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'Heating or eating' and the impact of austerity.

This Brief draws on the work of Hannah Lambie-Mumford (SPERI) and Carolyn Snell (Department of Social Policy and Social Work at the University of York) which examines the themes of food, fuel and austerity and considers the dilemma faced by many people on low incomes about whether to ‘heat or eat’. In the current era of austerity this dilemma has received a lot of political and media attention and the research assesses to what extent it represents real-life experiences. The Brief contributes to ongoing debates about the impact of the Coalition and Conservative majority government’s welfare reform agendas and public sector spending cuts. It identifies policy responses at a national level, and for rural communities, that address food poverty and fuel poverty.

Background

- Analysis by the Department for the Environment, Food and Rural Affairs shows that falling incomes and rising living costs mean that food is now over 20% less affordable for the poorest 10% of people in the UK compared to 2003.
- In 2013-14 the UK’s largest network of charitable food banks distributed nearly one million food parcels - a 610% increase since 2011-12.
- The growth in food bank provision and rising concerns about food poverty has led to a high-profile political debate about hunger and food poverty in the UK. Food banks featured prominently in the 2015 General Election TV debates.
- National fuel poverty reduction targets have been in place since 2001, but the combination of rising energy bills, stagnating incomes and extensive reforms to the welfare state have ensured that the issue has become more prominent in recent years.
- In debates about the impact of austerity attention has focused on the stark choice that low-income households face between ‘heating and eating’; yet there is a lack of evidence to assess whether food is prioritised over fuel or vice versa and thus to understand the interaction between spending on food and fuel.
- The ‘heat or eat’ dilemma is widely argued to affect people on low incomes across the UK, but robust empirical evidence is lacking.
- Furthermore, within the context of this debate, little attention has been given to the specific circumstances facing the rural poor.
- The research on which this Brief is based examined the ‘heat or eat’ dilemma nationally and in the context of rural poverty through two approaches: (i) analysis of data from the national Family Resources Survey and the national Living Costs and Food Survey, and (ii) interviews in Cornwall with food bank users and managers, and with policymakers involved in working to address issues connected with food and fuel poverty.

Evidence

Key findings from the Family Resources Survey evidence:

- Households who say they do not eat a filling meal once a day are less likely to be able to keep their home sufficiently warm and to live in a damp-free home, compared to households who do eat a filling meal once a day.
- Households in the lowest two income deciles are 6.3 and 6.1 times more likely respectively to be unable to afford meat or its equivalent every second day, compared to households in the highest income decile.
- Households behind with their electricity bills are less likely to be able to eat meat or its equivalent every second day. This is also true for households behind with their gas bills who are 2.2 times more likely to be unable to afford meat or its equivalent every second day, compared with households not in energy debt.
- Households that cannot afford to keep their home adequately warm are 2.8 times more likely to be unable to afford to eat meat or its equivalent every second day, compared with households that can keep their home warm.
- Households with one adult of working age, with children and without children, are least likely to be able to afford meat or its equivalent every second day. Couples without children are most likely to be able to afford meat or its equivalent every second day

Living Costs and Food Survey evidence:

- Across all income groups, median weekly food expenditure is £73 a week and median weekly fuel expenditure is £21. Household spending on fuel and food rises with income. Households in the lowest income decile spend the least on fuel and food and households in the highest income decile spend the most.
- 29.6 per cent of households in the lowest income decile spend more than the median on fuel, of which 2.3 per cent spend more than double the median. By comparison, 74.7 per cent of households in the highest income decile spend over the median on fuel, of which 22.5 per cent spend twice the median.
- Households who pay for their fuel on a fixed annual bill spent the most on fuel and food. Households using pre-payment meters spent the least.
- Homeowners with mortgages have the highest levels of expenditure on fuel and food compared to other tenure groups. Households with shared ownership arrangements spent the least on fuel, and renters spent the least on food.
- Households living in the countryside and affluent suburbs have the highest levels of expenditure on food and fuel.

- Comprehensive statistical analysis of both the Family Resources Survey and Living Costs and Food Survey is available in the full report (see Further Reading).

