

## 3.3.01 Fuel Poverty

### Introduction: why is this important?

A household is considered to be fuel poor if they have a low income and have high energy costs to heat their home to an adequate level, generally because they live in an energy-inefficient home (relative to other households). By this definition there were 2.3 -2.8m fuel poor households in England in 2013. This 'Low Income High Costs' definition of fuel poverty was developed by Professor Hills as part of his Fuel Poverty Review in 2011 and replaces the previous definition that households were fuel poor if they needed to spend 10% or more of their income on fuel to maintain adequate temperatures in the home and meet other energy needs. The main factors that contribute to fuel poverty are:

- Households living in properties with a low standard of energy efficiency, including poor insulation and inadequate or expensive to use heating systems
- Low household income
- High tariffs charged by the utility companies

Fuel poverty can affect both adults and children in many different ways, most notably:

- Causing or exacerbating serious illness such as respiratory and circulatory conditions
- Low educational attainment
- Social isolation / exclusion
- Psychological stress and worry

Those in fuel poverty often have to face the stark choice between spending what they need to heat their home adequately and either falling into debt or rationing their energy use and living in cold damp homes that are dangerous to their health. Others spend money on fuel and reduce their purchasing of other necessities, such as food.

In extreme cases fuel poverty can lead to excess winter deaths (EWD), especially for those householders who have chronic obstructive pulmonary disease (COPD) and cardio vascular disease brought on by any significant drop in outside temperatures.

Taking households out of fuel poverty:

- Increases life expectancy and reduces inequalities in health
- Improves householders' mental health and wellbeing
- Improves children's educational achievements and school attendance and reduces the incidence of childhood asthma
- Promotes social wellbeing and independent living, with older people able to use the whole house following central heating installation – this potentially reduces or delays admission to hospitals and care homes
- Reduces bed-blocking and winter pressures on the NHS

### What do the facts and figures tell us?

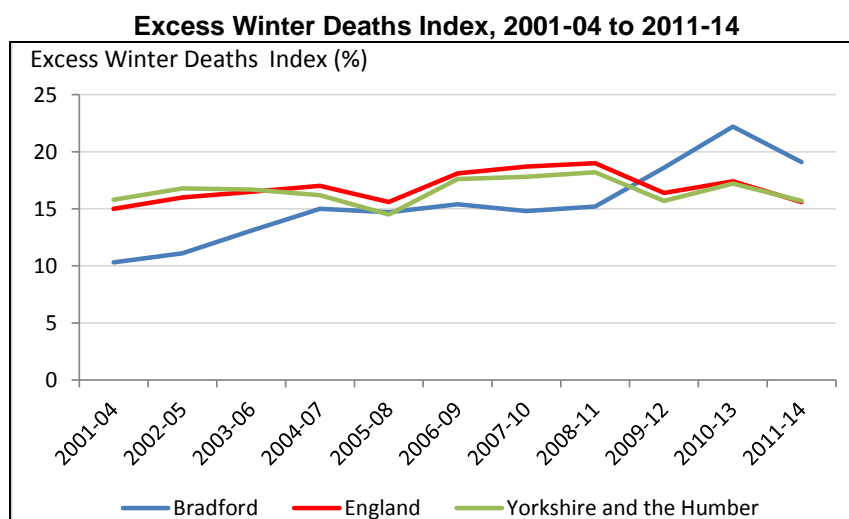
There are 2 key indicators relating to fuel poverty in the Public Health Outcomes Framework:

- 1.17 - The percentage of households that experience fuel poverty
- 4.15 – Excess winter Deaths

Fuel poverty is a significant issue in Bradford District, with 14.1% of all households in the District considered to be in fuel poverty in 2013. This is higher than the Yorkshire & Humber regional average of 10.6% and the national average of 10.4%. Bradford has a relatively high level of fuel poverty due to a high level of deprivation in parts of the District, low household incomes and the poor quality of the dwelling stock.

Fuel poverty, by its very nature, is almost always associated with those residents on the lowest incomes. The majority of housing stock is pre-1919, it is terraced housing of poor quality and many are in need of major investment to bring them up to decent standard. An estimated 40.5% of all dwellings are non-decent and 22.3% of dwellings fail the decent standard due to inadequate thermal comfort. An energy rating, the Standard Assessment Procedure (SAP), of less than 30 is considered unacceptably low and represents a difficult and expensive dwelling to heat. Within the District, 12,450 dwellings (7.8%) have a SAP rating of less than 30.

