

Report of Robert Curtis, Fuel Poverty Officer

Report to the Outer East Area Committee

Date: 10/12/2013

Subject: Fuel Poverty in Outer East Leeds

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Garforth and Swillington Kippax and Methley Cross Gates and Whinmoor Temple Newsam		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

Summary of main issues

1. In spite of previous work to improve the energy efficiency of properties in Outer East Leeds, rising fuel prices and stagnating incomes mean that the ability to heat their homes to an adequate standard will continue to be a pressing concern for many of the area's most vulnerable residents.
2. Previous grant schemes such as Warm Front have been replaced by the Energy Company Obligation (ECO) which is a market based mechanism for funding household energy efficiency improvements. Leeds is committed to obtaining the maximum benefit for residents of Outer East Leeds through its Wrap Up Leeds ECO scheme and in particular, through heavy promotion of the scheme to households eligible for heating and insulation measures under the Home Heating Cost Reduction Obligation (HHCRO), and through the more widespread promotion of insulation improvements which are likely to attract subsidy through other parts of ECO.
3. Leeds will continue to promote innovative smaller scale schemes aimed at improving affordable warmth amongst vulnerable groups, for example through targeted energy efficiency improvements, income/fuel bill advice and collective fuel purchase/switching schemes.

Recommendations

4. That the South East Area Committee promotes affordable warmth through its members and partner organisations, and assists in publicising schemes that are being undertaken in the area such as Wrap Up Leeds ECO to improve affordable warmth amongst households.

1 Purpose of this report

- 1.1 To outline the fuel poverty challenge in Outer East Leeds and its impact on vulnerable people such as elderly residents.
- 1.2 To update the Committee of the impact that changes to funding mechanisms over the last year have had on the city's efforts to improve affordable warmth, together with our approach for the future.
- 1.3 To inform the Committee of current schemes and funding opportunities aimed at improving affordable warmth in the Outer East area and advise on how members can assist by promoting them and disseminating information.

