

**What does LIHC do? A critical analysis of the new politics of fuel poverty in England**

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## Abstract

A household is fuel poor when it is unable to afford the level of energy services required to allow its members to live a decent life. From 2010-2015, the UK government transformed the politics of fuel poverty, producing a new working definition ('Low income, high costs' or LIHC) with new indicators and targets. I use a subjectivity framework to analyse the documentation around this change in politics, with some interesting insights. The distinction between poverty and fuel poverty is reinforced by the change in politics, with energy efficiency measures now heavily prioritised. The austerity maxim of 'helping those most in need' is threaded through this new politics, masking an acceptance that not all fuel poverty can be alleviated. Further, LIHC substantially underplays the role of fuel prices, which here have no effect on overall numbers under the new measure. This change in politics distances fuel poverty from broader welfare politics.

**Keywords:** austerity, coalition, fuel poverty, LIHC, subjectivity

## Introduction

*Serait-elle enfin un artefact pour éviter de traiter la question de fond de la pauvreté? (translation: Is it [fuel poverty] perhaps an means of avoiding tackling the more fundamental problem of poverty?) (Observatoire National de la Précarité Energique, 2015)*

Between 2010 and 2015 the UK coalition government commissioned a review of fuel poverty policy. That review was conducted by John Hills, and resulted in two documents which focused on questioning the existing definition of fuel poverty (where households have to spend 10% of their income on energy costs), auditioning other contenders, and proposing a new definition (Hills, 2012; Hills, 2011). From this review, the 'low income high cost' (or LIHC) measure was born: a household is fuel poor if it has lower than average income, and higher than average fuel costs. LIHC has since been written into English fuel poverty policy, and has resulted in a change in fuel poverty politics. The UK is widely perceived to be leading the fuel poverty agenda and LIHC has been influential elsewhere, with other nations taking note of it (Poland), and adopting it as *a* (France) or *the* (Slovakia) indicator of fuel poverty (Strakova, 2014; Observatoire National de la Précarité Energique, 2015).

This change in politics results in an important shift in the problematisation of fuel poverty: from a condition that should and can be eradicated (as the previous fuel poverty target aimed for by 2016), to a condition that can at best be alleviated. As Ed Davey, the energy minister under the coalition, puts it:

But with upwards pressure on energy bills caused by rising global energy prices and the diversity of our housing stock, our work also makes it clear that fuel poverty is a challenge of both scale and complexity. *It is not a problem that can be eradicated in any meaningful way, certainly not by 2016, and not in any short time horizon. The reality of the current economic situation is that there are only limited resources to tackle the problem. So we need to use those resources effectively.* (DECC, 2013: my emphasis)

This change of problematisation is reflected in the LIHC definition, which was chosen partly because of its tendency to show a consistent population of fuel poor households over time. This contrasts with the 10% definition which tended to track changing energy costs. While the government implies that the change of problematisation is Hills's expert opinion on the 'reality' of fuel poverty (DECC, 2013), this is rather disingenuous: in fact the categorisation of fuel poverty as 'impossible to eradicate' is both highly political, and timely given the previous aspiration to eradicate this problem by 2016. Note that numbers of fuel poor households were also approximately halved by this change

in measure, as a result of the elimination of low income, low cost (LILC) and some high income, high costs (HIHC) households.

A change in definition, and associated strategy, targets and indicators, reflects the politics of those governing. The case of fuel poverty is no exception. Indeed despite the claims to 'truth' peppered throughout the associated documentation, there are many ways of problematising this issue. In this paper, I uncover the new politics of fuel poverty by critically analysing the Hills review documents, and the ensuing set of policy documents. Using a framework derived from Rose (1999), I identify some key tenets of the coalition's approach to fuel poverty, and consider the effects of these. First, the LIHC definition further entrenches the distinction between poverty and fuel poverty, obfuscating any links between these agendas. This results in a stronger emphasis on energy efficiency as the only possible policy solution to fuel poverty. Second, the emphasis on cost-effective spending, and in association identifying and targeting the 'most vulnerable' fuel poor, results in a tacit acceptance that some fuel poor households will have to fend for themselves. Third, the attempt to decrease the impact of changing prices on the indicator obscures the role of energy markets in producing fuel poverty. The overall effect of LIHC is to further entrench the idea that reform of the energy market, and addressing income inequality are policy options that are outside the realms of possibility.

I begin here by outlining the method and the material under analysis, showing how I have used a critical approach to understand the material. I then outline the four key themes emerging from the analysis. In the discussion I characterise the new subject of fuel poverty, looking at how this subject is constituted and how this contrasts to the subjects of related policy. There are some intriguing contrasts and parallels here with welfare policy under the coalition government. In particular, unlike welfare policy (see for instance Wiggan, 2012; Pantazis, 2015; Pemberton et al., 2015), fuel poverty politics does not create individualised subjects or turn to behavioural explanations and strategies. It does, however, reinforce the idea that only the most vulnerable are worthy of assistance.

