

FUEL POVERTY UPDATE

Cabinet Member(s): Cllr Ray Stanley
Responsible Officer: Simon Newcombe, Public Health and Professional Services Manager

Reason for Report: To provide an update on fuel poverty strategy and initiatives for residents in Mid Devon.

RECOMMENDATION: That the information in the report be noted.

Relationship to Corporate Plan: Addressing fuel poverty and poor housing is a key priority of the Mid Devon District Public Health Plan and directly supports two specific aims within the Homes priority area of the Corporate Plan:

- *Aim 2 – Working with Private Landlords to improve housing conditions*
- *Aim 3 – Planning and enhancing the built environment*

Financial Implications: There are no direct revenue budget implications for Private Sector Housing with initiatives being delivered through partner organisations utilising funding available under the national Energy Company Obligation (ECO) scheme. Energy efficiency measures delivered by Building Services for MDDC housing stock are included in the Housing Revenue Account (HRA) budget and relevant planned works programmes.

Legal Implications: The Home Energy Conservation Act 1995 (HECA) requires local authorities to produce a plan to achieve improved home energy efficiency. The plan must identify practicable and cost-effective measures likely to result in significant energy reduction in all residential accommodation in their area i.e. across the private sector and social housing/housing stock. The statutory HECA guidance requires us to report this plan to the Government every two-years. This was most recently completed in April 2017 and more information on this return is included in the report.

Risk Assessment: In addition to HECA obligations, failure to address health inequalities arising from fuel poverty has wider implications. Mid Devon District Council should aim to get public health value out of services that are already being delivered. The Health and Social Care Act (2012) places a duty on upper tier local authorities (Devon County Council) to work to improve the health of their population. In doing so they must work collaboratively with District Councils to support our development of district level locality action plans. The Devon Health and Wellbeing Board will work through this collaborative approach to oversee the impact of local

actions on the range of health and wellbeing outcomes and progress in relation to reducing health inequalities including those arising from living in a cold home.

Equality Impact Assessment: At the heart of any fuel poverty strategy there is a commitment to reduce inequalities and thereby improve health outcomes for residents unable to afford to heat their home adequately. There are no protected characteristics under equality legislation negatively impacted by our fuel poverty measures.

1.0 What is fuel poverty?

1.1 In the UK, fuel poverty is broadly defined by the Warm Homes and Energy Conservation Act 2000 as “a person is to be regarded as living ‘in fuel poverty’ if they are a member of a household living on a lower income in a home which cannot be kept warm at reasonable cost”.

1.2 National statistics on fuel poverty use a specific definition based on the 2012 Hills Fuel Poverty Review (Centre for Analysis of Social Exclusion, CASE Report 72). Here, fuel poverty is defined as when a household’s required fuel costs are above the median level, and if they were to spend what is required, then the household would be left with a residual income below the official poverty line.

2.0 What are the direct and indirect impacts of a cold home?

2.1 An inadequately heated home can cause a number of direct health impacts through excess winter deaths (mortality) and health conditions including circulatory diseases, respiratory problems, increased risk of arthritic symptoms, mental health impacts and other conditions (morbidity impacts).

2.2 There are also a wide range of indirect negative social impacts of living in a cold home, for example social isolation, especially amongst older people, is exacerbated by living in a cold home.

3.0 What is the role of local authorities?

3.1 The statutory HECA Act (‘the Act’) and public health responsibilities of local authorities have been outlined under the legal implications and risk assessment at the front of this report.

3.2 Local authorities are uniquely placed to assess the needs of their residents and to act as catalysts for change. The Act recognises local authorities’ ability to use their position to improve the energy efficiency of all residential accommodation.

- 3.3 The Devon Joint Strategic Needs Assessment (JSNA) community profile for 2016 produced by Public Health Devon from the national indicator data shows that Mid Devon has 12.8% of households in fuel poverty, higher than the south west region (11.5%) and England (10.4%) averages.
- 3.4 In common with much of the UK, the prevalence of fuel poverty within Mid Devon has been exacerbated by a number a number of climatic and historical factors including the mild, temperate climate, domestic building heritage, rural off-grid locations with a preference for open fires and ‘fresh air’ and evolving thermal expectations. This, combined with a low turnover of buildings and a relatively old housing stock, has resulted in a higher percentage of the population living in housing built to a relatively poor energy standard, with a focus on air circulation in properties constructed prior to 1965 and the introduction of thermal regulations.
- 3.5 Within the Council, overall responsibility for fuel poverty strategy including HECA compliance and all private sector housing initiatives rests in the Public Health Service with delivery by the Private Sector Housing team. The Housing Service has responsibility for energy efficiency measures in our housing stock with delivery through Building Services.
- 3.6 Public Health Services are engaged with a number of external partners to promote and deliver a range of initiative to address fuel poverty by taking a coordinated approach to the delivery of central government funding and policy in the energy sector.

4.0 **Fuel poverty measures in the private sector**

- 4.1 Locally, Mid Devon together with the County Council and all other non-unitary councils work in partnership with the **Cosy Devon** (E-On) who are part of the Government backed ECO scheme. They help to provide energy savings advice as well as installation grants and measures. The scheme is aimed at homeowners, private landlords and tenants irrespective of which energy company they are a customer with. Public Health services represent Mid Devon on the Cosy Devon board and at other meetings.
- 4.2 The package measures and benefits available through Cosy Devon are typically time limited and therefore vary from time to time. Currently, if a resident is a Devon homeowner, private landlord (or their tenant) they can apply today for:
- Subsidised external wall insulation (they don’t have to be on benefits to qualify for this offer).