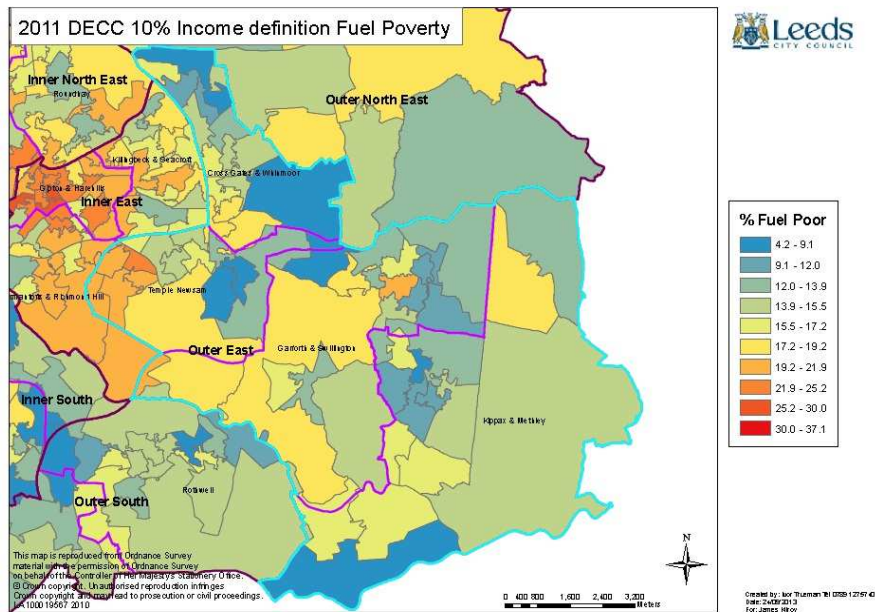
2 Background information

- 2.1 The ability of households to heat their homes to an adequate standard continues to be a major concern for many of the city's most vulnerable residents, particularly in the light of continuing increases in the price of gas and electricity which have more than doubled between 2004 and 2011 whilst average incomes have failed to keep pace (*DECC annual report on fuel poverty statistics 2012*). Elderly residents living in the family home for example, can find themselves struggling to heat their property on a fixed income, and may be suffering from age related illnesses such as arthritis or cardio vascular illnesses that are exacerbated by cold living conditions.
- 2.2 In the past, Leeds has successfully managed to draw down on investment to improve energy efficiency in the Outer East area through schemes such as Warm front, providing cavity wall insulation, loft insulation and heating to vulnerable households in receipt of benefits, insulation through more widely available schemes such as the Wrap Up Leeds free insulation scheme and improvements to local authority owned housing stock through the decent homes programme and Total Heat. This has been helped by the relatively modern profile of housing stock in the area compared to inner city areas, meaning that there are proportionally more properties that are suitable for less expensive forms of insulation.
- 2.3 Additionally, Leeds runs schemes aimed at finding and assisting vulnerable households, including the Warm Homes Service, which helps people suffering from a cold related illness to obtain adequate heating, and the Green Doctor service, which offers home visits to vulnerable people providing energy advice, small scale energy efficiency improvements such as draft proofing and referrals onto other agencies.

3 Main issues

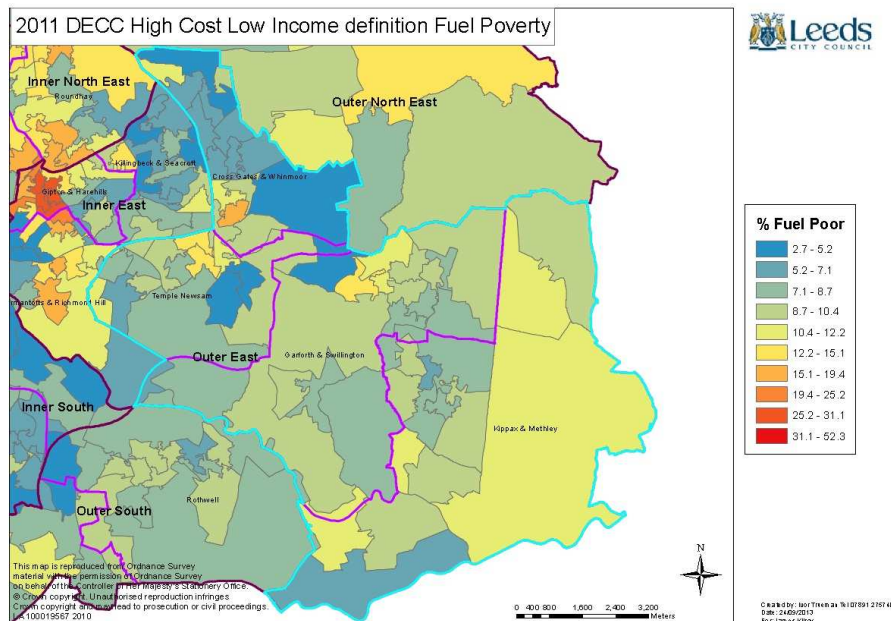
- 3.1 The traditional definition of fuel poverty has been when a household has to spend more than ten per cent of their income on heating and electricity bills. We have calculated that approximately 14.6% of households in the Outer East area were in fuel poverty by this measure as opposed to 16.3% of households city wide:

Fig 1: Fuel Poverty in Outer East Leeds (10% definition)



The Government has recently adopted a new definition of fuel poverty based on low income households that have high energy costs. As well as measuring a smaller proportion of households overall as fuel poor, this measure has shifted the emphasis of fuel poverty away from relatively modern well insulated houses, albeit with low income residents, towards those living in older hard to treat properties. Also, given that council owned properties have a higher than average energy efficiency, we would expect there to be a shift in emphasis towards private housing, particularly the private rented sector which has the lowest average efficiency of all housing in Leeds. 8.8% of households in Outer East Leeds are classed as fuel poor under this indicator as opposed to 11% citywide.

Fig 2: Fuel Poverty in Outer East Leeds (Low Income High Cost definition):



However, even though the Outer East area has lower average fuel poverty than

the rest of Leeds under both definitions, there will still be households across the whole area who will struggle to keep warm this winter who could potentially benefit from energy efficiency improvements, therefore it is worthwhile to refer those households where possible to the schemes outlined below.