## Understanding policy through a subjectivity lens

My objective here is to critically analyse coalition fuel poverty policy by understanding this as a change in politics, and by placing it in the context of broader energy and poverty politics. I start by drawing on Nikolas Rose, who, inspired by readings of Foucault and his studies on the 'self', characterised his approach as follows:

I ask a different question: how have persons been shaped by prevailing ways of thinking about human beings and acting upon them? That is to say, rather than trying to analyze how human individuals have been formed by particular social processes, I ask how persons have been understood within particular practices, how these understandings might have come about, what kinds of techniques for acting on human beings were linked to those understandings, what kind of consequences followed. (Rose, 1999: , p. xvii)

In looking at fuel poverty politics using this approach, I am attempting to understand who is the subject of the change in definition. In Rose's terms I am investigating how people are understood in this particular politics of fuel poverty, how such understandings of the fuel poor have come about, what kinds of technologies and strategies are linked to those understandings of fuel poverty, and what consequences are there for the governance and experience of fuel poverty.

The material under analysis here is the Hills review itself (interim and final reports) (Hills, 2011; Hills, 2012), and associated government documentation produced by the Department for Energy and Climate Change (DECC), including the fuel poverty framework documents (chiefly DECC, 2013), the fuel poverty strategy documents (chiefly DECC, 2015), and several other documents concerning fuel poverty that were released during the coalition period analysis (for instance DECC, 2014). None of these make sense unless seen in historical context, so alongside these a series of key outputs in fuel poverty research and policy dating from before the coalition government also formed part of the

analysis (Boardman, 1991; Department of Trade and Industry, 2001: among others). Note that I am mainly treating the Hills review as background material, given its status as an independent review.

I am deliberately limiting my analysis to the public documentation around the policy. While there is plenty of scope for the application of this approach at a wider scale, this documentation provides a rich vein of data with which to begin to develop an analytical framework, and through which to grasp the main tenets of the coalition government's understanding of fuel poverty and the fuel poor. Further, there is limited critical comment on the LIHC and the change in fuel poverty definition either in the academic literature or in the public domain, and as such it makes sense to begin an analysis of LIHC with the policy itself.

I began by using seven sensitising concepts derived from Rose to approach the data (Rose, 1996; Rose, 1999). I took these concepts to the texts, by performing a qualitative analysis with the concepts as a structuring device. In practice this meant coding the documents in question with the seven concepts as axial categories. The key concepts are as follows (note that the seven concepts are collated from the two sources):

- **Problematisation:** "Where, how and by whom are aspects of the human being being rendered problematic, according to what systems of judgement and in relation to what concerns?"
- **Authorities:** "Who is accorded or claims the capacity to speak truthfully about humans, their nature and their problems, and what characterizes the truths about persons that are accorded such authority?"
- **Strategies:** "How are these procedures for regulating the capacities of persons linked into wider moral, social or political objectives concerning the undesirable and desirable features of populations, workforce, family, society, etc.?"
- **Technologies:** "What means have been invented to govern the human being, to shape or fashion conduct in desired directions, and how have programmes sought to embody these in certain technical forms?"
- **Teleologies:** "What forms of life are the aims, ideals or exemplars for these different practices for working upon persons?" (all citations from Rose, 1996: , p. 131-132)
- **Explanations:** "the operative concepts; the kinds of work done by the relations among concepts" (Rose, 1999: , p. xi)
- **Subjectivities:** ontological, epistemological, ethical, technical (Rose, 1999: , p. xii)

This process ensured that I undertook a critical analysis, as well as applying some of the techniques of qualitative analysis with particular rigour. For instance searching for negative instances and making theoretical comparisons were important (Seale, 1999). During this process a series of key themes emerged, including ideas that were repeatedly emphasised, and others that were repeatedly avoided. The second phase of analysis involved clustering these key themes, resulting in the four key points below.

I am looking to establish here: "how singular, ad hoc solutions to specific problems are routinized and rationalized into obvious and general solutions" (Villadsen, 2011: , p. 1063). The concept of *dispositif* is useful, as Villadsen defines it, indeed I am attempting to identify the "strategic logics which in retrospect seemed to have had an organizing role within practices where governing individuals intertwines with knowing them" (ibid, p. 1063) in fuel poverty politics. *Dispositif* is a useful concept to bring together Rose's concepts above, to understand how they are managed to produce a specific outcome. Note that a *dispositif* implies that strategies, technologies, subjectivities etc. are being used deliberately to produce a particular end. The specific *dispositif* of fuel poverty politics, is even more pronounced when contrasted with that of welfare policy, as in the discussion below.

