Department of Energy & Climate Change

Response to the Consultation on Cutting the Cost of Keeping Warm: a new fuel poverty strategy for England

Please use this template to respond to the consultation. It will help us to record and take account of your views.

You may choose to respond to some or all of the questions. Please provide evidence for your answers where possible.

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Would you like this response to remain confidential?	No
If yes, please state your reasons:	

The deadline for receipt of your response is 7th October 2014

Please email your response to fuelpovertyconsultation@decc.gsi.gov.uk

Alternatively you can send it by post to:

Fuel Poverty Team
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About National Energy Action (NEA)

NEA is a leading UK fuel poverty charity. At the forefront of NEA's focus are millions of low income households across the UK who continue to struggle to afford the energy they require to heat and power their homes to a standard needed for their health and wellbeing. NEA's mission is to ensure that all households can meet their energy needs for health and comfort at an affordable cost, and that the needs of vulnerable energy consumers are central to policy decisions made by all tiers of government, the devolved administrations and the fuel utilities. To achieve this, NEA undertakes a range of activities, including higher-level strategic campaigning and lobbying; research and analyses into the causes and extent of fuel poverty; local demonstration projects and development of national qualifications to improve the quality of energy advice and services.

To date, NEA estimates that the charity has been able to help over 7.5 million households in the UK gain access to energy advice and energy efficiency grants. Over £110m of energy efficiency improvements have been installed through NEA's Warm Zones subsidiary community interest company which focuses on delivering a wide set of benefits[1] to low income households in deprived areas. NEA also identifies and shares best practice and has built capacity in communities to deliver energy efficiency and fuel poverty solutions for over 30 years.

Between 2013 and 2014 NEA assisted 26,612 householders with insulation, heating, advice and other energy saving measures either directly by NEA or via energy champion and community engagement work. As a result of our engagement work, 10,000 stakeholders have improved knowledge of action they can take to help their clients, customers or peers who are living in fuel poverty and 2852 front-line advisors and others dealing with vulnerable clients were trained by NEA. Through Warm Zones, we have also assessed 5,477 households and installed energy saving measures in 3,890 of those homes. In addition, the company's income maximisation service assisted more than 700 households to claim a total of over £3.5m welfare benefits. In order to achieve these successes our stakeholders are many and varied but are primarily local authorities and housing providers; community groups; relevant national and local agencies; energy companies; and energy efficiency delivery consortia.

NEA's campaigning and policy work seeks to channel the considerable in-house expertise gleaned for our delivery and research work in order to better inform national policies and policy makers to adequately address fuel poverty across the UK. This work also seeks to ensure households themselves know where they can go for help. Public and political sentiment on the importance of addressing these issues is at an all-time high. NEA believes it is critical that this momentum is maintained and there is a broader understanding across local and national government that by tackling fuel poverty it is not only possible to improve people's lives, it can improve local areas and enhance streetscapes, put money back into the economy and make a sizeable contribution to efforts to reduce carbon emissions within the UK housing stock. However, without enhancing current efforts, poorer households will continue to benefit least from energy policies, whilst paying a higher share of the costs, despite emitting the least emissions.

[1] Warmth, comfort and helping to make fuel bills far more affordable whilst reducing carbon emissions and saving energy.

About this response and our recommendations

Following the findings of the Independent Review of Fuel Poverty in England led by Professor John Hills[2], on the 9th July 2013, the Westminster Coalition Government proposed modifying the timetable to eradicate fuel poverty in England. Simultaneously, they also confirmed that they would modify the common definition of fuel poverty with a new measurement, specific to England, with immediate effect[3]. The Government amendments to the Energy Act amended the Warm Homes and Energy Conservation Act 2000 and require the Secretary of State for Energy and Climate Change to set out new targets for England (within subsequent secondary legislation) and bring forward a delivery strategy (to meet these England specific targets).

Significant energy efficiency interventions can play a vital role in increasing warmth, comfort and helping to make fuel bills far more affordable. They are also a highly cost effective way of reducing carbon emissions and saving energy. NEA therefore believes the Government are right to recognise that the final target and interim milestones must be based on cross tenure minimum energy efficiency standards. More broadly, NEA welcomes an increased recognition that energy efficiency must be at the heart of efforts to eradicate the preventable suffering caused by fuel poverty in this country[i].

The principal aim of this document is to support the UK Government (and future Governments) in developing a clear deliverable strategy that will ensure the poorest households no longer live in the least efficient, coldest and most expensive-to-heat homes whilst continuing to provide assistance to low income households who could be judged to have low incomes and below median costs. We welcome this opportunity and above all, we highlight the need to ensure current efforts are dramatically enhanced so we protect and prioritise low-income and vulnerable households in the transition to a high cost, low-carbon world. Equally, we also underline the urgent need to modify current policies without delay to provide much needed assistance this winter with the possibility to expedite immediate improvements whilst other areas are predicated on new regulations or the next spending review.

The need for urgency is highlighted by the most recent figures on the number of excess winter deaths for England and Wales last winter showed a hugely worrying increase; up 29% to 31,100. NEA believes an estimated 30% of winter deaths are caused by cold housing. So securing long term progress must also be met with urgency, continued and enhanced political will and a recognition that the current suite of policies (either at a national, UK or GB level) are not sufficient to protect households from rising energy costs and, in particular, protect the poorest households from living in fuel poverty.

According to the Government's Fuel Poverty Advisory Group in England, since 2005, consumer gas prices have risen by over 120%, retail electricity prices have risen over 75%, and the cost of liquid heating fuels has more than doubled in the UK[4]. Against this backdrop the Government is also seeking to secure an estimated £200bn of investment which is required to transform Great Britain's energy infrastructure[5].

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[2] John Hills, Getting the measure of fuel poverty Final Report of the Fuel Poverty Review, March 2012.

[3] Replacing the longstanding absolute definition of fuel poverty (10% required energy costs threshold) with a relative indicator (Professor Hills' low income, high cost measurement) means the distribution of fuel poverty across households in England (and consequently across the UK) has changed; in general, moving from an emphasis on older person households to younger households, and in particular, families with children.

[4] Fuel Poverty Advisory Group for England 11th Annual Report, December 2013.

[5] Ofgem, 2009, Project Discovery report

On the 13 November 2013, the National Audit Office published a report entitled 'Infrastructure investment: the impact on consumer bills'[6]. The report noted utility bills will continue to increase (above inflation) across GB over the next ten years to fund large scale infrastructure spending. This is because the majority of the costs of the Government's Electricity Market Reforms (EMR) are likely to be recovered through GB electricity bills[7]. According to many authoritative commentators, these levies are currently recovered regressively and can exacerbate energy related hardship without necessarily contributing to enhanced environmental (or social) goals. In addition, domestic energy policies based on reducing carbon emissions have also resulted in many low income households not benefiting equally from Government schemes and are often predicated on the householder having access to upfront capital. However, if these issues are properly addressed and the sources of funding highlighted above were used to help lever additional revenue into national energy efficiency schemes, potentially helping to bring all UK housing occupied by low-income households up to the standard of a new home built today, we could substantially reduce domestic energy bills, fuel poverty and bring about major benefits to society (as well as presenting a key opportunity to create much needed jobs within the energy efficiency industry) across Great Britain. This would bring multiple benefits including more energy efficient homes, more affordable energy bills, carbon reduction, reduced health and care costs and economic growth through additional jobs created and increased money circulating in poorer communities.

The identification of these 'priority issues' has been informed by the views of the charity's supporters (local authorities, housing associations, health agencies, other voluntary sector agencies, community groups, contracted installers, manufacturers and utility companies) who were invited to a series of six seminars across the country which sought views and asked them to input into DECC's and our vision of how many vital issues can be addressed and how the final targets can best be achieved. Around 500 stakeholders attended these seminars. A summary of these events is included as an annex to NEA's response along with the organisations that were represented. Where possible this engagement has been incorporated into NEA's response however the views expressed are those of NEA, NEA NI and NEA Cymru and do not necessarily represent the views of all of our supporters.

[6] National Audit Office, Infrastructure investment: the impact on consumer bills, 13 November 2013.

[7] The UK Government has exempted Northern Ireland generators from the Carbon Price Floor. This is an important concession for generators in Northern Ireland to ensure they can compete on a level playing field with generators in the Republic of Ireland. The UK Government and the Northern Ireland Executive have also agreed that because the Single Electricity Market in Ireland (SEM) already uses a capacity mechanism, the Capacity Market will apply across Great Britain only.

Our main recommendations

Targets and interim milestones

I. Reform the current final objective and set a revised end target of improving the homes of low income households to a minimum of EPC Band C by 2025, not 2030.

II. Reform the two interim milestones to lift 'the worst-rated fuel poor homes' to Band E [by 2020] and Band D [by 2025] by removing the band E target entirely and bring forward the Band D target by five years. The remaining D minimum milestone should then also be adapted to have the same statutory basis as the 2030 target.

III. If the Government choose to oppose this more ambitious timeline, it must still clarify that in order to meet the final and interim targets that all low income households that live in properties below the chosen thresholds will need to receive assistance and it would be more cost effective to bring them straight up to EPC band C (in pursuit of the interim D milestone or the final C target).

IV. Remove or tightly define the term 'as far as reasonably practicable'.

V. Set three new targets:

a) A requirement to reduce the size of the aggregate and average 'fuel poverty gap' each year.

b) A requirement to reduce the size of the aggregate and average 'fuel poverty gap' by 90% by 2030 compared to 2015 levels.

c) Adopt a new interim target to improve the homes of 2 million low income households to EPC band C by 2020.

VI. As noted below, report annually on the overall contribution energy discounts make within the new Fuel Poverty Energy Efficiency Rating Methodology to the attainment of the interim D milestone or the final C target. This recommendation is based on a broad concern about the extent to which progress on improving household energy efficiency will be distorted by including energy discounts within this calculation.

Monitoring Indicators

I. DECC must provide an annual report to Parliament (ahead of the annual fuel poverty debate) which provides the following:

I. An assessment of current fuel poverty levels across the UK and all respective nations based on the 10% indicator of fuel poverty as well as both indicators under the LIHC definition in England. The Government must also carefully monitor the changing demographic within fuel poor households. For example, it is likely that whilst the headcount will remain relatively constant, there will be a high 'churn' within this group as fuel prices increase, incomes and benefits remain capped or frozen for the foreseeable future. If impact assessments reveal increasing levels of fuel poverty within different groups, the Government must respond by escalating action to mitigate this

- The annual delivery rate of how many fuel poor households in England under the LIHC indicator (and separately low income households, those under 60% of the median income) are benefiting from domestic energy programmes, alongside the total budget for that year.

- An estimate of how many English households off the gas network, households with children under five, households with children under 16 and households with disabilities have received the assistance above, for that year.

- An estimate of the overall gross contribution of any energy policies, paid for by energy consumer levies, which increase the aggregate and average 'fuel poverty gap' for that year and a report estimating how the overall gross contribution of any energy policies which increase the aggregate and average 'fuel poverty gap' is reduced by domestic energy programmes.

- An estimate of the number of fuel poor and separately low income households have been moved to band D and C (within each tenure with an additional requirement within the PRS to report on any exemptions provided to landlords to meet the separate PRS band E target by 2018) and, as noted above, the contribution of energy discounts to the attainment of these targets for that year.

II. NEA believe DECC must introduce a regulatory requirement to report annually to Parliament ahead of the annual debate on fuel poverty on the aforementioned issues. It must also be noted that whilst reporting on these issues is critical, it is essential that the Government also acts on this intelligence and, in particular, brings forward additional policies or a deliberate regulatory framework where it is clear there are gaps in provision and the current framework is not delivering desirable policy outcomes. NEA also believes the Government will need to secure the support of other lead departments (or agencies) to report on the following areas every two years and ahead of any review of the fuel poverty strategy in England:

- A report produced jointly by DECC and Department for Communities and Local Government (DCLG) providing an update on the extent to which local authorities in England are fulfilling their current duties in relation to housing standards, enforcement action under the Housing Health and Safety Rating System (HHSRS) and the PRS regulations and undertaking and acting on guidance produced under the Home Energy Conservation Act (HECA). This assessment must also include an estimate of the financial implications the aforementioned activity places on local authorities and resources locally. This assessment could also include a calculation of the extent of allowable solutions funds targeted at providing energy efficiency retrofits for low income households or communities within each local authority area.

- A report by the Department for Health (DoH), facilitated by Public Health England (PHE) providing an estimate of the number, percentage and full details of which Health and Wellbeing Boards have prioritised fuel poverty or Excess Winter Deaths within their local Joint Needs Strategic Assessments (JSNA), alongside an assessment of the overall scale and cost of the incidence of cold-related morbidity and mortality.

- A report from the Climate Change Committee (CCC) and Infrastructure UK on the likely contribution of energy efficiency programmes targeted at low income households or communities on national attempts to reduce carbon emissions, stimulate jobs and monitor the share of national infrastructure spending allocated to this cause.

- A report from Department for Work and Pensions (DWP) on the extent to which income maximisation measures (such as benefit entitlement checks) are playing a key role in addressing (and preventing) fuel poverty and are being delivered alongside national schemes (including, but not exclusively, delivery of existing energy efficiency programmes).

- A report by DECC and Ofgem setting out the number of projects where Distribution Network Operators (DNOs) are incentivising electricity demand reduction on their networks alongside a direct social outcome, and the extent to which the assisted gas connection regime is contributing to the delivery of the interim and final targets.

- A report from Ofgem and the Green Deal Ombudsman highlighting instances of where disconnections resulting from a default on a Green Deal charge or where existing fuel debt problems have been compounded by a Green Deal charge.

Reducing health and social care costs

I. Finalise the draft NICE guideline on "Excess winter deaths and morbidity and the health risks associated with cold homes".

II. Authorise the sharing of patient level health data so that interventions can be directly targeted at those who are most likely to have recurrent GP visits and unplanned hospital admissions due to health conditions exacerbated by cold conditions.

III. Supported by its sponsor department, DoH, Public Health England (PHE) must take a lead role in helping to provide support and resources (showcasing good practice etc) and provide gap funding to support local referral pathways to tackle fuel poverty and excess winter deaths. PHE must also work with DECC and DoH to ensure there is a continuous effort to track the coverage of existing local schemes. In addition, PHE are ideally placed to pool information on the cost of related morbidity at a local level; this is an essential element in providing the impetus and business case for developing local projects.

IV. Until the good practice of a small number of Local Health and Wellbeing Boards (HWBs) and Clinical Commissioning Group (CCGs) on tackling fuel poverty is disseminated and applied nationally, the legislative framework exists to enable the Secretary of State to focus the delivery of energy efficiency programmes on specified types of people or specified geographical areas through secondary legislation. These powers would require obligated energy companies to follow up 'mandated referrals' with guaranteed assistance being provided to householders with an existing medically certified health condition (certified by a registered doctor) which could be exacerbated by an energy inefficient or cold home. Eligibility would be based on the current affordable warmth element of ECO (or potentially a broader proxy) with suppliers compensated for any additional costs this presents over and above the 'typical' costs of providing these measures as part of suppliers delivery of their existing obligations. In return, third party contributions from HWBs and CCGs would be sought.

V. DECC and DoH must intervene by placing a duty on relevant strategic agencies and providing greater support where notable gaps continue to be evident. Without heeding this approach and, in particular, immediately introducing more assessable pathways for aligning the health and housing agendas as an urgent priority, NEA believes the momentum of the new NICE guidance will be lost and the potential contribution of the health sector could be undermined for years to come.

Supporting the fuel poor living in off-gas grid properties

I. DECC should not rely solely on market driven capitalisation models to provide equal access to low income off gas households who could benefit the most from domestic low carbon technologies. Out of the current annual Renewable Heat Incentive (RHI) budget, DECC should provide a ring fence for households off the gas network who cannot afford the upfront costs of renewable heat technologies and provide a small ongoing operational subsidy to ensure these households are compensated for any increase in fuel costs (or maintenance costs) once these technologies have been installed. In addition, ECO resources should be used to provide targeted insulation improvements to these households to ensure they have access to a policy that can provide the required levels of basic insulation.

II. Data sharing can reduce policy costs and help the most vulnerable households access support. As noted above, the Government must clarify the ability to authorise the sharing of patient level health data so that interventions can be directly targeted at those who are most likely to have recurrent GP visits and unplanned hospital admissions due to health conditions exacerbated by cold conditions. DECC, DWP, Cabinet Office and the Treasury must recognise the proportionate benefit for the wider use of sensitive personal information.

III. As well as introducing new powers to extend support currently provided under the Warm Homes Discount Scheme (WHDS) Core Group and Winter Fuel Payments (WFP) to all Cold Weather Payment (CWP) recipients and provide a higher rate for off gas households (or increasing temperature thresholds for Cold Weather Payments (CWPs), the Government must enhance its insistence that current data sharing powers must be used by obligated suppliers to better target and improve the cost effectiveness of current delivery of both the Energy Company Obligation (ECO) and the roll-out of smart meters. The higher payment to off-gas households is predicated on activity from the FPAG off gas working group to provide an accurate database of all households that are off the gas network. NEA therefore urges DECC and DWP to translate this progress swiftly into a tangible policy outcome.

IV. DECC should continue to work with Ofgem to ensure the new assisted gas connection regime extends provision for those households that fail the current economic test and Government must address a lack of funds for internal energy efficiency work whilst requiring any new gas heating systems to be accompanied with decent levels of insulation.

V. NEA continues to highlight a new opportunity to increase resources for domestic energy efficiency in England and across the UK by working with Distribution Network Operators (DNOs) to incentivise electricity demand reduction on their networks, alongside a direct social outcome. This could result in alternatives to network reinforcement, in the form of replacing electrically heated systems in tower blocks through a contribution towards a modern efficient district heating network and low cost measures or extensive insulation.

VI. NEA urges DECC to recognise that whilst there are potential adjustments that can be made to current policies to provide greater access to park homes residents, there is a need to consider establishing a bespoke policy instrument to tackle these issues. We therefore call on Government to work with a range of parties to design a new policy which would supplement existing programmes to provide a cost effective long-term solution for tackling high energy bills and helping to eradicate fuel poverty within this property type.