If a resident is on income related benefits they could also be eligible for:

- Free loft insulation
- Free cavity wall insulation
- A replacement 'A' rated boiler if the current boiler is broken or isn't working properly and was installed before 2010. There is a contribution required to the cost of replacement boilers through this offer.

More information on Cosy Devon is available at <http://www.cosydevon.com/>.

- 4.3 Until last year, Cosy Devon also offered access to the **Central Heating Fund** (CHF) which accessed a specific pot of Government grant funding as a result of a successful multi-local authority bid. Overall, just over £1million was secured for a Devon CHF fund.
- 4.4 Under the CHF, eligible residents had a gas grid connection and new central heating system installed. Under the Government grant funding terms the scheme was open from 2014 – 2016 and 43 residents of Mid Devon had a new gas heating system installed. This equates to 11% of all installs across Devon.
- 4.5 Cosy Devon currently endorses a new energy advice service operated by Agility ECO who were also partners in the CHF scheme. The **Local Energy Advice Program (LEAP)** provides advice and energy saving measures to eligible residents. Such measures include LED light bulbs, draught proofing, pipe lagging, radiator foils, heating controller checks and advice on tariffs. All services are free to eligible residents.
- 4.6 The LEAP scheme is a new programme however has already engaged with around 30 households in the Mid Devon area resulting in an average estimated saving per property of just under £3,000 from a combination of income maximisation and bill savings. The scheme is soon expected to secure funding to enable it to continue over the next 4 years.

More information is available on the Council website here:

<https://www.middevon.gov.uk/residents/housing/local-energy-advice-program/>

- 4.7 Looking ahead, the Cosy Devon board are considering proposals from the **RetrofitWorks** cooperative to deliver a coherent, single customer contact and management point for the design and delivery of energy efficiency schemes. They can work closely with local referral organisations to find households eligible for measures and subsequently secure funding and manage the procurement/quality vetting process regarding installers.
- 4.8 As reported at the June Community PDG meeting, implementation of the **energy switching scheme** is now well advanced and under final contract

review. The scheme is also run by Agility ECO and its partner UK Power. It will be accessible through the Council's website and offers either on-line or call centre assisted advice on how to get the best electricity and gas deal (where applicable). The scheme is OFGEM (Office of Gas and Electricity Markets) approved and designed to be straight-forward and highly user friendly. The Council will derive a small income for each referral and subsequent provider switch.

- 4.9 The delivery of affordable loans (responsible lending) through our long-running **Wessex scheme** also forms part of our strategy to assist residents. These are home-improvement loans and are available to provide replacement boilers and energy efficiency measures and in some cases technology to provide sustainable energy solutions. Under the scheme customers can also access free money and debt advice.

Information on the Wessex scheme and the Wessex Resolutions Community Interest Company can be found at <http://www.wrcic.org.uk/index.php> or the Mid Devon website.

- 4.10 The Council also host a Wessex advisor through its **Wiser£money** partnership with Encompass Southwest. This is aimed directly at residents living in rural/remote and market town communities who are experiencing poverty, hardship and financial exclusion. The advisor works closely with the Council Tax and Benefits teams to identify the most vulnerable persons who may require support and to deliver the Local Welfare Assistance Service on our behalf. More information on this scheme can be found at <http://www.wisermoney.org.uk/>.

5.0 **HECA**

- 5.1 Excluding the RetrofitWorks proposals which are currently under evaluation, the above schemes form part of our broader on-going report to the Government under our Home Energy Conservation Act (HECA) obligations. The most recent HECA return is available to view on the Council website here:
<https://www.middevon.gov.uk/media/1207/mid-devon-heca-progress-report-2017.pdf>

6.0 **Energy efficiency measures in MDDC Housing Stock**

- 6.1 A number of different energy efficiency measures across our housing stock are installed and managed by Building Services (Planned Maintenance/Repairs) each year. The table below details the range of initiatives undertaken during 2016/17.

Measure	No.
Planned boiler upgrades	174
Reactive upgrades	22
New gas central heating installations (inc. new supply)	35
Combi Smart valves	212
Quantum heating (Economy 7 storage)	77
Air Source Heat Pump installations	25
Solar Thermal installations	0
Solar Photovoltaic (PV) hot water	31
Window replacements (sealed units only)	196
Full window replacements	72
Loft insulation - full/replacement	7
Loft insulation - top up	117
Cavity wall insulation (CWI) - remove & replace	55
CWI - fill (new)	2
CWI - top up	16

Contact for more Information: Simon Newcombe (Public Health and Professional Services Manager) 01884 244615 snewcombe@middevon.gov.uk

Circulation of the Report:

Members of the Homes Policy Development Group
Cabinet Member with responsibility for Housing (Cllr Ray Stanley)
Leadership Team

List of Background Papers:

Final report of the Fuel Poverty Review by John Hills March 2012.
<https://www.gov.uk/government/publications/final-report-of-the-fuel-poverty-review>

Home Energy Conservation Act 1995
<http://www.legislation.gov.uk/ukpga/1995/10/contents>

Warm Homes and Energy Conservation Act 2000
<http://www.legislation.gov.uk/ukpga/2000/31/contents>