

**Arboretum, Dunkirk and Lenton, Radford and Park Area Committee**

**19<sup>th</sup> December 2018**

<b>Title of paper:</b>	Fuel Poverty Area 4	
<b>Director(s)/ Corporate Director(s):</b>	Gordon Thomson Director of Commercial Infrastructure and Energy Wayne Bexton Head of Energy Services	<b>Wards affected: Area 4 Committee (Arboretum, Dunkirk and Lenton, and Radford and Park)</b>
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<b>Date of consultation with Portfolio Holder</b>	22/11/18	

**Relevant Council Plan Key Theme:**

Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input checked="" type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input checked="" type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>

**Summary of issues (including benefits to citizens/service users):**

Fuel poverty occurs when households have required fuel costs that are above average, and, were they to spend that amount; they would be left with a residual income below the official poverty line. This can lead to households that cannot afford to keep adequately warm or use the energy they need for basic functions. This is a general definition but fuel poverty is complex, with people's individual situations and needs affecting their ability to achieve the heat and power they require. Fuel Poverty is one of the top five priorities of the current Nottingham City Council plan (2015-2019). Our aim in the new Nottingham City Council Fuel Poverty Strategy is to provide affordable warmth and healthy homes for all citizens.

The city has a fuel poverty rate of 14.6%, against a national average of 11%. Figures show that domestic energy consumption has gone down in Nottingham, but the unit costs of energy continue to rise. In some households, energy use is too low, for example, when people under-heat. In Area 4, 9 of its 22 super output areas are in the 15 worst performing citywide for fuel poverty (see appendix 1 for the rates for each ward area). Dunkirk and Lenton (new and old ward boundaries) has the highest rate of fuel poverty in the city, with a fuel poverty rate of 24.1%. The Arboretum and Radford & Park areas have similar levels with a rate of 16%. However, all have seen significant reductions in fuel poverty in recent years (Appendix 2), although current figures only go up to 2016.

The combination of demographic and housing factors impact the risk and depth of fuel poverty. Low-income households are commonly in less energy-efficient homes and on more expensive payment methods.

**Demographics and Indicators of Deprivation**

Income is a significant factor in fuel poverty, with low income contributing to half of the current indicator of Low Income High Cost (LIHC). Area 4 has a higher than national average instance of low-income indicators

and vulnerable demographic characteristics, which may explain the persistence of fuel poverty. For more specific information on the demographic and income indicators of Area 4, please see Appendix 4.

## **Housing Stock and Tenure**

The Nottingham Fuel Poverty Strategy aligns with the national target for improving the performance of domestic dwellings; to eliminate E, F and G Energy Performance Certificate (EPC) rated homes occupied by fuel-poor households by 2025, where practicable. EPCs are required when a property is sold or rented and are valued at A (Efficient) to G (Inefficient). In Nottingham 6.5% of domestic homes in Nottingham have an EPC that falls within F or G to Dec 2016. Appendix 5 shows that while the percentage of F or G properties in Area 4 is lower than the Nottingham average, both Dunkirk & Lenton, and Radford & Park have a higher proportion of energy inefficient housing with 7% F or G rated properties. A particular difficulty in Area 4 is the age of properties and level of solid wall construction. Households with uninsulated solid walls are significantly more likely to be fuel poor, and solid wall insulation remains expensive. Tenure can also play a role in determining people's exposure to fuel-poverty and the means to improve their situation. For more specific information of the housing stock and tenure of Area 4, please see Appendix 5.

## **Activities and approaches to ameliorate Fuel Poverty**

Activities and key messages behind the strategy and DEEFP partners are summarised below. An additional push through the DEEFP partners at present is to ensure more vulnerable citizens are registered to the Priority Services Register (PSR), which ensures they are addressed as a matter of urgency when there are interruptions to their utilities.