Building capacity of local actors

I. Throughout this response, NEA promotes the role of different 'actors' who can support interventions to fuel poor households (especially local authorities, Registered Social Landlords or Housing Associations, health practitioners, Distribution Network Operators and Environmental Health Officers). The purpose is to enhance coverage of fuel poverty as a cross departmental priority, to highlight an over reliance on supplier led delivery and build support for other groups who should be more involved in supporting low income and vulnerable consumers.

II. NEA continues to stress the key role local authorities have in delivering and enforcing the new fuel poverty targets and insists they are provided with the means to deliver their current duties in relation to housing, addressing fuel poverty, reducing domestic carbon emissions and supporting and facilitating emerging public health responsibilities. As noted above, DCLG and DECC must work together to undertake an assessment which provides a reliable update of this critical work, including an estimate of the financial implications the aforementioned activity places on local authorities and resources locally.

III. NEA notes that the Home Energy Conservation Act is much more than a bureaucratic exercise and that it could help deliver real change, improvement and practical action. However, NEA also believes the guidance is not currently robust enough and the introduction of seemingly optional and discretionary elements to the reporting process has undermined the value of Government's intervention in this area. The Government must therefore address the fact there are no sanctions for the non-submission of HECA reports or acknowledge that in the current financial climate it could easily be categorised as a 'nice to have' as opposed to an essential area of local authority activity.

IV. NEA continues to urge DCLG and DECC to move beyond competition-based, non-recurrent, funding models to galvanise local activity to support desired national policy outcomes. The reliance on competition funding results in a lack of geographic equity and discourages investment in on-going capacity and local supply chains and ultimately fails to provide a longer term signal from central Government to local authorities, local communities and the voluntary sector for them to invest or nurture a sustainable contribution from within their organisations. NEA believes the Westminster Government must look to supplement the ECO by emulating the Scottish fuel poverty scheme which is tax funded and led by local authorities (the area based Home Energy Efficiency Programmes for Scotland, HEEPs).

V. The UK Government recognise that vulnerable and low-income customers will require additional support to engage in the smart meter roll-out and access the same benefits as other consumers. NEA therefore recommends that Government should re-examine the merits of providing a joined-up extra help service which can provide a critical contact point to identify, reach and support vulnerable consumers. In order to provide a coordinated and more holistic package of extra help, obligated suppliers must also better integrate the cost effective delivery of their current obligations and, where efficient to do so, look to join up both the Energy Company Obligation (ECO) and the Warm Homes Discount Scheme (WHDS) to roll-out smart meters to their vulnerable and low-income customers. Community organisations, local authorities, housing associations and other trusted local agencies will also be key to the successful engagement with these customers.

Finding the will and resources for enhanced action

I. NEA notes (and supports) the view of the Energy and Climate Change Committee report into Energy Prices, Profits and Poverty[8] (released before the consultation on the recent proposed changes to ECO) that stated that resources under the ECO are insufficient considering the scale and depth of fuel poverty and that there is a compelling case for ECO expenditure to be primarily devoted to fuel-poor households or deprived communities. The Committee's report also recommended that more specialised resources are needed to tackle fuel poverty in rural areas, in particular to address the difficulties experienced by off-gas grid customers. Critically, ECC also stated all of these aspects should be considered in the Government's forthcoming fuel poverty strategy in England.

II. Public funding for heating and insulation measures for low-income and vulnerable households in England must be reinstated to complement existing programmes. The Warm Front programme terminated at the end of January 2013. England continues to be the only UK nation providing no direct recurrent financial support to enable vulnerable and financially disadvantaged households to improve heating and insulation standards in their homes and guarantee assistance for vulnerable households who are eligible. Scotland, Wales and Northern Ireland have all continued to maintain or even expand their tax-funded energy efficiency programmes.

III. NEA underlines the critical importance of the next Comprehensive Spending Review following the General Election in May 2015 and that a range of Government departments have a key role in helping to support, fund and deliver a new fuel poverty strategy from 2015. To meet the revised energy efficiency targets advocated in our response requires increasing annual investment to circa £2 billion per year. This implies continuing to use current ECO resources plus an additional investment drawn from some of the annual proceeds from carbon revenue and VAT receipts. Without heeding this approach, these unpopular policies will continue to transfer billions of pounds each year of GB domestic energy consumers' money directly back into HM Treasury. However, if some of the revenues derived from this regressive approach were spent on helping to end the misery and suffering caused by Britain's cold homes; this would provide a long-term, sustainable funding revenue stream which would generate the Treasury more money than under business as usual.

IV. In this context, NEA highlights the work of the International Energy Agency (IEA) who have highlighted and quantified the potential for energy efficiency to deliver new jobs and economic growth, reduce pressure on health services, improve energy security and reduce carbon emissions and, most importantly, provide a long-term, sustainable solution to unaffordable fuel bills and secure warm, healthy homes for all consumers.

[8] The Energy and Climate Committee, the Energy and Climate Change Committee report into Energy Prices, Profits and Poverty, On the 29 July 2013

Response to the consultation questions

Target	
Q1 What are your views on the interim milestones we propose to include in the fuel poverty strategy?	

NEA agrees DECC must include interim targets but they must bring forward the band C and D targets and clarify a number of critical issues

NEA welcomes the proposal to establish interim targets. This should help ensure consistent progress is made in attaining the ultimate band C goal and prioritising the worst properties. However, along with the Fuel Poverty Advisory Group (FPAG), we are concerned that the proposed interim milestones mean that the majority of low income households (those with income below 60% median) or fuel poor households (under the LIHC indicator) will not receive essential energy efficiency interventions by 2020 or even 2025. NEA, along with FPAG, will not support a final strategy or targets that would leave over a million fuel poor households (and many more low income households) continuing to live in properties below the current average energy efficiency rating of the English housing stock until 2025.

As a result, NEA believes the proposed C target must be brought forward by five years [to 2025] and the two interim milestones to lift 'the worst-rated fuel poor homes' to Band E [by 2020] and Band D [by 2025] must be adapted by removing the band E target entirely and also bring forward the Band D target by five years. The remaining D milestone should also be adapted to have the same statutory basis as the 2030 target.

In addition, the Government has stated that progress towards the final target and the interim milestones will be measured by a new and unfamiliar Fuel Poverty Energy Efficiency Rating Methodology and as with the proposed 2030 target, these milestones are currently framed with the term 'as many' 'as far as reasonably practicable'. This has already undermined confidence amongst some immediate stakeholders about the Government's general commitment to reach these targets and this could deter a vital investment signal in jobs and skills. In addition, given the varied and occasionally competing demands of spending priorities within central government departments (or local within government), this could also weaken attempts to secure vital additional resources within the next Comprehensive Spending Review following the General Election in May 2015 or prioritise allocating funds from local budgets. This term must therefore either be removed or tightly defined so there is no unhelpful ambiguity over the term 'as far as reasonably practicable'.

It is also the case that the successful attainment of both the 2030 target and proposed interim milestones will require enhanced and coordinated action across all low income households (those that live in properties below the final 2030 EPC band, band C) and the existing milestones currently infer an inefficient approach to targeting and delivery by implying a need to return to the same properties over and over again to reach the final target. As a result, even if the Government choose to oppose this more ambitious timeline, it must still clarify that in order to meet the final and interim targets that all low income households that live in properties below the chosen thresholds will need to receive assistance and it would be more cost effective to bring them straight up to EPC band C (in pursuit of the interim D milestone or the final C target).

Finally, NEA also believes the Government must set three new targets. Under the new measurement of fuel poverty in England the overall headcount of fuel poverty is unlikely to be moved significantly by changes in energy prices or even dramatic changes in the energy efficiency of properties. However, the 'fuel poverty gap' is a new and integral part of the new official measurement of fuel poverty in England. Unlike the overall headcount measure under the LIHC definition, the fuel poverty gap indicates the impact energy prices have on the depth of the problem (for those households on the lowest incomes and with high energy costs). This can be summed for all households that have both low incomes and high costs to give an aggregate fuel poverty gap. Both the aggregate and individual fuel poverty gap increases capture the impact of rising energy prices. For example, updated figures released by DECC in August 2013 illustrate that the aggregate and average fuel poverty gap is projected to increase in 2012 and 2013 (from £438 in 2011 to £494 in 2013) and the aggregate gap is projected to increase from £1 billion in 2011, to £1.2 billion in 2013. This means that fuel poor householders in England have to spend over £1 billion more a year compared to non-fuel poor householders.

It is therefore of great concern that the Government have not set a target to reduce the size of the aggregate and average 'fuel poverty gap' each year. As well as addressing this issue the Government should also consider a new ambitious requirement to reduce the size of the aggregate and average 'fuel poverty gap' by 90% by 2030 compared to 2015 levels. NEA recommends that Government identify these as three new targets.

Q2 Do you agree that we should develop indicators for energy efficiency, renewables, distribution, non-gas homes, health and children? Are there other indicators that we should monitor?	

NEA agrees that DECC must develop indicators. These should be specific, mandatory, measurable, and reporting should be time bound.

DECC (alongside other government departments) must develop appropriate indicators which identify a 'lead sponsor', responsible and accountable for delivering and/or reporting on progress towards the main deliverables which relate to that area within the final strategy. This is the key way for a range of parties to monitor the delivery of a route map and ultimately the pursuit of the interim and final targets. However to secure continuous engagement, NEA also believes that reporting against any indicators must be time bound and it must be explicit who is responsible and accountable for reporting on progress towards the main deliverables. NEA therefore considers it appropriate for DECC to introduce a new regulatory requirement to report annually to Parliament, ahead of the proposed annual debate on fuel poverty, on the following areas:

- An assessment of current fuel poverty levels across the UK and all respective nations based on the 10% indicator of fuel poverty as well as both indicators under the LIHC definition in England. The Government must also carefully monitor the changing demographic within fuel poor households. For example, it is likely that whilst the headcount will remain relatively constant, there will be a high 'churn' within this group as fuel prices increase, incomes and benefits remain capped or frozen for the foreseeable future. If impact assessments reveal increasing levels of fuel poverty within different groups, the Government must respond by escalating action to mitigate this

- The annual delivery rate of how many fuel poor households in England under the LIHC indicator (and separately low income households, those under 60% of the median income) are benefiting from domestic energy programmes, alongside the total budget for that year.

- An estimate of how many English households off the gas network, households with children under five, households with children under 16 and households with disabilities have received the assistance above, for that year.

- An estimate of the overall gross contribution of any energy policies, paid for by energy consumer levies, which increase the aggregate and average 'fuel poverty gap' for that year and a report estimating how the overall gross contribution of any energy policies which increase the aggregate and average 'fuel poverty gap' is reduced be domestic energy programmes.

- An estimate of the number of fuel poor and separately low income households have been moved to band D and C (within each tenure with an additional requirement within the PRS to report on any exemptions provided to landlords to meet the separate PRS band E target by 2018) and, as noted above, the contribution to energy discounts to the attainment of these targets for that year. This recommendation is based on a broad concern about the extent to which progress on improving household energy efficiency will be distorted by including energy discounts within this calculation.

NEA believe DECC must introduce a regulatory requirement to report annually to Parliament ahead of the annual debate on fuel poverty on the aforementioned issues. It must also be noted that whilst reporting on these issues is critical, it is essential that the Government also acts on this intelligence and, in particular, brings forward additional policies or a deliberate regulatory framework where it is clear there are gaps in provision and the current framework is not delivering desirable policy outcomes. NEA also believes the Government will need to secure the support of other lead departments (or agencies) to report on the following areas every two years and ahead of any review of the fuel poverty strategy in England:

- A report produced jointly by DECC and Department for Communities and Local Government (DCLG) providing an update on the extent to which local authorities in England are fulfilling their current duties in relation to housing standards, enforcement action under the Housing Health and Safety Rating System (HHSRS) and the PRS regulations and undertaking and acting on guidance produced under the Home Energy Conservation Act (HECA). This assessment must also include an estimate of the financial implications the aforementioned activity places on local authorities and resources locally. This assessment could also include a calculation of the extent of allowable solutions funds targeted at providing energy efficiency retrofits for low income households or communities within each local authority area.

- A report by the Department for Health (DoH), facilitated by Public Health England (PHE) providing an estimate of the number, percentage and full details of which Health and Wellbeing Boards have prioritised fuel poverty or Excess Winter Deaths within their local Joint Needs Strategic Assessments (JSNA), alongside an assessment of the overall scale and cost of the incidence of cold-related morbidity and mortality.

- A report from the Climate Change Committee (CCC) and Infrastructure UK on the likely contribution of energy efficiency programmes targeted at low income households or communities on national attempts to reduce carbon emissions, stimulate jobs and monitor the share of national infrastructure spending allocated to this cause.

- A report from the Department for Work and Pensions (DWP) on the extent to which income maximisation measures (such as benefit entitlement checks) are playing a key role in addressing (and preventing) fuel poverty and are being delivered alongside national schemes (including, but not exclusively, delivery of existing energy efficiency programmes).

- A report by DECC and Ofgem setting out the number of projects where Distribution Network Operators (DNOs) are incentivising electricity demand reduction on their networks alongside a direct social outcome and the extent to which the assisted gas connection regime is contributing to the delivery of the interim and final targets. This should also be supplemented with a report from Ofgem and the Green Deal Ombudsman highlighting instances of where disconnections resulting from a default on a Green Deal charge or where existing fuel debt problems have been compounded by a Green Deal charge.

3.1 Warmer Homes	
Q3 Do you have evidence or views that will be of use in shaping our proposed research into park homes in 2014? You may prefer to respond to this question through the broader call for evidence published separately.	

NEA has responded to the separate call for evidence highlighting our previous work on addressing barriers for park homes. To read this work by NEA in this area please visit:

http://www.nea.org.uk/OneStopCMS/Core/SearchResults.aspx?as_sitesearch=www.nea.org.uk&q=park+home&MainControl%24PageHeader1%24ContentSearchForm%24ctl01.x=0&MainControl%24PageHeader1%24ContentSearchForm%24ctl01.y=0&MainControl%24PageHeader1%24ContentSearchForm%24ctl01=Search

Within our response, NEA urged DECC to recognise that whilst there are potential adjustments that can be made to current policies to provide greater access to park homes residents to current homes energy schemes, there is a need to consider establishing a bespoke policy instrument to tackle these issues. We therefore call on Government to work with a range of parties to design a new policy which would supplement existing programmes to provide a cost effective long-term solution for tackling high energy bills and helping to eradicate fuel poverty within this property type.

Q4 How can the fuel poverty strategy best support non-gas fuel poor households, particularly as we move to decarbonise heating? Please consider both short and long term action, and include evidence where possible.	

NEA welcomes a recent enhanced focus on addressing the barriers faced by low income and vulnerable households that are off the gas network. All too often the Government's domestic energy schemes have failed off-gas grid consumers, especially the poorest. The new fuel poverty strategy is a key opportunity to address these issues.

Using the latest statistics released in the summer of 2014[9], it is estimated that in 2012, 533,000 fuel poor households in England did not have access to natural gas and heated their properties with oil, solid fuel, LPG or electricity. As a result, these households continue to typically have higher individual fuel poverty gaps, approximately double the average of those on gas, typically over £1000. In addition, households living in the most energy inefficient dwellings (those with a SAP rating of E or below) continue to be much more likely to be fuel poor than those in more energy efficient dwellings, and have higher fuel poverty gaps. Statistically, these less efficient properties are much more likely to be concentrated off the gas network with the Government's own analysis suggesting c.40% of all fuel poor households in the least energy efficient properties live off the gas network.

This presents a direct challenge to policy makers to resolve the inherent tensions between the principles outlined within the Government's overarching approach (focusing on households with the deepest levels of fuel poverty and the need to concentrate on cost effective energy efficiency interventions). NEA believes that above all this will require Government to be far more ambitious and not only adapt current policies, but commit to introducing additional and adequate resources that can help guarantee that we do not leave these households as the least likely to benefit from current policies, despite them also living in the coldest and most expensive-to-heat homes.

Improving energy efficiency - The Energy Company Obligation

Following termination of the Warm Front scheme in January 2013, England continues to be the only UK nation without a Government-funded energy efficiency programme targeted at fuel poor households. In contrast, Scotland and Wales have continued to expand funding for their own national programmes. As well as intending to compensate for the loss of Warm Front in England (as well as the other previous GB wide supplier funded initiatives like the Carbon Emissions Reduction Target and the Community Energy Saving Programme[10]), the ECO is also disbursed across Scotland and Wales, with Northern Ireland remaining excluded from this programme[11]. The table below shows how expenditure to address fuel poverty through heating and insulation improvements at a GB level has been reduced compared with previous funding levels in recent years.

[9] Annual Fuel Poverty Statistics Report, 2014, *Department of Energy and Climate Change (DECC),* July 2014.

[10] According to the Association for the Conservation for Energy (ACE)'s Fuel Poverty 2014 update, funding for insulation under ECO, compared to CERT and CESP, has resulted in a 74% reduction in Cavity Wall Insulation, 90% reduction in Loft Insulation and a 68% reduction in Solid Wall Insulation.

[11] In Northern Ireland, the Northern Ireland Sustainable Energy Programme (NISEP) imposes a levy on electricity bills equivalent to around £7 per customer which is set to move to an Energy Efficiency Obligation made up of a levy across all fuels, including the non-regulated oil industry.

Table 1 - Nominal (not actual) Expenditure on energy efficiency programmes 2010/11 and 2013/14

GB wide Programme	2010-11	2013-14
Community Energy Saving Programme	£117 million	n/a
Carbon Emissions Reduction Target (Priority Group[12])	£654 million	n/a
Energy Company Obligation (AW and CSCO)	N/A	£540 million
Total Expenditure	£771 million	£540 million

** Note: The actual spend may be lower or higher than Government impact assessments predicted as shown in the table above but this is deemed to be commercially sensitive information and not available)*

The lack of any Government-funded energy efficiency programme targeted at fuel poor households in England and the subsequent reductions of available resources were and still are the key source of concern. However, as a result, the interventions announced in the 2013 Autumn Statement this prompted the release of a consultation on the future of the ECO scheme[13]. Following the outcome of this consultation, the Government proposes to make the following changes to ECO in the current obligation period (ending March 2015):

- To reduce the March 2015 Carbon Emissions Reduction Obligation (CERO) target by 33%. The March 2015 Carbon Saving Community Obligation (CSCO) and Affordable Warmth (also known as the Home Heating Cost Reduction Obligation (HHCRO) targets will remain the same.