Before I present the results of this analysis, I would like to say a few words on the value of this kind of critical analysis of documents in the public domain. As academics we have the privilege and the freedom to think critically about public policy. In the case of fuel poverty policy in England, there has been limited critique of the change to LIHC, and what does exist is piecemeal, critiquing parts the policy, not the change in politics as a whole. In a sense this analysis is about revealing what is 'hiding in plain sight' in the new fuel poverty politics, and in doing so offering a critical response that has been lacking to date in the public domain.

## **Entrenching the distinction between poverty and fuel poverty**

In his review, Hills considered the difference between poverty and fuel poverty, consulting on this, before finding that the balance of opinion holds that these are distinct problems (Hills, 2011). The ensuing government documentation takes this distinction as read. This is not a new distinction, but the Hills review represents a further entrenchment of this 'dividing practice', and as such merits further questioning. The distinction has highly important policy implications, chiefly because it distances discussions of fuel poverty from discussions of poverty. In doing so it foregrounds energy efficiency measures as an appropriate response to fuel poverty, above measures that address incomes or cost of living. There are two key questions here: first, what is the distinction between poverty and fuel poverty? Second, what is the value or power in separating these two concepts out?

If we were to compare the population living in poverty with those living in fuel poverty, we would likely come up with many of the same households. Certainly anyone living on a low income is likely to be struggling to pay their fuel bills. Of the three commonly cited drivers of fuel poverty: low incomes, high fuel bills (high living costs) and energy inefficient homes (Boardman, 2010), the first two of these are also contributors to poverty. The distinction made between the two concepts is based on the difference between the perceived solutions to each, with energy efficiency as a central solution. In an interview with Christine Liddell, Brenda Boardman (the grande dame of fuel poverty research and policy, and author of the 10% definition) characterises the difference between fuel poverty and poverty as based on the need for capital investment:

fuel poverty is very different from poverty because of the role of capital investment. Capital investment is endemic whenever you talk about energy, so as soon as you bring energy into the equation you are looking at something very different from poverty. (Brenda Boardman interviewed by Liddell, 2012: p. 15)

Capital investment here, implies investment in energy efficiency, rather than in any of the other drivers of fuel poverty. This argument is not entirely convincing, given that many other forms of poverty are also exacerbated by lack of capital. For instance, if you cannot afford to invest in a car you might be excluded from employment opportunities, resulting in poverty. Further one might see the need to procure a deposit for private rented accommodation, or to buy shoes for the children as forms of capital investment. From the household perspective, aside from energy efficiency measures, energy is another flexible cost, like food, which can be adapted to a changing budget [citation removed].

A focus on energy efficiency rather ignores the lived experience of fuel poverty. Fuel poverty can be driven by many factors other than energy efficiency (high cost of energy, ill health, low or unreliable income, etc.) many of which are also hallmarks of poverty [citation removed]. In effect, emphasising the differences between poverty and fuel poverty encourages us to leap straight to a possible solution (energy efficiency) instead of examining the complex and interrelated drivers of the problem. If we think about fuel poverty purely in terms of energy efficiency, it also makes sense to ignore an income poor household living in an energy efficient home, where there is no merit in pursuing further energy efficiency measures. This does not mean, however, that such a household is able to afford the energy services that it requires. If that household has an irregular and low income,

a high cost per kWh of energy, and if its members suffer health and social consequences as a result, it still faces a fuel poverty problem.

The importance of energy efficiency as a solution to fuel poverty is deeply embedded in the LIHC measure. To be fuel poor by this definition, a household has both a low income, and higher than average modelled fuel costs. The modeling here is important: as to avoid undercounting households needs, LIHC is not based on the costs a household incurs, but the costs it would need to incur to be heated to a healthy temperature. In effect the 'high cost' part of the measure amounts to a proxy for 'high needs'. So an income poor household living in an energy efficient home would be unlikely to be considered fuel poor under LIHC. In other words, households are only considered fuel poor under LIHC if it is possible to reduce their fuel poverty by increasing their energy efficiency.

As a result of this prioritisation of energy efficiency in the LIHC measure, the new 'fuel poor' include less low income, low cost (LILC) households. This causes some problems for policy-makers:

We set out in the previous section that fuel poverty is a distinct issue from poverty more generally and, as such, we do not consider that all low income households are in fuel poverty. However, we recognise that rising energy prices affect everyone and it is important that we understand the impact of rising energy prices on all low income households, whether they are fuel poor or not. (DECC, 2013)

This suggests a recognition that the dominance of energy efficiency in LIHC is somewhat problematic. Certainly, it points at a recognition that while LILC households are not defined as fuel poor, they are still vulnerable to some of the drivers and impacts of fuel poverty.

Before discussing the political impact of the distinction between fuel poverty and poverty, it makes sense to further explore how energy efficiency is positioned as the 'real problem' of fuel poverty.

