

CYNGOR SIR POWYS COUNTY COUNCIL

County Council
11th July 2019

REPORT AUTHOR: County Councillor James Evans, Portfolio Holder for Corporate Governance, Housing and Public Protection

SUBJECT: Question from County Councillor Huw Williams

In a Wellbeing Assessment undertaken by Powys officers, it was found that 16% of Powys households are experiencing fuel poverty. This is defined as a household that spends at least 10% of its income on fuel. The Council passed a Labour party Notice of Motion in 2017 agreeing it 'must do as much as it can to help residents suffering fuel poverty, to mitigate the situation'. Also, the National Assembly recently published guidelines outlining the main sources of funding, and advice, available to constituents who are struggling to pay their bills, or, who, want to improve the energy efficiency of their homes.

Considering the agreed Notice of Motion and Welsh Assembly guidelines can the Portfolio holder, provide an update on the Council's current work to tackle fuel poverty?

Response

The Housing service continues to seek to support householders in fuel poverty in the following ways:

Welsh Government's Warm Homes Nest Scheme

The Welsh Government Warm Homes programme, which includes the Nest schemes, provides funding for energy efficiency improvements to low income households and those living in deprived communities across Wales. The Nest scheme provides householders living in Wales with access to free advice and support to help them reduce their energy bills. Those meeting Nest's eligibility criteria can access a free package of energy efficiency measures.

The end of year 2018/2019 Nest annual report has not yet been issued, but we understand it should be made available in July 2019. Based on quarterly reports, the number of enquiries from Powys residents for Nest decreased from 969 to 852 in 2017/2018 to 2018/2019, respectively. The number of Powys householders receiving measures, such as insulation, new boilers and new heating systems increased from 132 in 2017/2018 to 180 in 2018/2019.

In autumn 2019, we plan to continue to raise awareness of the Nest scheme in Powys by working with Income and Awards and Nest to carry out a direct mail campaign and having drop in sessions across Powys for residents.

Further information about the Nest scheme is available at <https://nest.gov.wales/en/> and information can be found on the Powys website <https://en.powys.gov.uk/article/2742/Welsh-Government-Warm-Homes-Nest-scheme>

Welsh Governments Warm Homes Arbed Scheme

We have identified a potential gas infill scheme for Radnor Drive Knighton, where residents have reported high energy bills, damp and condensation in properties. We have been working with project partners, Affordable Warmth Solutions¹ and Arbed Am Byth² to progress the scheme.

Welsh Housing Quality Standard

The Housing Service continues to invest in the Housing Revenue Account (HRA) stock by carrying out improvement works. In 2018/2019 the Housing Service installed 1462 energy saving measures in HRA properties, such as new heating systems, loft insulation, external wall insulation and new doors and windows.

The housing service is reviewing its overall investment programme for council housing, to support investment over the thirty year Housing Revenue Account business plan to reach an energy efficiency rating of SAP81³ for municipally owned housing. This will be challenging, and is dependent upon the development of new technologies. However, it will make a substantial and positive difference to both the energy efficiency of homes – reducing the risk of fuel poverty – and contributing to the decarbonisation outcomes of an 80% reduction being considered by the Welsh Government for all Welsh housing by 2050. The actual measures used will change over time as new ideas are tried, tested and implemented.

In September 2019 we will be running three National Energy Action Tackling Fuel Poverty and Fuel Debt courses. The courses will be attended by housing staff to raise awareness of fuel poverty and improve how the Council can identify and help fuel poor householders reduce their energy costs.

The Housing Service are currently in the process of acquiring new software to model the energy efficiency of homes. The software will improve our data management and reporting capabilities to assist us to target and identify energy efficiency improvement works so that investment is targeted where the need is greatest.

ECO Flex

ECO Flex is a UK wide grant scheme allowing energy efficiency improvements for customers in fuel poverty (defined as using 10% of disposable income on heating). The scheme is **not** means tested, nor does it require people to be on benefits. It is not a council funded scheme (or available to municipal tenants). Funding for ECO

¹ Established in 2008 Affordable Warmth Solutions is a Community Interest Company that assists qualifying homes in the most deprived areas reduce the risk of fuel poverty. Examples of its work includes helping connect to a mains gas supply.