- Allow easy to treat cavity walls, loft insulation and district heating connections made from 1 April 2014 to be included as an allowable primary measure under CERO.

- Enable obligated energy suppliers to carry forward a certain proportion of over delivery against their March 2015 targets to count towards their March 2017 targets.

- Enable obligated energy suppliers to deliver less than their share of the new 2015 CERO target (however this flexibility would not apply to the Affordable Warmth or CSCO targets, with both remaining enforceable compliance deadlines at 31 March 2015).

- Extend the CSCO element of ECO from 15% to the 25% lowest areas on the Index of Multiple Deprivation. In addition, the qualifying criteria for the CSCO rural sub obligation would be simplified by allowing suppliers to deliver against this sub-target to any domestic property located in the poorest quarter of rural areas, as well as to people living in rural areas who are not members of the Affordable Warmth Group.

[12] Suppliers were required to meet 40% of their total target by delivering measures to a 'Priority Group' of vulnerable and low-income households, including those in receipt of eligible benefits and pensioners over the age of 70 and 15% of the savings needed to achieved in a subset of low income households (a Super Priority Group) considered to be at high risk of fuel poverty. Under the scheme there was little incentive for the assessor/installer to log detailed financial and personal details of households that would identify them as SPG. In a piece of qualitative research NEA undertook over 7,872 households that had received energy efficiency measures between August 2010 and October 2012 under the Priority Group of the CERT programme, almost one in five (19.1%) respondents recalled having received the Cold Weather Payment in the last two years and NEA subsequently estimated a total of 18.4% of the sample met the SPG criteria.

[13] Department of Energy and Climate Change (DECC): The Future of the Energy Company Obligation, March 2014.

Whilst existing dedicated support in ECO for low income and vulnerable households is to be maintained and extended from March 2015 until March 2017, in general, the reduced scale of the ECO in future years will continue to seriously exacerbate the problem of insufficient resources. As noted above, ECO resources were initially insufficient considering the scale and depth of fuel poverty across Great Britain and this situation is now even more acute (especially in England). More specifically, the 33% reduction to the CERO target will reduce the amount of carbon abatement required from the programme overall and the contribution from hard to treat measures.

This change, coupled with uplifted scores for early CERO delivery and the ability of obligated energy suppliers to have increased flexibility for delivery of measures under CERO (by increasing the number of eligible measures that they have a choice to deliver in order to comply) and increased flexibility when they choose to deliver their obligations will reduce the key role ECO resources could have played in supporting fuel poor households in solid wall and hard to treat properties[14]. For the reasons noted above, these properties are more likely to be found in rural and off-gas areas. In addition, the Government will also make the following changes to ECO within the obligation period commencing on 1 April 2015:

- To allow an uplifted Affordable Warmth score for measures delivered to households whose main fuel type is not natural gas.

- To provide that electric storage heaters, that are broken or not functioning efficiently, which are repaired or replaced under Affordable Warmth are scored in the same way as a "qualifying boiler" and in doing so, receive a higher notional bill saving.

- To require all boiler replacements delivered under Affordable Warmth to include a minimum warranty.

How do these other reforms address the off gas divide?

Current delivery through Affordable Warmth has almost exclusively been delivered to low income households on the gas network. Whilst it is anticipated that this situation may improve with the changes, the table below notes the extent to which these proposals could potentially lead to a real step change in provision for low income households off the gas network.

Table 2: Percentage of ECO delivery to non- gas fuelled households within AW (current and proposed levels):

Fuel type	Current	Consultation Scenario	% Change
Electricity	1%	7%	+7%
Other	1%	5%	+4%
Gas	98%	88%	-10%

[14] Around 27,500 SWI measures were installed under ECO up to end of December 2013.

However, the scenarios presented above are based on an assumption made within the consultation that the uplifts applied to Affordable Warmth scoring for measures delivered to households whose main fuel type is not natural gas are sufficient, and that suppliers find it attractive to repair or replace LPG and heating oil boilers or electric storage heaters, as a result of the proposed higher notional bill saving. There is also a significant concern that it is highly likely interventions will be targeted at urban off-gas (i.e. electric storage heaters primarily located in tower blocks) as opposed to rural off-gas – primarily heating oil and LPG boilers. In particular, it is highly likely large volumes of electric storage heaters in urban areas will be prioritised with little delivery targeted at rural areas that have LPG or heating oil boilers.

More generally, no metrics exist to differentiate between delivery to rural off-gas grid and urban off-gas grid. Responses to Parliamentary Questions have confirmed that the Government does not currently capture this information; yet doing so would help ensure that policies can be monitored and adjusted to ensure there is more equitable delivery and sufficient amount of investment and activity is devoted into rural off-gas grid areas.

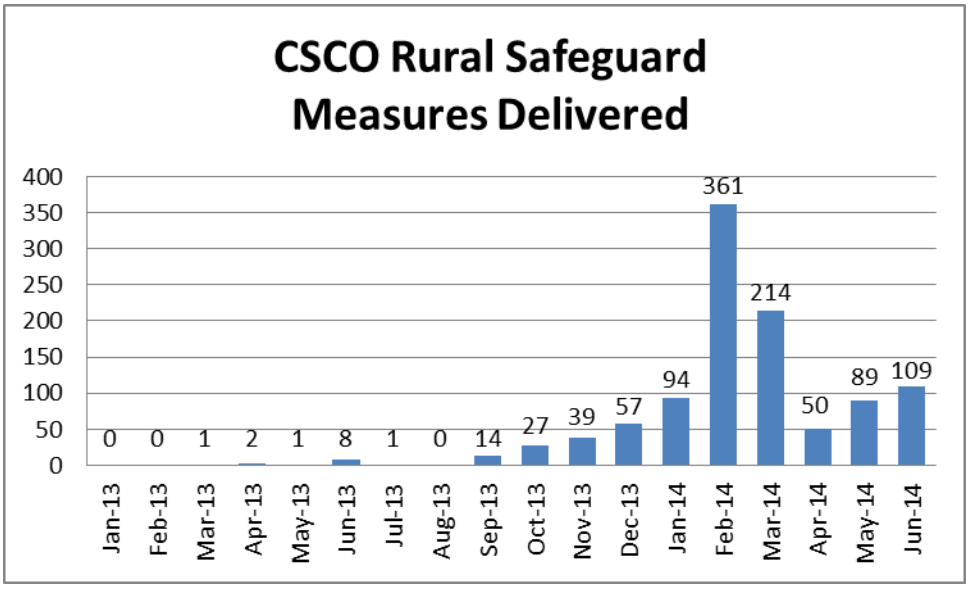
Rural Safeguards

The need to intervene to provide distributional equity for off gas and rural households was partially recognised during the initial policy development before the policy went live. 15% of the Carbon Saving Communities target should have been delivered on behalf of low-income vulnerable households in rural communities at an estimated cost of £25m a year. There were two ways in which a household could qualify to be eligible for activity in this section of the CSCO; if a household was within a settlement of fewer than 10,000 inhabitants and is in receipt of one of the qualifying benefits for the Affordable Warmth element of ECO or a household is within or adjoining one of the qualifying areas.

From the outset of the ECO scheme, concerns have been raised about the validity of the 10,000 inhabitant threshold. Whilst this number of inhabitants would be comparatively small for an urban settlement, this number of households could imply a community is still on-gas, potentially on the urban fringe. This meant that the support that suppliers provide is unlikely to benefit deep rural areas which certainly won't have access to the gas grid and therefore may be more reliant on comparatively expensive alternative heating fuels. DECC statistics[15] released on 21st August 2014 indicate that out of 891,669 measures installed under ECO to end June 2014, including 163,849 under the CSCo, only 1,067 of these measures were installed within the rural sub-obligation. These 1,067 measures account for 0.11% of total ECO measures installed (891,669) and only 0.65% of total CSCo measures installed (163,849) Note that 15% of CSCo is supposed to be 'ring-fenced' for rural communities.

[15] Please see: Domestic Green Deal and Energy Company Obligation in Great Britain, Monthly report, 22 July 2014

Table 3: CSCO Rural delivery to date



These concerns are likely to be enhanced following the changes to the qualifying criteria for the CSCO rural sub-obligation which allow suppliers to deliver against this sub-target to any domestic property located in (or in the adjoining areas to) the rural IMD areas. This additional flexibility is anticipated to expand the number of eligible households from around 600,000 to around 1.3 million Whilst the broadening of eligible households help increase take-up, it is likely to divert help away from the most deprived deep rural areas towards the easier to reach semi-rural/suburban areas where it is easier to target multiple or clustered homes rather than isolated or smaller settlements.

Green Deal Home Improvement Fund

Following the changes outlined above, the Government announced a new tax funded initiative to reduce the impacts of the cuts to ECO. DECC's Green Deal Home Improvement Fund (GDHIF) scheme provided householders with additional financial support where they were replacing their central heating boiler, but only natural gas boilers qualified. The rationale was that incentivising replacement of oil or LPG fired boilers through GDHIF may prohibit householders replacing these heating types by installing renewable heating instead.

As a result, the only available option to rural householders is via the Renewable Heat Incentive (RHI) which involves an upfront payment of between £6,000- £25,000 to install renewable heating systems (typically heat pumps or biomass boilers). For obvious reasons, these up-front costs are completely prohibitive for low income households and removes the option of a traditional heating system repair or replacement. Further information pertaining to the accessibility of the RHI is included below.

Support for Alternative Heating - Renewable Heat Incentive

NEA has continuously stressed that the upfront costs of micro-generation technologies are prohibitively expensive for fuel-poor households. Without assistance in paying the capital costs, these households are unable to benefit from the operational incentives targeted at micro-generation. Despite providing support to cover part of the upfront cost of a renewable heat installation, the Renewable Heat Premium Payment (RHPP) required a very high household contribution (sometime as high as 90% of the total capital cost). The Renewable Heat Incentive (RHI) for domestic properties was launched in April 2014. Whilst it is paid for by general taxation, it is similar to the feed-in tariff for electricity as the scheme pays people for the renewable heat they generate in their home through an operational subsidy. As such, NEA has strong concerns that despite the potential, without further intervention, there will continue to be a lack of equal access for the poorest households. NEA believes that the Government must recognise that it is possible to ring-fence an element of the current domestic RHI budget to provide the necessary upfront capital support for low income households.

As noted elsewhere in this response, before the closure, eligible applicants to Warm Front were guaranteed to receive assistance and could benefit from a grant of up to £6,000 to those off the gas-grid. The grant could be paid for measures such as insulation and alternative heating such as more efficient electrical heating, oil heating systems and renewable heating. Moves to an RHI ring-fence could address this current gap in provision. However, the replacement programme, the ECO, even after the most recent interventions, is not going to fund these measures and therefore NEA will continue to urge policy makers to accept the need for further changes to the current schemes and the need for further adequate resources to provide more bespoke support.

Until these additional resources can be secured, NEA urges DECC not to rely solely on market driven capitalisation models to provide equal access to low income off gas households who could benefit the most from domestic low carbon technologies. Out of the current RHI budget, DECC can and should provide, a ring fence for households off the gas network who cannot afford the upfront costs of renewable heat technologies and, provide a small ongoing operational subsidy to ensure these households are compensated for any increase in fuel costs (or maintenance costs) once these technologies have been installed. In addition, ECO resources should be used to provide targeted insulation improvements to these households to ensure they have access to a policy that can provide the required levels of basic insulation.

Maximising income and mitigating high energy prices

The Warm Home Discount Scheme (WHDS) offers a mandatory discount of £140 on electricity bills for households aged over 60 and in receipt of the Guarantee element of Pension Credit (the Core Group). Currently only low income pensioner Core Group recipients receive an automatic rebate with other fuel poor households only receiving discretionary support provided by energy suppliers. Like the ECO, WHDS is not funded by general taxation, if householders fail to benefit from the programme directly these households will see an increase in their energy bills as the policy is paid for through a levy on energy bills (estimated to be circa £15 - 20 a year per household, although part of these costs are being reimbursed to the consumer over the next two years). In addition, the WHDS is only set to continue until 2016 and NEA believes the scheme must be extended until 2025, in line with the strategy timescales. This will provide much needed assurance to companies to plan properly and could encourage more expansive debt relief programmes and other company initiatives which will allow the energy suppliers to respond to emerging issues and new partnerships.

In addition, the Winter Fuel Payment (WFP) is made to everyone provided they have reached the official retirement age for women (currently 61 but will change over time), it is not currently means tested. Up to the age of 79 the payment is £200 per household rising to £300 for eligible households over 80. This year, average expenditure on the WFP fell from £2.5 to circa £2.1 billion. Cold Weather Payments are made to eligible households in an area where a period of exceptionally cold weather has occurred (defined as 7 consecutive days during which the average of mean daily temperatures is 0oC or lower). Households are eligible based on age and vulnerability and in receipt of income-related benefits. There is a strong case, for increasing the temperature thresholds for CWPs and increasing the level of support through the Warm Home Discount, to those qualifying households who live in off-gas grid rural areas in recognition of their inherently higher energy costs.

In addition, NEA recommends DECC, DWP, Cabinet Office and the Treasury must recognise the proportionate benefit for the wider use of sensitive benefit information. As well as introducing new powers to provide a higher rate for off gas households (we urge DECC and DWP to translate activity from FPAG off gas working group to provide an accurate database of all households that are off the gas network into a tangible policy outcome) or increasing temperature thresholds for CWPs, the Government should extend support currently provided under the WHDS Core Group and WFP to all CWP recipients.

The Government must also enhance its insistence that current data sharing powers must be used by obligated suppliers to better target and improve the cost effectiveness of current delivery of both the Energy Company Obligation (ECO) and the rollout of smart meters.

The role of network operators

Providing off-gas households with a connection to the gas grid can significantly reduce the cost of adequately heating their property. As such, NEA notes and welcomes attempts by DECC and Ofgem to review the assisted connection regime for fuel poor households at the same time as consulting on the strategy. However, NEA highlights that where many low income household's premises are not situated sufficiently close to a relevant main, the costs of a new connection often exceed the maximum value of the Fuel Poor Voucher. NEA are therefore encouraging Ofgem to allow Gas Network Operators (GNs) or their respective partners to apply the full Net Present Value (NPV) of future transportation revenues to the successful connections of fuel-poor households but hypothecate any surplus on the true costs of this connection to provide assistance to other households who would exceed the maximum value of the Fuel Poor Voucher (i.e. transfer any surplus to support fuel-poor households where premises are not situated in close proximity to a relevant main).

Provided this surplus can be realised, aggregated and potentially capitalised, the types of assistance which might be provided (by a range of parties) could include providing low cost energy efficiency measures. In addition, NEA also highlights that a lack of in-house funding reduces the likelihood that sufficient numbers of fuel-poor households will have the means to facilitate an effective connection and we believe Ofgem and DECC should use the review (and the FP strategy) to quantify the overall scale of extensions of the gas network to fuel poor or vulnerable households that meet the economic test but are potentially failing to go ahead as there is insufficient funding available for the low income householder to fund 'in-house' works.

Finally, it is critical to require Ofgem to consider how successful gas connections must be accompanied by decent levels of insulation. This is fundamental to the full affordability outcomes of a new gas connection being realised by the household and is consistent with the current principles within the RHI and, more generally, DECC's heat strategy.

In terms of Distribution Network Operators (DNOs), Ofgem have stated within the strategy decision overview for RIIO-ED1 that DNOs have a key role to play in identifying fuel poor and vulnerable customers and deliver solutions (either themselves or by partnering with others). NEA welcomes these new social obligations and agrees that this will require a major cultural and behavioural shift. Ofgem must now ensure DNOs' realise these objectives. In particular, the business plans should:

- Explain how they will improve the quality of information they (or other parties) have access to about vulnerable consumers, and provide sufficient detail on how this information will be used so that consumers get the support and services they require.

- Illustrate how they will continue to engage with a wide range of stakeholders such as local authorities, devolved administrations, health providers, obligated energy suppliers, other energy distributors (both gas and electricity), other utility providers and community groups throughout the ED1 period. This engagement should consider how best to continue to refine and update the information they collectively hold on consumers in vulnerable situations and clearly illustrate how they will exploit the linkages between respective parties' obligations and responsibilities in relation to vulnerable consumers. These activities should include detailed plans on the delivery of additional assistance to customers that are on their Priority Service Register (PSR), not just within outages but throughout the ED1 period on a range of social activities.

- Clearly explain the on-going steps they will take to publicise the benefits that are offered through the PSR, ensuring that their PSR captures all of those that should be included.

- Where DNOs state they will refer vulnerable customers to assistance provided by other parties, DNOs must clearly state how they will take steps to assist in the referral (i.e. by making sure these sources of help are directly relevant to the circumstances of that household, the support being recommended is able to accept new applications at the time the referral is made and the recommended programmes are specific to the geographical location of that household (e.g. ECO in England, HEEPS and Nest schemes in Scotland and Wales and any services identified at a local authority level).

Ofgem should also make it clear to all DNOs that their role to provide assistance to vulnerable and fuel poor households is not restricted to the development, maintenance and delivery of enhanced services under the PSR. NEA has previously welcomed Ofgem stating that measures enabling more efficient use of energy for fuel poor households (through alternate heating technologies or in-home energy efficiency measures) might offset the need for wider network reinforcement. However, NEA has seen few references to these opportunities within DNOs' plans (especially in relation to reducing load related reinforcement outside of innovation). NEA therefore continues to encourage Ofgem, DECC and DNOs the latter's ability to:

I. Identify ahead of time load related 'reinforcement hotspots' across their geographic territory.

II. Obtain a forecast of the business as usual reinforcement costs.

III. Establish an alternative cost-benefit analysis indicating which 'other actions' could be taken to either defer or mitigate the reinforcement need in an area entirely (through permanent electricity demand reductions, not demand shifting). This will require working with supportive agents to simultaneously assess the scale of electricity demand reduction potential within that area of the network and aggregate this potential.

