



REPORT TO EXECUTIVE

PORTFOLIO AREA: HEALTH AND COMMUNITY DEVELOPMENT

Date of Meeting: 14th December 2009

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: DEALING WITH FUEL POVERTY
Report of: DIRECTOR OF DEVELOPMENT SERVICES
Report reference: DS. 100/09

Summary: Report No DS 74/09 was presented to Executive on 26th October, outlining the need for a Fuel Poverty Officer, which would be funded by the Cumbria Energy Efficiency Advice Centre (CEEAC) residual funding. The report is being considered by Community Overview and Scrutiny Panel on 1st December 2009 and comments will be passed to Executive Committee for consideration at its meeting on 14th December.

Recommendations: Executive Committee are requested to consider the comments made by Community Overview and Scrutiny Panel on 1st December 2009, and agree to the release of the CEEAC residual funding for the provision of a Fuel Poverty Officer, and the use of the remaining funding for insulation measures.

Contact Officer: Allan Dickson

Ext: 7339

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None
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REPORT TO EXECUTIVE

PORTFOLIO AREA: Health and Community Development

Date of Meeting: 26th October 2009

Public

Key Decision: Yes / No

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Plan: Yes**

Inside Policy Framework

Title: Dealing with Fuel Poverty
Report of: Director of Development Services
Report reference: DS.74/09

Summary:

This report presents information regarding the prevalence of fuel poverty in Cumbria, and how this should be tackled. Since the demise of the Cumbria Energy Efficiency Advice Centre (CEEAC) and the introduction of the Energy Saving Trust Advice Centre (ESTAC), activity has considerably decreased in this important area of work as fuel poverty is not within the remit of the ESTAC. This report requests that the CEEAC residual funding be allocated to, and released for, the fuel poverty initiative within Cumbria. It is proposed that this funding be utilized for the recruitment of a Fuel Poverty Officer, and the remainder of the funding used to draw down match-funding from Utility Companies, to provide insulation and other measures, to reduce the numbers of households in Fuel Poverty.

Recommendations:

It is recommended that:-

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

- 1) Executive release the CEEAC residual Revenue funding (c. £303,000) in the following financial years:-
- | | |
|---------|---------|
| 2010/11 | £40,000 |
| 2011/12 | £40,000 |
| 2012/13 | £40,000 |

to fund the salary costs of the Fuel Poverty Officer, This funding will be utilised for fuel poverty work, to include the recruitment of a Fuel Poverty Officer, for a fixed term period of three year, but with the proviso that, should the post become self-financing, it may be extended. The remaining capital funds (£161,000), which will require to be released in full in 2010/11, will be utilized for the introduction of insulation measures and other initiatives in the homes of fuel poor households, and will be used to draw down match-funding from Public Utilities for insulation measures, and

- 2) That this report be made available for consideration by Community Overview and Scrutiny Panel.

Contact Officer: Allan Dickson

Ext: 7339

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 The definition of Fuel Poverty is when a household requires to spend more than 10% of its net income on fuel, to maintain a satisfactory heating regime, in their home.
- 1.2 Fuel Poverty is a growing National problem, with the relative cost of fuel still significantly more expensive compared to the prices of 5 years ago. There are varying estimates of how many households are living in fuel poverty, but, mainly due to the increase in energy prices and reduced incomes due to the recession, indicators are that there are an estimated 4.5 million (Public Accounts Committee - July 2009). Other Agencies estimate between 5-6 million.
- 1.3 Cumbria is a very sparsely populated area, and in areas of high rurality, where households do not have access to mains gas, and live in older “hard to heat”

homes, (stone built, no cavity walls and no gas network) this problem is exacerbated. In Cumbria, there are also specific local circumstances that exacerbate this problem, such as the high number of low wage households and more, older people only on state pension. These households are further compromised, in that they are often less likely to take up their full entitlement to available benefits, further reducing their available income.

- 1.4 Since the demise of the CEEAC, the amount of work done to prevent/deal with fuel poverty issues has seriously decreased, and it is not in the remit of the ESTAC to deal with fuel poverty. There is at present, no-one delivering specifically on this work in Cumbria.
- 1.5 In addition to the increasing numbers of households in fuel poverty, the current Government initiative (Warm front - which provides assistance to eligible households for the installation of heating and insulation measures) has been found to be poorly targeted, with nearly 75% of households entitled to a grant, unlikely to be in fuel poverty. In addition, many people who are in fuel poverty and on benefits cannot afford the excess cost of the provision of central heating, over and above the grant allowed. They can therefore be excluded from the scheme completely.
- 1.6 Fuel Poverty has been closely identified as contributing to poverty by Cumbria County Council, and this is reflected in its Anti-Poverty Strategy. There are Actions for Fuel Poverty identified within the Anti-Poverty Strategy Action Plan, which are being picked up by the Fuel Poverty Task Group (FPTG) (see Appendix 1 for the attached letter of support from the FPTG for the provision of this Officer). This Group reports to the Healthy Communities and Older People Thematic Partnership Steering Group (HCOP). The Fuel Poverty Task Group was set up to provide a co-ordinated multi-agency response to Fuel Poverty across Cumbria, but has no funding or specific officer time attached to the Fuel Poverty work. A first draft of the Fuel Poverty Action Plan will be available some time in October.
- 1.7 Fuel Poverty is a new local LAA target. National Indicator NI 187, measures the percentage of those people receiving income based benefits, living in homes with either a SAP rating of below 35 or above 65. NI 187 has been adopted by HCOP as a local indicator, LI 4, in the current Cumbria Local Area Agreement 2008-2011. This replaces the LI for Affordable Warmth in the previous LAA. At this time, there is no robust lead for this indicator, due to the shift in roles from the CEEAC to the ESTAC. The table below shows the

