

Report of the Directors of Resources & Housing and Communities & Environment

Report to Executive Board		
Date: 7 January 2020		
Subject: Promoting Affordable Warmth		
Are specific electoral wards affected?	🗌 Yes	🛛 No
If yes, name(s) of ward(s):		
Has consultation been carried out?	🛛 Yes	🗌 No
Are there implications for equality and diversity and cohesion and integration?	🛛 Yes	🗌 No
Will the decision be open for call-in?	🛛 Yes	🗌 No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	🗌 Yes	🛛 No

Summary

1. Main issues

- Executive Board received a report on 19 December 2018 which outlined a new approach to reporting on tackling poverty and inequality within Leeds City Council. Recognising the central importance of this issue to the council's day-to-day work Executive Board agreed that it should receive a series of future reports providing more detail on the activity ongoing in the city, and describing how the lived experience of those people directly impacted by these issues in Leeds is informing the council's work. This report focuses on efforts to tackle Fuel Poverty and this is the second in that series. It will be followed up by further themed reports over the coming months.
- Each report received by Executive Board will reflect the council's wider framework for poverty reduction and mitigation recognising the approaches set out in both the Inclusive Growth and Health and Wellbeing strategies, alongside the focused work of the Child Poverty Impact Board. They will also rely on the strong partnership based approach which has developed over recent years between the council and the community, which is ensuring the experiences of those directly impacted play a key part in informing innovative and sustainable solutions to some of the most significant challenges in the city.
- The scale of the challenge to tackle fuel poverty is significant. There were an estimated 37,000 people in Leeds in fuel poverty in 2017.

- The council has noted the challenges outlined in Leeds' Poverty Truth's "Humanifesto", which cover communications breakdown, barriers and isolation, and has responded to how it helps tackle these in relation to fuel poverty.
- 2. Best Council Plan Implications (click <u>here</u> for the latest version of the Best Council Plan)
 - The work set out in this report contributes to the Best Council Plan focus of tackling poverty and reducing inequalities, and achieving the council's ambition for a strong economy and compassionate city. The activities set out in this report support the Best City Priorities of Safe, Strong Communities, Inclusive Growth, Health & Wellbeing, Child-Friendly City, Age-Friendly Leeds and Housing.

3. Resource Implications

• All of the Fuel Poverty projects and services referred to in this report are being undertaken within current budgets and there are no additional resource implications arising from this report.

4. Recommendations

- a) Director of Resources and Housing to invite the Leeds Poverty Truth Commission to become a member of the Affordable Warmth Partnership and act as consultee for Leeds Affordable Warmth Plan.
- b) Continue to listen to people's lived experience of cold and damp housing conditions, better understand barriers people are facing, and wherever possible take action locally through co-production, such as improve service provision, or use council's influencing powers to seek to change national policy and regulation.
- c) Ensure that digital solutions to assess and alleviate fuel poverty do not lead to further marginalisation and exclusion of those most in need.

1. Purpose of this report

- 1.1 To provide an update on the council's approach to tackling fuel poverty in the city, as requested in the recent Executive board report of 19th December 2018, "Tackling Poverty and Inequality".
- 1.2 The report outlines a number of areas in which the council works with partners in the voluntary, health and housing sectors to identify and assist residents who may be experiencing, or at risk of experiencing fuel poverty. The report also highlights action that the council is taking to promote affordable warmth more generally across the city, in order to prevent residents from experiencing fuel poverty in the first instance.

1.3 Introduction - Co-authored by Leeds City Council and Leeds Poverty Truth Commission

Home is a place where you can be with family; where you celebrate and nurture friendship; where you relax, find peace and feel secure. Yet, if your house is cold, it's difficult to call it a home. It's too cold to invite people round or do your homework or get the rest you need.

Many people in Leeds struggle to call their dwelling a home. In 2017, 37,000 residents in Leeds faced fuel poverty. Difficult-to-heat houses and difficult-to-understand fuel bills make the task of providing affordable warmth challenging. The broad range of housing stock and ownership make it impossible to adopt a single approach, and the sheer scale of improvements required for homes is huge. Yet, despite this, we've made a start.