IV. Identify complementary domestic energy efficiency activity that is also currently being planned within this area and match the initial alternative investments to this existing or planned activity within that area and approach the delivery partners (this latter element is critical because the most valuable role DNOs can play is simply to provide capital to an existing or planned project, rather than starting a new one).

V. Grade the potential aggregation of electrical demand reductions by prioritising electrically heated **domestic** customers on the basis that there are positive social impacts and wider benefits (reduction in local health costs etc).

VI. Provide capital or develop projects which meet the 'Golden Rule' test set out below.

VII. Produce annual reports on the aforementioned activity.

For purposes of clarity, the alternatives to reinforcement could be in the form of replacing inefficient electrically heated systems in tower blocks through a contribution towards a modern efficient district heating network, upgrade electrical heating systems, help fund extensive solid wall insulation and make or provide capital towards lighting improvements etc. As noted above, whilst the contribution towards these measures could be made independently, this approach should also aim to link up to other pre-existing projects (funded under Green Deal, ECO or help make a contribution towards new gas connections in blocks of less than three storeys in height).

As noted above, the value of the proposal for all energy consumers should be safeguarded by a variation of the current 'Golden Rule' (the contribution by the DNO to the cost of these alternative projects would always have to be lower than the cost of the network reinforcement). The emphasis would then encourage DNOs to work with different parties to take a longer-term view of reinforcements to their network, leverage additional funds based on suppliers' or gas network operators' existing obligations and make sure the investment is cost effective (benefiting all energy consumers) whilst also ensuring that there is a direct social outcome.

Q5 Do you have views or evidence that will be of use in shaping our research on the potential for improved controls to help fuel poor groups manage their heating?	

NEA agrees improved controls and suitable energy advice can help households to optimise their heating systems and will help households access heat when they need it. For these reasons it is important that easy to use controls are installed under all government mandated programmes. However for many fuel poor that under-consume energy and heating, the value of controls as a means of reducing overall use will not be effective.

In particular, NEA notes that the UK Government recognise that vulnerable and low-income customers will require additional support to engage in the smart meter roll-out and access the same benefits as other consumers. NEA therefore recommends the Government should re-examine the merits of providing a joined-up extra help service which can provide a critical contact point to identity, reach and support vulnerable consumers. In order to provide a coordinated and more holistic package of extra help, obligated suppliers must also better integrate the cost effective delivery of their current obligations and, where efficient to do so, look to join up both the Energy Company Obligation (ECO) and the Warm Homes Discount Scheme (WHDS) to rollout smart meters to their vulnerable and low-income customers. Community organisations, local authorities, housing associations and other trusted local agencies will also be key to successful engagement with these customers.

Q6 What existing evidence should we consider in analysing the impacts of energy efficiency measures on health and/or social care service costs?	

NEA believes there is now an increasing awareness and recognition amongst many health institutions and practitioners that expensive to heat homes can damage the health of the occupants and many diseases are caused or worsened by living in cold conditions[ii]. Similarly, there is an awareness from these stakeholders of the solutions available to enhance affordable warmth outcomes, including energy efficiency, energy advice and income maximisation. NEA would cite the following relevant experts' work in this area:

International Energy Agency (IEA)

Within their recent report, *Capturing the Multiple Benefits of Energy Efficiency*[16], the IEA state that energy efficiency retrofits in buildings create conditions that support improved occupant health and well-being, particularly among vulnerable groups such as children, the elderly and those with pre-existing illnesses. They go on to note that the potential benefits include improved physical health such as reduced symptoms of respiratory and cardiovascular conditions, rheumatism, arthritis and allergies, as well as fewer injuries. They note that several studies (some of which noted below) quantifying total outcomes found benefit cost ratios as high as 4:1 when health and well-being impacts were included, with health benefits representing up to 75% of overall benefits. They also note that improved mental health (reduced chronic stress and depression) has, in some cases, been seen to represent as much as half of total health benefits. Critically from DECC and DoH's perspective, they cite that realised health improvements generate downstream social and economic impacts, including lower public health spending. For example they note that addressing indoor air quality through energy efficiency measures could, in a high energy efficiency scenario, save the European Union's economy as much as USD 259 billion (EUR 190 billion) annually.

[16] Capturing the Multiple Benefits of Energy Efficiency, International Energy Agency (IEA), September 2014.

Professor Geoff Green – Centre for Regional, Social and Economic Research, Sheffield Hallam University, UK

Professor Green (now emeritus), working with other experts, has investigated the health and social benefits of housing improvements, in particular the upgrading of social housing to meet the UK's Decent Homes Standard[iii]. In their calculations, the authors used Quality Adjusted Life Years (QALYs) to determine the health outcomes from unsatisfactory conditions and, gave a monetary value of a QALY as £30,000 - £40,000 (see Mason H, Jones Lees M, and Donaldson C, 2009[iv]. While the conclusions were that there were modest savings to the NHS, the authors point out that their estimates were '… confined to those residents previously harmed enough to seek medical attention from the NHS'. There will be many more beneficiaries who have not sought attention.' Another report on the UK's Warm Front – Better Health (2008), investigated the impact of the Government's Warm Front initiative. The Warm Front Initiative ended in January 2013. While the report did not include any detailed cost benefit analyses, the authors concluded that:

- Better living conditions have a significant impact on health.
- Increased temperatures are linked to better health and fewer winter deaths.
- Less mould reduces respiratory problems.
- The main route to health gain is via the alleviation of fuel poverty.
- Warm Front recipients were less stressed because it was easier to pay fuel bills.
- Less stress was strongly associated with better mental and physical health.

Professor Christine Liddell – University of Ulster, Northern Ireland

Since 2009, Professor Liddell has focused on various aspects of fuel poverty. In several presentations she has highlighted the cost benefits of tackling energy inefficiency and fuel poverty. Professor Liddell has also emphasised the impact on mental health of fuel poverty, in children as well as adults. In one report, working with others, she was able to investigate the cost benefits in some detail – Kirklees Warm Zone: The project and its impacts on well-being[v]. Based on the findings from this study, it seems that for a one-off (non-repeatable) outlay of £22.1 million for energy efficiency measures, there was an annual saving of £3.6 million. This suggests a pay-back period of just over six years. In an earlier paper, The Impact of Fuel Poverty on Children (2009), Professor Liddell reported that of the £109 million invested through the Northern Ireland Fuel Poverty Strategy, Warm Homes, between 2001 and 2008, the savings to the NHS as fewer children needed treatment was £13 million. This meant that 12% of the Warm Homes investment could be recovered through improvements to child health. She went on to state that if the health improvements for adults was added in, around 42% of the investment could be recovered. Then, taking into account carbon offset, another 100% of the initial investment could be included over the lifetime of the energy efficiency measures[vi].

Simon Nicol, Mike Roys, Maggie Davidson – Building Research Establishment, UK

The BRE manages, and holds data from, the English Housing Survey (previously the English House Condition Survey). Since 2006, the EHS has included assessment of conditions using the Housing Health and Safety Rating System (HHSRS). The first report explaining the methodology was The Real Cost of Poor Housing[vii].This report estimated the cost to improve those dwellings judged to have severe threats to health because of energy inefficiency (cold homes) was £11.7 billion, and this would save the health sector £21.4 million.

The cost of the improvement works is a one-off (non-repeatable) cost, whereas the saving to the health sector is an annual saving. It does mean, however, that not improving cold homes also means an annual cost of £21.4 million to the health sector. The report also estimated that this cost to the health sector is around 40% of the total cost to society. Critically for this report, the calculations in this first report were based on minimum energy efficiency improvement, and subsequently the BRE produced a second report – Quantifying the Cost of Poor Housing. The calculations in this second report were based on upgrading the energy efficiency of housing to more realistic and acceptable levels, further reducing the potential demands on the health sector. This report put the cost of improving the energy efficiency of cold homes at £24.7 billion, and the potential cost saving to the health sector at £752.3 million; again a one-off cost compared to an annual saving.

An important aspect of these reports is recognition that it is unrealistic to assume that the outlay for upgrading dwellings will be spent in year 1; so several scenarios are calculated showing the cost benefits when the upgrading is phased over a number of years. The reports also give the pay-back periods; the number of years for the outlay to be matched by the cost savings. Using the methodology developed, the BRE has produced two further reports; The Real Cost of Poor Housing in Wales and The Real Cost of Poor Housing in Northern Ireland. The BRE has also developed an interactive Housing Health Cost Calculator that allows the costs to the NHS and society of unsatisfactory conditions to be estimated based on local data and allows these costs to be compared with the estimated cost of interventions[viii]. The BRE has also produced a report – The Health Costs of Cold Dwellings. This report was commissioned by the Chartered Institute of Environmental Health[ix]. This report uses the Housing Health Cost Calculator to estimate the cost to the NHS of energy inefficient dwellings as £192 million. After refining the calculations, the report states that the cost to the NHS of not upgrading these dwellings is £145 million per annum at least.

Dr Anthony Threfall – Greater Manchester Public Health Practice Unit, UK

Commissioned by the UK Public Health Association, Dr Threfall calculated the cost benefits of fuel poverty interventions undertaken as part of an initiative in Greater Manchester[x]. The initiative was the Affordable Warmth Access Referral Mechanism (AWARM) aimed at reducing fuel poverty. The calculations centred on interventions in 52 households, estimated to cost £88,800. The benefits were assessed in terms of Quality Adjusted Life Years (QALYs), using an NHS threshold of £20,000. Using various scenarios, Dr Threfall calculated that the benefits gained ranged from £64,000 to £653,800. Dr Threfall's conclusion was that energy efficiency interventions are '… almost certainly cost effective and that they can be considered a good use of public resources'.

UK Audit Commission

The report Building Better Lives (2009) looks at strategic housing, and, while it does not focus on energy efficiency, it does state that 'Improving housing can improve public health and children's education, and make communities more stable' and 'Every £1 spent on providing housing support for vulnerable people can save nearly £2 in reduced costs of health services, tenancy failure, crime and residential care'[xi].

Marmot Review Team

Although it does not deal with cost benefits associated with energy efficiency interventions, the report The Health Impacts of Cold Homes and Fuel Poverty (2011) does highlight direct and indirect impacts of cold homes and fuel poverty[xii]. The findings show the wide range of outcomes, some of which may not have been taken into account in some of the cost benefit calculations by others.

The findings were that the direct impacts include: Excess Winter Deaths (EWDs) are almost three times higher in the coldest quarter of housing than in the warmest quarter (21.5% of all EWDs are attributable to the coldest quarter of housing. Children living in cold homes are more than twice as likely to suffer from a variety of respiratory problems than children living in warm homes. 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.

As a result of this evidence (and other work that has not been cited), NEA would note that the links between energy efficiency interventions and health gains are clear. However, as noted in response to question 7 and 8, health practitioners are often only willing to act on their ability to help poorer households better afford to appropriately maintain an adequate indoor temperature within the home if they believe the process to deliver this support is administratively simple and not prohibitively expensive.

Q7 How can we best support interventions to enable fuel poor people with existing health problems, or at risk of health problems, to benefit from energy efficiency measures? We would particularly welcome evidence on barriers you have encountered or examples of best practice.	

Below NEA has noted examples of activities that can support effective delivery and implementation of approaches to reduce excess winter deaths and the negative health consequences of cold homes. It must be noted that the majority of the projects cited were either pilots or the service may no longer in operation due to funding shortages. It should also be noted that the following information was gleaned from a relevant DECC funded work programme led by NEA.

In general, two models based on referral provision to existing energy efficiency schemes are already currently in operation namely single point of contact services (SPOC) i.e. a model whereby referrals are forwarded to a trusted intermediary that coordinates an intervention and maintains a communication link with individuals and a single point of referral services (SPOR) which provides onward referral to one or more service providers where individual providers deliver separate interventions for households. Two national SPOC already exist namely the Home Heat Helpline (includes utility services including ECO) and the Energy Saving Advice Service (for Green Deal/ECO referrals). Whilst these national services are valued, they currently:

- Provide local-to-national 'upward' referrals only.
- Do not scope or hold information on local needs or local service provision.
- Often apply rigid eligibility criteria for access to service provision and lack flexibility in allocation of resources.

Multiple examples of local SPOC and SPOR exist (many of which have been supported by Warm Homes Healthy People fund previously – a few examples are included below) all utilising different methods to engage households in need – including the use of telephone helplines, referral cards, face-to-face contact by professionals, leaflets, posters, fliers etc. Despite all this good work however, as noted within the barriers section, there is no consistency in the development and delivery of SPOC/SPOR, their leadership, funding, outputs and outcomes across England. This may undermine their contribution towards delivering on the new minimum energy efficiency targets. The absence of service mapping prior to the development of some local SPOC/SPOR has also resulted in duplication of effort in some localities and could either confuse clients or be less resource efficient when compared to a system where there is come central co-ordinated by a relevant body (for example, Public Health England).

Example 1: Liverpool Healthy Homes programme - healthy homes on prescription service pilot

Facilitated by the national Health, Housing and Fuel Poverty Forum, Scottish Power funding has allowed the authority to develop and promote a pilot mechanism to identify patients particularly vulnerable to cold substandard homes, and engage them into an existing large-scale area-based Healthy Homes improvement service – supported by the City Council, NHS and Liverpool Clinical Commissioning Group. An alert has been added to the clinical record system of patients with particular vulnerabilities prompting GPs to ask about the patient's housing. If concern is raised the GP could then use a referral form loaded onto their IT system to refer into the Healthy Homes service.

The Healthy Homes service investigates, and the dedicated team of Environmental Health Officers secure improvements through personalised home improvement plans, or the use of enforcement powers effecting landlord repairs on the grounds of health and safety. In addition, other health and wellbeing needs can be addressed, for example fuel debt advice, and income maximisation can also be provided.

Healthy Homes is also piloting the use of temporary accommodation to reduce hospital admissions and delayed discharges caused by substandard homes. By providing temporary housing, residents are removed from hazardous conditions allowing the team to secure long term housing solutions through either improvement or re-housing. Hospital beds are freed up and people retain their independence. Evaluation of both pilots is currently being undertaken.

Further opportunities to engage with GPs are also being introduced through new contracts which have a focus on keeping patients out of hospital. Given the importance housing has on the health, safety and wellbeing of residents, there is significant scope for closer working between health professionals and the housing sector, particularly in tackling health inequalities[17].

[17] For more details about the Healthy Homes Programme contact: Ian Watson, Programme Co-ordinator – Ian.Watson@Livrpool.gov.uk

Example 2: Bournemouth, Dorset and Poole Total Place, Health and Winter Warmth Project

Affordable warmth interventions are at the cornerstone of the package of interventions recommended by the Dept. of Health to reduce seasonal excess death. The project recognised that a significant number of older people who are admitted to hospital in an un-planned way are "avoidably admitted", and that the key to securing improved services for older people at less cost is a shift in investment from the provision of acute care for older people to community services and preventative actions. The project sought to 'invert the triangle of care' to place a greater emphasis on preventing crises through awareness raising, education and improvements to the homes of older people. The project enabled cavity wall and loft insulation to be installed at no cost to approximately 1500 vulnerable householders (initially all over 60s and then over 50s) and implemented as much of the Dept. Of Health's best practice "9 effective interventions[18]" as possible using existing resources. The Total Place pilot built on the successes of previous targeted work and existing projects involving both the public sector and community groups. The project levered in available Carbon Emissions Reduction Target (CERT) funding from fuel suppliers to complement local authority funds to maximise cost effectiveness of interventions. This allowed for loft clearances, scaffolding, installing bigger loft hatches, repointing, ventilation and covering excess insulation meterage charges to be funded providing an integrated package of support to households[19].

Example 3: Single points of contact (SPOC)/single points of referral (SPOR) for services: LB of Southwark

The Keeping Warm and Well project in Southwark supported by the Warm Homes, Healthy People Fund engaged local voluntary sector befrienders and trained them to recognise domestic cold risks and how these could be addressed in local homes occupied by older people. Befrienders were tasked with signposting residents on to services including energy efficiency provision, energy advice, debt and welfare benefits, housing repairs, fall prevention and Handyperson services. This was an example of how a project helped to enhance the skills of those already working in areas in Southwark rather than establishing a new project.

Example 4: Hotspots – West Yorkshire (note: other Hotspots have also been developed in separate localities)

Hotspots is an example of a local SPOR model which uses a central hub with key agency partners to cross-refer individual households into available services as necessary. Both the public and other practitioners are also encouraged to refer into the local hub.

Hotspots was originally developed in West Yorkshire and aims to engage frontline practitioners as referral agents for vulnerable and hard-to-reach households primarily into sources of energy efficiency assistance and advice, income maximisation and home safety services (i.e. Fire & Rescue Service community safety provision). Hotspots is an adaptable model that can be developed as a standalone initiative or complement existing referral provision.The model relies heavily on in-kind support from local agencies and can have minimal core cost which makes it an attractive proposition for partnerships operating with tight budgets. The cross-referral nature of provision maximises the range of services that can be provided to households regardless of how they are referred and can also supports the achievement of targets across a broad range of local objectives.

[18] How to reduce the risk of seasonal excess deaths systematically in vulnerable older people to impact at population level – Health Inequalities National Support Team, Dept. of Health. March 2010. See: http://www.institute.nhs.uk/images/documents/wcc/HPHL/HINST%20resources/How%20to%20reduce%20the%20risk%20of%20SEDs%20in%20older%20people.pdf

[19] For more information contact: Jon Bird, Dorset County Council. j.bird@dorsetcc.gov.uk

Example 5: Snowbell Scheme – Wakefield

Snowbell is an example of a time-limited SPOR which was operated by Age UK Wakefield District in partnership with South West Yorkshire Partnership NHS Foundation Trust, NHS Wakefield and Carers Wakefield & District, is an attempt to address some of the difficulties people encounter as a result of bad weather. The Snowbell Scheme was piloted as part of the Wakefield Winter Warmth Cold Homes Action Project (CHAP) and operated from December 2012 – March 2013. The Snowbell responders' network worked alongside the Wakefield Winter Warm project, which was awarded WHHP funding in 12/13.