- 3.2 Over the last year, previous grant schemes such as Warm Front, which provided a range of heating and insulation measures to low income households, and the Carbon Emissions Reduction Target (CERT), which provided free and subsidised insulation to a wide range of households have been replaced by the Energy Company Obligation (ECO). ECO is a market based mechanism, funded by energy suppliers and unlike previous grant schemes, the amount of assistance available to an individual household is partly dependant on how much money an improvement will save that household over time. ECO is split into three parts:

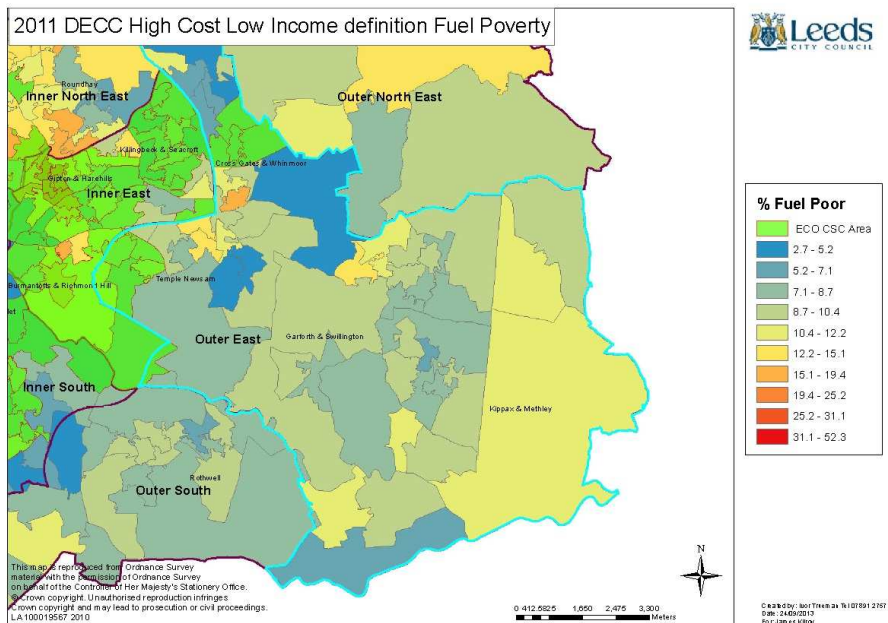
Home Heating Cost Reduction Obligation (HHCRO): is available to private sector households, dependant on receipt of income related benefits and household circumstances. This can provide heating as well as insulation measures.

Carbon Saving Communities Obligation (CSCO): is available to households across tenures in roughly the lowest 15% areas of multiple deprivation. This is only available for insulation measures.

Carbon Emissions Reduction Obligation (CERO): is available to top up the cost of expensive hard to treat measures such as external wall insulation, where they are not expected to pay for themselves through energy savings within 25 years (Under the Green Deal, “able to pay” householders will be expected to pay for improvements through Green Deal finance so long as they are modelled to pay for themselves through energy savings within twenty five years i.e. meet the Golden Rule).

- 3.3 In order to ensure that Leeds residents have the maximum opportunity to benefit from ECO, we are running our Wrap Up Leeds ECO scheme until May 2014, which is promoting HHCRO to eligible households through community engagement and direct mailings to benefits recipients. Wrap Up Leeds ECO will also undertake more widespread promotion of insulation measures, particularly in those areas which attract CSCO funding. These areas are located mainly in the West and North of the Outer East area (see Fig 1) and include some of its more concentrated pockets of fuel poverty, therefore providing a good opportunity to provide additional assistance to vulnerable people. Households that aren't eligible for free improvements may be able to have them installed for a subsidised price.

Fig 3: Carbon Saving Communities funding eligible areas in Outer East Leeds.



- 3.4 As well as Wrap Up Leeds ECO, Leeds City Council promotes a number of smaller scale schemes aimed at improving affordable warmth, that are targeted at vulnerable sections of the community. The Warm Homes Service, run by Care & Repair, provides vital heating repairs and improvements to households suffering from a long term cold related illness. In addition to applying on the householders behalf for schemes such as ECO, Care and Repair will also apply for other sources of funding such as employer benevolent funds and contributions from charitable organisations associated with the client's illness to make up as much of the cost as possible. Another project supported by Leeds City Council is the Green Doctor service, run by Groundwork Leeds, which offers home visits to low income and elderly residents. They provide advice on energy efficiency, small scale efficiency measures such as draught-proofing and referrals to other schemes for more substantial improvements.
- 3.5 Although we promote our schemes heavily using traditional outreach methods, we recognise that many vulnerable people who could benefit from improved affordable warmth may not be receptive to these methods. We therefore operate referral schemes which allow front line workers and community volunteers to refer householders to help where appropriate. The Leeds Energy Champions scheme allows front line workers in the NHS and Adult Social Care to refer households suffering from cold related illness to the Warm Homes Service. We also take part in the West Yorkshire Hotspots scheme, which enables a wide range of volunteers and workers to refer households to energy advice, income advice and fire safety checks using a simple tick box card. Over the past two years, we have also run a community grants fund that has allowed local community groups to develop a range of projects supporting communities through the winter and reducing social isolation.
- 3.6 Although the energy efficiency of homes will have a substantial impact on affordable warmth, we recognise the need to take a holistic approach to the issue that includes trying to maximise household income whilst helping people to find