The area renewals schemes in Cross Green and Holbeck have not only made houses more energy efficient but uplifted the local area. In Cross Green the partnership between building company, Leeds City Council and the local community went beyond upgrading the houses with insulation. The innovative scheme meant that houses, walls and bin yards not only looked better but improved local people's perception of their community. A local activist and resident said that *"the builders were amazing. Not only did they improve our homes but helped us get the ground ready for our growing project and provided units for a community kitchen."*

The Home Plus Service comes across many Leeds residents who are trying hard to sort issues with their energy company themselves, but are not getting anywhere. They recently supported a retired widower, Mr P. His energy company increased his monthly payments from £70 to £170 per month, which had come as a real shock. The worker quickly uncovered that there were issues with the bill, none were Mr P's fault. The energy company was contacted, who were unable to explain the increase and put it down to a systems malfunction. Among other things, the worker arranged to have a new direct debit set to £65 per month. Mr P was extremely pleased with the outcome and said he couldn't believe how easy it had been for the Green Doctor to sort things out when he had felt like he was *"banging his head against the wall"*.

This report's authors recognise these examples are just the start of all that we can achieve as we seek to make Leeds a city where every dwelling is a home.

2. Background information

2.1 Fuel Poverty

- 2.2 A household experiencing fuel poverty is defined as one where they have required fuel costs that are above the national (median) average, and were they to spend that amount, they would be left with a residual income below the poverty line. As well as having a comparatively high proportion of low income residents, a large proportion of the housing stock in Leeds exhibits characteristics which are likely to result in residents having higher than average fuel costs, often in areas where low income households are concentrated. The inability to heat one's home also extends to other areas where householders are unable to afford hot water or electricity to run appliances for day-to-day living such as cooking, washing, charging, and so on.
- 2.3 The council has worked to implement the fuel poverty strategy for England, produced in 2015. Consultation to update the strategy closed mid-September and we are awaiting the publication of the updated document in 2020.
- 2.4 In 2017 (the most recent year for which BEIS has fuel poverty statistics), 11.1% of households (36,926) in Leeds were living in fuel poverty. This is higher than the figure for England which is 10.9% of households.
- 2.5 Over many years, the council has worked across directorates and with partners to develop and undertake work to promote affordable warmth and alleviate fuel poverty across Leeds. Engagement with partners has taken place through the Affordable Warmth Partnership, and follows the aims and objectives set out in the Leeds Affordable Warmth Strategy 2017-2030. These aims are:
 - 2.5.1 To increase the average SAP (i.e. energy performance) rating of housing in Leeds to band C as a whole, and to ensure that no properties are below band E by 2030. This reflects the national fuel poverty target "improve as many fuel poor homes as is reasonably practicable to a minimum energy efficiency rating of Band C, by the end of 2030". At present, the average SAP rating of housing across Leeds is 63.4 and would need to reach 69 to achieve C, so there is still some way to go to achieve the first part of this aim.
 - 2.5.2 To ensure that resident's health and wellbeing isn't put at risk due to being unable to heat their home, as per the NICE guidelines on preventing excess winter deaths.
- 2.6 Achieving affordable warmth and reducing fuel poverty in Leeds is a particular challenge for a number of reasons, including a large number of difficult to insulate homes. These include pre-1919 terraced housing which has been built with solid walls, requiring expensive internal or external wall insulation and in many cases attic rooms, requiring insulation to be built into the roof, as well as a number of post war homes built with non-standard wall construction, which aren't suitable for cavity wall insulation. Leeds also contains a number of properties that are off of the gas network, for example in high rise flats.
- 2.7 As the third largest city in the UK, Leeds contains some of the lowest income areas in the UK. According to the latest Index of Multiple Deprivation (IMD) data (2019), 114 out of 482 (24%) Lower Super Output Areas (LSOA's) in Leeds are statistically ranked amongst the lowest 10% nationally.
- 2.8 Leeds has a large proportion of private rented homes (according to the 2016 stock condition survey, 20% of the total) which have traditionally had a lower average energy efficiency than other tenures. There are many causes for this, however a high proportion of low income households, disengagement of some landlords and

short term tenancies mean that take-up of energy efficiency improvements in privately rented properties has traditionally been lower than other tenures. Recently introduced minimum energy efficiency standards for private landlords are expected to make some difference, however there would need to be a lot of work done to catch up with other tenures and there are various means for landlords to obtain exemptions from them, particularly where improvements needed are comparatively expensive.