### Positioning energy efficiency as key

At the start of this paper, I quoted Ed Davey, characterising the problem of fuel poverty as: "a challenge of both scale and complexity". In the documents under analysis it is energy efficiency, rather than complexity, that is emphasised with all the technologies of government (targets, indicators, definition) revolving around this key concept. For readers unfamiliar with this policy area, there has been a historic emphasis on energy efficiency (as problem and solution) (Boardman, 1991). In the process of redefinition overseen by the coalition government, I will argue that this is even further emphasised, resulting in a privileging of energy efficiency over the other two recognised drivers (low incomes, high energy costs).

To summarise the key changes, I will start with the fuel poverty target, which previously had aimed to eradicate fuel poverty by 2016 (DTI, 2001). Under LIHC the target is: "to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band C, by 2030" (DECC, 2015). Interim milestones aim to achieve a minimum of band E by 2020 and band D by 2025. The target therefore focuses entirely on the need to make fuel poor homes more energy efficient. The indicators are similarly energy efficiency driven. LIHC itself, while being based on income and costs, actually pinpoints the specific population of poorer people (LI) who have a need to spend more on energy bills (HC) as a result of energy inefficiency. DECC calls this the 'real problem' of fuel poverty: "the structural problem of some of the lowest income households living in some of the coldest, leakiest, hardest to heat homes" (DECC, 2015). Of the five subsidiary indicators in the strategy, four relate to energy efficiency or the presence of energy technologies (energy efficiency measures in fuel poor households; distribution of energy efficiency measures; fuel poverty in non-gas households; renewable energy for fuel poor households).

A focus on energy efficiency makes a lot of sense. After all, it is known that many fuel poor households are poorly insulated or relying on inefficient appliances (Boardman, 2010). Further,

investing in energy efficiency is a cost-effective strategy, certainly in the long term and sometimes in the short term. Energy efficiency investments result in long term savings: the benefits of insulating a house remain for many years. There are also substantial environmental benefits to be had from energy efficiency. Finally, energy efficiency is a source of economic growth, being a relatively new industry that can create jobs.

There are implications of such a strong focus on energy efficiency under the LIHC, however, that are not considered in the surrounding documentation. First, a focus on energy efficiency reduces attention to other structural problems, which exacerbate fuel poverty: particularly fuel costs and pricing, and income inequality. The LIHC, and the associated targets and indicators, present fuel poverty as a technical problem to do with the efficiency of the housing stock, which detracts from alternative problematisations. Fuel poverty could be conceived of as a market problem (the energy market and its regulation), an inequality problem (the gap between rich and poor). We need not stop here. Indeed there is a strong literature on fuel poverty as a health problem (lack of access to energy services) and an emerging consensus that it could be a tenancy problem (split incentives for tenant and landlord).

In summary, the consensus on the difference between poverty and fuel poverty in the new politics seems to be that you can treat one with energy efficiency, but not the other. The political effect of this distinction is, first, that the explanatory power of other drivers to fuel poverty (high energy costs and low income levels) is reduced. Second, that the associated policy measures (increasing incomes for the poorest and controlling energy costs) are marginalised. It is fair to say that policy to address inequality and regulate energy costs were not on the agenda under the coalition government, or indeed under the present Conservative administration. This may be the reason for a focus on energy efficiency, that it amounts to a pragmatic response on behalf of fuel poverty activists to deliberately distinguish this problem from that of poverty. The effect, however, is to further entrench policy on income inequality and energy cost control as outside of the boundaries of possibility. Finally, the division between fuel poverty and poverty further entrenches the divides between energy policy and welfare policy. The emphasis on energy efficiency certainly means that it is possible to ignore the impact that austerity measures have on the fuel poor.

### **Focus on finding and targeting the most vulnerable**

A new emphasis in the documentation around the change in definition is on finding and targeting the most vulnerable energy consumers. Ed Davey summarises this policy emphasis on targeting the most vulnerable in a ministerial foreword:

The new way of measuring fuel poverty – the Low Income High Costs approach – ensures we can better target the right people with the right measures, and prioritise people living in the deepest fuel poverty (DECC, 2015)

An emphasis on ‘targeting the most vulnerable’ is apparent throughout the documents under analysis. Hills raises this as an advantage of having two indicators (LIHC and FP gap) one of which focuses solely on the depth of fuel poverty (Hills, 2011). Two categories of people are alluded to as being ‘most vulnerable’ in the documentation: first, people who are experiencing big fuel poverty gaps (defined as the gap between what people need and what they can afford), and second, people that are inherently vulnerable to the effects of fuel poverty (fuel poor households that include older people, long term sick and disabled people, and children). These two groups are directly referenced in the three ‘principles’ guiding the government approach to fuel poverty: “prioritisation of the most severely fuel poor; supporting the fuel poor through cost-effective measures; and ensuring that vulnerability is reflected in policy decisions” (DECC, 2015).