cheaper energy bills. Our schemes include provision to refer households where appropriate to welfare rights, and last year we ran a pilot scheme with the CAB network to provide combined energy efficiency and fuel bill advice to households, which we hope to continue as soon as funding is available. We are also investigating ways to lower household fuel bills through collective fuel switching and bulk purchase and we took part in a pilot project last year, the results of which we are evaluating with a view to running a further project in the near future.

- 3.7 Many of the above projects have been expanded and supplemented over the past two years in a winter warmth campaign which has been funded through the Department of Health's Warm Homes Healthy People Fund as well as the Department of Energy and Climate Change's Fuel Poverty Fund. We have only recently learnt that these funds will not be available for 2013/14, therefore we are working closely with public health to identify other sources of funding to run a Winter Warmth Campaign this winter. The Leeds South and East Clinical Commissioning Group has already agreed to part fund a winter warmth campaign in place of funding provided through Leeds Primary Care Trust last year [see appendix 1: final report on the 2012/13 Winter warmth Campaign].

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 We consult with a wide range of partners, including councillors, voluntary sector organisations, public and private sector housing providers, the NHS and contractors through the Affordable Warmth Partnership. This process of engagement informs not only our affordable warmth strategy, but also the development of our wider range of schemes and projects.

4.2 Equality and Diversity / Cohesion and Integration

- 4.3 All of the individual projects and schemes outlined in this report undergo screening for Equality and Diversity/Cohesion and Integration. However, since the programmes outlined are aimed at improving affordable warmth for vulnerable households and low income groups, they will have a positive impact on reducing inequality across the Outer East area.

4.4 Council policies and City Priorities

- 4.4.2 The Vision for Leeds is committed to making sure that everybody lives in a decent home and can stay warm by 2030. In addition, the City Priority Plan to 2015 commits the authority to "support more people to live safely in their own homes" and "improve housing conditions and energy efficiency". We aim to help the city achieve both of these aims through our projects.

- 4.4.1 Affordable warmth has been included as a priority in the Joint Health and Wellbeing Strategy 2013 – 15, as a result of the scrutiny enquiry on fuel poverty.

4.5 Resources and value for money

4.5.2 In an era of shrinking budgets, the Council is committed to drawing down external investment from sources such as ECO. The programmes highlighted in this report show that the Council has been successful in the past and has ambitious plans to draw investment into the Outer East area in the future

4.6 Legal Implications, Access to Information and Call In

4.6.3 The report has no direct legal implications and all information is openly accessible.

4.6.4 The recommended decisions are all open to Call In.

4.7 Risk Management

4.7.1 This report sets out Leeds' programme to improve access to affordable warmth in the Outer East area. Each programme of work will be developed and governed using standard project management practices and will have its own risk profile.

5 Conclusions

5.1 The on-going trends of increasing energy prices and constrained growth in incomes means that many vulnerable households in the Outer East area will continue to struggle to heat their homes, including elderly residents who may find themselves struggling to heat the family home later in life, and residents suffering from illnesses that can be exacerbated by cold living conditions.

5.2 Leeds has made substantial progress in improving household energy efficiency in the Outer East area through schemes such as the Wrap Up Leeds free insulation scheme, Warm Front, Total Heat and the decent homes standard. However, many of these schemes have been replaced by ECO which is a market mechanism, and Leeds City council and its partners have a role in ensuring that as many vulnerable and low income households in the Outer East area have access to this and other streams of funding to make heating their homes more affordable, as possible.

5.3 We will continue to engage with people through a combination of traditional marketing, community outreach and targeting at local events, and referrals from front line staff and volunteers where appropriate. We also aim to take a combined approach to improving affordable warmth through raising household energy efficiency levels, maximising incomes, and helping people to obtain lower fuel tariffs where possible.

6 Recommendations

6.1 That the Outer East Area Committee promotes affordable warmth through its members and partner organisations, and assists in publicising schemes that are being undertaken in the area such as Wrap Up Leeds ECO to improve affordable warmth amongst households.

7 Background documents¹

7.1 There are no background documents.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.