The EWD rate for the Bradford District for the period 2011 to 2014 was 19.1%, compared to 15.7% for the Yorkshire & Humber and 15.6%, with Bradford also having the second highest EWD in the region.



Source: *Public Health Outcomes Framework*

The EWD rate has been rising in Bradford over the last few years, although the figure for 2011-14 was lower than the previous year. The number of deaths occurring in winter varies depends upon a number of factors, including winter temperatures and the level of disease in the population. The elderly experience the greatest increase in the number of deaths each winter. Illness associated with cold homes is likely to be significantly higher than the EWD figures each year.

### What strategies, policies and best practice have been developed locally and nationally?

#### Fuel Poverty Framework for Action for the Bradford District 2015

The Council's approach to Fuel Poverty was re-examined by the Fuel Poverty Working Group on behalf of Warm Homes & Healthy People Partnership, working closely with Public Health. Bradford Council worked with National Energy Action to facilitate a stakeholder consultation process, to develop the emergent Framework for Action and provide critical friend input. The resulting Framework for Action document has been refreshed in light of the general Poverty Review and was adopted by Bradford Council in September 2015. The actions identified in the Fuel Poverty Framework for Action should significantly contribute to four of the five objectives of the New Deal (Good schools and a great start for all our children; Better skills, more good jobs and a growing economy; Better health, better lives, and: Decent homes that people can afford to live in)

#### Health and Wellbeing Strategy (2013-17)

The Joint Health and Wellbeing Strategy sets out how the health and social care needs across the district will be addressed

#### Child Poverty Strategy (2014-17)

The Child Poverty Strategy provides a framework that enables partners to work together in order to reduce child poverty

#### Great Places to Grow Old – Bradford District's Housing Strategy for the Over 50s (2011-21)

The Bradford Housing Strategy for the Over 50s has been developed to respond to the changing needs and aspirations of our elderly population and recent increase in the number of people aged over 50 in the district, seeking to secure independence for older people and improve access to a range of housing options

'A Place to Call Home': Housing and Homelessness Strategy for Bradford District (2014-19)

A partnership led strategy that brings together both the district's housing and homelessness strategies into one and sets out the vision, priorities and approach for meeting the housing needs of the residents of Bradford district, and for tackling and preventing homelessness

Warm Homes Healthy People (WHHP) programme

A collaboration of twenty voluntary and statutory bodies in Bradford District that deliver a ground breaking project provided as a programme of activities funded by the Department of Health as part of the government's Warm Homes Healthy People (WHHP) initiative

Welfare Reform Action Plan

The Government's programme of welfare reform and the resulting changes to the welfare system will have far reaching consequences throughout the Bradford District

**What challenges have been identified in a local context?**

- The issues around fuel poverty can potentially be tackled in a very practical manner. In the past this has meant that initiatives had concentrated on improving people's homes by retrofitting the most cost-effective energy efficiency measures such as cavity wall or loft insulation or installing an efficient heating system
- The ability to deliver outputs in this area has historically relied heavily on Government initiatives delivered by obligations imposed on the 'Big 6' energy companies and ad hoc Government led grant programmes. Recent national policy changes have meant that it is extremely unlikely that this approach to funding will continue at a significant scale in the current climate. For example, the current round of the Energy Company Obligation has reduced opportunities to access funding to deliver large scale projects (particularly for 'hard-to-treat' properties) in deprived areas, as any scheme would be reliant on being able to ask for large householder contributions
- Dealing with issues arising from 'hard to treat' dwelling stock is a key concern in Bradford, especially as this type of stock (Victorian stone built terraces and system built former social housing units) is so prevalent in the district. Improving the energy efficiency of hard to treat homes can be expensive and relies on subsidies to encourage take up. It should be noted that the most cost-effective energy efficiency measures have been heavily promoted in the Bradford District, meaning that there is not much potential for delivering future schemes focussing on these types of measures. Future initiatives should now focus on improving 'hard to treat' homes in Bradford District
- In May 2014, the Leeds City Region was successful in securing nearly £4 million from the Department of Energy & Climate Change for the Green Deal Communities Fund. As a result, Bradford has been able to deliver two very successful projects in relatively deprived areas within the district. This has resulted in 101 'Right To Buy' private sector homes in Holme Wood receiving 'hard-to-treat' External Wall Insulation measures, with a further 91 homes in Thorpe Edge benefiting from this measure (there was also a smaller scale scheme in Wyke that delivered 5 measures). There is currently a waiting list of around 60 householders in Thorpe Edge who are interested in having this work carried out on their homes if further subsidy could be found
- The Green Deal Communities projects were initially delivered by Tadea UK Ltd under the Bradford bwarm scheme and latterly by the Better Homes Framework, with a local Bradford based building & insulation company appointed as a sub-contractor to deliver the works for both phases of the initiative. The success of the GDC schemes has demonstrated that there is a significant demand for hard to treat measures by residents who live in these types of properties
- Bradford Council is part of the Better Homes Yorkshire programme, working in partnership with a private sector consortium (Keepmoat and Willmott Dixon) and nine Local Authorities