The second principle here (“supporting the fuel poor through cost-effective measures”) explicitly links to the austerity agenda espoused by the coalition government. The new politics of fuel poverty follows the austerity maxim that money must be spent cost-effectively, and that by extension it is

impossible to help everyone in need (DECC, 2013 and 2015). Instead, money must be spent on the most deserving, in this case those experiencing most difficulty in affording energy services, and those with specific physical characteristics which make them more vulnerable to the effects of cold. The implication here is that those outside these two categories must fend for themselves.

When we further examine the idea of the 'most vulnerable' we again return to the theme of energy efficiency. Those experiencing the most substantial fuel poverty gap includes households and dwellings that have the following characteristics: "a. Low income b. Old dwelling (pre-1945) c. Larger dwelling d. Private rented sector e. Old/inefficient boiler (or no heating system) f. Non-gas heating" (DECC, 2013). All but the first of these characteristics relate to the energy efficiency of the dwelling, as opposed to the nature of the inhabitants of that dwelling. As I have already pointed out, LIHC prioritises households living in energy inefficient buildings.

Those considered most vulnerable to the effects of fuel poverty (older people, long term sick and disabled and children) are not reflected in either LIHC or FP gap headline measures. They are only named in the 'principles' that are intended to guide fuel poverty policy, and in the subsidiary indicator on children living in fuel poverty (DECC, 2015). As such they are less likely to be targeted by policy under LIHC. Intriguingly DECC estimates that 79.9% of fuel poor households include someone from one of these vulnerable groups (DECC, 2012: , p. 51-2). This rather begs the question, why target fuel poverty policy towards the 'most vulnerable' if most of the fuel poor come under this category?

While the objective of redefining fuel poverty, is framed as 'finding' the most vulnerable, the outcome of this process is clearly intended to be targeting of current policy. While DECC takes the 10% measure to task over its inability to enable targeting (DECC, 2015), the previous fuel poverty target did not aim to target specific households, rather to eradicate fuel poverty. Under LIHC the intention is to use the LIHC and fuel poverty gap indicators to target 'priority households'. Presumably this means households that with large fuel poverty gaps. Certainly low income low cost households are not a priority here. Given the reliance on LIHC and the fuel poverty gap, it is likely that households including vulnerable occupants will fall through the cracks.

While the rhetoric around austerity implies that all government spending is subject to cost-effectiveness criteria, there are some important exceptions in energy-related policy. The winter fuel payment, a energy-facing policy managed by the Department for Work and Pensions (DWP), is not means tested. Winter fuel payments increase the income available to pay for fuel, for anyone over 60, irrespective of their means. The winter fuel payment budget was £2.12 billion in 2013-14 (DECC, 2015) funded through general taxation. For comparison the ECO budget in the same year, which represents the total energy efficiency budget, approximately 25% of which ends up with the fuel poor (Probert, 2014), amounted to £1.3 billion, and was funded through energy bills. This amounts to a regressive form of taxation, and potentially a false economy for government, given that it hits the disposable income of the poorest hardest. Both winter fuel payment and ECO are examples of extremely poor targeting. Hills claims that according to the LIHC measure, only 10% of winter fuel payment recipients are fuel poor (Hills, 2012).

The winter fuel payment represents a breach of the government's three principles on fuel poverty: failing to protect the most severely fuel poor and vulnerable, and to ensure cost effectiveness. The legitimacy of this measure is never called into question in any of the government documents surrounding the change in definition (although it is raised by Hills and some of the respondents to his interim document). There are parallels here with the coalition's reluctance to target the state pension in welfare reforms. This is possibly connected to the status that older people have as legitimate subjects of fuel poverty policy: given that they are recognised as 'worthy' recipients of help, it is more difficult to talk about reducing that help (Walker and Day, 2012).

Claims to find and target the 'most vulnerable' fuel poor are problematic. At the least these represent an attempt to scale back government funding for fuel poverty. They are likely to result in a

