

Environment and Sustainable Communities Overview and Scrutiny Committee

18 November 2016



Update on Warm Up North and Fuel Poverty within County Durham

Joint report of Lorraine O'Donnell, Director of Transformation and Partnerships and Ian Thompson, Corporate Director of Regeneration and Local Services

Purpose of the Report

- 1 To provide members of the Environment and Sustainable Communities Overview and Scrutiny Committee with an update on Warm Up North and Fuel Poverty within the County prior to a presentation by Cliff Duff, Housing Regeneration Project Manager, Regeneration and Local Services.

Background

- 2 Members have received several updates in relation to the progress of the Warm Up North initiative together with an overview of fuel poverty in the county provided at a special meeting of the committee held in December 2015 to which members of the Economy and Enterprise OSC and the Adults Wellbeing and Health OSC were invited due to the 'cross cutting' nature of fuel poverty.
- 3 It was agreed by members at the special meeting in December 2015 that the committee would receive an update detailing progress made in relation to fuel poverty within the county as part of the work programme for 2016/17.
- 4 Arrangements have been made for Cliff Duff, Housing Regeneration Project Manager, Regeneration and Local Services to attend the meeting on the 18 November and provide a presentation focusing on:
 - Regional and local overview of fuel poverty
 - Delivering and monitoring
 - County Durham Warm Homes Campaign
 - Warm Up North
 - Central Heating Fund
 - Warm and Healthy Homes Project
 - Energy Company Obligation

Background

- 5 Fuel poverty is measured using the Low Income High Cost definition and arises from a household's inability to afford the energy required to power and heat their home to a satisfactory standard necessary for good health. This standard is defined as domestic temperatures of 21°C in the primary living area (living room) and 18°C in the secondary living areas (other occupied rooms).
- 6 The Fuel Poverty Strategy for England 2015-2030 was released in March 2015. There are over 320,000 fuel poor households in England who live in properties rated below band "E" level EPC rating who need to spend on average £1,000 a year more on energy to heat their home compared to a typical home. Through the Energy Act 2013, the government established a new duty to adopt a fuel poverty target. The new fuel poverty target for England sets out an ambition that as many fuel poor homes as reasonably practicable achieve a Band "C" energy efficiency standard by 2030 and this became law in December 2014.

Warm Up North Project

- 7 The Warm Up North (WUN) partnership commenced in September 2013 in response to a range of national funding opportunities including Green Deal loans and the Energy Company Obligation (ECO). WUN comprises a total of nine local authorities in the North East including Durham County Council. British Gas was procured to assist with economies of scale reduced delivery costs and to secure long term ECO funding. Other energy companies also provide assistance for fuel poor households within the energy market making it confusing and complicated for residents. Warm Up North is a one stop shop making it easier and safer for residents to improve the energy efficiency of their home when applying for ECO funded new boilers and insulation grants. In 2015/16 across County Durham a total of 2,285 WUN referrals were received with 782 households benefitting from new high efficiency gas boilers and insulation measures. For the past three years County Durham has the highest uptake of these free energy efficiency measures in the nine local authority areas.

Central Heating Fund and Warm Homes Campaign

- 8 The Central Heating Fund pilot scheme is funded by the Department of Business Energy and Industrial Strategy (BEIS) and provides free central heating systems (gas, oil or an air source heat pumps) for low income households who do not have any central heating or have partial solid fuel heating or electric storage radiators. The scheme is open to private and private rented properties has been promoted widely across County Durham. To date 201 households in County Durham have received a free central heating system and a further 317 households are currently going through the technical assessment process.
- 9 The Warm Homes Campaign is DCC's mechanism to co-ordinate and promote all of the local and national energy efficiency and fuel poverty schemes to County Durham residents. It uses a network of over 900

local community venues, community groups, partner organisations and targeted mail outs to raise awareness and uptake of grants to increase energy efficiency and assist with reducing energy bills and maximizing income.

ECO3 Go Early

- 10 As part of the Governments Energy Company Obligation (ECO) consultation exercise, from 2017 they propose a series of reforms to allow better targeting of ECO fuel poverty schemes funded by the energy utility companies to make them simpler and more cost-effective to deliver. By staggering these proposed reforms the Government hope to allow industry time to adapt to a shift in eligibility criteria and measures leading to full roll out in 2018/22.
- 11 ECO is currently in its second obligation period called ECO2 running from 2015 to 31 March 2017. The Government Spending Review announced plans for a third energy supplier obligation period (ECO3) to run for 5 years from April 2017 to 2022 at £870m per year.
- 12 A one-year transition period called ECO3 Go Early is proposed in 2017/18 to provide time to develop, test and implement more complex targeting mechanisms for future ECO3 schemes including new data sharing and targeting opportunities from 2018 - 2022.
- 13 The Government wants to refocus the ECO3 supplier obligation towards those who need help most which include fuel poor and vulnerable households. Helping those in greatest need to heat their homes is a key Government priority. The best long-term solution to tackle fuel poverty is through energy efficiency measures such as insulation and efficient heating systems to provide warmer homes and lower energy bills.
- 14 Promotion and delivery of fuel poverty and energy efficiency schemes to improve the energy efficiency of County Durham private sector housing stock is a key priority, with actions identified within the Affordable Warmth Action Plan and Poverty Action Plan agreed by Cabinet on the 21 October 2015.

Recommendations

- 15 It is recommended that the Environment and Sustainable Communities Overview and Scrutiny Committee note the content of the report and comment upon the information provided within the presentation.
- 16 That the Environment and Sustainable Communities Overview and Scrutiny Committee receive a further update at a future meeting of the committee.

Background Papers

Report to the Environment and Sustainable Communities OSC on 10 November, 2014 - Warm Up North; Update.

Report to Cabinet on 21 October 2015 - Welfare reform and poverty issues

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Appendix 1: Implications

Finance – None

Staffing – None

Risk –None

Equality and Diversity / Public Sector Equality Duty – None

Accommodation – None

Crime and Disorder - None

Human Rights – None

Consultation – None

Procurement – None

Disability Issues – None

Legal Implications – None