Snowbell was introduced after Age UK Wakefield District received an influx of calls from distressed people who were stuck in their homes following a harsh winter. After extensive consultation with local partners the organisations decided to work together to deliver the Snowbell scheme, which aimed to create a more coordinated response across the district in bad weather conditions.

The scheme combined common sense advice about preparing for winter and keeping warm and well with access to help lines staffed by trained personnel and a coordinated responder network for the duration of the bad weather. The responder network was supported by the Trust's Health and Wellbeing Development Workers and Health Trainers, as well as Carers Wakefield & District and Age UK Wakefield District. To help reduce the risk bad weather posed to vulnerable people preparation packs were sent out to older adults and partner organisations across the Wakefield district advising people to get food and essentials ready and to remain indoors during bad weather.

Snowbell came into force during periods of bad weather. It involved the Snowbell team taking calls from people who couldn't leave their homes and were in distress. A brief assessment was made over the phone to assess if that person was deemed at risk of lack of food, heating payments or health issues. Responders, including health and wellbeing development workers and health trainers, as well as Carers Wakefield & District and Age UK Wakefield District worked together to visit the homes of those at risk. Those requiring groceries received a maximum of £10 worth of essential groceries which they paid for on receipt of the goods. Responders undertook an assessment of individuals including their current condition and basic health and where necessary contacted other teams to provide assistance. The Highways Agency also provided up-to -date information to responders about the state of the roads to enable partners to get out and about in the community to deliver Snowbell.

Example 6: Royal Borough of Kensington & Chelsea – Healthy Homes

Healthy Homes is an initiative supported by RBKC, NHS Kensington and Chelsea, Age Concern Kensington and Chelsea, Citizen's Advice and third sector agencies.
Healthy Homes operates a FREEPHONE hotline which residents can call if they have difficulty keeping warm at home offering access to income maximisations advice, energy advice and energy efficiency home improvements. The service also offers access to emergency heating and/or can repair or replace central heating (subject to availability of funding and eligibility criteria) for some private sector tenants or owner occupiers and heating repairs for social tenants via the Council's Tenant Management Organisations or Registered Social Landlords. Healthy Homes can also refer private tenants to the local authority Environmental Health department for a Housing Health and Safety Rating System (HHSRS) assessment to check on the presence of Excess Cold Hazards and other related hazards.[20].

[20] For further details see: http://www.rbkc.gov.uk/housing/environmentalhealth/affordablewarmth.aspx

Example 7: London Borough of Islington - Seasonal Health Interventions Network (SHINE) – also noted within the consultation

SHINE is a referral hub established to tackle fuel poverty and reduce seasonal deaths and hospital admissions in the London Borough of Islington. The service has been operational since the winter of 2010/11 and accepts enquiries from the public as well as referrals from agencies particularly for those living with respiratory and/or cardiovascular disease, low income families with children under 5, those with dementia or severe mental illness, auto-immune disease or haemoglobinopathies. Referral to SHINE results in an assessment for a range of services including:

- For the Home – energy advice, energy doctor visits, heating system replacements and insulation, fire safety and home security checks (from the Fire Brigade and Police) and low-cost repairs for those with disabilities from a Handyperson Service.

- Financial – benefit checks, advice on gas, electricity and water debt or other debt-related problems and where eligible adaptations for the home.

- Health – Flu jab (where eligible), NHS Health Checks (for 35-74 year olds), airTEXT (air pollution alerts for vulnerable individuals) and a stop smoking advice service, falls assessment and Telecare applications, Age UK Enablement Service, medication reviews.

- General interventions– access to utility Priority Service Registers for vulnerable individuals, support for those with disabilities and access to London Taxicard for eligible individuals, befriending services.

Since the inception of SHINE in 2010 the project has assisted some 3312 residents and has also extended its reach to additional projects in the London boroughs of Hackney and Lewisham.

Example 8: Warm Homes Oldham

The Warm Homes Oldham Service has been set up to help local people who struggle to afford to heat their home. The Oldham Warm Homes scheme is a project delivering home energy improvements and advice to people at risk of fuel poverty, with a particular focus on people at risk of poor health as a result of fuel poverty. The initiative delivers three forms of support aimed at alleviating fuel poverty. Firstly, the physical energy efficiency improvements using ECO grant funding, in particular:

1) loft and cavity wall insulation
2) solid wall insulation
3) new boilers and heating controls.

Second, energy use advice: helping residents to use heating and appliances more efficiently in the home and finally, income maximisation, including:

- relieving fuel debt (by applying for trust fund grants).
- help with bills/tariff switches
- help to move from prepayment meters onto different tariffs.
- benefit checks

The project is jointly funded by Oldham CCG, Oldham Council and Oldham Housing Investment Partnership, with the aim of generating demonstrable cost savings for the partners involved. In the first year, the project aimed to lift 1,000 people out of fuel poverty. The scheme was launched in August 2013 and the first year of delivery was completed in March 2014. See: http://www.oldham.gov.uk/warm_homes_oldham.

Example 9: Health Through Warmth – Warm Zones

For many years, NEA's subsidiary Warm Zones, have delivered the Health Through Warmth projects which provides funding towards the cost of central heating and/or insulation if the homeowner has a long term, cold related illness, has a low income, has little or no savings and are unable to fully fund measures themselves. The most common conditions for the householders helped are respiratory disease (e.g. COPD, emphysema, chronic bronchitis, severe asthma), cardiovascular disease (e.g. heart disease and stroke), diabetes (particularly type 1), arthritis (osteo and rheumatoid, requiring regular treatment and review), cancer, terminal illness or mental illness (depression and receiving treatment, schizophrenia, bipolar disorder). Depending on an individual's circumstances, funding to help pay for measures is sought from a range of sources, including grants schemes, charitable organisations and the Health Through Warmth Crisis Fund as applicable. Assistance is discretionary and based on individual circumstances. For further information visit: http://www.warmzones.co.uk/what-we-do/case-studies.

Encouraging local SPOC/SPORs

In developing local SPOC/SPOR local leadership and support is essential from the start. This may require initial engagement activity with local elected members and/or key policy makers/practitioners to secure higher-level commitment and potentially development resources. This engagement or endorsement can and should occur locally, however, the impetus for this stems from an ambitious and consistent national policy framework and organisations or institutions which can equip, galvanise and coordinate this activity. As noted in the introduction, Public Health England must take a lead role in helping to provide support and take a lead in developing resources and funding to support local SPOC/SPOR to tackle fuel poverty and excess winter deaths in partnership with other key agencies. PHE must also work with DECC and DoH to ensure there is a continuous effort to track the coverage of existing local schemes and intervene to provide support where notable gaps are evident.

NEA's work in this area also suggests that in developing SPOC/SPOR inter-agency service complexity can largely be overcome however local SPOC/SPOR can take time to become fully operational and it can take at least 1 year to engage sector referrers and get messages across. It is therefore essential to ensure that national policy frameworks and funding are predictable and locally, it is advisable to set realistic targets for the development and delivery of any SPOC/SPOR service and build in an evaluation mechanism from the start to measure impact for reporting purposes.

Once again, DoH, PHE and DECC have a key role in ensuring that national policy frameworks and funding are predictable as well as stimulating and coordinating this regular evaluation, making sure there is the ability to map local service provision to national efforts or targets. Ultimately however, as discussed further below, referral agents are only likely to keep referring if those referred receive a timely service and the SPOC/SPOR receives feedback (where appropriate) on those services delivered. The barriers preventing these outcomes are identified below along with some key recommendations on how to address them.

Other current key barriers and recommendations

Despite the apparent success of the Department of Health's Warm Homes for Healthy People Fund programme (WHHP) which helped to galvanise many local heath actors and community groups, the short-term nature of this fund and changes to other national funding sources act against the development of longer-term interventions and partnerships including the development of local SPOC/SPOR schemes and services. As a result, overall, NEA believes that DECC, DoH and PHE must recognise that local engagement with Health and Wellbeing Boards (HWB) to support interventions to enable fuel poor people with existing health problems to benefit from energy efficiency measures could be been hampered by a range of factors and will be slow to become well established. Not least because there is currently a lack of awareness of how the operational parameters of HWBs can allow for broader housing issues and few have currently made these links within the Joint Strategic Needs Assessments (JSNA).

In this context, NEA welcomes that guidance will be provided by NICE to assist HWB and other health bodies to understand the wider determinants of health inequality including the impact of fuel poverty and cold homes on health and conversely this could assist local agencies to understand and align the health and housing agendas and engender more collaborative action on JSNAs. In addition to this guidance, NEA also welcomes the work that has been undertaken within DECC's original fuel poverty framework document to capitalise or, more loosely, 'assign value' to energy interventions which result in positive health outcomes and more broadly welcome the recognition by Government of the health impacts of cold homes on health and wellbeing[21]. However, NEA notes that, currently, national policies still fail to lever the full value of these additional benefits (or to be more accurate fail to net off likely avoided costs in order to make a more compelling business case for further resources or a more effective framework) and there is still a lack of detailed, accessible and regular data/information, provided in a standardised format on related local health and care costs for treating the symptoms of cold homes.

Information on the cost of related morbidity at a local level is an essential element in providing the impetus and business case for developing local projects and programmes that can support effective interventions. This lack of local data, coupled with programmes that fail to truly integrate health benefits, has hampered current efforts and whilst the emerging LA led public health framework includes indicators for both fuel poverty and excess winter deaths (alongside other potentially relevant indicators within the framework), few have adopted these indicators as local priorities in JHWS. Whilst the results of Age UK's recent research[22] were based on the 122 Health and Wellbeing Strategies that were available at the time (far fewer than all obligated HWBs) it does show that the vast majority of Health and Wellbeing Boards appear to be side-lining issues surrounding fuel poverty altogether and only 4% seem to be doing as much as possible to help combat fuel poverty within their local areas with only Blackburn & Darwen, Coventry, Durham, Solihull and S. Tyneside acknowledging and including fuel poverty and excess winter deaths as priorities.

As noted in response to question 6 and 8, NEA also attributes one of the main reason for this disappointing outcome (to date) to the fact that health practitioners are often only willing to act on their ability to help poorer households better afford to appropriately maintain an adequate indoor temperature within the home if they believe the process to deliver this support is administratively simple and not prohibitively expensive.

[21] Fuel Poverty: A Framework for future action, DECC, July 2013, page 21.

[22] Age UK: Are Health and Wellbeing Boards taking fuel poverty seriously? A snapshot of Strategy Reports, 2013

As a result, health practitioners are far more likely to refer households into existing national or local schemes then to establish or fund new schemes themselves and therefore will be reliant other parties funding primary energy efficiency measures but are currently disengaged from existing programmes. One of the key reasons is their natural concern that there will be a reputational impact on the health practitioner (or their institution) that stems from a householder being referred into a national or local programme but then doesn't receive any measures or assistance as a result or the programme is not able to provide the additional support that the individual being referred requires.

This comment is true in relation to national and local schemes. In terms of the availability and support provided by local schemes; deep cuts to council funding has made it more challenging for councils to maintain past levels of investment and support to help tackle fuel poverty and reduce domestic carbon emissions. This is despite the obvious importance of them tackling (and fulfilling) their current duties. In terms of the suitability of national schemes the current approach (primarily in England) is inadequate as even where eligible households exist, ECO-obligated energy suppliers have full discretion to determine the extent of support they (or their contractors/agents) provide to households and any measures they may choose to install. One of the main reasons for this concern is that suppliers may only provide a limited number of energy efficiency measures to eligible households, if at all.

Early delivery has also demonstrated that where ECO contributions from suppliers are not sufficient to cover the full cost of heating systems (even to properties on the gas network), some basic insulation measures and certainly extensive insulation like solid wall, some fuel poor households won't have any access to energy efficiency works (asides from the Green Deal Finance mechanism which the Government acknowledges is unsuitable for this group of households). Alternatively, HHCRO eligible households that have the work done are increasingly being asked for capital contributions that are variable and not subject to effective monitoring or scrutiny whilst some HHCRO eligible households will not be able to afford the contribution and will therefore miss out on assistance all together.

Clearly this issue is also a broader concern but equally under the current approach health practitioners will not have confidence in a national scheme where households that are referred, even if they are eligible for support, will be 'cherry picked' and only relatively cost effective properties will access support. In addition, there is now a poor match between current proxies to determine eligibility for the Affordable Warmth criteria for ECO, in light of the new definition in England, and this, coupled with a lack of guaranteed assistance, undermines the momentum of projects and complicates the communication of 'the offer' that health practitioners can make low income or fuel poor patients.

As noted throughout this response, in order to respond to these concerns, overall, there is a need to dramatically enhance and supplement existing energy efficiency programmes and consider the most suitable deliver agents for these polices. However, as noted in response to the following question, NEA has repeatedly highlighted the opportunity to introduce a new system of national 'mandated' health referrals. This could address the key barrier to fuel poor people with existing health problems benefiting from energy efficiency measures, a lack of guaranteed assistance for eligible households. Addressing this critical national policy barrier would in turn give far greater confidence for health practitioners, local authorities and community based organisations to refer low income households with health conditions for assistance.

In addition, as noted in question 2, NEA would urge DECC to work with the Department of Health and Public Health England to report by-annually on the number and details of which Health and Wellbeing Boards have prioritised fuel poverty or Excess Winter Deaths within their local Joint Needs Strategic Assessments (JSNA) and the scale and cost of the incidence of cold-related morbidity and mortality, supported by accessible and regular data on related local health and care costs. DWP and DoH also must authorise the sharing of patient level health data so that interventions can be directly targeted at those who are most likely to have recurrent GP visits and unplanned hospital admissions due to health conditions exacerbated by cold conditions. NEA also recommends DECC work with the Department of Health and Public Health England to consider the following interventions:

- Include a requirement to refer patients with health conditions exacerbated by cold conditions in GP contracts.
- Adapt GP patient records systems to flag-up patients with health conditions exacerbated by cold conditions and make electronic referrals.
- Include fuel poverty check as part of flu jab clinics.

Q8 Do you think development of a system of 'mandated' health referrals – linked to eligibility for fuel poverty interventions – is feasible? Considering issues such as scope, verification or benefit to recipients, how might it work?	

NEA believes that introducing a national system of 'mandated' health referrals is feasible, essential to guarantee the full involvement and contribution from the health sector (and other groups) and should be introduced as a matter of urgency.

As noted in the response to the previous question, health practitioners are currently more likely to want to refer households into existing national or local schemes then to establish or fund new schemes themselves and therefore, for the time being, many will be reliant on other parties funding primary energy efficiency measures. Given this approach, one of the key concerns is any reputational impact on the health practitioner (or their institution) that might stem from a householder being referred into a national or local programme that then doesn't provide the service or support that the individual being referred requires.

NEA supports the cost effective delivery of energy efficiency interventions however, as noted above, one of the key concerns with the current approach (primarily in England) is that even where eligible households exist for the current ECO scheme, suppliers may only provide a limited number of energy efficiency measures to eligible households, if at all. This prohibits the ability to guarantee assistance, which in turn undermines the momentum of projects and complicates the communication of 'the offer' at a local or national level. As a result, many groups or sectors that could be involved in ECO delivery (or referring households towards the programme) do not have confidence in doing so. Responding to this key barrier is a priority for the fuel poverty strategy and NEA has developed two broad policy options to deliver a feasible solution.

Examples of how these new systems could operate are included in the diagrams on the following pages. Option 1 and 2 would both require new regulations however the current legislative framework exists and are both based on activating existing powers which enable the Secretary of State to focus the delivery of energy efficiency programmes on specified types of people or specified geographical areas through secondary legislation. These powers would require the energy companies to follow up 'mandated' referrals' with guaranteed assistance being provided to the specified householders.

Whilst the development of these models may imply a lack of involvement or funding from local HWBs or CCGs, as noted below, third party contributions from these local bodies towards the cost of the works could be sought and encouraged (either on an individual or aggregated basis). In addition, whilst the development of the necessary regulations (and the designation and appointment of a scheme administrator) would be complex and infer additional expenditure and cost, if these policy options were developed, not only would it help deliver assistance to many more vulnerable and fuel poor households which could otherwise miss out on energy efficiency measures entirely, in turn, this new approach would give far greater confidence to health practitioners, local authorities and other community based organisations to refer households for assistance.

Option 1 – ECO reward with top up

What is described in option 1 is that if a householder had an existing medically certified health condition (certified by a registered doctor) which could be exacerbated by an energy inefficient or cold home[xiii], was eligible for support through the current affordable warmth element of ECO or potentially a broader proxy based on vulnerability[xiv], and was with a supplier that was obligated under ECO, that household could apply for assistance directly to their supplier and would be guaranteed a set of energy measures within a specified timeframe and the supplier would be able to claim the subsequent ECO credit for delivery of those measures.

Once the measures had be installed, the supplier would then notify the scheme administrator what measures had been delivered, by whom and at what cost to them and/or any household or third party contribution towards these cost from local health bodies etc. After a period of time, a month, quarter or year, the scheme administrator would aggregate the cost for the different measures that had been installed and compare them with benchmark costs for existing delivery of those measures within the current HHCRO ECO phase. Once any household or third party contributions had been deducted, any remaining additional costs, above and beyond the 'typical costs' for these measures would then be reimbursed by central government (up to a certain household cap) using the same modification of the standard conditions of electricity supply which is mandating the delivery of the electricity rebate in 2014/15 and 2015/16 to eligible domestic electricity account holders.

Whilst NEA believes it is not necessary to list the eligible measures the household could receive at this stage, it would be expected that this activity would need to provide a demonstrable contribution towards moving that household from EPC band G, F, E, D to C by and/or provide the primary measure (for example a replacement boiler) that the householder may require or request.

Option 1: ECO plus top-up

FROM COLD AND SICK...

1. **Householder:**
   > illness from living in a cold home
   > eligible for energy efficiency support under ECO AW criteria
   > receives their gas and electricity from an ECO-obligated supplier

2. 

