



Report of the Sustainable Energy and Air Quality Team

Report to the Environment, Housing and Communities Scrutiny Board

Date: 6th February 2020

Subject: Update on fuel poverty in Leeds

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|--|---|
| Are specific electoral wards affected? If yes, name(s) of ward(s): | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Has consultation been carried out? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Will the decision be open for call-in? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number: | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Summary

1. Main issues

- The scale of fuel poverty in Leeds is significant. In 2017, 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
- 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, including city wide programmes aimed at future proofing the whole housing stock against fuel poverty, schemes targeted at specific areas with household and/or building characteristics that make them particularly susceptible to fuel poverty and projects to identify and assists individuals who are vulnerable or fuel poor.
- 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. Of the above properties, there are 19,000 SAP F&G households which would require improvements costing £5,000 to £10,000 or £95-190m altogether, to bring them up to band E.
- If we are to continue to reduce fuel poverty at the same time as reducing carbon emissions from domestic housing, we will need to substantially improve the energy efficiency of Leeds' housing stock, particularly older properties that are expensive to insulate

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The 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.
- 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;
 - a. Keeping people safe from harm, protecting the most vulnerable.
 - b. Helping people out of financial hardship.
 - c. Being responsive to local needs, building thriving, resilient communities.
 - d. 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.
- The fuel poverty programme plays a key role in helping the council to respond to the climate emergency by improving domestic energy efficiency and reducing carbon emissions.

3. Resource Implications

- The programme outlined in this report is being undertaken within current budgets, there are no additional resource implications arising from this report.

Recommendations

- a) That the Environment, Housing and Communities Scrutiny Board notes the content of this report.

1. Purpose of this report

- 1.1 To update members of the Environment, Housing and Communities Scrutiny Board on fuel poverty within Leeds.
- 1.2 The report outlines the nature of the challenge in Leeds as well as the approach taken in Leeds to alleviate fuel poverty and promote affordable warmth.

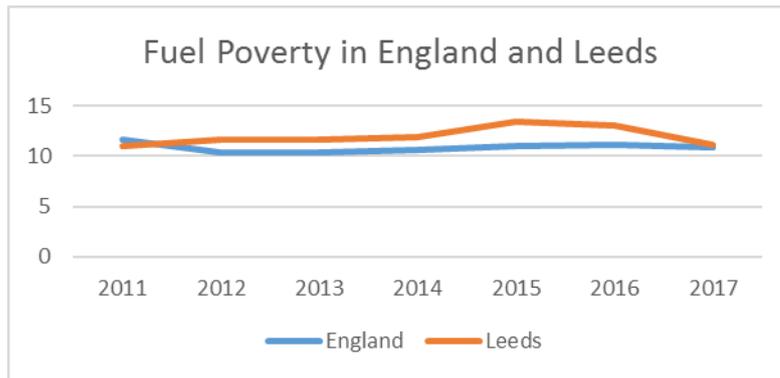
2. Background information

- 2.1 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. When people are in fuel poverty, they often struggle to afford hot water or electricity to run appliances for day-to-day living such as cooking, washing, charging, and so on.
- 2.2 Living in a cold home can often have an adverse effect on people's health, particularly vulnerable residents such as the very young or elderly and those living with long term health conditions such as respiratory, cardiovascular or mental illness.
- 2.3 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 and make them vulnerable to fuel poverty.
- 2.4 Some residents experience barriers in terms of language or digital exclusion for example, which make it difficult for them to obtain the best tariffs or resolve problems with suppliers.
- 2.5 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 slightly higher than the figure for England which is 10.9% of households.
- 2.6 Since England started using the Low Income, High Cost definition of fuel poverty in 2011, fuel poverty in Leeds has, with the exception of 2011 been higher than the the average for England. However, since 2015, this gap has narrowed considerably (See Table and Graph 1)

Table 1, % households in fuel poverty (DECC/BEIS)

| | England | Leeds |
|------|---------|-------|
| 2011 | 11.7 | 11.0 |
| 2012 | 10.4 | 11.6 |
| 2013 | 10.4 | 11.6 |
| 2014 | 10.6 | 11.9 |
| 2015 | 11.0 | 13.5 |
| 2016 | 11.1 | 13.1 |
| 2017 | 10.9 | 11.1 |

Graph 1, % households in fuel poverty (DECC/BEIS)



- 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 ranked amongst the lowest 10% nationally.
- 2.8 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.
- 2.9 Over many years, the council has worked across directorates and with partners to develop and undertake work to 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:
- 2.9.1 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.
- 2.9.2 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.
- 2.10 Reducing fuel poverty in Leeds is a particular challenge for a number of reasons, including a large number of homes that are difficult to improve in terms of energy efficiency. These include pre-1919 terraced housing with solid walls, requiring expensive internal or external wall insulation and in many cases attic rooms, requiring insulation to be built into the roof. There are also many 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.
- 2.11 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.