3. Main issues

- 3.1 <u>Leeds Affordable Warmth Strategy 2017 2030</u> was adopted by the Leeds Affordable Warmth Partnership as a blueprint for promoting affordable warmth and alleviating fuel poverty across the city. The strategy has the following objectives:
 - 3.1.1 Increase energy efficiency
 - 3.1.2 Reduce fuel poverty
 - 3.1.3 Improve health and wellbeing through affordable warmth
 - 3.1.4 Enable residents to benefit from renewable energy
- 3.2 We estimate that to increase the average SAP (energy efficiency) rating of housing in Leeds to band C, approximately 75,000 solid walled properties would need to be insulated and their heating upgraded where necessary at a cost of roughly £10,000 per property, amounting to approximately £750m. There would also need to be heating upgrades to a further 26,500 non-solid walled properties at a cost of £53 million, meaning total a total cost of £803m. To ensure that no properties are below band E would require improvements to around 19,000 SAP F&G households at a cost of £5,000 to £10,000 or £95-190m altogether.
- 3.3 Since the Affordable Warmth Strategy was adopted, Leeds has gone even further and committed to becoming a carbon neutral city by 2030. To achieve this will require a range of measures including insulation as mentioned above, as well as changes to heating systems including a greater use of renewable energy. This could cost between £1.1 and £2.4 billion, depending on the form of heating chosen.
- 3.4 Without increased levels of investment nationally the above aims will be impossible to achieve, however in order to prioritise schemes and ensure that residents most in need are assisted when they need it, we take a three pronged approach where funds allow:
 - 3.4.1 City wide projects aimed at improving the housing stock to future proof residents against fuel poverty.
 - 3.4.2 Targeted areas with particular characteristics that make them susceptible to fuel poverty, for example areas of low income or hard to treat housing.
 - 3.4.3 Crisis intervention to identify and assist vulnerable residents most in need.
- 3.5 Some of the projects underway, or undertaken recently to improve household energy efficiency include:
 - 3.5.1 438 solid walled properties improved with external wall insulation so far, through areal renewal schemes in Cross Green and Holbeck.
 - 3.5.2 154 low income private households suffering from cardiovascular, respiratory or mental illness assisted with heating and/or insulation through Warm Well Homes between April 2017 and March 2019. The council's Housing and Health section have agreed to continue funding this project going forward.

- 3.5.3 500 council and 40 private households assisted with first time central heating through the Warm Homes Fund. Assistance for a further 400 private and 440 council properties is planned through this scheme in 2019/21.
- 3.5.4 Providing controllable central heating to approximately 2,000 high rise flats from the recycling and energy recovery facility through the Leeds Pipes district heating scheme.
- 3.5.5 Additionally, we have recently been awarded funding to undertake a project trialling innovative external wall insulation in 750 back to back properties within four of the lowest income areas of Leeds in 2020/21, as well as a further project to install combined renewable energy and energy efficiency measures in 250 homes in 2021.
- 3.5.6 The Home Plus Service which is a partnership between Care and Repair Leeds, Groundwork's Green Doctors and Age UK Leeds, has been commissioned by Adults & Health, supported by a contribution from Resources & Housing, to target people with health conditions exacerbated by living in cold, damp conditions, people living with frailty and people who are at risk of falls. Since the service started in October 2018, the Green Doctors have installed over 3,000 small energy efficiency measures in properties, such as lightbulbs, reflective radiator panels and draught excluders, in combination with energy saving and utility bill advice.
- 3.5.7 In addition, Care and Repair as part of Home Plus continue to support crisis interventions such as facilitating emergency servicing and repairs to heating appliances or systems in vulnerable people's homes and supported over 300 clients between October 2018 and September 2019.
- 3.5.8 Each year, Public Health lead a system wide Adverse Weather Plan which aims to protect vulnerable people in Leeds through evidence-based prevention programmes to reduce seasonal deaths and illness. The plan includes three priorities including "Protecting people from the adverse effects of cold weather", a key part of which is improving affordable warmth. In order to ensure vulnerable residents can benefit from schemes as described in sections 3.4.1 to 3.5.5 above, a concerted effort is made through campaigns, events and training to build capacity and raise awareness with frontline staff and the public on how they can help themselves and others. An example of this is the Winter Friends programme that engages with a wide range of partners including council-funded services such as Home Care, and third sector groups such as luncheon clubs, to target and support the most vulnerable people and their communities during the winter months, ensuring they are referred to relevant services if needed.
- 3.5.9 This work should be considered in the context of the Housing Strategy for Leeds 2016-21 and fits under the themes of 'improving housing quality' and 'improving health through housing'.
- 3.6 A new area that is currently being explored at a regional level through the West Yorkshire Food Poverty Network (WYFPN) is that of working with the N Power Foundation to establish Fuel Bank Provision alongside foodbank activity. Fuel Bank is currently available in selected foodbank locations across the UK, and provides a top up voucher for approximately two weeks' worth of fuel to clients with a prepayment meter and who have been deemed as in 'crisis need' by an independent Foodbank referrer. Fuel Bank schemes help prevent self-disconnection (where a client cannot afford to top up their meter) and ensures people are not left without energy for the basics like cooking and heating. Leeds Food Aid Network

