



## DEPARTMENT FOR TRADE AND INDUSTRY FUEL POVERTY

*Mrs. Linda Riordan (Halifax) (Lab/Co-op):* What progress has been made in achieving the Government's target of an end to fuel poverty for vulnerable households by 2010.

*The Minister for Science and Innovation (Malcolm Wicks):* Projections indicate that about 2 million vulnerable households are currently in fuel poverty in England—fuel poverty being defined as having to spend more than 10 per cent. of one's income on fuel. We certainly acknowledge a significant increase since 2004 because of energy price rises, but fuel poverty among vulnerable households is still significantly below the 1996 level of 4 million, and we have taken further steps in the energy White Paper to increase efforts to tackle fuel poverty.

*Mrs. Riordan:* I thank my hon. Friend the Minister for that reply and I appreciate the Government's commitment to alleviate fuel poverty, but will he introduce legislation to force energy suppliers to offer social tariffs for those in most need?

*Malcolm Wicks:* We are in discussion about social tariffs. Certainly the supply companies have a social responsibility to protect their vulnerable customers. Obviously, at present, energy prices for householders are coming down again, which will have an impact on 7 Jun 2007 the fuel poverty figures. There is a range of other measures to tackle the issue, from pension credit and winter fuel payments to energy efficiency programmes in the different nations. That is at the heart of the Government's programme to tackle fuel poverty. There is no one answer, but a range of strategies, including corporate responsibility and the social tariff.

*Susan Kramer (Richmond Park) (LD):* Let me press further on the issue of social tariffs, because average domestic energy costs are still more than £1,000 a year. In the White Paper, the Secretary of State that he would require companies to put in place "a proportional programme of assistance" for vulnerable customers. Will the Minister tell us what that means and how long the energy supply companies will have until he finally puts in place minimum standards for social tariffs? Perhaps he could indicate what those standards would be.

*Malcolm Wicks:* Let us first acknowledge that many of the supply companies have made good progress on social tariffs in recent years, but there is more to do. We need development and coherence as part and parcel of the wider strategy that I briefly outlined earlier. There is a job for Government in that regard, as well as for the supply companies. As the hon. Lady knows, over the coming years we want to move to a situation where supply companies will no longer simply be in the business of trying to persuade us—including vulnerable households—to use more gas and electricity, but will become energy service companies that help us not only to keep warm and have hot water but to live in energy-efficient dwellings. That is where we want to go in the long term, and it is particularly important for vulnerable households.

*Alan Simpson (Nottingham, South) (Lab):* The energy White Paper makes it clear that the 2010 target to remove vulnerable households from fuel poverty will not be met, and that 1.2 million fuel-poor households will remain in fuel poverty. At the same time, the energy companies are seeking to reduce the proportion of their energy efficiency commitment that goes towards the eradication of fuel poverty. Will the Minister give an assurance to the House that he will not

entertain such a reduction? I am talking about the 50 per cent. of the commitment that is currently earmarked for fuel poverty eradication.

*Malcolm Wicks:* I understand my hon. Friend's point. He is an acknowledged expert in the field and a passionate advocate of the need to tackle the terrible problem of fuel poverty. The significant point about the 50 per cent. figure is that, with the increase in the importance of the energy efficiency commitment, even if that percentage comes down, more actual help will go to vulnerable households, because of the development of the size of the programme.

*Mr. John Redwood (Wokingham) (Con):* Does the Minister, on reflection, agree that in the past the Government's expenditure has focused too much on subsidising the payment of higher bills by those on low incomes, and not enough on the fuel conservation measures that he now rightly welcomes? Could not the Government look again at the balance of their spending? Surely it is better to save people the need to spend so much, rather than to subsidise them.

*Malcolm Wicks:* I understand the issue, and of course, this is a question of balance. When the Government came to power we recognised that many of our eldest citizens—often women in their 80s, living alone—had been seriously neglected, to put it mildly, in income maintenance programmes. That is why we had to develop pension credit, which has given a good many extra resources to the poorest one third of our older households. That is also why we brought in the winter fuel payment. The situation was serious and we needed to take some early action. Of course, in the longer term—we started this straight away—energy efficiency measures to warm up the homes of the oldest people are important, not least given that all the survey evidence shows that it is often the most vulnerable who live in the most energy-inefficient dwellings. The energy efficiency commitment, Warm Front, and the equivalent programmes in the other nations are a crucial part of the strategy, and are related to the big and urgent concern about climate change.