percentage for those properties with a low energy efficiency rating (below 35), by District, with an average for Cumbria as a whole.

<u>Authority</u>	<u>% below 35 SAP</u>
Allerdale	12.3
Barrow	7.6
Carlisle	9.1
Copeland	10.3
Eden	24
South Lakeland	12.3
Average	12.6%

In comparison, Lancashire has a baseline (average) set for their LAA of around 6%, which they are trying to reduce to 5%.

- 1.8 Research has been carried out, which indicates that excess winter deaths are directly attributable to cold, less well insulated homes. (Wilkinson 2001 - Rudge Gilchrist 2005). In addition, there are a higher number of slips, trips and falls which result in hospital admissions.
- 1.9 Not only are the issues that are highlighted in 1.8 more prevalent, but condensation and dampness in a poorly heated/fuel inefficient property contributes to a greater prevalence of respiratory conditions such as bronchitis and asthma, and can adversely influence such other conditions as arthritis, high blood pressure, heart attacks and strokes.

2. PROPOSALS

- 2.1 In order to properly target those in fuel poverty and those living in energy inefficient homes, and as a result of discussions with all Cumbrian Local Authorities, it is proposed to fund the appointment of a co-ordinator/facilitator/organiser (Fuel Poverty Officer), covering all Local Authority areas in Cumbria, providing a much-needed focus on reducing fuel poverty throughout the County. The funding for this post will be met from the CEEAC residual funding pot (Revenue).
- 2.2 It is intended that the Fuel Poverty Officer, in addition to the work mentioned in 2.1, will also liaise with Utility Companies to draw down funding for insulation

measures, targeting the homes of households who are living in energy inefficient homes, and those in fuel poverty.

- 2.3 The remaining residual funding (Capital) will be utilized to attract match funding from other Agencies, for appropriate insulation schemes and initiatives. It is anticipated that, prior to the completion of the first year of the Fuel Poverty Officers time in post, it is likely to become self-funding, by taking a levy from insulation contractors, for each insulation measure installed (this process was successful in the time of the CEEAC).
- 2.4 It is proposed that the Fuel Poverty Officer post be established for a fixed-term period of 3 years, with the anticipation of an extended contract, should the incoming levies enable to post to become self-financing.

3. CONSULTATION

- 3.1 Consultation to Date. Consultation has taken place with all Cumbrian Local Authorities; the ESTAC; The Fuel Poverty Task Group and the Healthy Communities and Older People Steering Group (HCOP).
- 3.2 Consultation proposed. Ongoing with the above.

4. RECOMMENDATIONS

4.1 It is recommended that:-

- 1) Executive release the CEEAC residual Revenue funding (c. £303,000) in the following financial years:-

2010/11	£40,000
2011/12	£40,000
2012/13	£40,000

to fund the salary costs of the Fuel Poverty Officer, This funding will be utilised for fuel poverty work, to include the recruitment of a Fuel Poverty Officer, for a fixed term period of three year, but with the proviso that, should the post become self-financing, it may be extended. The remaining capital funds (£161,000), which will require to be released in full in 2010/11, will be utilized for the introduction of insulation measures and other initiatives in the homes of fuel poor households, and will be used to draw down match-funding from Public Utilities for insulation measures, and

- 2) That this report be made available for consideration by Community Overview and Scrutiny Panel.

5. REASONS FOR RECOMMENDATIONS

- 5.1 To enable Fuel Poverty issues to be addressed, and contribute to reducing health inequality across Cumbria.

6. IMPLICATIONS

- Staffing/Resources – Recruitment of a Fuel Poverty Officer with Revenue funding, and the use of Capital Resources from the CEEAC residual funding, to match fund other Agency funding.
- Financial – The residual funding (£303,000) was accumulated by the CEEAC, as a result of work done throughout Cumbria, by all Local Authorities (not just Carlisle City Council). Hence the reason for the post being hosted by the City Council, but working throughout Cumbria, to address fuel poverty. The original funding consisted of Capital and Revenue, and it is intended to fund the Fuel Poverty Officer with the Revenue element, and use the Capital to draw down match funding from other Agencies for insulation measures. £142,000 Revenue levies were earmarked 3 years ago for the recruitment of a Fuel Poverty Officer, as part of the CEEAC's future work. All of the revenue funding would not be required in the first year. There would be a requirement for the first year's salary, on-costs and travelling expenses to be released, which would amount to approximately £40,000, with a similar amount required for year's two and three. The total cost of the post would potentially be £120,000 over the 3-years, although it is hoped that levies can be brought in to make the position self-financing. The Capital funding (£161,000) would require to be released in the first year.

