



Inquiry by the Environment, Food and Rural Affairs Select Committee into Energy Efficiency and Fuel Poverty

1. The Commission for Rural Communities (CRC) became an independent body on 1 October 2006, following the enactment of the Natural Environment and Rural Communities (NERC) Act.
2. The CRC provides independent advice to Government and others and works to ensure that policies reflect the real needs of people living and working in rural England with a particular focus on tackling disadvantage.
3. The CRC has three key functions:
 - Rural Advocate
 - Expert Advisor
 - Independent Watchdog
4. The CRC is responsible for hearing and capturing the concerns and priorities of rural people and their representatives and communicating these concerns publicly and to government.

Rural fuel poverty

5. The CRC recognises that although people in rural areas are subject to many of the same causes of fuel poverty as their urban counterparts, they may also face some additional 'rural' challenges.
6. The Centre for Sustainable Energy (CSE) calculate that 5.14% of rural households are fuel poor, compared with 5.30% in urban areas¹.
7. Energy efficiency. The CRC estimate, using CSE data², that 33.4% of homes in rural areas have solid walls, which have a low energy insulation efficiency, compared to 25.9% in urban areas. In addition, 41.8% of rural homes are not connected to mains gas, compared with 8.7% in urban areas. This contributes to lower average Standard Assessment Procedure (SAP) ratings of only 32 in isolated rural areas and 43 in village centres compared to an urban and national average of 51³. However, less than 10% of Warm Front grants have been delivered in rural areas⁴.

¹ % of households in fuel poverty relates to full income data that has been equivalised; Centre for Sustainable Energy (2007) 'Fuel Poverty Indicator', <http://www.fuelpovertyindicator.org.uk/>.

² Centre for Sustainable Energy (2007) 'Fuel Poverty Indicator', <http://www.fuelpovertyindicator.org.uk/>.

³ Commission for Rural Communities (2007) *State of the countryside 2007*, CRC: Cheltenham.

⁴ DEFRA (2004) *Fuel Poverty in England: The Government's Plan for Action*, DEFRA: London.

Recommendation

The Warm Front scheme should provide a more flexible system of grants that take into account the varying energy efficiency needs of many rural homes.

There should be an increase in targeted marketing activities in rural areas to encourage enrolment in energy efficiency schemes.

8. Income. The CRC supports the provision of the Winter Fuel Payment to older people living in rural areas. However, with the recent increase in fuel prices it is estimated that the Winter Fuel Payment covers less than one-fifth of the average fuel bill. In addition, many rural residents are subject to higher costs associated with the use of alternative fuels due to a lack of mains gas. The CRC welcome the recent announcements to increase the Winter Fuel Payment in light of these price rises, however, we would like to see the one-off additional Payment forming part of a longer term solution to increase the level of support available to older people in fuel poverty.

Recommendation

Older people in rural areas are compensated for the use of more costly alternative fuels through a more flexible Winter Fuel Payment, reflecting relative fuel price rises, possibly through vouchers.

9. Benefits. Household income can increase through the take up of relevant benefits and thus help to tackle fuel poverty. However, in rural areas the take up of benefits tends to be lower in villages and hamlets than in rural towns and urban areas. Recent work undertaken by the CRC estimates that more than 250,000 pensioners in rural areas are not claiming their entitlement to Pension Credit⁵.

Recommendation

There is a need for DEFRA and BERR to work more closely with the DWP to ensure that people in rural areas are taking up eligible benefits, which can help raise household income and tackle fuel poverty.

Commission for Rural Communities
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⁵ Commission for Rural Communities (2007) Pension Credit take-up in rural areas, *State of the countryside update*, CRC: Cheltenham.