   GP:
   > confirms householder's illness is caused and/or exacerbated by living in a cold home
   > refers the householder to their energy supplier

3. **Supplier:**
   > receives referral from GP
   > confirms householder is ECO AW eligible
   > installs energy efficiency measures in householder's home

4. 

   Scheme Administrator:
   > collects information from supplier on: *what* measures the householder received; *how much* the measures cost
   > calculates the *top-up cost*: difference between cost of measure installed under the health referral versus average cost of same measure installed under ECO standard pathway

5. **Government:**
   > reimburses supplier the top-up cost

TO WARM AND HEALTHY

Option 2 – No ECO reward full costs reimbursed to supplier

What it describes in this option only differs from option 1 in three areas; it is more probable that a wider proxy could be applied for ascertaining eligibility, the supplier does not receive any ECO credit for the delivery of the works and in most instances the full cost of the works would be reimbursed to them (minus any 'deflator' either as a result of excessive costs paid for energy efficiency measures in general or due to a household or third party contribution). In terms of the broader eligibility criteria, this reflects the opportunity to deliver measures to a broader set of households other than those on means tested and the fact that other non-ECO obligated suppliers would need to be able to be deliver this assistance but wouldn't be able to claim the subsequent ECO credit for delivery of those measures (and therefore subsequently pass those costs down to their customers). However, as with option 1, once the measures had be installed, the supplier would still notify the scheme administrator what measures had been delivered, by whom and at what cost to them and/or any household or third party contributions.

After the same period of time, the scheme administrator would aggregate the cost for the different measures that had been installed and compare them with benchmark costs for existing delivery of those measures within the current HHCRO ECO phase (still under BAU). Again, once any household or third party contributions had been deducted or any deductions had been made due to the administrator's view that the cost of the measures were in excess of any reasonable benchmark, any remaining costs for these measures would then be reimbursed by central government using the same mechanism identified in option 1.

Option 2: Stand-alone scheme

FROM COLD AND SICK...

1. **Householder:**
   > illness from living in a cold home
   > eligible for support under scheme proxy (*broader* than ECO AW)
   > receives their gas and electricity from a small *or* large supplier

2. 

   GP:
   > confirms householder's illness is caused and/or exacerbated by living in a cold home
   > refers the householder to their energy supplier

3. **Supplier:**
   > receives referral from GP
   > confirms householder is eligible under scheme proxy
   > installs energy efficiency measures in householder's home

4. 

   Scheme Administrator:
   > collects information from supplier on: *what* measures the householder received; *how much* the measures cost
   > calculates the *deflator value*: any householder/third party contributions plus the top-up cost (see Option 1)

5. **Government:**
   > reimburses supplier the total cost of the measures minus the deflator value

TO WARM AND HEALTHY

3.2 Supporting People

Q9 Do you have views on how best to align the Warm Home Discount with the Low Income High Cost indicator?	

NEA would question the need for the WHDS policy to align closely with the LIHC indicator as NEA believes the policy must continue to provide assistance to low income households who could be judged to have low incomes and below median costs. However, as noted in response to question 4, NEA welcomes the recognition within the consultation that assistance provided under the core group of the WHDS (and potentially the WFP and CWP) could be expanded to provide additional relief to low income families and/or increased to provide additional support for households that heat their properties with oil, solid fuel, LPG or electricity. This second option is predicated on understanding the overlap between existing recipients of those discounts and their current heating fuel type. NEA is aware from its engagement on the FPAG off gas working group that the latter is well advanced and would urge DECC and DWP to translate this progress swiftly into a tangible policy outcome[xv]. More generally, extending the data matching powers taken in the Pensions Act 2008 to a wider group of benefit recipients (as recommended in question 4) does provide a clear proportionate benefit for the use of this sensitive information.

DECC and DWP are well placed to quantify the reduce delivery costs this would create for all energy consumers as well as the scale of the direct benefits for those that would be assisted. Clearly illustrating these dual benefits would move on existing or previous opposition and should herald the drafting of new primary powers which would establish a new legal gateway to enable the WHDS Core Group and WFP to be expanded to all Cold Weather Payment (CWP) recipients. In turn, NEA also notes this information should be shared with other Government agencies, for example, local GPs or local authorities who could then use this sensitive information to undertake the roles described the answer to question 8 (mandated health referrals) and question 13 (local authorities part in addressing fuel poverty, reducing domestic carbon emissions and supporting and facilitating emerging relevant public health responsibilities).

Q10 In considering the reduction in means-testing for pensioners brought about by the Government's pension reforms, do you have views on additional ways to target direct payments and bill support to the fuel poor?	

NEA is uncertain how the Government should respond to the introduction of the new Single State Pension, nor the scale of the numbers of pensioner households who will cease to be automatically entitled to Pension Credit (and thus fail to benefit from the Warm Homes Discount and Cold Weather Payments). However, despite the new profile of who may be judged to be fuel poor under the new measurement, there continues to be c. 721,000 households in fuel poverty where the resident is 60 or over and this group also tends to have the highest fuel poverty gaps.

Any changes to the support these households currently receive (or more generally low income pensioners) must be strongly resisted and the concept of universality maintained as it would be politically unacceptable to contemplate any negative detriment to this group. This is especially the case when excess winter deaths in England (and Wales) are one the highest in Europe, with elderly households at highest risk.

3.4 Improving Delivery

Q11 Do you have views on where we should focus future fuel poverty related behavioural research and do you know of any additional on-going work in this field?	

Whilst it is hard to typify the behaviours of any one group, understanding the behaviour or behaviours of fuel poor households is critical to the success of policies and programmes designed to address fuel poverty. This is particularly true when the demography of the fuel poor has been significantly altered by the introduction of a new definition.[23] With a deeper understanding of how fuel poor households use energy, how able and willing they are to pay for energy, and if and how they seek support in the case that they are not able to keep warm at home affordably, policy-makers will be better-placed to design effective policies to address fuel poverty. The aim of consolidating knowledge of what is already known concerning the attitudes, experiences and behaviours of the fuel poor, whilst also identifying any gaps in the literature is broadly welcome. However, equally, it must be noted that behavioural research must always seek to inform practical actions to improve delivery and it is not an end in itself.

In this context, NEA notes the work of the Behavioural Insights Team within DECC and questions the extent to which this current activity is improving the day to day experience of those living in fuel poverty (or improving delivery practices or the way which national policies are developed). Finally, it must also be noted that there are areas that are less well understood; that could be used to further enhance the case for further interventions, for example:

- The increased chances of carbon monoxide poisoning (acute and chronic) if a heating system is old or inefficient
- The increased chances (and related costs) of a fall or accident if the householder is not kept warm
- The implications of poor personal and domestic hygiene, food poisoning or unbalanced diet (poor nutrition/obesity) if a household does not have access to electricity or gas for cooking, refrigeration, cleaning and bathing.
- The impact of fuel poverty and fuel debt on mental illness, stress and anxiety
- The impact of fuel poverty on young people's attainment

[23] Professor John Hills was commissioned to undertake a review of the previous definition of fuel poverty and proposed a new one. See John Hills (2012), *Getting the Measure of Fuel Poverty: Final Report of the Fuel Poverty Review*, available at http://sticerd.lse.ac.uk/dps/case/cr/CASEreport72.pdf.

Q12 To help inform development of the Community Energy one stop shop, what types of capacity support would help community groups increase their impact on fuel poverty (for example, information, training, mentoring, or local networking)?	

As noted in the introduction, NEA identifies and shares best practice and has built capacity in communities to deliver energy efficiency and fuel poverty solutions for over 30 years. Between 2013 and 2014 NEA assisted 26,612 householders with insulation, heating, advice and other energy saving measures either directly by NEA or via energy champion and community engagement work. As a result of our engagement work, 10,000 stakeholders have improved knowledge of action they can take to help their clients, customers or peers who are living in fuel poverty and 2852 front-line advisors and others dealing with vulnerable clients were trained by NEA. Through Warm Zones, we have also assessed 5,477 households and installed energy saving measures in 3,890 of those homes. In addition, the company's income maximisation service assisted more than 700 households to claim a total of over £3.5m welfare benefits. In order to achieve these successes our stakeholders are many and varied but are primarily local authorities and housing providers; community groups; relevant national and local agencies; energy companies; and energy efficiency delivery consortia.

NEA strongly supports (and recommends the expansion of) the concept of a co-ordinated network of energy advice services and emphasises the opportunity to expand current Big Energy Saving Network to lead to a comprehensive advice network service that can provide expertise on community energy and also deal with a range of consumer problems including debt management, benefit entitlement advice and support in resolving any threat of disconnection. In addition, as noted in response to question 5, NEA cites the fact that the UK Government recognise that vulnerable and low-income customers will require additional support to engage in the smart meter roll-out and access the same benefits as other consumers. Based on NEA's 3 year research in this area[24], NEA therefore recommends the Government should re-examine the merits of providing a joined-up extra help service which can provide a critical contact point to identity, reach and support vulnerable consumers.

In order to provide a coordinated and more holistic package of extra help, obligated suppliers must also better integrate the cost effective delivery of their current obligations and, where efficient to do so, look to join up both the Energy Company Obligation (ECO) and the Warm Homes Discount Scheme (WHDS) to rollout smart meters to their vulnerable and low-income customers. Community organisations, local authorities, housing associations and other trusted local agencies will also be key to successful engagement with these customers. However, NEA also notes that voluntary sector agencies are increasingly working in an often unfamiliar landscape need effective guidance to understand how their operations can complement existing capacity and abilities. Community groups also have very different and varying skills levels so a package of training will be needed to ensure consistency in advice provision. This training might also include mentoring as well as training, sharing of good practice and expanding the networks at a local and regional level.

In addition, NEA notes concern that whilst aware of many examples of good practice and individual projects, no attempt has been made to date to aggregate the extent of this activity across the United Kingdom (or England) and through consistent reporting requirements illustrate what contribution this makes to national targets and aspirations.

[24] The NEA studies on smart meters are available from http://www.nea.org.uk/see-us-in-action/technical-services/technical-research.

Q13 What support would help to increase partnership working between community groups and other local level actors (ranging from Local Authorities to Health and Well-Being Boards and energy efficiency installers) in order to tackle fuel poverty?	

NEA believes there is a need for central government to clarify and underline the role for local authorities (as well as other groups) to support and enhance delivery and provide an adequate ring-fenced, recurrent and long-term fund to provide the means for them to execute their existing responsibilities.

Throughout this response, NEA promotes the role of different 'actors' who can support interventions to fuel poor households (especially local authorities, Registered Social Landlords or Housing Associations, health practitioners, Distribution Network Operators and Environmental Health Officers). The purpose is to enhance coverage of fuel poverty as a cross departmental priority, to highlight the Government's over reliance on centralised supplier led delivery and build support for other groups who should be more involved in supporting low income and vulnerable consumers.

Whilst NEA has previously welcomed DECC's Local Authority Competition, the Cheaper Energy Together scheme and the further funding for DECC's Green Deal Communities programme, none of these programmes is providing reliable recurrent funding arrangements to help local authorities or community groups. Given the increasingly recognised role of these key intermediaries to not only help build trust in community based energy initiatives, but also help reduce the costs of delivery and leverage local employment benefits, NEA would urge DECC to move beyond competition based, non-recurrent funding models to galvanise local activity.

In addition, even in times of public sector cuts, it is imperative that local authorities fulfil their current duties in relation to housing standards and actively enforce the Housing Health and Safety Rating System (HHSRS) and act on guidance produced under the Home Energy Conservation Act (HECA). However, deep cuts to Council funding is making it more challenging for councils to maintain past levels of investment and support to help tackle fuel poverty and reduce domestic carbon emissions[25]. This is despite the obvious importance of them tackling (and fulfilling) their current duties and their ability to target the additional resources in a way which complements delivery of existing programmes not rivals them.

How to galvanise area based delivery

NEA believes the Westminster Government must look to supplement the ECO by emulating the Scottish fuel poverty schemes which are tax funded and have a component which is led by local authorities (the area based Home Energy Efficiency Programmes for Scotland, HEEPs). HEEPS: Area Based Schemes (ABS) was known in development stage as the National Retrofit Programme. It follows an area based approach with an initial focus on the most deprived areas. Local authorities are expected to target areas of fuel poverty and work with Housing Associations, energy companies, installers, owner-occupiers and private rented landlords to ensure all households in that area receive an offer to have the energy efficiency of their home improved. Schemes draw on a range of data for targeting including the Scottish Index of Multiple Deprivation (SIMD), child poverty, the Scottish House Condition Survey and heat mapping. HEEPS: ABS is intended to cover all homes in Scotland in 10 years.

[25] A survey undertaken by Consumer Focus of councils in 2012 revealed that the 21 councils who responded plan to spend £27 million on energy efficiency from 2008 to 2012. Since this is not a statutory service, it has subsequently been noted that this can expect to reduce by much more than the headline 40% reduction in grants to local government.

The responsibility for programme delivery for ABS falls to local authorities, who are considered best placed through their Local Housing Strategies to understand the nature of housing provision and to co-ordinate a local supply-chain. The measures that are available are dependent on the schemes developed by each local authority and are generally free to the householder. Schemes opened in principle in summer 2013, although procurement has meant some delay to start-up in practice. HEEPS: ABS is funded by the Scottish Government with £60 million for 2013-14. All Scottish local authorities received an allocation of approximately half of this funding, with the remaining half providing them with the opportunity to bid for more in order to address fuel poverty. ABS schemes are also expected to work in tandem with the CERO [Carbon Emissions Reduction Obligation] and CSCO [Carbon Savings Community Obligation] strands of ECO.

The HEEPS Energy Assistance Scheme is then available to households who are most vulnerable to fuel poverty but are not eligible for Affordable Warmth and do not live in a current HEEPS: ABS area. It is in effect a continuation of Stage 4 of the previous Energy Assistance Package but with reduced format and eligibility (particularly for the over 75s). Grants of up to £4,000 (sometimes £6,500) are available to home owners and tenants of private sector landlords for insulation and heating measures. Householders must be aged 60 or over and have no central heating in their home or live in energy inefficient homes and be in receipt of a qualifying benefit. The Energy Assistance Scheme is being delivered under contract for two years from 2013 by Scottish Gas. The scheme has funding of £16 million in 2013-14 from the Scottish Government. In addition, the Warm Homes Fund is a £50 million initiative from the Scottish Government and is managed by the Energy Saving Trust in Scotland. It provides unsecured loan funding and development grants for projects to support householders and communities in fuel poverty. It aims to do this through the development and implementation of renewables-based energy-generation schemes which will reduce fuel poverty by improving the energy efficiency of houses and/or by providing affordable warmth.

Funding is provided to Registered Social Landlords (RSLs) and local authorities, as well as energy services companies set up by these bodies. Development grants of up to £10,000 can be provided for feasibility studies and options appraisals, and up to £20,000 for development strategy work. Low interest unsecured loans with no arrangement or administration fees of up to £5 million are available for capital measures. Projects funded so far include solar PV in sheltered housing, biomass district heating in new build and retrofit housing, strategy work for wind biomass and multi-storeys – along with detailed feasibility studies looking at revenue generation projects for wind turbines and hydro. The Scottish Government made available £3.25 million for financial year 2012-13 and £18.75 million for financial year 2013-14 with the remaining funding being allocated in 2014-15. It has been indicated that this final year may see a rise in budget to £31.25 million.

The Energy Saving Trust in Scotland manages delivery of HEEPS (with the exception of HEEPS: ABS) and other energy-related programmes and grants through the Home Energy Scotland advice line. It does this on behalf of the Scottish Government and in partnership with a range of advice providers and the energy companies. Home Energy Scotland also offers energy efficiency advice, information on low cost energy tariffs and advice on income maximisation, as well as information on a wide range of energy efficiency measures. In addition, the Energy Efficiency Standard for Social Housing has been consulted on with the aim to improve the energy efficiency of social housing in Scotland. It will build on the Scottish Housing Quality Standard, which social housing providers are required to meet by 2015. It aims to help reduce energy consumption, fuel poverty and the emission of greenhouse gases.

The EESSH sets the minimum energy efficiency standard for social housing. It has been developed by the Scottish Government following consultation with social landlords and tenants. Landlords must ensure that all social housing meets this new standard by December 2020. The new standard is based on minimum energy efficiency (EE) ratings. These are based on Energy Performance Certificates (EPCs). The ratings which social homes will be expected to meet are shown in the table below. The rating which applies depends on the type of fuel you used to the property. The Scottish Government have stated that whilst it is at the discretion of social landlords to set rent levels, it is not envisaged that the implementation of EESSH will result in increased rents. It is however noted that the wider context of the UK Government's welfare changes and their possible impact on rents in the social housing sector poses a challenge for social landlords.

Table 5 - Energy Efficiency Standard for Social Housing (EESSH)

Dwelling type	Gas	Electricity
Flats	69	65
Houses (non-detached)	69	65
Houses (detached)	60	60

**Note: For properties with other fuels, the Social landlords are already working towards meeting the requirements of the Scottish Housing Quality Standard (SHQS)*

It should also be noted that in Wales this model has been adopted and Nest and Arbed remain the Welsh Government's two main tools for tackling fuel poverty. Nest is a demand led scheme for individual owner-occupiers and private rental tenants, while Arbed is an area based scheme available to all tenures within a project area. In addition, the Welsh Government has announced extra funding for schemes to bring in energy supplier funding. In October 2013, the Minister announced £70m funding - £35m for 2014/15 and £35m for 2015/16 – to incentivise energy companies to invest ECO in Wales. It is envisaged that area based schemes run through local authorities will be a key recipient of this funding.

In addition, NEA also seeks to highlight to DECC the opportunity to combine environmental and social goals by arguing that a much greater share of current CERO is delivered in deprived areas (through CSCO) from April 2015 (and suggests delivery of the solid wall/hard to treat ring-fence should be delivered through the reminder of the carbon currently expected to be delivered through CSCO). NEA is concerned that that without this additional intervention suppliers will look to deliver low cost measures (like loft top ups and other low cost energy efficiency measures) in able to pay households (instead of assisting low income households or those that reside in deprived areas).