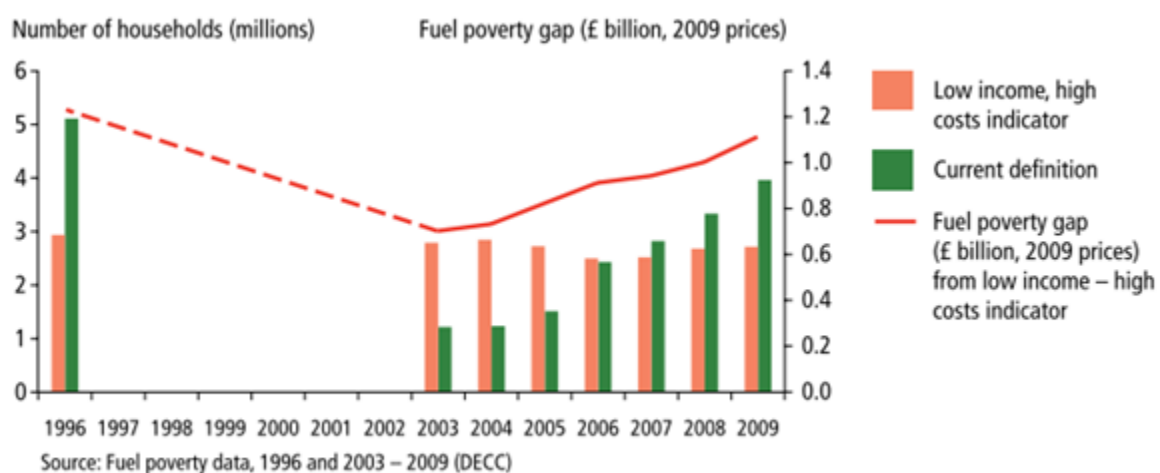


category of fuel poor households, some with a considerable fuel poverty gap, having to deal with their predicament alone. They also present the need to reduce funding in this area as inevitable, when this is by no means the case. The consequences of underfunding fuel poverty, on the NHS, on other public services and on climate change policy may result in higher overall costs to government. Further, the continued funding of the winter fuel payment suggests a far less innocent motivation than that of ‘cost-effective’ government.

## Concealing, and correcting the market

One of the key arguments for moving from the 10% definition to a LIHC definition, is that the former was more sensitive to changes in energy costs than to the other two drivers of fuel poverty (income and energy efficiency). Here Hills argues that the overall measure under the 10% definition tracks the cost of energy over time, and such results in thousands of households moving in and out of fuel poverty as prices change (Hills, 2011). As the 10% measure is based on a ratio (fuel spending/income) a small change in fuel spending can result in a household being reclassified. This argument is referred to throughout the DECC documents on fuel poverty as the reason for the change to the LIHC definition, and as such it merits more attention. It is clear in Hills’s modelling work that the LIHC measure is less impacted by changes in energy prices (Hills, 2011). This begs the questions: how do we decide how important energy prices are to fuel poverty? Also, what are the politics of downgrading the importance of price in this key government indicator?

Figure 1: Comparison of numbers of English households in fuel poverty under 10% indicator (‘current definition’) and LIHC indicator from Hills interim report (2011)



A figure from the Hills interim report is reproduced here (figure 1). The figure compares the 10% indicator (‘current definition’) with the LIHC indicator (admittedly a version from the interim report although the final measure can be similarly critiqued) showing the numbers of households affected, and the relationship with the fuel poverty gap. There are a few key observations here. First, the overall number of households under the 10% definition clearly tracks the fuel poverty gap amount, which suggests it is measuring a similar phenomena. The trend in the fuel poverty gap is also associated with the trend in energy prices (note these are not plotted on the graph below but well known to have a similar profile). The similarities between the 10% indicator and the fuel poverty gap trends is not discussed in any of the documentation here. Only Hills points out that fuel poverty gap figures have increased substantially in recent years (rising by 52% between 2004 and 2009) (2011). Costs to the customer during this period also rose considerably, indeed between 2005 and 2011 household energy prices doubled (Office for National Statistics, 2013). Further, there is evidence that people are increasingly unable to meet higher costs, with average household energy consumption in between 2005 and 2011 in the UK falling by 24% (ibid.). The body of evidence around increasing prices, reducing energy consumption and an increasing fuel poverty gap here is not featured in the

policy documents. Indeed there is very little discussion of the rise in prices at all, despite the fact that they have more than doubled in recent years. Even if we want to avoid an indicator that is 'too sensitive' to energy prices, we have to recognise that radical changes in prices will have an impact on the fuel poor.

The second observation about figure 1, is that the LIHC indicator itself is not affected at all by this doubling of energy prices between 2005 and 2011. The trend here is if anything a stable one: with similar numbers of households being categorised as fuel poor between 1996 and 2009. Hills characterises the trend in LIHC as a gradual reduction in overall numbers experiencing fuel poverty:

The small fall in the number of households over time reflects the reduction in poverty since 2001 and the improvement in the relative energy efficiency of the housing stock for low- income households. Changes in fuel prices have some effect on the numbers counted in fuel poverty: at the margin some households will have been pulled into fuel poverty since 2004, offsetting the other improvements. (2011)

Further he believes that this 'slow downward trend': "may give a much better representation of the scale of the underlying problem" (Hills, 2011: 20). Irrespective of the 'underlying problem', the choice of the LIHC definition represents a deliberate attempt to stabilise the numbers of households counted as fuel poor. This is effected by largely excluding the effects of changing energy prices from the key indicator (LIHC). There is little discussion of the impact of prices in this material, apart from to point out how much these were over-counted in the 10% definition. In effect, the role of the energy market in driving fuel poverty is concealed by LIHC, any discussion of the impact of energy prices on fuel poverty is avoided and these have no influence on the key indicator.