(FAN) and Leeds City Council have representation at the WYFPN and will work together with foodbanks in Leeds / West Yorkshire to investigate the possibility of bringing a Fuel Bank scheme to our city in 2020.

3.7 The council's response to the Leeds Poverty Truth Commission Humanifesto's "Three Things That Get In The Way Of Living A Human Life" and how the inability to heat one's home affordably affects these three challenges:

3.7.1 Communications Breakdown

The complicated nature of fuel billing, tariff switching and complaint resolution within the fuel industry often acts as a barrier to many people obtaining a better deal for their gas and/or electricity. To overcome this, we also have schemes to assist residents with reducing their fuel bills, changing their behaviour and increasing their income.

The Leeds Home Plus Service, which is contracted to assist at least 900 low income and/or vulnerable residents with face to face energy and fuel bill advice, or heating repairs and income advice per year. The scheme also facilitates onward referrals to schemes such as Warm Well Homes (see 3.4.2) for larger measures.

White Rose Energy, is an energy supplier set up by Leeds City Council to provide consistently competitive energy tariffs for residents across Leeds with a particular emphasis on providing a better deal for low income customers, for example by enabling them to switch away from pre-payment meters. The company currently has 8,500 customers throughout West Yorkshire and customer service and price competitiveness are part of the ethos of how the company is managed.

At a national level, the council lobbies for greater transparency of utility bills, and more accessible and empathetic customer service.

3.7.2 Barriers

We are aware that many residents, in particular those on a low income, are struggling with digital exclusion and banking/direct debit. A Leeds resident is quoted in the Humanifesto *"Paying more for your electricity and gas because you don't have the credit history for direct debit is tough. But it's more than that".*

The latest 'Financial Exclusion and Poverty' (2018) research commissioned by the council confirmed that 22% of the sample of the lower income areas found using the internet difficult and half of the interviewees did not use digital devices at all for money management (including paying bills). This is particularly relevant to fuel bills, as the energy market increasingly makes its best tariffs available online which risks those benefiting the most being excluded from the most competitive prices.

Moreover, with customer service being provided remotely by most utility companies, it often takes a great deal of perseverance and confidence to sort out any issues a resident may have. There are numerous examples of vulnerable residents who did not manage to resolve their fuel bill issues on their own accord but only after an intervention from support agencies such as Home Plus or other council-commissioned money/welfare advice or advocacy services. This highlights the importance of these services to support residents.

White Rose Energy aims to provide consistently competitive tariffs to customers that they can pay for in the way that suits them best. For example, customers with pre-payment meters are offered the choice of having them replaced with a smart pay-as-you-go meter, which gives them the option of staying on pay-as-you-go with a large range of ways to top up, or easily switching to credit metering if the resident avoids going into their emergency credit for a fixed period.

Welfare reform, in particular the introduction of Universal Credit in October 2018, has led to increased income insecurity. The digital-only provision, waiting times and sanctions has led to residents/families turning to the council for help with their basic 'eat and heat' needs.