One further opportunity to provide adequate support to area based initiatives is the potential for 'allowable solutions' from zero carbon developments that could boost energy efficiency retrofits for local authorities. CLG recently sought views on the sorts of measures which could be counted as Allowable Solutions. The consultation did not suggest a list of prescribed measures; however, indicative types of Allowable Solutions projects/measures have been identified. These could include the creation or expansion of sustainable energy infrastructure (eg district heating schemes) or retro-fitting of low carbon technologies in existing buildings, such as hard-to-treat solid wall insulation in existing housing, retro-fitting of existing communal buildings and non-domestic buildings. Recent research found that on projected rates of house building Allowable Solutions could provide around £190 million pa, enough to improve 397,000 low income households' homes to EPC C by 2025[xvi]. NEA therefore believe that there is an opportunity for allowable solutions (or Section 106 and CIL contributions) to help leaver ECO or other sources of finance into tacking the least efficient homes, occupied by the poorest households. However, there is also a need to couple this investment with other forms of funding.

Enforcement and reporting

The Housing Health and Safety Rating System (HHSRS), introduced in the 2004 Housing Act is already regulating minimum standards in housing. The main relevant enforcement category is Excess Cold, one of the most common Category 1 hazards[26]. Approximately 15 % of private rental homes are classified as a Category 1 'excess cold' hazard under the HHSRS. Guidance on HHSRS states that homes with a SAP of less than 35 should be classed as 'excessively cold' and therefore a Category 1 hazard. Local authorities already have a duty to arrange for an inspection of any premises to determine whether there is a Category 1 or 2 hazard following a well-founded complaint or for any other reason that the authority considers appropriate.

If a Category 1 hazard is found to exist, the local authority should then take action to ensure the hazard is removed and critically the landlord is liable for the full cost of the works. It is essential that this existing duty on the landlord to make sure the properties they rent out aren't perilous to the health of the occupants is maintained and the introduction of the new PRS regulations does not undermine (and enhances) HHSRS enforcement. As a result, the PRS regulations must be explicit in ensuring the existing enforcement of a C1 or C2 hazard for cold does have to be rectified and paid for by the landlord before any of the proposed exemptions apply.

However, NEA seeks to highlight that the Energy Act makes local authorities responsible for enforcing the measures set out in the recent Private Rented Sector Regulations consultation. However, in general, local authority enforcement action has been badly effected as a result of limited resources and competing pressures on local authority Environmental Health Officers. The additional enforcement required by the introduction of the regulation will be a burden on local authorities. In order to ensure this additional enforcement is funded it will be essential, at a time of constricted budgets, that ring-fenced funding is made available for authorities to undertake this role.

NEA also urges the Government to invest in the significant awareness raising and support that trusted intermediaries can provide and will need to undertake to support this policy implementation. NEA also highlights an opportunity for the Government to use enforcement fines to also compensate tenants for higher energy running costs and also introduce a low cost loan facility, administered by local authorities, for landlords to help meet the proposed EPC band E standard which the landlord would need to pay back after the property is sold or after a period of 5 years.

More broadly, NEA continues to stress the key role local authorities could have in delivering and enforcing the new fuel poverty targets and insists they are provided with the means to deliver their current duties in relation to housing, addressing fuel poverty, reducing domestic carbon emissions and supporting and facilitating emerging public health responsibilities. As a result, despite apparent tensions, DCLG and DECC must work together to undertake an assessment which provides a reliable update of this critical work, including an estimate of the financial implications the aforementioned activity places on local authorities and resources locally. Subsequently, providing an adequate ring-fenced, recurrent and long-term fund to provide the means for them to execute their existing responsibilities may well mitigate the need for DECC and the DCLG to develop a binding duty, however, if it is well resourced, most authorities have indicated they would welcome their opportunity to play a key part in addressing fuel poverty, creating local employment and reducing domestic carbon emissions.

[26] The HHSRS Operating Guidance shows that the average pre-1945 dwelling would be considered to have a Category 1 (i.e. serious) hazard associated with Excess Cold.

Finally, NEA notes that the Home Energy Conservation Act can be made to be much more than a bureaucratic exercise and that it could help deliver real change, improvement and practical action. However, NEA also believes the guidance is not currently robust enough and the introduction of seemingly optional and discretionary elements to the reporting process has undermined the value of Government's intervention in this area.

The Government must therefore tighten the guidance and the fact there are no sanctions for the non-submission of HECA reports or simply acknowledge that in the current financial climate it could easily be categorised as a 'nice to have' as opposed to an essential area of local authority activity. This however would be a huge missed opportunity to align strategic agendas within central and local government and could result in further major geographical disparities (i.e. some local authorities are prioritising these issues in a strategic manner and others are not).

Q14 How can Government support a collaborative approach to developing the fuel poverty evidence base? What are the best ways to communicate priorities? What tools would be useful to ensure a quality approach consistent with the low income high cost indicator?	

Collaborations will be very in important in collecting good evidence with a range of perspectives from the private, community and public sectors. DECC should work with the devolved administrations and share good practise and showcase local delivery models. Evidence from people living in fuel poverty and their experiences of the different programmes should also be used in developing the role out of the strategy over the 10-15 years. Ignoring their views will reduce the effectiveness of consumer and public funds. There are large research funds that could be used to consider social impacts of energy policy and affordability as well as exploring technical solutions and DECC should consider working with the relevant research to devise research streams that could provide new evidence. Lessons through European energy efficiency and social projects should also be shared more widely.

Development of LIHC indicator

NEA agrees it is important to be able to accurately assess whether, at an individual household level, a householder is living in fuel poverty under the LIHC measurement. It is also important practitioners are able to accurately assess the impact of their interventions. In order to be able to achieve these outcomes, NEA would like DECC to develop the following resources in collaboration with a range of parties:

- A web based open software fuel poverty assessment tool - This would allow an individual (or organisation) to determine the fuel poverty status of the occupants of a household. In order to calculate this the an individual (or organisation) would be required to provide the following basic information: income (taking into account NI deductions, benefits interest from any savings and any other income supplements), housing costs to provide income after housing costs (mortgage or rent payments and the frequency of these), annual fuel costs (whilst 'needed' energy spending would provide the most reliable results, actual monthly spending on gas, electricity and/or other household heating fuels would be acceptable), household size to provide a equivalised income after housing costs (noting whether the occupants were under the age of 14). This information would then enable the software to accurately predict whether a household is living in fuel poverty.

- Once the householder's fuel poverty status is ascertained, a further tool could be developed which allows projects to assess the impact of individual set interventions on fuel poverty of that household, generating a prediction of the reduced risk of that householder living in fuel poverty once various interventions (a range of energy efficiency interventions, energy discounts or income supplements were applied).

- Finally, NEA believes it would be desirable to develop a macro intervention tool which could assess the impact of policy measures of energy efficiency interventions, energy discounts or income supplements if they were applied to a number of fuel poor households. This would be similar to DECC's current 2050 Pathways - Carbon Calculator and help in identifying whether national policy initiatives are sufficient to protect the health and well-being of the whole fuel poor population. Again, this would be a web based open software package and should be free to use.

Other Research priorities

As noted in the recommendations (and in response to question 2), NEA believes the following areas must be researched as a priority:

- An assessment of current fuel poverty levels across the UK and all respective nations based on the 10% indicator of fuel poverty as well as both indicators under the LIHC definition in England. The Government must also carefully monitor the changing demographic within fuel poor households. It is likely that whilst the headcount will remain relatively constant, there will be a high 'churn' within this group as jumps in fuel prices, incomes and benefits remain capped or frozen for the foreseeable future. If impact assessments reveal increasing levels that the Government must respond by escalating action to mitigate this

- The annual delivery rate of how many fuel poor households in England under the LIHC indicator (and separately low income households, those under 60% of the median income) are benefiting from domestic energy programmes, alongside the total budget for that year.

- An estimate of how many English households off the gas network, households with children under five, households with children under 16 and households with disabilities have received the assistance above, for that year.

- An estimate of the overall gross contribution of any energy policies, paid for by energy consumer levies, which increase the aggregate and average 'fuel poverty gap' for that year and a report estimating how the overall gross contribution of any energy policies which increase the aggregate and average 'fuel poverty gap' is reduced by domestic energy programmes.

- An estimate of the number of fuel poor and separately low income households have been moved to band D and C (within each tenure with an additional requirement within the PRS to report on any exemptions provided to landlords to meet the separate PRS band E target by 2018) and, as noted above, the contribution of energy discounts to the attainment of these targets for that year.

- A report produced jointly by DECC and Department for Communities and Local Government (DCLG) providing an update on the extent to which local authorities in England are fulfilling their current duties in relation to housing standards, enforcement action under the Housing Health and Safety Rating System (HHSRS) and the PRS regulations and undertaking and acting on guidance produced under the Home Energy Conservation Act (HECA). This assessment must also include an estimate of the financial implications the aforementioned activity places on local authorities and resources locally. This assessment could also include a calculation of the extent of allowable solutions funds targeted at providing energy efficiency retrofits for low income households or communities within each local authority area.

- A report by the Department for Health (DoH), facilitated by Public Health England (PHE) providing an estimate of the number, percentage and full details of which Health and Wellbeing Boards have prioritised fuel poverty or Excess Winter Deaths within their local Joint Needs Strategic Assessments (JSNA), alongside an assessment of the overall scale and cost of the incidence of cold-related morbidity and mortality.

- A report from the Climate Change Committee (CCC) and Infrastructure UK on the likely contribution of energy efficiency programmes targeted at low income households or communities on national attempts to reduce carbon emissions, stimulate jobs and monitor the share of national infrastructure spending allocated to this cause.

- A report from Department for Work and Pensions (DWP) on the extent to which income maximisation measures (such as benefit entitlement checks) are playing a key role in addressing (and preventing) fuel poverty and are being delivered alongside national schemes (including, but not exclusively, delivery of existing energy efficiency programmes).

- A report by DECC and Ofgem setting out the number of projects where Distribution Network Operators (DNOs) are incentivising electricity demand reduction on their networks alongside a direct social outcome, and the extent to which the assisted gas connection regime is contributing to the delivery of the interim and final targets.

- A report from Ofgem and the Green Deal Ombudsman highlighting instances of where disconnections resulting from a default on a Green Deal charge or where existing fuel debt problems have been compounded by a Green Deal charge.

NEA's own research

The research team at NEA provide a core function of NEA's role in fighting fuel poverty. With almost 20 years combined experience of research into fuel poverty and domestic energy issues, the team provide valuable research which is used to evaluate the contribution of this activity and this in turn informs practical work and NEA's campaign for greater investment and targeting of resources to tackle fuel poverty and policy insight. Research is also used by NEA to support wider delivery activities across the organisation and to assist and inform regional and national partners.

The dynamic nature of fuel poverty and changing environment in which it exists has required the team to diversify its activities and become more strategic and reflexive. In more recent years the team has broadened its research activities and themes, this new outlook has been achieved by actively developing local, national and international partnerships whilst also seeking to develop new ones across the energy sector and academia. As a result, NEA stresses the Government must develop a collaborative approach which doesn't seek to emulate these functions or re-rehearse the existing fuel poverty evidence base. Current services provided by the Research Team include:

- Providing local data e.g. fuel poverty estimates and excess winter deaths.
- Secondary analysis of existing data sets e.g. English Housing Survey.
  Developing collaborative research proposals.
  Dissemination and synthesis of key fuel poverty and related research.
  Gather intelligence with project officers and local collaborators to strengthen the case for the changes needed.
- Fuel poverty profiling mapping and guidance relating to fuel poverty risk and indicators.

Annex 1: Summary report of round table discussions at the NEA, SSE and DECC Seminar series: Engaging with the consultation on the new fuel poverty strategy

Summary of workshop discussion sessions

As part of the seminar series run by NEA in partnership with DECC and SSE on the consultation of the new fuel poverty strategy, delegates were asked to discuss a range topics which were

- Topic A: Making progress on the road to 2030 (targets and milestones)
- Topic B: Supporting fuel poor households living in non-gas households
- Topic C: Supporting fuel poor households with disabilities and health conditions
- Topic D: Targeting the fuel poor in design and delivery
- Topic E: Working together to help the fuel poor

Within these topics delegates were asked to consider a range of specific questions and the responses are summarised in the following pages, however there were certain key issues that were discussed across the board in almost every discussion group regardless of the topic. These were;

Funding, targeting and delivery

The single most important issue that needed to be addressed in order to effectively tackle fuel poverty was the need for additional, sustainable, long-term funding that was better targeted to meet the needs of fuel poor households. The stop-start approach to funding was resulting in peaks and troughs of activity which makes it difficult strategically to form and sustain delivery partnerships; while the huge variances in offerings make ECO in particular difficult to navigate. Even when clients are assessed as eligible they may not receive assistance or may be asked to provide a contribution, and advice-providers now have no confidence that efforts to identify fuel poor householders and encourage applications to ECO will ever result in actual measures being installed. This lack of certainty currently represents a major barrier to partnership working and delivery and is likely to remain so into the future.

Fuel poverty in the private rented sector

Without more powers for local authorities to enforce standards of energy efficiency in the private rented sector the strategy would never achieve significant reductions in fuel poverty across this tenure.

Data sharing/matching

There needs to be increased data-sharing/matching, to both identify households in fuel poverty in the first place (according to LIHC definition) but also to target those most in need.

Targets backed by legislation

Fuel poverty targets would never be universally adopted by health agencies and local authorities unless legislation obliged them to do so.

Theme A: Making progress on the road to 2030

Targets/milestones

Delegates generally felt that targets/milestones were useful, but that those proposed were not adequate, either because these were too far away (so would delay urgent action) or they were not ambitious enough and therefore could fail to secure additional investment for local budgets. Other more challenging targets were suggested, for example band B by 2030 or moving forward the interim targets In general however, interim targets were welcomed as a way of ensuring that progress was being made but again there were concerns that these were not suitably ambitious and without enforcement would be just a 'good yardstick' to measure progress. More challenging interim targets were also suggested for example 'Band D by 2020', or 'eradication of Band G'. It was also noted that interim milestones/targets were not in line with other legislation, for example the 2018 target which will ban landlords from renting out F or G rated properties after this date.

It was felt that there needed to be clarity on how these targets could be achieved (as in funding required/measures installed); who would be expected to comply (does it include landlords, owner occupiers, social tenants?); and how these would be monitored (by whom and using what indicators). It was seen as key that these targets would be legally binding with action taken against those who do not comply, especially in the private rented sector where the inability to compel landlords to improve their properties was unanimously discussed as a major barrier to tackling the energy efficiency of domestic properties. There was some concern (or confusion) over the impact on delivery that interim targets would have, for example that this would lead to a piecemeal approach rather than tackling the whole house. All discussions (on this and other subjects) highlighted the need for funding and guaranteed resources to back up delivery.

There was also much discussion on the term 'reasonably practicable' which was almost universally derided – at best because it was seen to be unclear, at worst because there was a suspicion it would be used by those obliged to deliver energy efficiency improvements to claim too often that it is not 'reasonable' to do so. One delegate noted: *''Using "practicable" as a measurement of success is very dangerous, we should reject this term/type of vocabulary as it will play into the hands of the richest actors in the market. Tiers of definition are very unclear and need defining. "Reasonable practicable measure" – what does that actually mean? It's not good enough, not well enough defined.''*

Other targets/indicators

Some discussions highlighted the need for other targets/indicators to be used to monitor progress, and not focus exclusively on energy efficiency. This would prevent the continuing focus by those obliged to deliver improvements on 'easy wins' which may not assist those in most severe fuel poverty. Other indicators listed included 'excess winter death figures', 'household income', 'smart meter installations', and 'older people'.

There was much discussion across groups over the suitability of using Energy Performance Certificates (EPCs) to monitor progress. Individuals cited examples of inaccurate EPCs and there was concern that the EPC model was too generic across households. Using this information as a standard to monitor progress would also require EPCs to be undertaken and for this information to be made available to whoever had responsibility for enforcing this.

Theme B: Supporting fuel poor households living in non-gas properties

Generally it was thought that there should be a more joined-up approach to tackling rural fuel poverty at policy level which would then be reflected in delivery. The Renewable Heat Incentive, Community Energy Strategy and Energy Company Obligation all offer opportunities to tackle fuel poverty in rural areas but policies need to be more joined-up and specifically targeted at those in fuel poverty. As in all discussion sessions, the issue of funding was seen as paramount. While solid wall insulation and new and renewable technologies offer opportunities for non-gas fuel poor households, most (if not all), lacked the capital funding to meet the initial costs of these measures. More generally, it was repeated several times that ECO is not working for households off the gas network because they are not attractive to those delivering the schemes who 'cherry pick' the easiest options. Funding needs to be adequate with ring-fenced budgets and safeguards to ensure that it reaches those most in need. Suggestions included ring-fencing funds from the RHI for low-income households, and using predicted future FITS payments to offset initial capital costs.

It was noted that there needs to be a recognition of the different types of households off the gas network, some are in urban areas *with* gas networks but living in high rise flats where gas is not appropriate, and others in rural areas with no access to mains gas and never likely to be. Strategies need to reflect the different needs of these households and not use a 'one size fits all' approach. Some spoke of the need for greater controls and regulation of the LPG and oil markets, some thought that greater regulation of district heating schemes was important. Others discussed tariffs and concluded that there should be some kind of reduced tariff or discount for off-gas customers and were supportive of proposals to increase payments in recognition of off-gas household's higher energy costs.

Targeting and obligations were discussed. It was thought that targeting postcodes in off-gas areas would be a good starting point for more intensive delivery, and that making the most of existing data sets to pre-identify those eligible for measures under ECO or other schemes would mean that they were more likely to receive assistance (as contractors did not have to take the time to identify these directly). More generally it was felt that delivery of ECO to date had completely failed to use existing data sharing powers to better target support. In addition, there were concerns about how well targeted the new rural safeguard would be with some concern that IMDs are not always a good proxy for targeting limited resources.