² Arbed am Byth is a joint venture formed between Energy Saving Trust and Everwarm with the sole purpose of delivering the next phase of the Welsh Government's Arbed programme to arrange the installation of energy efficiency measures, like central heating or insulation in homes across Wales as part of the Welsh Government Warm Homes - Arbed scheme. The aim of the scheme, funded by the Welsh Government, is to help eradicate fuel poverty by identifying and installing where appropriate energy efficiency measures in properties in areas of severe fuel poverty across Wales

³ A Standard Assessment Procedure or SAP Rating is a way of comparing energy performance of different homes – it results in a figure between 1 and 100+ (100 representing zero energy cost). The higher the SAP rating, the lower the fuel costs.

Flex is provided by energy companies via the Energy Company Obligation (ECO)⁴ and the works are provided by an organisation chosen by the household.

Provision of ECO Flex funding is dependent upon:

- fuel type and energy efficiency of individual properties - assessed by a qualified energy assessor
- client being in fuel poverty
- detailed property survey - undertaken by a qualified surveyor and/or heating engineer

To date, ECO Flex support has covered the following energy efficiency improvements:

- replacement of inefficient oil, LPG and gas boilers with more efficient models - higher levels of funding provided for off gas properties
- replacement of inefficient electric storage heaters with more efficient models
- provision of insulation to improve energy efficiency including measures such as cavity wall, external wall and loft insulation (where appropriate)

Since the scheme was launched in March 2018, households in Powys have been able to access new energy efficient heating appliances and insulation measures. This has primarily centred on the replacement of inefficient oil boilers (as funding for this measure was very highly subsidised) but ceased at the end of September 2018, with the introduction of ECO 3.

The scheme resulted in;

- delivery of 2,050 measures including boiler and insulation upgrades
- reduced average annual household fuel bills of successful applicants by approximately £200

ECO 3

At the end of September 2018, ECOFLEX funding concluded with the introduction of ECO3. Powys County Council intends to issue a revised 'Statement of Intent' to embrace and encourage installation of new 'greener' heating measures set to receive funding. A draft delivery model and revised 'Statement of Intent' is currently in the process of development following publication of the SWAP report investigation into ECO2.

A working group of senior officers is currently looking at development of ECO3 in Powys. Detailed delivery options will be developed and proposed by the group however, adoption of ECO3 will be subject to Cabinet decision following thorough analysis of delivery options by Scrutiny Committee. Any future scheme if adopted, will be fully compliant with the Department for Business, Energy and Industrial Strategy's local authority guidance.

⁴ The Energy Company Obligation (ECO) is a government energy efficiency scheme to help reduce carbon emissions and tackle fuel poverty. It is designed to offset emissions created by energy company power generation. Larger energy suppliers are obligated to help lower-income households improve their energy efficiency.

ECO 3 will provide:

- funding for ground source heat pumps
- funding for air source heat pumps
- more attractive funding rates for gas properties
- more attractive funding rates for insulation measures

To complement this funding stream, we are working in partnership with the Robert Owen Community Banking Fund⁵ on an offer to provide supplementary measures such as solar PV and battery systems associated with air source heat pumps, to reduce client's energy bills. This will involve use of local solar installers who would otherwise not receive any subsidy under ECO 3. We are also looking to deliver greater levels of External Wall Insulation (EWI) in conjunction with interest free loans, making this potentially costly measure more affordable for Powys residents.

Referrals

Where appropriate, we work with and refer householders to partner organisations, such as Citizens Advice, Care and Repair or Nest.

Citizens Advice Powys offer Energy Appointments through their "Warmer Wales" scheme. Their Energy Advisers can provide a range of assistance with energy related issues, such as:

- Checking meters and bills to make sure they are the right amount
- Switching help - to help switch to a different tariff or supplier that's better value for money and make savings.
- Saving energy with energy saving ideas like turning appliances off and making sure walls and lofts are well insulated.
- Negotiating energy and water debts.

Citizens Advices Energy Advisors may also suggest further cost-cutting measures people can adopt, depending on their circumstances. This could include making sure their home is well insulated so it's energy efficient, or checking if they're entitled to benefits, grants such as NEST and Health Through Warmth or discounts such as the Warm Home Discount - a £140 rebate from their supplier. For energy advice, members of the public can contact Citizens Advice Powys on 01686 617 667.

⁵ Robert Owen Community Banking Fund is a not-for-profit organisation that secures local investment and public funds to provide loans across Wales for businesses, homes and community initiatives.