

To: Housing Panel

Date: 22 January 2015

Report of: Head of Housing and Property

Title of Report: Fuel Poverty

Summary

Purpose of report: To inform Members about work the Council is doing on alleviating fuel poverty.

Key decision *No*

Executive lead member: Cllr Ed Turner/ Cllr Scott Seamons

Report author: Debbie Haynes, Energy Efficiency Policy Officer

Policy Framework: Cleaner and Greener
Meeting Housing Needs

Background

What is fuel poverty and its impacts?

1. The previous definition for fuel poverty was that if householders were using more than 10% of their income to heat their home to a reasonable standard (as per table1 below), then they were in fuel poverty. Recently this changed to a different fuel poverty definition, known as the 'Low Income, High Cost' definition. This considers a household to be in fuel poverty if:
 - they have required fuel costs that are above average (the national median level)
 - were they to spend that amount they would be left with a residual income below the official poverty line

2. Whichever definition is used, there are three key components determining existence or levels of fuel poverty in domestic homes which are:
 - the energy efficiency of homes (eg efficiency of heating, levels of insulation)
 - household income
 - cost of energy
3. Cold homes affect the health of those people living there. Adequate heat is defined as 21°C in a living room and 18°C in other rooms. As room temperatures fall, there is an impact on health, which is shown below:

Indoor temperature	Comments
21°C	Recommended living room temperature
18°C	Minimum temperature with no health risk
under 16°C	Resistance to respiratory diseases may be diminished
9–12°C	Increases blood pressure and risk of cardiovascular disease
5°C	High risk of hypothermia

4. Fuel poverty is related to excess winter deaths, of which there were 53 in Oxford in 2013 which is a concern particularly when rising energy prices are considered (Oxford Health Profile 2014). This is only the tip of the iceberg of a wider set of poor outcomes associated with cold unhealthy housing. To put this into context, it is estimated that treating winter-related disease due to cold housing in the private sector costs the NHS around £849 million a year (Department of Health, 2009)

Fuel poverty work and the Home Energy Conservation Act

5. Under the Home Energy Conservation Act 1995, local authorities were required to consider measures to improve the energy efficiency of all residential accommodation, including a number of energy efficiency promotions or measures such as cavity wall and loft insulation, and small scale renewables. From April 1996 to 31 March 2006, UK wide, there was an energy efficiency improvement of national domestic housing of approximately 19.26% against a 1996 baseline. However, Oxford exceeded this and met the 30% target in March 2008 which equated to approximately 106,000 tonnes of CO₂.
6. The Council appointed an Energy Efficiency Projects Officer in September 2013, who has a part time responsibility for leading on fuel poverty. This report details work that has been carried out since this point or is pending.

Current Fuel Poverty work by Oxford City Council

Oxford City Council's housing stock

7. Our analysis of the Council's own housing stock shows that many of the quick wins for energy efficiency have been completed including:
 - Approximately 3,500 cavity wall insulation installations
 - 424 external wall insulation installations
 - 7,369 window replacements with double glazing
 - 3,886 gas condensing boilers
 - Centralised biomass system for 72 new Council flats
 - Some solar thermal for older person bungalows and 40 solar photovoltaic installations
8. Further improvements to the Council's housing stock and property portfolio require a strategic approach, and a programme of housing energy efficiency and renewable energy works are being incorporated into the Asset Management strategy and Energy Policy. This is being guided by data from the Council's Stock Condition Survey and subsequent energy data modelling programme which is currently being undertaken.
9. The Asset Strategy will include SAP (energy efficiency rating) targets. The Council's draft Housing revenue account business plan for 15/16 and beyond proposes a substantial increase in resources targeted at energy efficiency investment in the Council's stock.(an additional £9m spend over the next 4 years) and also includes revenue funding for a free home energy audit for every Council home. External funding, such as from the Energy Company Obligation will continue to be accessed as and when available. In addition the housing investment programme includes for on- going boiler and heating system replacement programmes.
10. Work on insulation is also in progress during this financial year. This includes an external wall insulation programme of approximately 60 properties, utilising the Council's existing HRA budget, Energy Company Obligation (ECO) and Green Deal funding to greatly reduce costs. The tower block refurbishments (five blocks) will also include external insulation, aiming to provide better insulated, ventilated and healthier properties that result in lower energy bills for residents.
11. There has been an award of contract for ECO funded cavity wall insulation work for 87 properties in the 25% most deprived areas (which include Blackbird Leys, Barton and Rose Hill). The second phase of cavity wall insulation, which covers all other areas in Oxford, is shortly to be put out to tender. Direct Services are also installing loft insulation in response to received requests. This will inform a larger roll out in the future as these are more problematic properties for the work.