The council runs a Local Welfare Support Scheme (LWSS) to support the most vulnerable people access emergency assistance. This scheme provides basic household goods and emergency provision.

Almost a third of LWSS awards were for fuel needs. There were 1,001 awards for fuel in 2018/19, up 24% from 810 awards in 2017/18. In the majority of cases, awards include both emergency food and fuel payments. In the first 6 months of 2019/20, 812 awards were made for fuel and food combined.

3.7.3 Isolation

Social isolation is both a cause and consequence of a lack of affordable warmth.

There is strong evidence that cold living conditions can form a barrier to social interactions i.e. inviting people round, studying, and adding to isolation. However it can also encourage residents to frequent public spaces such as council hubs to keep warm, though this may be through necessity rather than choice.

In addition to the installation of energy efficiency measures, heating improvements, and provision of advice, the council supports groups and projects which enable people to get together over winter and enjoy a range of activities in a warm setting

For example, the 'Stay Well This Winter' small grants scheme, funded by Leeds Public Health, enables voluntary sector organisations within Leeds to bid for small grants of between £500 and £5000 to help vulnerable residents to stay warm and well over winter. A key aim is to help alleviate social isolation. Participating groups must be willing to refer residents to further help where appropriate.

The council and NHS undertake regular cold weather planning in order to provide support and information to vulnerable residents during adverse weather, as described in section 3.5.8. This involves a range of activities, including the dissemination of information, influenza vaccinations, and the development of 'Winter Friends' networks between organisations to support

residents across the city. Winter Friends are encouraged to use a checklist with evidence-based interventions to keep residents warm and well, which includes key service information on heating and advice. For the second year running, Adults & Health 'winter monies' will provide extra capacity to help the most vulnerable households increase their resilience over winter, for example neighbourhood networks will enhance practical support they provide to older people across the city.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Affordable Warmth Partnership, which includes council members as well as representatives from the health, housing and voluntary sectors, is our main vehicle for consulting on and developing affordable warmth policy. This meets on a quarterly basis.
- 4.1.2 In compiling this report, we consulted with the Leeds Poverty Truth commission in order to incorporate and reflect the lived experience of poverty within the report and use appropriate and sensitive language to describe people, families, and communities who struggle against poverty.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 A key focus of the work outlined in this report has been to support people struggling against fuel poverty in particular, as well as broader issues of hardship, poverty and inequality. Many of the projects in this area also look at communities holistically, thereby strengthening cohesion and integration too.
- 4.2.2 All projects and initiatives outlined in this report are reviewed annually as part of the annual equality improvement priority updates.

4.3 Council policies and the Best Council Plan

- 4.3.1 The above Fuel Poverty programme contributes to the Best Council Plan in terms of improving the health and wellbeing of residents by enabling them to live in warm homes. The work programme contributes to the energy efficiency and quality of homes, as set out in the Leeds Housing Strategy and contributes to the Leeds Affordable Warmth Strategy 2017-2030.
- 4.3.2 The work to tackle fuel poverty plays a key role in achieving the Council's ambition to build a compassionate city and tackling poverty and reducing inequalities. The overarching aim of the Best Council Plan is 'Tackling Poverty and Reducing Inequalities'. The activities set out in this report support the Best City Priority of Safe, Strong Communities through;
 - Keeping people safe from harm, protecting the most vulnerable.
 - Helping people out of financial hardship.
 - Tackling crime and anti-social behaviour.
 - Being responsive to local needs, building thriving, resilient communities.
 - Promoting community respect and resilience.

The projects and initiatives outlined to tackle fuel poverty in this report also contribute towards the Best City Priorities of Inclusive Growth through targeting interventions to tackle poverty in priority neighbourhoods. The actions also contribute to the priorities of Health & Wellbeing, Child-Friendly City, Age-Friendly Leeds and Housing.

