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**To: Business, Economy and Enterprise Scrutiny Board (3)**

**Date: 26<sup>th</sup> September 2018**

**Subject: Affordable Warmth Support for Vulnerable and Low Income Householders**

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## **1 Purpose of the Note**

- 1.1 To provide the Scrutiny Board with further information on affordable warmth support following the 11<sup>th</sup> July 2018 briefing note on The Energy and Low Carbon Team.

## **2 Recommendations**

- 2.1 The Business, Economy and Enterprise Scrutiny Board (3) are recommended to:
- 1) Note the content of the briefing note.
  - 2) Endorse the work carried out by the Affordable Warmth Team and Public Health to provide affordable warmth support for vulnerable and low income households.
  - 3) Identify any recommendations for the Cabinet Member for Public Health and Sport.

## **3 Fuel Poverty**

- 3.1 Fuel poor households cannot afford to heat their home to an adequate temperature. The Government defines a household as being in fuel poverty if:
- They have required fuel costs that are above average (the national median level) and were they to spend that amount they would be left with a residual income below the official poverty line.*
- 3.2 The factors that determine whether a household is fuel poor are:
- Income
  - Cost of fuel
  - Energy consumption (depending on the energy efficiency of the home and the needs of the householders)
- 3.3 The majority of households in fuel poverty are owner occupiers and people living in private rented accommodation, and single parents and houses with multiple occupants are also the most at risk.
- 3.4 The Department for Business, Energy and Industrial Strategy (BEIS) publishes annual fuel poverty statistics for England. The latest available statistics, relating to 2016, were released in June 2018. Key statistics are summarised below:

### Coventry

- 15.3% of all households in Coventry (20,479) are now fuel poor, compared to 11.1% in England. In the previous year, 14.4% of all Coventry households (18,878) were fuel poor, and 11.0% were fuel poor in England.

- Out of all 326 billing local authorities in England, Coventry has the 10<sup>th</sup> highest level of fuel poverty along with 3 other local authorities (Sunderland, Barrow-in-Furness, Newham).

#### Coventry Neighbourhoods

- Of the 195 Lower Super Output Areas in Coventry, there are 40 where at least 1 in every 5 households are fuel poor. This is 21% of all LSOAs. In the previous year 29 LSOAs had at least 1 in every 5 households in fuel poverty.
- The LSOA with the highest level of fuel poverty is Gosford and Gulson Roads. 38.3% of households in this LSOA are fuel poor. It has the 9<sup>th</sup> highest level of fuel poverty out of all 32,844 LSOAs in England.

3.5 A map of the city showing levels of fuel poverty at the LSOA level will be available for discussion at the meeting.

#### **4 Fuel Poverty and Health**

4.1 Studies have shown that households that cannot afford to heat their home to an adequate temperature can suffer ill health as a consequence. Older persons, children and those with existing health conditions can be particularly vulnerable.

4.2 A cold home environment can have direct and indirect health impacts:

##### Direct

- There is a strong relationship between cold temperatures and cardio-vascular and respiratory diseases.
- There is also a strong association between excess winter deaths and lower indoor temperatures. An estimated 10 - 30% of all excess winter deaths are due to people living in cold homes.
- Children living in cold homes are more than twice as likely to suffer from respiratory problems as children living in warm homes.
- Mental health is negatively affected by fuel poverty and cold housing for all age groups.
- More than 1 in 4 adolescents living in cold housing are at risk of multiple mental health problems compared to 1 in 20 adolescents who have always lived in warm housing.
- Cold housing increases the level of minor illnesses such as colds and flu and exacerbates existing conditions such as arthritis and rheumatism.

##### Indirect

- Cold housing negatively affects children's educational attainment, emotional well-being and resilience.
- Fuel poverty affects dietary opportunities and choices.
- Cold housing negatively affects dexterity and increases the risk of accidents and injuries in the home, particularly amongst the elderly.

#### **5 Affordable Warmth Support in Coventry**

5.1 The Council's Affordable Warmth Team (AWT) and Public Health collaborate closely to develop and deliver projects that will provide maximum support within the resources available. Most projects are focused on helping low income and vulnerable householders who have health conditions that are affected by their cold homes.

5.2 There are two elements to this work; i) providing insulation and heating measures to improve energy efficiency, and ii) offering affordable warmth advice and information.

5.3 The affordable warmth services provided are summarised below:

### Warmer Homes in Coventry

This project managed by the AWT provides insulation and heating measures funded by the Energy Company Obligation (ECO). ECO is a Government scheme that requires the larger energy suppliers to meet energy saving targets by funding insulation and heating improvements. ECO is paid for by a levy on all domestic energy bills.

The project is able to provide funding towards cavity wall and solid wall insulation, loft insulation, gas boiler and electric storage heater replacement, and room in roof insulation. The Council has taken advantage of the new ECO Flexible Eligibility provisions introduced by the Government in 2017 to now provide insulation and heating measures for a much broader range of low income and vulnerable householders, including those with health conditions.

In the first phase of promoting the project, Council letters were sent out using benefits data to identify households that would potentially qualify. Letters were sent to Housing Benefit and Council Tax Support recipients in neighbourhoods where data showed high levels of fuel poverty, and to private landlords who receive direct payment of their tenant's Housing Benefit from the Council. Public Health funding is available in the current financial year to provide financial support to residents who will be required to make a contribution towards the ECO funded work but can't afford to do so.

### Affordable Warmth on Prescription

Members of the Scrutiny Board will have been provided with details of this pilot project in advance of the meeting.