## **Income Maximisation**

Income is a significant factor in fuel poverty; therefore, it is important to target income maximisation through welfare advice signposting and raising awareness. There is a range of government assistance to help subsidise the cost of energy:

- Winter Fuel Payment – Aged 65+ you could automatically receive between £100 and £300 to help you pay your heating bills if you are eligible and you get the State Pension.
- Cold Weather Payment - If you are getting certain benefits, you will get an additional £25 for each 7-day period of very cold weather (zero degrees Celsius or below) between 1 November and 31 March.
- Warm Homes Discount - a £140 rebate from certain suppliers. Each supplier has different eligibility criteria. Citizens should contact their supplier to see if they are eligible.

If citizens are over 60, Age UK Notts can offer additional support. Each year Age UK Notts help local people claim an average of £2 million in unclaimed benefits for disabled and older people, supporting people to get out of fuel poverty ( [www.ageuknotts.org.uk](http://www.ageuknotts.org.uk) & 0115 8599260).

## **Reducing Energy Bills**

This focusses on reducing the unit costs of energy, changing energy behaviours and maximising the use of 'free' energy from renewables. To reduce the cost per unit residents can switch supplier or tariff. It is important to raise awareness that the simple process of changing supplier can often save citizens money, as over 60% of consumers are on standard tariffs, which are expensive compared to dual or fixed rates. Nottingham Energy Partnership (NEP) offers advice and help with energy switching.

The energy regulator Ofgem have introduced a safeguard tariff, which offers an energy price cap on the amount suppliers can charge domestic prepayment meter customers per unit of energy. This tariff had been extended in February 2018 to cover those in receipt of warm homes discount. This increases the importance of making sure vulnerable citizens that are eligible sign up to warm homes discount to receive both the £140 rebate and the safeguard tariff. The tariff however does not cap the total cost of a bill. Therefore, behaviour change and energy efficiency improvements are also important.

The rollout of Solar PV panels on over 4,600 NCH properties is helping to keep energy costs down for resident and reducing domestic carbon emissions. The Council continues to look for opportunities to increase this provision and to explore combining it with battery storage so that as subsidies are removed, there is still a strong business case.

A strategic objective is to enhance and improve understanding of fuel poverty within Nottingham and empower citizens to make low cost improvements and changes to behaviour, so that they may have lower

bills and healthier homes. Blanket solutions are not always the best response as context is important, for example cultural practices or lifestyle. Changing attitudes is key to permanent behaviour change.

### **Improve Energy Efficiency**

Nottingham City Council and partners have collectively championed the importance of energy efficiency. Domestic energy efficiency improvements are a vital part of tackling fuel poverty. The energy efficiency of a household is a function of behaviour, appliances and the fabric. Most schemes have focussed on improving heating systems and the fabric, for example insulation for lofts or walls. The combination of low income and poor energy efficiency can lead to under-heating, which can have significant health implications. The Council and NCH continue to look at ways to continue its Greener Housing area-based domestic energy efficiency scheme for all housing tenure. Looking to a post-subsidy solution and to meet 2050 standards of low carbon housing the Greener Housing programme is piloting and looking to rollout the Energisprung deep-retrofit model across social-housing in the city. This whole-house approach has attracted significant national interest. The Greener Housing programme, which has delivered external wall insulation, making over 7,000 hard to treat homes (social and private) warmer.

*ECO and LA Flex* - The government has recently launched the next phase of its Energy Company Obligation (ECO) scheme; this is an energy efficiency scheme to help tackle fuel poverty. Energy companies over a certain size are obligated to help improve the UK's domestic energy performance. In this phase, ECO3, 25% of funding is allocated so that local authorities are able to set their own eligibility criteria. This is known as Flexible Eligibility or LA Flex and aims to help more people in fuel poverty and on low incomes. To enable this new funding stream to be made available, Nottingham City Council has published a Statement of Intent. For more information, please visit: <https://www.nottinghamcity.gov.uk/housing/greener-housing/>. The Council is working with partners in the region to find ways to deliver the best value to residents for retrofit.