4.4 Climate Emergency

- 4.4.1 This report is intended to complement the Climate Emergency Update report that will be presented to Executive Board in January 2020.
- 4.4.2 The above Fuel Poverty programme helps to reduce the city's emissions of greenhouse gases by improving the overall energy efficiency of the housing stock.
- 4.4.3 It is important to recognise the complex relationship between the council's ambitions to both tackle poverty and reduce inequalities while also respond to the climate emergency. Globally it is the poorest people and communities who are most affected by the negative impacts of climate change, and who have the fewest options available to them in order to respond. In Leeds, the situation is very similar. The council has a crucial role to play in assisting these communities wherever possible. One key way in which this is already happening is through group repair schemes and delivering energy efficiency measures. One of the most successful recent projects in this regard has taken place in Holbeck and the outcomes of that work are detailed in the *Investing in our Neighbourhood: A Review of the Investment in Holbeck* report, also on this Executive Board agenda.
- 4.4.4 Whether it be about the food we eat, the way we travel or the products we buy, those struggling against poverty inevitably have fewer choices and often the ability to take a decision based on what might be the most environmentally ethical path is not based in the day-to-day reality of people's lives. Therefore a key aspect of considering how the council seeks to tackle poverty should be to examine in greater detail the relationship it has with climate and environmental issues, and how we can support and enable those from low income households be fully included in wider efforts to make more environmentally friendly decisions in the future.
- 4.4.5 As noted earlier, this report forms part of a wider programme of work considering the lived experiences of those struggling against poverty. Through this activity, the council and its partners will seek to explore the issue of climate emergency in more depth.

4.5 Resources, procurement and value for money

4.5.1 All of the projects and services referred to in this report are being undertaken within current budgets, there are no additional resource implications arising from this report.

4.6 Legal implications, access to information, and call-in

4.6.1 There are no specific legal implications or access to information issues with this report.

4.7 Risk management

4.7.1 There are no specific risk management issues with this report.

5. Conclusions

- 5.1 There is a strong link showing those who are struggling with fuel poverty and in the most need of help are those who are also struggling with digital exclusion. Not only do those who are already in fuel poverty need assistance, but also those who are most vulnerable to falling into fuel poverty, therefore helping prevent residents from experiencing fuel poverty in the first place. Crisis intervention helps to identify and assist those residents that are most vulnerable and at risk. Leeds' approach, as set out in the Leeds Affordable Warmth Strategy 2017 30 of undertaking city wide schemes to future proof the whole housing stock against fuel poverty, targeting areas which are likely to be susceptible to fuel poverty and identifying individuals who are in, or at risk of fuel poverty is the best way to ensure that prevented from experiencing fuel poverty as well as assisting those who are already most in need.
- 5.2 The wide range housing types we have in Leeds causes a serious issue for fuel poverty and increased levels of investment are needed nationally to enable Leeds to be able to increase the average SAP rating of housing to band C and ensure no housing is below band E. 11.1% of our households in Leeds are living in fuel poverty, this being higher than the national average which is 10.9% (figures from 2017). Tackling fuel poverty is central to efforts to achieve our carbon reduction target and failure to make progress will reduce the prospect of achieving the level we need to. Alongside this however, failure to tackle fuel poverty effectively could have a serious impact on the health and wellbeing of people living in that 11.1% of households.
- 5.3 When considering how best to respond to this challenge, it is important to note that the best evidence how affordable warmth schemes can deliver health improvement shows that interventions should be targeted at those with chronic disease, in particular respiratory and cardiovascular disease. Schemes that do this can deliver significant savings to the health sector alongside savings for individual households, while contributing to the carbon reduction target and delivering a healthier city.

6. Recommendations

- 6.1 Director of Resources and Housing to invite the Leeds Poverty Truth Commission to become a member of the Affordable Warmth Partnership and act as consultee for Leeds Affordable Warmth Plan.
- 6.2 Continue to listen to people's lived experience of cold and damp housing conditions, better understand barriers people are facing, and wherever possible take action locally through co-production, such as improve service provision, or use council's influencing powers to change national policy and regulation.
- 6.3 Ensure that digital solutions to assess and alleviate fuel poverty do not lead to further marginalisation and exclusion of those most in need.

Background documents¹

None

Further reading

Leeds City Council (2018) *Financial Exclusion and Poverty: Historic Trends in Leeds*. University of Salford, Community Finance Solutions, QA research. Downloaded from <u>www.leeds.gov.uk/fi</u>

 $^{^{\}rm 1}$ The background documents listed in this section are available to download from the council's website, unless they contain c

onfidential or exempt information. The list of background documents does not include published works.