- 2.12 According to the Department for Business, Energy and Industrial Strategy, residential homes emitted 15% of the UK's greenhouse gas emissions in 2017 (the most recent year for which finalised data is available).

3. Main issues

- 3.1 [Leeds Affordable Warmth Strategy 2017 – 2030](#) 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. 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 entire housing stock to future proof residents against fuel poverty (there is currently little national Government funding available to support this aim, however as a landlord, Leeds city Council continues to upgrade the energy efficiency of its own properties).

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. Projects include the Holbeck area improvement scheme, Transformational Insulation in Back to Backs (TIBB), providing external wall insulation in solid walled properties, Fitting the Future (FtF), providing heating upgrades and renewable energy to council properties and the Swarcliffe gas mains extension scheme (Please see the accompanying report by Leeds Housing for further details). These schemes are often designed to work across tenures to ensure that individual households aren't missed out.

3.4.3 Crisis intervention to identify and assist vulnerable residents most in need. To achieve this, teams within Leeds City Council, including Sustainable Energy

and Air Quality, Public Health and Housing and Health work together with partners in the health and voluntary sectors to identify and support vulnerable residents. Projects commissioned by Leeds City Council to do this include:

- 3.4.3.1 The Home Plus Service is a partnership between Care and Repair Leeds, Groundwork's Green Doctors and Age UK Leeds supports people with health conditions exacerbated by living in cold and 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. The service is jointly funded by Adults and Health, Public Health and the Sustainable Energy and Air Quality Team, whilst heating and insulation improvements for residents suffering from a cold related illness are funded by Housing and Health.
 - 3.4.3.2 In addition, Care and Repair as part of Home Plus continue to support crisis interventions such as facilitating emergency heating, servicing and repairs in vulnerable people's homes and supported over 300 clients between October 2018 and September 2019.
 - 3.4.3.3 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 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 Leeds City Council has commissioned its own white label energy company, White Rose Energy, which 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.
 - 3.6 If we are to continue to reduce fuel poverty at the same time as reducing carbon emissions from domestic housing, we will need to substantially improve the energy efficiency of Leeds' housing stock, particularly older properties that are expensive to insulate.
 - 3.7 In order to meet our carbon target, there will need to be a switch away from gas central heating to either hydrogen fuel, district heating or heat pumps. Housing will need to be energy efficient for these to be effective and affordable, otherwise residents will be at risk of fuel poverty.

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.

4.2 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 An Equality, Diversity, Cohesion and Integration Impact Assessment was undertaken in conjunction with the adoption of the Leeds Affordable Warmth Strategy 2017 – 30.

4.3 Council policies and the Best Council Plan

4.3.1 The 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.
- Being responsive to local needs, building thriving, resilient communities.
- Promoting community respect and resilience.

4.3.3 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.

Climate Emergency

4.3.4 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.

4.3.5 In Leeds, as globally, it is the poorest people and communities who are most affected by the negative impacts of climate change and extreme weather, and who have the fewest options available to them in order to respond. The council has a crucial role to play in assisting these communities wherever possible by reducing fuel poverty and improving affordable warmth.

4.4 Resources, procurement and value for money

- 4.4.1 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.

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

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

4.6 Risk management

- 4.6.1 There are no specific risk management issues with this report.

5. Conclusions

- 5.1 The large number of older, solid wall homes in Leeds makes fuel poverty both more likely and harder to deal with. Significantly increased levels of investment are needed nationally to enable Leeds to meet targets to increase the average SAP rating of housing to band C and ensure no housing is below band E.

Tackling the energy efficiency of housing in Leeds is central to efforts to achieve both our carbon reduction target and a reduction in fuel poverty. Failure to tackle fuel poverty effectively would also have a serious ongoing impact on the health and wellbeing of people living in the 11.1% of households in fuel poverty in Leeds.

- 5.2 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.

6. Recommendations

- 6.1 That the Environment, Housing and Communities Board notes the content of this report.

7. Background documents¹

- 7.1

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.