*Safer Housing and Licensing* - Residents in the Private Rented Sector (PRS) are three times more likely to be living in fuel poverty. Environmental Health's Safer Housing team pledge to tackle this as part of their enforcement responsibilities through Minimum Energy Efficiency Standards (MEES) legislation and the Housing Act 2004 including selective licensing. Safer Housing will enforce these regulations alongside their work on properties where there is a category 1 hazard of excess cold. Licensing along with Minimum Energy Efficiency will help address issues of disrepair and improve conditions in PRS to reduce the impact of fuel poverty and health outcomes. Additionally, Safer Housing have 12-trained officers to NVQ level 2 in Fuel Debt Advice in the Community from National Energy Action funding. This allows officers to offer information on-site and advice to those in the Private Rental Sector struggling to afford their energy bills as well as the practical aspect of using regulatory powers to improve their home.

### **Recommendation(s):**

<b>1</b>	Support the enactment of the new Fuel Poverty Strategy, along with promoting the winter fuel poverty messaging in Area 4.
<b>2</b>	Share the leaflet (Appendix 3) created by DEEFP to signposts citizens to a range of services for information as to where to seek tailored support.
<b>3</b>	Encourage residents to access funding i.e. Energy Company Obligation (ECO). <a href="https://www.nottinghamcity.gov.uk/housing/greener-housing/">https://www.nottinghamcity.gov.uk/housing/greener-housing/</a>
<b>4</b>	Help citizens reduce their energy bills by promoting switching and simple changes in behaviour.
<b>5</b>	Promote the government website ( <a href="http://www.simpleenergyadvice.org.uk">www.simpleenergyadvice.org.uk</a> ) which offers personalised online advice on all three areas identified to help tackle Fuel Poverty.

### **REASONS FOR RECOMMENDATIONS**

- 1.1 The Nottingham City Council Fuel Poverty Strategy provides a long-term vision is for Nottingham City Council, its partners and citizens to be empowered to tackle fuel poverty challenges in a low-carbon, embedded and sustainable approach. Through coordinated and distributed actions across the city using a range of partnerships at local, regional and national levels, the city will build on past success.
- 1.2 Fuel poverty in Nottingham, and across Area 4, remains above national and regional averages. This can have serious economic, social and environmental effects, particularly for

the health and well-being of residents. Low-income households are commonly in less energy efficient homes and on more expensive payment method.

- 1.3 The Fuel Poverty Strategy addresses the issue through three simple measures. However, these factors are complex and often interrelated.
  - Reduce Energy Bills
  - Improve Energy Efficiency
  - Maximise Household Income
- 1.4 Enhanced awareness of energy efficiency and reduced consumption enables financial saving on energy bills. This strategy aims to demonstrate how Nottingham City Council can create a framework for collective action to tackling fuel poverty. The strategy highlights a number of issues and outcomes to reduce the cities fuel poverty rate.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 Fuel poverty in Nottingham is tackled through the cross-sector Domestic Energy Efficiency and Fuel Poverty (DEEFP) sub-group that reports through to the Health and Wellbeing Board. Through this partnership, a great deal has been delivered to the city over the last decade.
- 2.2 The Council ran an online public consultation called Energy Bills, which informed central themes in the strategy. The results found over half of respondents were unable to adequately heat their homes during the winter of 2017/18 and had financial concerns over paying energy bills. Two-thirds of respondents indicated not knowing where to get energy advice. The survey found that over half of the respondents viewed fuel poverty as a NCC priority. Many people may not be aware of fuel poverty and/or resist help.

## **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 None.

## **4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

- 4.1 There are no financial implications affecting the Committee.

## **5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

- 5.1 There are no legal or procurement implications affecting the Committee.

## **6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)**

- 6.1 N/A

## **7 EQUALITY IMPACT ASSESSMENT**

- 7.1 Has the equality impact of the proposals in this report been assessed?  
Attached as Appendix 6, and due regard was given to any implications identified in it.

## **8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

- 8.1 N/A

## **9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- 9.1 Nottingham City Council Fuel Poverty Strategy 2018 – 2025  
<https://www.nottinghamcity.gov.uk/warmhomes>
- 9.2 NCC Statement of Intent - <https://www.nottinghamcity.gov.uk/housing/greener-housing/>