across the Leeds City Region to improve the energy efficiency of homes and help homeowners and private landlords reduce their fuel bills and live in warmer, healthier homes. The scheme aims to maximise available funding streams to subsidise works and make energy efficiency measures affordable for fuel poor householders where possible, as well as providing an 'able-to-pay' offer for householders who are in a position to fund significant contributions towards these energy efficiency measures. Whilst the scheme is not primarily aimed at reducing fuel poverty, it is intended that it will take opportunities to do so where possible depending on the prevailing market for subsidising measures

- Bradford Council has been investigating opportunities to form an energy services company (ESCO) in partnership with an existing licensed energy supplier. This ESCo will be able to sell gas and electricity to domestic customers in the district, allowing the Council to offer lower cost energy tariffs to all residents with fair, consistent and transparent pricing policies. This could potentially save between £100 and £200 annually for the average household and is more likely to be attractive to vulnerable householders who are more likely to be in fuel poverty and tend not to have switched to the best tariffs. This would be achieved by switching people to more competitive yet sustainable rates, tapping into cheap or no cost marketing options and by ensuring that the business activities of the ESCo would be streamlined to avoid expensive bureaucracy. The ESCo will provide other benefits such as switching people to pre-payment meters to market leading pay-as-you-go tariffs and will be cost neutral to the Council

### What do our stakeholders tell us?

- Contractors on the Green Deal Communities Phase 1 scheme have demonstrated that there is a demand for hard-to-treat energy efficiency works for private sector residents (especially owner occupiers) if an offer can be made that provides an attractive payback period
- Partners from the Warm Homes Healthy People Partnership say that frontline staff who deal directly with vulnerable people (especially if they go into their homes) should be able to recognise clients who are living in fuel poverty and be able to advise them of any help available to them. They also tell us that there is a need for Energy Debt Advice for vulnerable people who cannot afford to pay their energy bills and may have got into serious arrears with energy providers
- Other partners, including the Warm Homes Officer say that there may be a need for general household energy advice, including assistance on energy switching and that there may be potential for the Council to promote a trusted energy offer to citizens, especially those at risk of fuel poverty

### Recommendations: What do we need to do? How do we ensure this remains a priority?

- Maximise the number of frontline staff, especially those from the health service, who are aware of and engaged in affordable warmth to ensure that the most vulnerable are able to access support and understand how to achieve affordable warmth in their homes. This would be a priority for anybody who has routine access into people's homes
- Securing funding for practical projects that impact on fuel poverty will be a priority going forward
- To support the Better Homes Yorkshire programme to deliver domestic energy efficiency measures for private sector households throughout the district
- Retrofitting hard to treat properties is a priority in the district, especially as work on installing other well established and easier to implement energy efficiency measures for more 'standard' dwellings comes to an end
- Investigate opportunities to establish a municipal energy services company in Bradford

### References

Department of Energy & Climate Change Annual Fuel Poverty Statistics Report  
<https://www.gov.uk/government/statistics/annual-fuel-poverty-statistics-report-2015>