of energy efficiency, or inadequate heating systems. The health sector was viewed as having a potentially crucial role to play in alleviating fuel poverty amongst households containing disabled people. In the face of difficulties in identifying and targeting disabled people through data matching exercises at the national level, initiatives and funding via the health sector was thought to provide an alternative avenue for identifying and supporting the energy requirements of disabled people.

#### **Discussion and policy recommendations:**

The analysis of the data, combined with existing knowledge on the relationship between fuel poverty, disability and poverty has led to five key observations and related recommendations.

Firstly, the statistical analysis of the EHS found higher rates of fuel poverty amongst households containing disabled people compared with households not containing disabled people. This is unsurprising given that disabled people are more likely to experience poverty compared with non

disabled people. Rates of fuel poverty vary according to the measure used.

The results presented here (and in official calculations of fuel poverty) do not account for the elevated energy needs of people with specific impairments or conditions, and as such are likely to underrepresent the extent to which some disabled people are struggling to pay for energy costs, or are risking their health by not using sufficient energy. The qualitative research backs this up, demonstrating a higher need for both heat and energy due to particular impairments; longer periods of time spent in the home, and the difficulties associated with paying for this.

**RECOMMENDATION ONE:** Ensure that the needs of disabled people are fully acknowledged within relevant fuel poverty policy, recognising that needs are diverse, fluctuating, nuanced, and in some instances masked by official statistics. Recognition of the problem should not be limited to fuel poverty policymakers, but also those working in other relevant areas such as health and social care. Given the difficulties associated with identifying and targeting fuel poor disabled people, local networks and the engagement of the health sector may help support those in most need.

Secondly, fuel poverty rates increase where DLA and AA are removed from calculations of income. This was recommended by John Hills in the Fuel Poverty Review, and is an argument present in general discussions about the measurement of poverty. The qualitative findings demonstrate the pressure being put on DLA to be used repeatedly as a form of everyday household finance.

**RECOMMENDATION TWO:** As recommended in the Fuel Poverty Review, DLA and AA should not be treated as disposable income in the measurement of fuel poverty. More generally, policymakers and those working in front line agencies need to be far more aware of the multiple claims being made on DLA. The same principle should be applied to new disability related benefits such as PIPs.

Thirdly, the literature review, statistical and qualitative analysis demonstrate a mismatch between the provision of fuel poverty support and those in most need. Under the 10 per cent definition of fuel poverty single households composed of disabled people under the age of 60 have high fuel poverty levels, and are not necessarily able to access the WHDS. This group are also vulnerable to other cuts and changes in welfare, whereas those over 60 are more likely to be protected from these. Additionally, factors such as not being the named bill payer, time lags, and different eligibility criteria for the broader group of the WHDS were all noted as preventing access to support. Following the withdrawal of social tariffs this issue has become more problematic as social tariffs had broader eligibility criteria.

**RECOMMENDATION THREE:** Include disability as a qualifying factor for the core group of the WHDS and the ECO. Consider the presence of a disabled household member as a qualifying factor (rather than that person being the named bill payer). Ensure that holders of the WHDS are able to switch providers without having to reapply for it.

Fourthly, fuel poverty rates were found to be highest in the private rented sector, and the qualitative findings also demonstrated concerns about this amongst key

stakeholders, including some of the private tenants who were interviewed. Disabled people may be especially disadvantaged here given the limited supply of appropriate housing in this tenure.

**RECOMMENDATION FOUR:** address housing conditions in the private rented sector as a matter of urgency. The links between poor health and role of the health and social care sector may be crucial here, for example, through energy on prescription.

Fifthly, more households containing disabled people are on prepayment meters for their gas (where connected) and electricity supply than households without. Whilst there is evidence within the qualitative interviews that this can help manage household bills and budgeting, concerns were raised by the stakeholders about risks of self disconnection and higher energy charges, and the practical difficulties of using them. Whilst it is illegal to disconnect vulnerable customers in the winter, installing a prepayment meter is not. This could be considered as devolving disconnection decisions to the bill payer. Given what is known within the health literature about under heating the greater potential for self disconnection could be highly dangerous for health.

**RECOMMENDATION FIVE:** Serious attention should be paid to the suitability of prepayment meters for disabled people, in terms of their useability, and also given the elevated risks associated with self disconnection. Again, a broader understanding of this issue amongst other sectors in direct contact with disabled people (such as health and social care) may help address self disconnection more urgently.

## Conclusion

The recently adopted LIHC definition changes the landscape of fuel poverty, on the whole reducing rates in the analysis presented here. However, we argue that disabled people, especially those on low income benefits and with high energy needs may still experience cold, damp housing, and/or energy debt, regardless of whether or not they are defined as fuel poor. Whilst official measures continue to neglect the *actual* energy needs of some disabled people, it is essential that policymakers and practitioners recognise the diverse, nuanced, fluctuating needs that some disabled people have, and work to support these. In the current climate, the assumption that disability related benefits such as DLA and AA (and new benefits such as PIPs) can be used for energy payments is highly flawed, given the many other claims being made on these benefits.

## Further details

Full project outputs can be found on the Eaga Charitable Trust website:

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

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