Interviews with food bank users in Cornwall:

- All interviewees were users of food banks and all received benefits of some form. The majority had experienced a reduction in their incomes due to the government’s welfare reforms.
- All interviewees described their home as not warm enough and nearly all acknowledged that due to cost their diet was not as healthy or varied as they would like.
- Interviewees were asked to complete a ‘heat or eat’ ranking exercise. A majority said eating was a greater priority than heating. Other uses of energy such as lighting, cooking and hot water were viewed as more important than heating.
- Participants said they rationed expenditure on both food and fuel, rather than choosing one over the other. Participants reported using blankets for warmth and wearing more clothes, instead of spending extra on heating. They also reported buying cheaper food and said their diets lacked fresh meat, fruit and vegetables.
- For households on a prepayment meter a common dilemma was whether to top up the meter or buy food, with priority usually given to food.
- Participants on prepayment meters sometimes ran out of energy, a practice known as self-disconnection. Participants in this situation described making a daily choice between topping up and buying essentials such as food.

Policymaker interviews:

Interviews with policymakers in Cornwall highlighted specific problems affecting their rural communities and the rural poor:

- Cuts to local government funding have reduced opening hours for support services and the extent to which services are able to help everyone in need.
- Large travel distances and limited public transport networks make accessing support services, such as food banks or Citizens Advice Bureaux, problematic.
- Poor rural mobile and broadband coverage and limited library opening hours mean people can struggle to complete online job searches. This has contributed to benefit sanctions which put households in serious financial hardship.
- The labour market is dominated by seasonal, low paid, insecure and part-time work. Higher unemployment and greater hardship is experienced in the winter when fuel bills are highest.

- Homes in rural communities are less likely to be connected to mains gas (typically used for heating). Alternative fuels, including LPG, oil or solid fuel, are typically more expensive than mains gas.
- Policymakers also highlighted the poor quality of housing stock, particularly in the rented sector, with cold and damp homes increasing fuel costs and contributing to poor health.

Analysis

- Combined spending on fuel and food strongly correlates with weekly household income. Across all income groups expenditure on food is higher than on fuel, ranging from two to five times higher.
- Low-income households struggle to afford sufficient energy and food, but the ‘heat or eat’ dilemma is not a discrete binary choice.
- Low-income households ration expenditure on both food and fuel, rather than sacrifice one for the other. The qualitative interview analysis reveals that households tend to prioritise particular energy uses, such as lighting, cooking and hot water, above heating, suggesting more nuanced decision making.
- The ability of low-income households to sufficiently eat and heat their homes is complex and depends on factors such as household composition, income, fuel payment method, housing and location.
- Being behind on fuel bills and fuel payment method are key factors determining whether people can afford sufficient food. The dilemma of topping up a pre-payment meter or buying food is a common one for low-income households.
- High levels of expenditure on food and fuel are experienced in rural communities. The interviews in Cornwall suggest that structural rural challenges drive rural food and fuel poverty. These include disparate and more stretched public services, limited and energy inefficient housing stock, low pay and insecure employment, limited public transport and restricted access to cheaper forms of fuel, such as mains gas. These challenges are experienced by rural communities across the UK.
- The combination of welfare reforms, benefit payment delays and the increase in benefit sanctioning is placing significant strain on household finances and contributing to hardship.
- Cuts to local government are reducing the ability of council-run and council-funded services to provide support for people at risk of fuel and food poverty.

Conclusion

This Brief highlights how the ‘heat or eat’ dilemma is real, but is more nuanced than has been represented in the media and political debates. Low-income households in the UK are struggling to sufficiently eat and heat their homes, but tend to prioritise food over fuel. Further research is needed to deepen understanding about how households make budgeting decisions for food and heating costs. Policymakers must address the root causes of fuel and food poverty. This will require providing longer-term and more secure funding for local support services. Particular attention must be paid to address the unique challenges facing rural communities, such as addressing the shortage of affordable housing and secure sources of employment.

The ‘heat or eat’ dilemma is part of a necessary debate about the impact of austerity on the poorest households. In the short term, addressing the root causes will prevent physical and mental health problems from developing and costing more in the long term, and will contribute to reversing growing inequality. Yet in the current era of austerity the Conservative Government’s plans for further large cuts to the social security and local government budgets risk forcing more low-income households to reduce their expenditure on food and fuel, thereby weakening the support available to those households.

Further reading :

Lambie-Mumford, H. & Snell, C. 2015, ‘Heat or Eat: Food and Austerity in Rural England: Final Report.’ *Working Papers of the Communities & Culture Network+* Vol.6 (October 2015).



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