

The background of the slide is a scenic rural landscape. The top half is a semi-transparent red overlay containing the title and speaker information. Below the red overlay, the landscape shows rolling green hills, fields, and a small village with white houses and a church spire. The sky is clear and blue.

Identifying and Tackling Rural Fuel Poverty

Holly Jago, Corporate Affairs Manager,
Calor Gas Ltd

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Off-Grid Market Overview

- Almost **4 million** UK households are not connected to the mains gas grid
 - 51% rural off-grid
 - 49% urban off-grid
- UKLPG estimates that **the c.2 million rural off-grid** households use:
 - 54% heating oil
 - 27% electricity
 - 10% solid fuel
 - 9% LPG (Bulk and Cylinder)

Annual Fuel Poverty Statistics Report 2015 - England

		No. FP h'holds	% of total h'holds	Avg. FP gap (£)
Actual	2012	2.36 million	10.9	385
Actual	2013	2.35 million	10.4	374
<i>Estimated</i>	<i>2014</i>	<i>2.36 million</i>	<i>10.9</i>	<i>374</i>
<i>Estimated</i>	<i>2015</i>	<i>2.34 million</i>	<i>9.9</i>	<i>386</i>

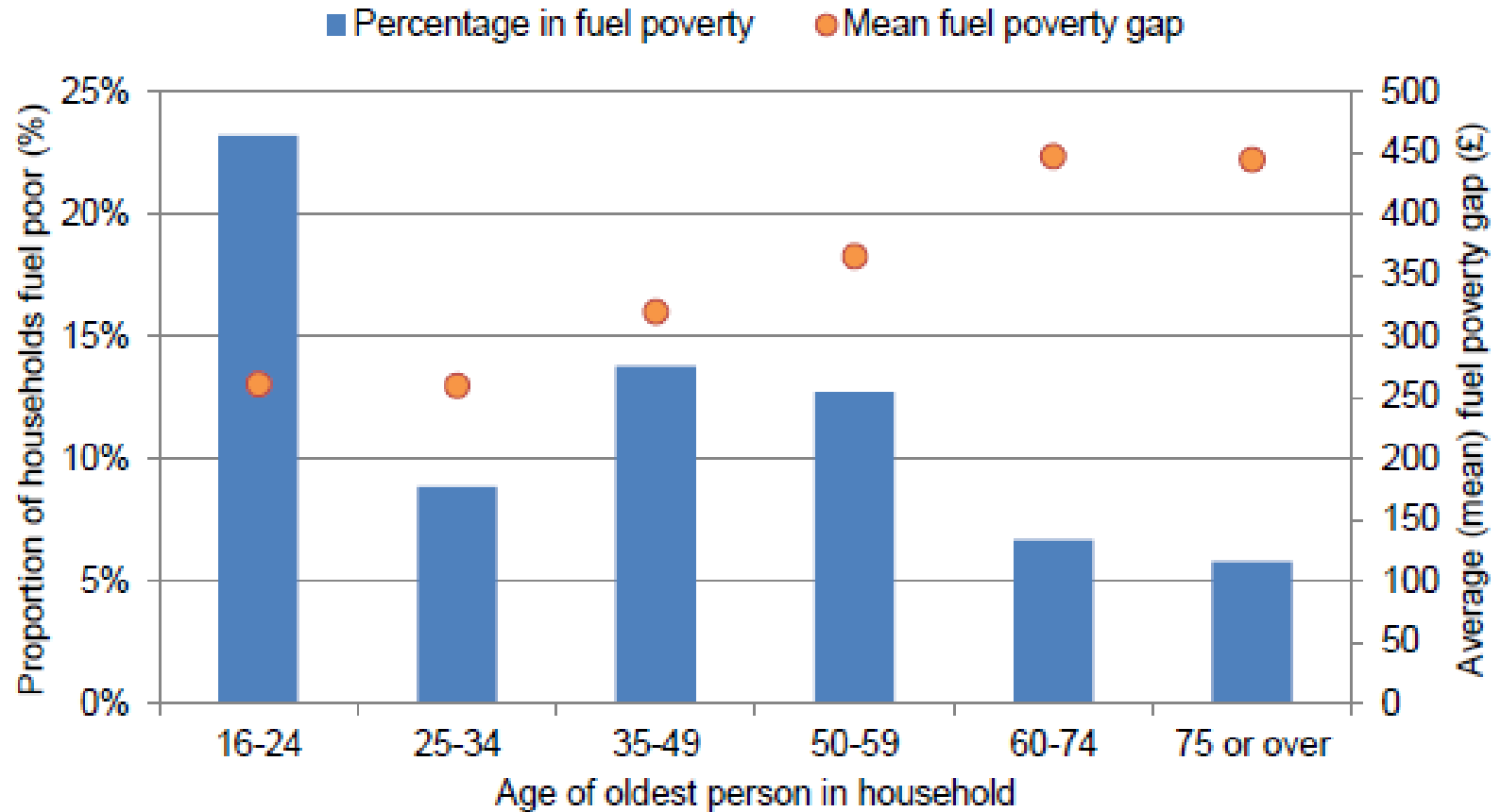
Reasons for slight decrease 2012- 2013:

- Economic recovery
- Rising incomes
- Improvements in energy efficiency

Post Jan 2014 – significant fall in oil price and energy costs likely to alter projections for 2014/2015

Fuel Poverty and Age

Chart 3.10: Fuel poverty by age of oldest person in household



Rural/Non-Mains Gas Areas

- **2.36 million** fuel poor households in England
- **c.500,000** fuel poor households live in **rural locations**
 - (includes mains and non-mains gas)¹
- **c.533,000** fuel poor households **do not have access to mains gas**
 - (includes urban and rural non-mains gas)²
- Greater numbers of fuel poor are urban, but **problem is more acute in rural areas**
- Non-mains gas fuel poverty gap is **typically double** the mains gas gap
 - i.e. over £1,000³

1 Annual Fuel Poverty Statistics Report, 2013

2 Annual Fuel Poverty Statistics Report, 2012

3 Energy and Equity One Year On, NEA, 2014

Fuel Poverty and Access to Mains Gas

% Fuel Poor Households within LSOA (Lower Super Output Area)

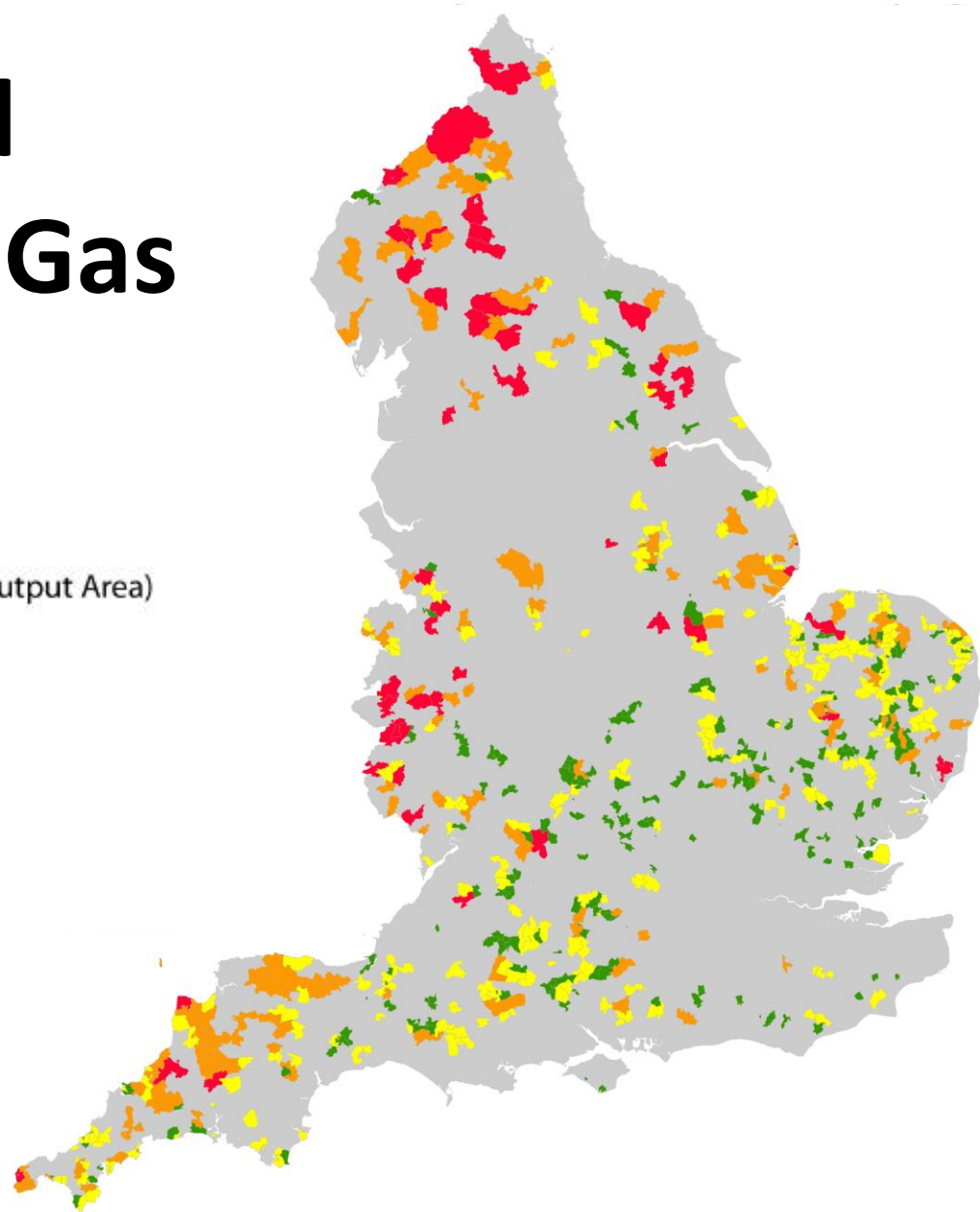
0% to 6%

6% to 7%

7% to 8%

8%+

LSOA's partially or completely on mains gas





free



Campaigning for Warm Homes



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Rural Fuel Poverty Characteristics

- **Dispersed hidden nature**
 - Isolation of households, reluctance to admit problems, area based indicators ineffective
- **Under-occupancy**
 - Retired people, large homes, unable/unwilling to downsize
- **Housing stock**
 - Hard to treat, solid floors and/or walls, listed buildings, conservation areas, planning restrictions
- **Private rented/tied accommodation**
 - Concerns landlords will increase rent, unwilling to complain
- **Lack of benefit take-up**
- **Lack of electricity switching**

Barriers to Delivery of Assistance

- **Lack of understanding** of rural fuel poverty by Central Government
- **Lack of credible information** and **formal assistance schemes**, appropriate to rural householders
- **Prohibitive increased cost** of delivering practical measures
- **Difficulty** of successfully engaging with rural communities
- **Complexity** of rural building design, fabric, and heating systems
- **Hidden nature** of rural fuel poverty
- Homes with affordable warmth issues often also require **assistance in additional areas**
 - Health, finance, transport and employment

Action by Government

- Rural Safeguard within Energy Company Obligation (ECO)
- Introduction of the domestic Renewable Heat Incentive (RHI)
- Establishment of off-gas sub-group of the Fuel Poverty Advisory Group (FPAG)
- Ministerial rural fuel poverty roundtable
- New fuel poverty target in England
- Consultation on new fuel poverty strategy

