

Children Living in Fuel Poverty

*This is the 21st Century, and we live in one of the richest countries in the world.
No Scottish child should live in a cold, damp home - and no parent
should have to choose between feeding their kids and keeping them warm.*

1. Summary:

The latest figures produced by Scottish children's charities show that huge fuel price increases have increased the number of children living in fuel poverty to over 100,000 - more than double that found in the last household survey four years ago.

The Scottish Executive is to be commended for investing significant funds in tackling fuel poverty, but the main thrust of these programmes has been to help pensioner households.

Energy companies each promote their own corporate social responsibility schemes, but these are dwarfed by the scale and frequency of recent price rises. To really address fuel poverty we need to see the companies addressing the prices paid by vulnerable families. Discounted energy packages can and should be part of the solution

2. Background:

The Scottish Executive's Fuel Poverty Statement defined fuel poverty as follows: "A household is in fuel poverty if, in order to maintain a satisfactory heating regime, it would be required to spend more than ten per cent of its income (including housing benefit or income support for mortgage interest) on all household fuel use."

For those living in fuel poverty, the consequences are misery, discomfort, ill health and debt. It often means choosing between essential household items or living in an adequately heated home. According to the Executive's Scottish Fuel Poverty Statement, living in a cold, damp environment can cause discomfort and ill health. For example, health problems such as influenza, heart disease, and strokes can be exacerbated, and cold homes can promote the number of dust mites and the growth of fungi, which are often linked to asthma and other similar conditions. Households that need to spend a large part of the family income on fuel often have to spend less on other parts of the family budget. This may lead to a poor diet or reduced participation in leisure activities, both of which can impact quality of life and health, especially for vulnerable people such as children. Children's education may also be adversely affected. Cold homes can increase the amount of time it takes to recover from an illness, which could result in longer absences from school. Overcrowding in heated areas of the house could be distracting for a child who is trying to do schoolwork.

Contrast this with the aspiration set out in Article 27 of the United Nations Convention on the Rights of the Child (UNCRC) – "State Parties should recognize the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development."

The most recent detailed figures are sourced from the Scottish House Condition Survey in 2002¹, which was based on analysis of a representative sample of 15,000 houses. This estimated that the number of households in fuel poverty in Scotland was 286,000 (13% of all households). In over ten percent of these households there were children, so a total of 46,000 children in 28,000 Scottish households lived in fuel poverty.

The report stated that for every 5% rise in average annual fuel price, an estimated 30,000 more households would go into fuel poverty, corresponding to an extra 5,000 children.

¹ See <http://www.shcs.gov.uk/>

3. Latest Figures:

Scotland's children's charities have produced an updated figure, allowing for the impact of fuel price rises, changes in income and energy efficiency measures. Our research suggests that the number of Scottish children living in fuel poverty has now topped 100,000.

Energywatch estimate that electricity and gas prices increased by 60% and 91% respectively over the four years. Using the prediction from the Scottish House Condition Survey this would place another 77,000 children in fuel poverty.

The answer to Parliamentary question S2W-28661 gives the change in median household incomes in recent years, suggesting that most fuel poor households had an average income increase of around 9.5%, enough to remove over 6,000 children from fuel poverty.

The answer to Parliamentary question S2W-28663 gives details on the number of households containing children which have been helped by the Executive's central heating programme, from which we can calculate that the programme will have helped over 2,000 children escape from fuel poverty (alongside a much larger number of pensioners).

Local authorities, Local Energy Efficiency Advice Centres, the Energy Savings Trust and others also have an impact upon fuel poverty. However their impact is not likely to be larger than that of the main Scottish Executive programmes.

Adding these figures to the 2002 estimate of 46,000 children living in fuel poverty suggests that the number of Scottish children now living in fuel poverty must be over 100,000.

4. Action on Fuel Poverty – the Scottish Executive:

We welcome the investment that the Scottish Executive has made in tackling fuel poverty. In order to extend these benefits to vulnerable families living in fuel poverty we suggest the following extensions to the existing programmes:

- 1) introduce a programme to install central heating systems in the fuel poor households where children currently live without a central heating system.
- 2) extend Central Heating Programme eligibility to families with a dependent child under the age of 5 who receive child tax credit paid at a rate which exceeds the family element or are in receipt of income support or income based JSA. At the same time, families in the same income category with a dependent disabled child under the age of 12 should be included in the programme;
- 3) eligibility for Warm Deal energy efficiency grants should be extended so that all families with a dependent child living in or at risk from fuel poverty are reached; and
- 4) in order to provide longer term solutions to fuel poverty, the scope of the Central Heating Programme should be widened to include micropower measures such as solar panels. These would ensure that systems provide long term sustainable solutions for families currently living in fuel poverty.

5. Action on Fuel Poverty – the energy companies

Most energy companies run some sort of programme for vulnerable customers, but are they doing enough? Consider Npower, who recently followed up three price rises (increasing electricity and gas costs by 45% and 55% respectively) with some helpful advice that parents worried about the cold should put their children to bed wearing hats and socks. Sensible enough advice - but an entirely inadequate response to the needs of vulnerable families.

Produced by Barnardo's, Capability Scotland, Child Poverty Action Group, Children in Scotland, Save the Children.