### Keeping Coventry Warm

This project provides a quick response service to help low income and vulnerable households whose boilers and heating systems have failed. In 2017/18, 24 households were assisted using £35,000 Public Health funding, supplemented with £20,000 of Better Care Fund monies to specifically enable first time central heating to be installed too.

Without Keeping Coventry Warm very vulnerable individuals would be left without heating in the cold winter months. For 2018/19 £35,000 of Public Health funding will be available to continue the project, and at the time of preparing this briefing note a contractor was being procured to carry out the required heating work. The project will be managed by the AWT.

### Switch and Save

Switch and Save is the Council's collective switching scheme operated by the AWT in conjunction with iChoosr. The scheme was launched in 2013 when the Council was successful in securing short-term funding from the Department of Energy and Climate Change. Back-to-back Switch and Save campaigns are now run throughout each year, with low cost tariffs being secured for scheme registrants through reverse auctions in February, May and October, operated by iChoosr for Coventry and other participating local authorities.

The scheme is simple and cost free for residents – after registering for it they then subsequently receive a personal offer from the supplier that has won the reverse auction. If the offer is acceptable then they just need to confirm this and iChoosr will then go on and arrange the switch.

Over the 11 campaigns completed so far, more than 8000 residents have registered for Switch and Save and the average saving for those that have gone on to switch is £208 a year.

For the first time in Coventry, the current campaign will include a Council letter going out to every resident in the city. The aim is to help as many residents as possible who are on Standard Variable Tariffs (SVTs) to switch to a cheaper tariff. SVTs are the tariffs that many suppliers put customers on when their fixed contract comes to an end or if they have never

switched before. A report published last year by Ofgem showed that 60% of all domestic bill payers nationally are still on SVTs, and this was costing the typical household about £300 more each year than the cheapest tariff available. The letters are being organised by iChoosr and are due to start being delivered on the 18<sup>th</sup> and 19<sup>th</sup> September. Three drop-in events have been organised in the city to help people register after receiving their letter.

A specialist organisation has recently been procured to provide a Switch and Save Project Officer during the period 1<sup>st</sup> September 2018 – 31<sup>st</sup> August 2019. The Project Officer is funded by the Better Care Fund, and they will work to identify residents who may be vulnerable and on a low income. They will provide one-to-one support to help these residents register for Switch and Save and to go on to switch if they wish to.

When iChoosr's collective switching scheme first started, the sole focus was on offering cheaper tariffs. They have now begun broadening the scope of the tariffs offered so that they can be both cheap and green. Over the past year, 30% of their available tariffs have been 100% renewable electricity.

### Warm and Healthy Homes for Disabled Householders

Disabled householders are particularly vulnerable to the adverse health effects of cold homes because they:

- May have conditions that require a higher temperature to be maintained in their homes.
- Are likely to be less mobile and therefore find it harder to keep warm.
- Are likely to be in their home environment for much longer every day than other householders.
- Are less likely to be in paid employment and therefore more likely to be on a low income or reliant on benefits, meaning that they have a greater struggle to afford to stay warm in an energy inefficient home.

In 2016 the AWT completed a project that improved the homes of over 80 disabled people with insulation and heating work. The project used £597,000 of funding from the Department of Energy and Climate Change won through a competitive bidding process, with an additional £233,000 of ECO funding secured to enable further measures.

Building on the success of this project, a new Warm and Healthy Homes for Disabled Householders project has been developed for implementation in 2018/19, using £200,000 of funding from the Better Care Fund combined with ECO funding. This will enable external wall insulation and other improvements to be offered to householders who have recently received a Disabled Facilities Grant from the Council. A contractor has been procured to carry out the improvement work. The project is being managed by the AWT, and the first phase of letters to disabled householders were being sent out at the time of preparing this briefing note.

Pre-intervention health and wellbeing surveys will be carried out by the AWT with all of the participating householders, and post-intervention surveys using the same questions will be carried out 12 months afterwards. The surveys are intended to demonstrate the benefits of the insulation and heating improvements.

### Heating Assistance Preventing Hospital Admissions

This is also a new project that will be implemented in 2018/19, using £42,000 funding from the Better Care Fund. It will provide heating repairs and improvements for vulnerable and low income individuals.

Individuals will be identified and referred to the AWT by hospital discharge services and home care providers providing personal care. After assessment, qualifying householders

will be able to get help with the following repairs and improvements: i) the repair or replacement of existing broken and inefficient gas boilers, ii) the repair of existing defective gas central heating system components, iii) the provision of first-time gas central heating, and iv) the replacement of existing broken or inefficient electric storage heaters.

Pre and post- intervention health and wellbeing surveys will also be carried out for this project by the AWT with all of the participating householders.

#### Affordable Warmth Advice and Information

The AWT provides wide-ranging affordable warmth advice and information to help households reduce energy bills and stay warm in their homes. This is available to all Coventry households but with a focus on those that are vulnerable or on a low income.

Help is available by telephone, e-mail, the Council's website, and by home visit, as well as through weekly surgeries held at Age UK. The help includes advice on energy tariffs, negotiations with energy suppliers regarding fuel debt, registering for the Priority Service Register and obtaining £140 annual Warm Home Discount payments and other financial support.

In 2017/18, 469 households received advice and information from the AWT. In the same year the team's webpages also received 7665 web page views.

During 2017/18 the AWT also provided bespoke affordable warmth advice and information to tenants of Whitefriars housing association living in Manor Farm, Coventry. As a result of the advice and information given, the average yearly saving for each household visited was £280. Savings were made principally through accessing grant funds and reductions in energy usage.

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