

Theme:

Energy Crisis and Fuel Poverty

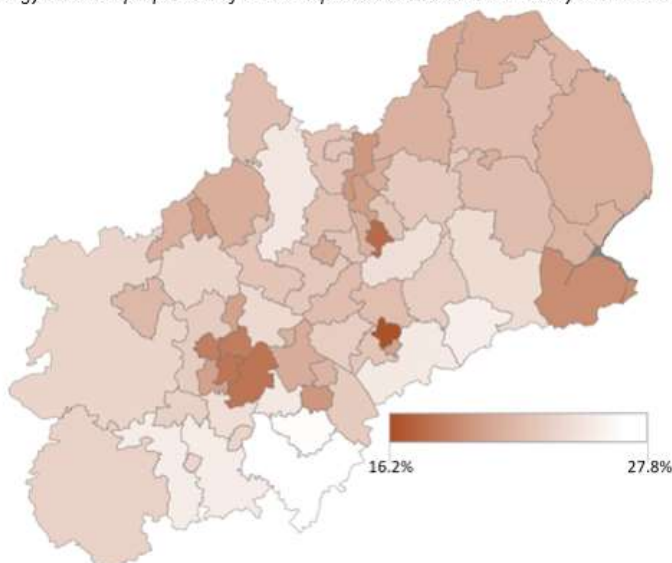
Area of Focus:

This insight piece looks at the impact of rising energy bills on households in the Midlands

Key Findings:

- Forecasts by City REDI have found that energy bills will treble in April 2023.
- The average household energy bill in the Midlands, could reach £3,949 in April 2023, this a 185% increase in energy bills since April 2021.
- The West Midlands already had the highest rate of fuel poverty in 2020, before the 2022 energy bill rises.
- Whilst poorer areas in the Midlands tend to have the highest rate of fuel poverty, areas with the highest incomes do not necessarily have the lowest rates of fuel poverty. This is likely due to the efficiency of housing stock, energy usage and demographics.
- By April, every local authority in the Midlands will see average energy bills equate for more than 10% (fuel poverty rate) of the average gross disposable household income.

Energy Bills as a proportion of Gross Disposable Household Income by local authority



Midlands Engine Impact:

- Energy bills from April 2023 are likely to account for more than a fifth of gross disposable household income (20%), comparatively in April 2021 energy bills accounted for 7% of gross disposable household income and currently accounts for 13.5% under the current price cap.
- The local authorities which will see the energy bills account for the highest proportion of their average gross disposable household income are Leicester (27.8%), Nottingham (26.1%), Birmingham (25.4%) and Sandwell (25.4%).
- Even affluent local authorities such as Strafford-upon-Avon will see energy bills account for 16.2% of the average gross disposable household income.
- By April 2023 the number of people in fuel poverty will potentially double or treble.
- The Midlands has some of the most inefficient housing in the UK with only 41% of households having an energy efficient rating of band C or above.
- Whilst there is little that can be done to lower energy prices which are fixed to global energy prices, improving housing efficiency would likely be the fastest way to help fuel poor households. It would also help to safeguard against price shocks in the future.



For Further Information Contact:

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