Both the LIHC definition and the 10% definition are based on modelled energy needs, instead of the amount spent on energy by the household. This is to avoid undercounting the problem: as it is assumed that people are routinely underconsuming energy. While the intentions are positive here, the net effect is to obscure some peculiarities of the energy market that affect fuel poor households. For instance, it is well known that fuel poor households are more likely to use pre-payment meters, where energy companies pass on the additional costs of the meter to the customer. Further, while switching energy suppliers is relatively rare across all demographics, people are prevented from switching if they have a debt on their energy bill. In theory, a household can go to a new supplier if they have less than £500 debt, in practice, energy companies will only offer new deals to those without debts. This means that if you have no means of paying off debt with an energy supplier, you are likely to be on an uncompetitive tariff. Basing the key indicator on modelled energy needs, as opposed to actual costs of energy, conceals these challenges facing fuel poor households.

Where the energy market appears in these documents it is positioned clearly as an institution that is fundamentally effective, but that government should help to correct, ensuring that the fuel poor are appropriately supported. There is a strong emphasis on the importance of switching suppliers, and a series of policy initiatives around this which will "ensure that it is easier for households to navigate competitive energy markets to ensure that more households can get the best deal for them." (DECC, 2013). These information and switching support measures are coupled with the energy bill support offered through the Warm Homes Discount (WHD), which is intended to mitigate the risk for the fuel poor within the 'free' energy market. A further market correction is embodied in ECO, which provides a level of subsidy for energy efficiency measures. The role of government here is to make it possible for the fuel poor to improve household energy efficiency by subsidising costs.

ECO and WHD are even more clearly positioned as a form of market correction when we consider how funds are raised: through levies on energy bills rather than through general taxation. This creates pressures on government:

it is important to make sure that the overall costs of ECO remain controlled and do not rise unnecessarily, not least since this would have a particularly damaging impact on low-income families by adding unnecessarily to bills. (DECC, 2015)

In effect, funding energy efficiency through energy bills results in a pressure on ECO to remain small, so as not to adversely affect those that do not benefit from the measures. Despite Hills suggesting that these revenues would be more equitable if collected from general taxation (Hills, 2011), there is no discussion of this possibility in the policy documentation. Quite the contrary: during the 2015 election, there was widespread discussion of the importance of minimising 'environmental subsidies' through household energy costs.

In conclusion then, the choice of a deliberately 'stable' indicator such as LIHC fits with the new problematisation of fuel poverty as a condition which cannot be eradicated. Effectively LIHC compliments this problematisation by showing very little change year on year. Given that it is based on averages, it is also unlikely to change dramatically, unless there is substantial change in income inequality. The stability of LIHC is dependent on energy prices having minimal impact on the overall numbers of people categorised as fuel poor. As such LIHC renders energy prices unproblematic in the context of fuel poverty. It disconnects the key fuel poverty indicator from the widely perceived need to regulate the energy market to protect fuel poor customers, especially in relation to pre-payment metering and opportunities to participate in the 'free market' by switching supplier.

### **A (new) subject of fuel poverty**

At this point it is useful to consider who is the subject of this new politics of fuel poverty. We can identify a specific subject which contrasts sharply to other common subjectivities in poverty and energy discourses. There is little moral judgement here, or individualisation of the fuel poor and their problems. The fuel poor subject under LIHC shows some continuity and indeed entrenchment of existing subjectivities of fuel poverty. In particular, the distinction between the poor and the fuel poor is maintained, and the role of the energy markets continues to be underplayed. There is an overlap between the fuel poor subject and the welfare recipient here, manifest in the idea that help has to be prioritised to the most needy, but there is no moral judgement associated with levels of need. In the following paragraphs I outline this (new) subject of fuel poverty in more detail.

Under LIHC the fuel poor subject is further entrenched as distinct from the poor subject. The fuel poor subject is a member of a low income household, living in an energy inefficient dwelling. The main strategy to improve their lot is investment in the energy efficiency of this subject's dwelling. Indeed the root of the fuel poor subject's problem (their fuel poverty) is the inefficiency of their dwelling, rather than other drivers of poverty. The new politics of fuel poverty therefore reduces the problem to a technical one: one of dwelling energy efficiency. This is not entirely surprising given that fuel poverty policy is made in DECC, not DWP. A technical problematisation also implies that the fuel poor subject is only faced with the problem of energy inefficiency, as opposed to the multiple problems associated with living in (fuel) poverty identified in studies of the lived experience of fuel poverty [citation removed]. As such the focus on the energy efficiency of the fuel poor subject's dwelling produces a static technical measure, which ignores the complex combinations of needs and challenges that households face (ibid.).

