

11 December 2017

Fuel Poverty

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 detail of the projects and schemes available in the county to tackle fuel poverty prior to a presentation by Cliff Duff, Housing Regeneration Project Manager, Regeneration and Local Services.

Background

- 2 Members have received several reports in relation to the progress together with detail of various projects in the county to tackle fuel poverty. The last progress report was provided to the committee at the meeting on the 18 November 2016 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 this meeting that the committee would receive a further progress report as part of the work programme for 2017/18.
- 4 Arrangements have been made for Cliff Duff, Housing Regeneration Project Manager, Regeneration and Local Services to attend the meeting on the 11 December and provide a presentation focusing on:
 - Regional and local overview of fuel poverty
 - Delivering and monitoring
 - County Durham Warm Homes Campaign
 - Central Heating Fund
 - Managing Money Better
 - Energy Company Obligation phase 1, 2 and 3

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. Those who live in property rated below band “E” level Energy Performance Certificate rating 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.
- 7 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 advice on energy tariffs to lower energy bills.

Regional and Local Overview

- 8 The most recent fuel poverty statistics were released in 2015 as follows:
 - Nationally 11% of households are fuel poor
 - North East average 13.3%
 - County Durham average 13.3% (30,183 households)

Delivery and Monitoring

- 9 Co-ordination, promotion and delivery of fuel poverty and energy efficiency programmes to low income residents is a key corporate priority. To this end the County Durham Affordable Warmth Action Plan was agreed by Cabinet in 2015 and has seven key aims to maximise the assistance provided to fuel poor households in County Durham.
- 10 The action plan is co-ordinated by the County Durham Energy and Fuel Poverty partnership. This partnership brings together a wide range of external organisations (AgeUK, Citizens Advice, East Durham Trust, Fire Service etc.) to maximise awareness, credibility and uptake of the fuel poverty intervention programmes and assistance.

Warm Homes Campaign

- 11 The Warm Homes Campaign network was formed by the council to co-ordinate and promote all energy efficiency and fuel poverty schemes to residents living in County Durham. The network has over 900 local community venues, community groups and partners who help to raise awareness and uptake of grants to assist with reducing energy bills and maximizing income.
- 12 In October 2017 the Warm Homes Campaign received a national award from the Association of Local Authority Energy Officers in “Recognition of outstanding work in the fields of domestic energy efficiency and tackling fuel poverty”.

Warm Up North

- 13 Warm Up North (WUN) is a joint working partnership of nine Local Authorities (LA's) in the North East including Durham County Council. This partnership aims to share good practice to assist fuel poor households.

Central Heating Fund

- 14 An example of this joint working between Local Authorities is the Central Heating Fund which provides free first time central heating systems (gas, oil or air source heat pumps) for low income households. Using central government funding the scheme ran in 2016/17 and was promoted countywide by the Warm Homes Campaign. As a result 394 households in County Durham received a free boiler and central heating grant equating to £1.8m of external funding drawn down into Co Durham.

Energy Company Obligation phase 1 (ECO1)

- 15 Under the Energy Company Obligation (ECO) all energy companies must provide low income fuel poor households with grant assistance to install energy conservation measures. This includes new boilers and insulation measures.
- 16 ECO phase 1 ran from 2015 to 2017 and was promoted countywide including large scale targeted mail outs. During 2015/17 a total of 2,822 households in Co Durham received free boiler grants and insulation measures equating to £4.96m of external funding.

Energy Company Obligation phase 2 and 3

- 17 ECO phase 2 has recently commenced to provide grants for on and off gas low income and fuel poor households. A procurement exercise is currently taking place to secure a fuel poverty grant assistance programme funded by ECO2.
- 18 ECO phase 3 will run for 5 years from 2018 to 2022 at £870m per annum. The Government wants to refocus the ECO3 supplier obligation towards helping those in greatest need to heat their homes and is a key Government priority.

Managing Money Better

- 19 There are many competitive energy tariff schemes available which can be confusing. This can result in households not accessing the cheapest energy tariffs leaving vulnerable residents suffering fuel debt and cold homes.
- 20 The Managing Money Better (MMB) service provides free and impartial advice to County Durham residents to access competitive energy tariffs, help switch energy provider and fuel debt write off assistance.

- 21 Housing Solutions manage MMB using a countywide promotional plan to raises awareness and maximise referrals. Since the scheme commenced in April 2017 a total of 291 households have been assisted saving £33,451 on energy bills and fuel debt write off.

Recommendations

- 22 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.
- 23 That the Environment and Sustainable Communities Overview and Scrutiny Committee include in its work programme for 2018/19 a further progress report.

Background Papers

Report to the Environment and Sustainable Communities OSC on 18 November, 2016 - Fuel Poverty Update.

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

Contact/Author: Cliff Duff	Tel: 03000 265262
Author: Diane Close	Tel: 03000 268141

Appendix 1: Implications

Finance – Not Applicable

Staffing – Not Applicable

Risk –Not Applicable

Equality and Diversity / Public Sector Equality Duty – Not Applicable

Accommodation – Not Applicable

Crime and Disorder – Not Applicable

Human Rights – Not Applicable

Consultation – Not Applicable

Procurement – ECO2 procurement exercise is currently taking place

Disability Issues – Not Applicable

Legal Implications – Not Applicable