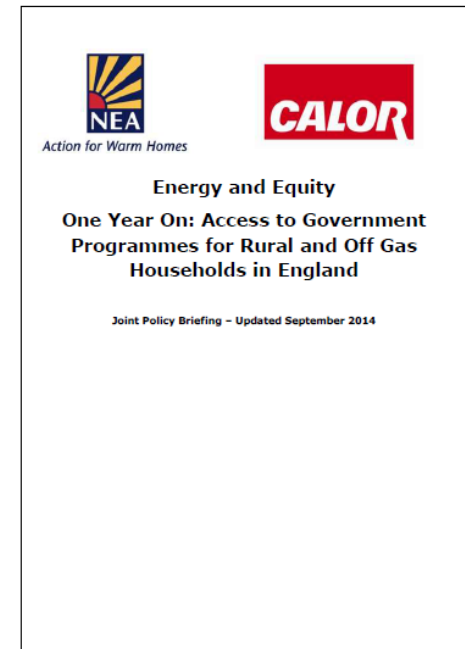
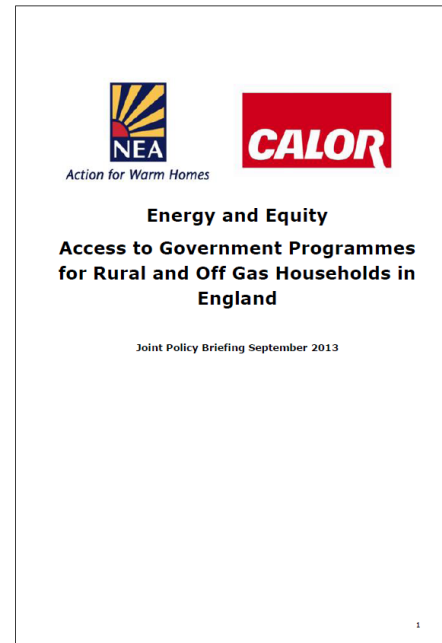
Is Fuel Poverty Policy Working in Rural Areas?

	Total ECO Measures	Rural Safeguard CSCO	% Total Measures
Aug-14	939,863	1,443	0.15
Aug-15	1,560,037	60,593	3.88

- “Big 9” providing very little support to rural off gas grid households
- “Rural” defined as settlements up to 10,000 people
- IMD criteria widened from 15% to 25%
- Non mains gas measures incentivise urban electric replacement
- Heating oil and LPG boilers excluded from Green Deal Home Improvement Fund

Calor NEA Joint Policy Report

- Launched at **Political Party Conferences** – October 2013
- Updated October 2014 – **‘One Year On’**
- Shared with **Fuel Poverty Advisory Group**
- Briefed into **DECC and DEFRA policy teams**
- Shared with **NEA Business Supporters Group**



Future Recommendations

1. Understand why **previous schemes** have missed rural areas
2. Properly **define** “Rural Off Gas Grid”
3. Recognise ‘**one size fits all**’ solutions will not be effective
4. Ensure current and future policy does not **unfairly disadvantage** rural off gas grid
5. Get the funding right - dedicate **appropriate resources** to rural off gas grid
6. Put dedicated **targets** and **measurement metrics** in place
7. Provide equal access by **mandating ECO Suppliers** to deliver into rural off gas grid areas
8. **Maximise income** and mitigate high energy prices via other means – i.e. WHD
9. Utilise local **trusted intermediaries**
10. Share **best practice**

www.uklpg.org



The trade association for the LP Gas industry in the UK

LP Gas Industry - Vulnerable Persons Protocol

Companies who supply bulk liquefied petroleum gas (LPG) to domestic customers and are members of UKLPG agree to the principles set out in this protocol.

Background

LPG is sourced from refined oil or separated from natural gas streams and is subject to separate wholesale markets that exert a significant influence on end consumer pricing. Three national companies and 22 regionally based UKLPG member companies buy LPG from wholesalers and distribute it to end users.

Bulk LPG is delivered as a liquid into bulk storage tanks from which the LPG is taken as a vapour to supply energy to the home or groups of homes.

The bulk storage tank and its fittings are subject to certain statutory rules and for these reasons, as well as to meet general principles of safety, the tank is virtually always owned by the LPG supplier. This

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Calor and Vulnerable Customers

- Identification, verification & recording
- Priority Services Register
- Customer prioritisation hierarchy
- Payment options and payment plans
- Delivery plans
- Disconnections

Questions?

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