This fuel poor subject is intriguingly blameless, in contrast to the morally reprehensible, and individualised subject of coalition welfare policy, as repeatedly identified in this journal (Wiggan, 2012; Pantazis, 2015; Pemberton et al., 2015). Explanations of fuel poverty are rarely behavioural (with one exception: DECC, 2014). As a result there is a strong sense that government holds some responsibility for ameliorating the conditions of fuel poor households, albeit for the 'most vulnerable' households only. This contrasts strongly to the individualised subject written into coalition welfare policy (Cromby and Willis, 2014). Given fuel poverty policy is managed by DECC not DWP, this is not surprising: DECC is inclined to analyse problems technically rather than socially. The

lack of behavioural explanations may also be connected to the common perception of fuel poverty as affecting older people, who are thought of as 'worthy' recipients of help (Walker and Day, 2012) and not 'badly behaved'. This demographic is more problematic to stigmatise, and by popular association, so might be the fuel poor.

The distinctions between fuel poverty and poverty, fuel poor subjects and welfare recipients and appropriate technologies to address fuel poverty (energy efficiency) and poverty, result in a considerable distance between the two policy areas. Yet, they address a very similar population. One of the consequences of the new fuel poverty politics is that by distancing itself from welfare policy and energy prices, LIHC overlooks the impacts of any changes to those two key drivers of fuel poverty. This is problematic because hypothetically, the government could make massive investments in energy efficiency, but income poor households could still struggle to pay high energy bills, and still experience the ill-health effects of living with cold. Certainly, from a lived experience perspective, gains in energy efficiency can be easily overshadowed by changing welfare policy and energy prices [citation removed].

There are some parallels between the welfare recipient and the subject of fuel poverty, in particular through the austerity agenda. Here, only the most vulnerable or most impacted fuel poor subjects can have help in meeting their fuel poverty gaps, whether that means those with the largest fuel poverty gaps, or those with special vulnerabilities. This represents a new direction in fuel poverty, associated with the problematisation of fuel poverty as a condition which cannot be fully alleviated. Intriguingly there is no direct sense of moral judgement here: in a welfare context we might have expected a discourse of 'deserving and undeserving poor' (Pemberton et al., 2015). The idea that only some of the fuel poor can be helped is not challenged in any of the documentation around the change in politics, but this targeting of help is based on the need for technical efficiency, and the vulnerability of households, rather than any more punitive criteria.

As well as being subjects of energy policy and welfare policy, the fuel poor are also subjects of the energy market. The rational actor looms large in the LIHC account of fuel poverty. Here the government's role is to engage in market correction to ensure that the fuel poor household can participate fully in the energy market. The subject of the rational actor is used as a means to avoid discussing the bigger structural problems facing the fuel poor in energy markets. The message in these documents is 'people should be helped to choose sensibly', ignoring the barriers to such freedom of choice. The tensions between the agentic explanation of a rational actor participating in the market, and the more structural explanation of the fuel poor subject, trapped in an energy inefficient dwelling, are not noted in this material.

The new subject of fuel poverty exists within a clear *dispositif* that has an impact on what action can be taken (Villadsen, 2011). In particular, three strong (and sometimes contradictory) logics contain the fuel poor subject. First, the technical problematisation of the problem of fuel poverty. Second, the belief that policy must be targeted to ensure efficiency of spending. Third, the commitment to the idea of a free energy market. These three logics result in a much narrowed field of action, only really allowing for energy efficiency measures, delivered to those with the greatest modelled need (with the biggest fuel poverty gap) in response to the fuel poverty problem.

## Conclusions

In this paper I untangle the new LIHC politics of fuel poverty, apparent in a change in the indicators, targets, definition and strategies associated with this area of government. In doing so I reveal a technical conception of fuel poverty, that, as a result of efforts to distinguish this from poverty, has become centred around the energy efficiency of dwellings. Such a technical conception of fuel poverty is not surprising, given the home of this policy in DECC. However, it is potentially damaging as by presenting energy efficiency as the only solution it further marginalises the possibility of tackling unequal incomes and high costs of living. The politics of austerity has had an influence here,

particularly in the acceptance that not all of the fuel poor can be helped. The new politics also reentrenches the primacy of the markets, with very little effort to tackle issues of concern to the fuel poor (especially with relation to energy prices and provision). Overall, the redefinition of fuel poverty as a problem which cannot be solved, and the choice of an indicator that perpetuates that narrative, has created a situation in which there are no benefits to government in taking action in this area.

Even if we ignore these criticisms, and accept the focus on energy efficiency, the future looks rather bleak. In the 2015 autumn statement, the Conservative government announced that the current energy efficiency policy, ECO, will be scrapped when it comes to the end of its term in 2017. While there is a stated intention to replace ECO with 'something cheaper' thereafter, there is little sense of what that will be. While fuel poverty alleviation is problematised as a need for greater energy efficiency, the intention seems to be to reduce the funds available for solving this.

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