12. The installation of solar photo voltaic panels helps to reduce fuel poverty by offering tenants free solar electricity. A pilot project on the domestic housing stock installed these in 5 homes, and gave user information to tenants in 2013/14. Currently officers are working on pre-surveys for installation of solar photo voltaic panels on 25 properties in Rose Hill. This forms part of a larger innovative 'ERIC' research project evaluating the potential for community energy in the area. Solar PV electricity, battery storage and low energy LED lighting will be installed and usage monitored, therefore this will offer additional energy savings for tenants than just the free daytime solar electricity.

Private rented sector work

13. The private rented sector generally performs more poorly in terms of energy efficiency than other tenures. Energy Performance Certificates measure the energy efficiency of properties and are required for all private rented properties that go into the rental market. G is the poorest rating. From April 2016, private residential landlords will be unable to refuse a tenant's reasonable request for consent to energy efficiency improvements where finance is available. From 2018 it will be unlawful to rent out a property that does not reach a minimum energy efficiency standard, likely to be E as an EPC rating (Energy Act 2011).
14. The Private Sector Safety team ran an initial trial of around 20 properties last winter, utilising thermal imaging on single private rented properties on a "*by request*" basis. This is due to be built on shortly, with a programme targeting rental properties with low or no EPCs.
15. The Houses of Multiple Occupancy (HMOs) Licensing scheme has resulted in significant improvements in overall property standards in the HMO stock. Not all these improvements have a direct impact on fuel poverty but repairs to buildings, new windows and heating system replacements help alleviate tenants' fuel poverty. EPCs have been required as part of HMO licensing since 2011.
16. Inspections carried out as part of the HMO licensing scheme are being used to encourage landlords to make the changes recommended within Energy Performance Certificates if they score poorly (F or G). This is to ensure their properties achieve the minimum energy efficiency standards in advance of the legal requirement.
17. The Council's Fuel Poverty grants aim to lever in external funding to alleviate fuel poverty for Oxford households. This winter's grant is split into two pots: providing small landlord incentives for basic insulation and heating efficiency measures to benefit private sector vulnerable tenants; and supporting other funding streams via the Home Improvement Agency for highly vulnerable householders.

18. Building on data provided by the Building Research Establishment (BRE) for the housing stock across Oxford, work is currently in place to use this and other data to find the areas most at risk of fuel poverty across the city. This will inform both the work of the Council and local community groups.

Community and health

19. This year, Oxford City Council has continued to fund the cross county Affordable Warmth Network, providing a single point of call for residents concerned about their energy bills as well as advice and guidance. This has led to further work to find a meaningful way to monitor the health impacts of fuel poverty across Oxford (and Oxfordshire).
20. Current work on health include the inclusion of a new outcome measure for the Health Improvement Board, looking at number of energy efficiency interventions made by Councils in the Affordable Warmth Network. This incorporates the work of the Private Sector Safety team and the Home Improvement Agency at Oxford City Council. Another project in progress with all health partners, Cherwell District Council and National Energy Federation is a structure for the 'Better Housing, Better Health' project linking energy efficiency of buildings with health outcomes.
21. Regular meetings of the Oxford Fuel Poverty Group are now taking place- this is with key partners, the City Council and environmental community groups. Aims of this are to increase understanding of the issues and support community groups in targeting fuel poverty in their areas, by offering data support, funding advice and appropriate training.

Income maximisation

22. The Financial Inclusion Strategy aims to ensure residents will be supported to access the benefits they are entitled to and any emergency support which is required. In the longer term it also aims to ensure residents can manage their finances and are able to save to provide them with resilience against financial crises.
23. The Council has recently agreed to a new three year funding settlement with the advice sector. For each year of this agreement there will be a priority area agreed by the Council and organisations commissioned to provide advice services. For the first year of the agreement, 2015-16 the priority area is dealing with debt. Measures agreed as part of this work ensuring that people with debt are supported to manage their money and are helped to claim any benefits to which they are entitled.
24. The Council is also working with the two Credit Unions in the city to ensure that residents have access to financial services and are

encouraged to save money. These actions all contribute to meeting the Council's aims of maximising residents' income.

Next steps

The Committee is asked to note and comment on the report, and receive a presentation at the meeting on 22 January 2015.

Name and contact details of author:-

Name: Debbie Haynes

Job title: Energy Efficiency Projects Officer

Service Area / Department: Environmental Development/Housing & Property

Tel: 01865 252566 e-mail: dhaynes@oxford.gov.uk

List of background papers:

Oxford City Council Home Energy Conservation Act Report – March 2013

Oxford City Council Financial Inclusion Strategy

Oxford City Council Asset Management Strategy

Version number: 2