With the closure of the CEEAC, there are likely costs of redundancy and dilapidation of approximately £25,000 still outstanding that will need to be borne from this reserve. Also, recurring savings were built in to the Council's budgets of £35,400 per annum. £19,000 of this can be met from

the Council's contribution to the original scheme, however the further £16,400 was meant to be met from this reserve. In order that these costs can be accommodated from this reserve, future levies will need to be achieved to make the staff costs self-financing. If this could not be achieved the savings would need to be found from alternative sources or risk being an increase in the Council's Revenue budget position.

- Legal – The Local Government Act 2000 (Section 2) provides that the Council has the power to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area. The power may be used in relation or for the benefit of the whole or any part of the community or all or any persons present or resident in the Council's area.

The Council is able to incur expenditure and, provide staff, goods or services in pursuance of the aims. In exercising the power, the Council must have regard to its Community Strategy.

- Corporate – This will assist with meeting NI 187 target.
- Risk Management – The City Council will line manage the Fuel Poverty Officer, based on its previous experience of managing the CEEAC, and will manage the Fuel Poverty budget.
- Equality Issues – This initiative will assist those vulnerable and 'hard to reach' people living in Cumbria, having a low income and/or in receipt of benefits, to improve their living conditions and increase their disposable incomes.
- Environmental – Improvement of house condition; reduction in the production of Carbon Dioxide (CO₂); improved health of households who will benefit from improved living conditions, and reduced energy use.
- Crime and Disorder –
- Impact on Customers – (i) Improved health and well-being of occupants
(ii) Increased disposable income
(iii) Improved choices

- (iv) Better living conditions
- (v) A reduction in Excess Winter Deaths.
- (vi) Improved quality of life.

Adult and Cultural Services

Service Development Team

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Date: 10th September 2009

Our Ref: AP/DS

Enq to: Anne Phillips

Mr Allan Dickson
Principal Housing Officer
Carlisle City Council
Civic Centre
Rickergate
Carlisle
CA3 8QG

Dear Mr Dickson,

Re: Allocation of funding for fuel poverty work for Cumbria

I am writing on behalf of the Fuel Poverty Task Group to support the application to Carlisle City Executive for the allocation of the CEEAC residual funding to support fuel poverty work including the recruitment of a Fuel Poverty Officer for a 3 year period.

The Fuel Poverty Task Group was established in response to a recognised need to provide a coordinated response to Fuel Poverty issues and to get partners from across Cumbria around the table. The Group has been successful in achieving this and is starting to provide a strategic lead for Fuel Poverty with feedback to localities. However, there is no allocated funding or specific officer time provided to progress the fuel poverty work. Whilst the Energy Saving Trust Advice Centre [ESTAC] have representation on this group, Fuel Poverty is not within it's remit.

Fuel Poverty is not only a growing national problem but it is a huge problem for Cumbria. In Cumbria there are a disproportionate number of low wage earners, and a growing number of harder to reach and vulnerable groups; older people in receipt of pensions needing to keep warm; fuel inefficient older housing stock; and "hard to heat homes" notably in the areas of high rurality. Fuel poverty is seen as contributing to poverty and this is reflected in the Cumbria County Council Anti-Poverty Strategy and Action Plan. The effects of fuel poverty can adversely affect a person's health, notably respiratory conditions (asthma, bronchitis), arthritis and blood pressure. By addressing fuel poverty issues a positive contribution will be made to reducing health inequalities in Cumbria.

The Fuel Poverty Task Group reports directly to the HCOP Steering Group and Fuel Poverty is now a standing Agenda item for HCOP's monthly meetings. NI 187 'Tackling Fuel Poverty - % people receiving income based benefits living in homes with a low energy efficiency rating' has been adopted by HCOP in the Cumbria Local Area Agreement [LAA] 2008 2011 as a Local Indicator, LI 4. This has replaced the LI for Affordable Warmth in the previous Cumbria LAA.

It is of vital importance that the CEEAC residual funding be released to support fuel poverty work within Cumbria in order that as a coordinated partnership we can progress this much needed work for our citizens of Cumbria.

Yours sincerely

A handwritten signature in cursive script that reads "A. Phillips". The signature is written in black ink and is positioned above a horizontal line that serves as a separator.

Anne Phillips
Development Manager
Chair of the Fuel Poverty Task Group

The Adult and Cultural Services Directorate has the council's responsibilities for adult social care services, libraries,

Your views are very important to us. We have procedures for dealing with compliments, comments and complaints.

Please ask at any of our offices.

Please note: The Department is required to give access to records on request.

Information you provide about an individual may be disclosed to that person unless you state otherwise.