Planning restrictions were noted as a major barrier, particularly in rural areas, when installing solid wall insulation and solar panels. It was suggested that if Local Authorities want to retain period homes then there needs to be some compromise and they need to support the occupants to make their energy more affordable. It was thought that new developments should be forced to ensure that houses meet a minimum energy efficiency standard including renewable energy technologies to reduce future energy costs and assist the move to a low-carbon economy. The importance of education was also noted several times. Vulnerable householders need to understand how to be more energy efficient, for example how to use electric storage heating and how to use any renewable technologies that they may have had installed. There also needs to be greater communication on the assistance which is currently available and it was felt community groups have a key role to play in helping to communicate the assistance available particularly in rural areas where there is generally a strong community spirit.

Theme C: Supporting fuel poor households with disabilities and health conditions

Barriers to taking action to improve energy efficiency in the homes of fuel poor with health conditions or disabilities

There was a general consensus that one of the major barriers to improving energy efficiency in the homes of fuel poor households with health conditions or disabilities was the initial process of identification. These groups are less likely to attend public information sessions; less willing or able to proactively seek assistance; and even when contact is made with suppliers/installers their conditions may mean that they do not receive the same level of support as other customers. Greater partnership working between local agencies and relevant data sharing could go some way to addressing this problem. GPs have data on households with long term health conditions likely to be exacerbated by the cold; local authorities have data on the housing stock; DWP/local authorities have information on income levels; and energy companies have details of householders eligible for support under the Warm Homes Discount Core Group. Sharing this data can help to pinpoint those most in need, with local partnerships ensuring that once they are identified they receive a suitable package of assistance.

GPs, social workers, health visitors and other frontline health professionals were seen as ideally placed to identify those who may need assistance to meet their energy needs and refer on for additional assistance, however there is still a lack of acceptance by some healthcare professionals on the links between cold homes and ill health, and the need for major public health interventions. Clinicians can be unwilling to accept evidence unless it meets certain criteria, however anecdotal evidence during these sessions suggested that agencies did have access to data which could for example demonstrate how improving thermal comfort had led to a reduction in GP visits. Delegates stressed the importance of gathering this evidence in order to demonstrate the wider outcomes of tackling cold homes and convincing Health and Wellbeing Boards/Clinical Commissioning Groups/PCTs that such programmes were worth funding. Specifically noted was the importance of demonstrating how energy efficiency improvements had led to reduced costs for the health service.

Mandating health referrals/action to tackle fuel poverty

Delegates generally agreed that local Health and Wellbeing Boards/Clinical Commissioning Groups needed to be mandated by Government to recognise and address the links between cold homes and ill health. There needs to be a more joined up approach between healthcare professionals and others with responsibility for delivering affordable warmth interventions, which needed 'top down' support implemented at strategic level. Setting mandatory targets to tackle fuel poverty/excess winter deaths would mean that local Health and Wellbeing Boards have to take action. This was key as it was felt that currently HWBs have too much discretion, with successful projects often driven forward only by the will and passion of one or two key individuals. Delegates were specifically asked to consider some of the mechanisms as to how mandated health referrals could work. It was suggested that measures and schemes could be linked to disabled facilities grants and consequently most appropriately assist those in need (therefore professionals feel confident that referrals made will be most effectively assessed for health).

In terms of personnel that would be needed to be involved, it was felt that there would be a need to incorporate a wide range of staff; there would need to be a single referral point; and someone would need to take responsibility for acting as a centralised hub, whether that was the Local Authority /Fire Service / or another agency however it was noted that referrals can and do work, for example the Islington SHINE project. It was also recognised that there would also be a significant training need to ensure that healthcare practitioners really understand how to identify and assist those in fuel poverty. Where possible this should be web-based to cut down on time 'away from the day job'.

Despite recognising the need for a more proactive approach by healthcare professionals to tackle fuel poverty, many delegates warned that without a consistent and adequate 'offering' then there was little point in mandating these agencies to take action. GPs and other practitioners want to know what will be available to their patients, but current schemes (mainly ECO Affordable Warmth) provide little in the way of guarantees, with too much variation in the types of assistance received (if at all). Linked to this delegates identified a need to simplify the process of referrals to make it easier for GPs to know where to send people for assistance. One group suggested that to meet this challenge funding should be ring-fenced to benefit those who are referred under mandated referrals. As in other discussions delegates also consistently highlighted specific problems faced by Environmental Health officers in tacking cold homes. Tenants can move frequently so that by the time the paperwork has been completed under the HHSRS the occupant has moved to another property, and local authorities lack real powers to force landlords to take action. Without a significant improvement in the PRS then mandated referrals/prescriptions for affordable warmth etc will be ineffective for those in privately rented accommodation.

The role of DECC, central government and others in improving access to support for these households

As well as legislating to require health agencies to take action against cold homes and aligning national schemes so they can provide access for the most vulnerable, some delegates thought that an agency like Public Health England needed to play a far greater role in encouraging and tracking the partnership approaches used locally to tackle fuel poverty and at a national level, some tangible outcomes were needed if more cross-departmental working was becoming more common. Others discussed the role of DECC as to improve general education and awareness of energy efficiency, including facilitating training for healthcare professionals; and to facilitate research to provide more evidence to GPs on the need to tackle cold homes.

Examples of good practice

The following initiatives were cited as examples of good practice*;

1. Derbyshire County Council: Have recently invested resources to identify and target individuals with health conditions most likely to be exacerbated by cold damp housing. People are supported to access advice on energy efficiency and ways to maximise their income. The service will use a range of data sources to identify those people who live in in the least energy efficient homes, are on low incomes and have long term conditions associated with excess winter deaths. The County and District/Borough councils are now working together to produce a joint affordable warmth strategy.

2. SHINE (Seasonal Health Intervention Network): a one-stop referral system for affordable warmth and seasonal health interventions. Originally conceived by the London Borough of Islington its success has resulted in roll-out to neighbouring authorities.
3. Liverpool's Health Homes initiative
4. Oldham's Warm Homes
5. Wigan's AWARM: includes submitting a Business Case to the CCG and Council Joint Commissioning Board in order to obtain £200k to upscale and target existing AWARM programme. The AWARM programme is being watched by NCIE to inform their final guidelines on 'Excess winter deaths and morbidity and the health risks associated with cold homes' and the Kings Fund are looking to evaluate its impact.

**Further details are provided within the answer to question 7.*

Theme D: Targeting the fuel poor in policy design and delivery

Much of the discussion focused on the value of aligning delivery with the Low Income High Cost indicator itself. Many attendees said that they didn't understand it, or that they were ignoring it because it was too complex. Explaining the definition to people 'in the field' can be difficult and it needs to be translated into something more 'user-friendly'. Furthermore, even amongst those who fully grasped the definition there was discussion on the difficulty of using it to identify those in fuel poverty and a common concern was that the headcount would remain constant despite interventions with the depth of fuel poverty not being as well valued or understood. The information that is needed to undertake an assessment of fuel poverty under the Low Income High Cost indicator was also raised as the it was felt that key information was either not available (particularly housing costs) or costly, for example EPCs are required to monitor required energy use but these may not exist for all properties and even when they do Local Authorities do not have access to EPC data free of charge. However, it was also felt that the benefits system is too 'blunt a tool' to help define those people as it does not take into account some of the target groups such as those who are asset rich and cash poor, property inheritance, and the 'benefits shelf' (income beyond which means tested benefits are not available).

As a result, much of the discussion focused on data – what was needed, who had it, and how it could be best-utilised to target assistance. Greater data-sharing, possibly through a central 'hub' of information/support/advice would make it more straightforward for local authorities or advice providers to identify these householders. Of particular use would be matching data on EPCs, income and health conditions, with one delegate highlighting the potential for Universal Credit to enable richer data on benefits and income. Another delegate suggested that the income/usage information collected via smart meters could also be of use (as it is in Germany). While in some cases legislation would be needed to mandate this kind of data-sharing, there is also a lot of misunderstanding on what can and cannot currently be shared currently (with many LAs already sharing information and others not). It was felt, easy-to-understand guidance from central government aimed at local authorities' legal departments could help dispel some myths and encourage greater information sharing. Naturally however there was also concern over customer data being passed to private companies, and the need for the Government or other statutory organisation to act as the intermediary in this case.

There was some discussion over implementing area-based schemes as a cost-effective and practical way to overcome some of the barriers in identifying individual households eligible for assistance. However, while these schemes may result in certain efficiencies of scale it would still be necessary for assessors to be able to identify those eligible for actual assistance with measures under ECO or other schemes.

There was general agreement that the winter fuel payment should be extended to other vulnerable groups, although varying opinions as to how this should be funded. Some suggested simple extension of the scheme to all vulnerable groups; others advocated means-testing the benefit for all claimants. Another suggestion was to have an intermediary that would match EPC data with WHD claimants, removing the Winter Fuel Payment from those who lived in A or B energy-rated properties. There was also much debate on whether the winter fuel payment should be via direct payment, with many advocating payment in fuel vouchers, payment direct to energy companies (with a provision it would be used for fuel credit and not to pay off accrued debt); and using the funding instead to go towards the cost of energy efficiency improvements. The Warm Home Discount was also discussed in detail. It was suggested that all vulnerable households should fall under the 'core' group category, with the broader group category then scrapped altogether. Qualifying criteria should also be identical across suppliers as currently there was too much variation.

Theme E: Working together to help the fuel poor

Delegates agreed that the single most important action that DECC and Government can take to facilitate and catalyse partnerships was to have a strategy that was consistent, sustainable and long-term, supported by adequate funding streams that were also consistent, sustainable and long-term.

Much of the discussion specifically focused on ECO and why it wasn't conducive to maintaining successful partnerships. Advice agencies and frontline workers may be initially engaged in partnerships but then become discouraged and lose trust when eligible clients receive no assistance or are asked for top-ups (one delegate noted a £1400 contribution requested for central heating). This can then in turn impact on future scheme delivery/partnership working in the community. Generally there is no trust that ECO will deliver measures even in eligible households. In addition, installers are unwilling or unable to commit to delivery of ECO and other schemes because the funding is only ever available on a short-term basis, but if there was certainty that schemes would be in place several years hence it would create stability and improve quality in the market, as well as drive down prices for installation work. One group noted that finance mechanisms themselves are not conducive to partnership working, stating that annual or bi-annual targets are vital to allow strong sustained partnerships for delivery of prescribed measures and property improvements.

Delegates also discussed the difficulties caused by local government procurement procedures. These are considered too protracted and are not able to respond to schemes changing this frequently. Large procurement projects have hampered delivery at a local level and allowed big companies to block local delivery/installations.

Those best-placed to offer advice and generate referrals are also often by their nature struggling with very little funding. There is a need to increase third sector capacity, possibly by additional training and information sessions. The model of the Big Energy Saving Network could help but it is difficult for many organisations to submit bids when this type of work doesn't form their core activity. Some of the Government's models are very centralised – it was suggested that there is a role for steering groups (funded by Government) which could regularly feed in best practice.

Some delegates also noted that there can be huge differences in local authorities and these are not all the same. Smaller District Councils may lack the resources to bid for funds for available schemes, and it is possible that in two-tier local authorities with County and Borough/District councils there is no requirement to necessarily work in partnership to join up relevant policies, for example, health (top tier) and housing (second tier). Larger local authorities may receive funding which never filters out of the city, for example Green Deal Go Early pilots.

It was also noted that for partnerships to flourish required at least one dedicated officer, probably based within the local authority, to coordinate activities. Jobs have been cut across the public sector and many of the local authority officers present now had fuel poverty/energy efficiency as one of several areas they were expected to deliver on rather than this being the primary focus. It was felt, additional, rig-fenced funding could be provided by Government to coordinate partnerships. Some discussions focused on the role of DECC/government to bring groups together and help facilitate national discussion while allowing local action. This included a suggestion that DECC could undertake mapping of stakeholders and have a central information point relevant for all local actors. At a strategic level the Government needed to ensure that relevant policies were aligned with similar targets, outcomes, outputs and indicators.

Examples of good partnership working (see also examples under the 'Theme C – Health'.

- Foundations Home Improvement agency's 'Warm Homes' scheme
- Winter initiative from Devon County Council: 'staying warm and well' joins partner providers (CVS's/CAB/HIA) to deliver wellbeing, economic/ warmth /housing. Support to address winter support and warm cold homes. Funding initially from WHHP grant which is no longer available.
- Western Power Distribution PSR data updating project- working with Coventry CAB to support vulnerable customers
- Viridus – cross-Merseyside partnership
- Warm homes Oldham – get £300k for fuel poverty work paid by results

Annex 2: List of organisations attending consultation workshops

Organisation
1761 Partnership Ltd
A1 Warmcare Insulation
Absolute Solar
Act On Carbon Ltd
Action Centre
Adactus Housing Group
AdviceUK
Affinity Sutton
Age UK
Age UK Calderdale & Kirklees
Age UK Newcastle
Age UK Solihull
Age UK Sunderland
All-Party Parliamentary Carbon Monoxide Group
Amber Valley Borough Council
Ashfield District Council
Aster Living
Avalon Sustainable Energy Solutions Ltd
Bath and North East Somerset Council
BEAMA
Beat the Cold
Bernicia
BGNE
Big Lottery Fund
Birmingham City Council
Birmingham Civic Housing Association Limited
Blackburn with Darwen Borough Council
Blackpool CAB
Blackpool Care & Repair
Blackpool Council
Bolton Council
Borough Council of King's Lynn & West Norfolk
Bracknell Forest Council
British Gas

Organisation
British Gas New Energy
Broadland District Council
BST Environmental
BSW Biulding Services
BT plc
Bucks County Council
Calderdale MBC
Cambridge City Council
Centre for Evaluation and Monitoring, Durham University
Centre for Sustainable Energy
Change Agents UK
Charis Grants Ltd
Chelmsford City Council
Cheshire Community Action
Cheshire East CAB
Cheshire West & chester council
Chorley Council
Citizens Advice
City of Bradford Metropolitan District Council
City of London
City South Manchester Housing Trust
Cleveland Fire Brigade
Climate Works
Cofely Workplace Ltd
Committee on Climate Change
Community Energy England
Community Energy Solutions
Community Switch
Co-operative Group
Corby Borough Council
Cornwall Housing Ltd
Coventry City Council
Cross Keys Homes
Dale &Valley Homes
Darlington Borough Council

Organisation
DAWN Citizens Advice Bureau
De Montfort University
Deep Green Sustainable Solutions Ltd
Department For Work and Pensions
Derby City Council
Derbyshire County Council Public Health
Derbyshire Districts CAB
Domestic and General Insulation Ltd
Doncaster Council
Dorset County Council
Dover District Council
DRB Sales & Marketing
Dudley MBC/Change Agents
Durham Community Action
Durham County Council
Durham University
E.ON UK
East Cambridgeshire District Council
East Herts Council
East Riding of Yorkshire Council
East Riding of Yorkshire Rural P'ship
Eastlands Homes
Ecolution
Eden DC
EDF Energy
Elcena Jeffers Foundation
Element Energy
Ellipse Energy Limited
Energy Friend
Energy Solutions NW London
Energy Won UK ltd
energyshare
Enzen Global Limited
Erewash Borough Council
ES Pipelines

Organisation
Five Lamps
Flagship Housing Group
Fortis Living
Foundations - The National Body for Home Improvement Agencies
Freebirdge Community housing
Future Years
Gateshead Council
Gedling Borough Council
Genesis Housing Association
Gentoo Group
GK Consulting
Gosport Borough Council
Greater Manchester Energy Advice Service
Green & Castle
Green Deal Advisor Association
Groundwork London
Harrow Council
Hartlepool Borough Council
Help-Link
Herefordshire Council
Home Group
HOUSING PLUS
Hull Warm Zone
Humber and Wolds Rural Community Council
Huntingdonshire Council
Ideal Boilers Ltd
Integrated Energy Services
Involve Northwest
Isos Housing
Isothane Ltd
J&J Crump & Son
John Richards DEA
Johnnie Johnson Housing Trust
Joseph Rowntree Foundation
Jutland Rd HBC Hub

Organisation
Kirklees Citizens Advice
Kirklees Neighbourhood Housing
Knightstone Housing Association
Knowsley Council
KNW Partnership
Kunsan National University in Korea/ University of York
Lancashire County Council
Lawtech Ltd
Leeds Federated Housing Association
Leicester City Council
LESS
Lincolnshire County Council
Liverpool City Council
Livin Housing Limited
Local Solutions
London Borough of Barking and Dagenham
London Borough of Barnet
London Borough of Camden
London Borough of Islington
London Borough of Lambeth
London Borough of Lewisham
London Borough of Newham
London Borough of Tower Hamlets
London Borough of Waltham Forrest
Luton Borough Council
Macmillan Cancer Support
Mainstone Council
Manchester CAB
Manchester Care and Repair limited
Manchester City Council
Manor House Development Trust
Mark Group
Mears Group
Melton Borough Council
Mendip District Council

Organisation
mhs homes
Middlesbrough Environment City
Middlesbrough Staying Put Agency
Miller Pattison Limited
Mitsubishi
Mojo Trust
n l a
National Housing Forum
National Landlords Association
NCHA
nCube
Newark & Sherwood District Council
Newcastle CAB
Newcastle City Council
Newcastle University
North Kesteven District Council
North Tyneside Homes
North Yorkshire County Council
Northern Powergrid
Northern Renewables (UK) Ltd
Northumbria University
Northumbrian Citizens Advice Bureau
Norwich City Council
Npower
Ofgem
Oldham council
Ombudsman Services
Oxford City Council
Park Home Insulations Ltd
Peabody Trust
Peaks & Plains Housing Trust
Pennine Housing 2000 (part of the Together group)
PES Group ltd (Energy Ace)
Peterborough city council
Plymouth City Council

Organisation
Portsmouth City Council
Premier Energy Solutions
Premier Energy Solutions
Preston City Council
Public Health Doncaster MBC
Public Health, Derbyshire County Council
RAISE
Reading Borough Council
Regen SW
Rights to Warmth
Riverside
Rochdale Boroughwide Housing
Rockwool
Royal Borough of Windsor and Maidenhead
Rural Action Derbyshire
Rushmoor Borough Council
Rutland County Council
Ryedale District Council
Salford City Council
Saliis Ltd
Sandwell MBC
Scottish & southern Energy Power Distribution
ScottishPower Energy Retail Ltd
Secure Controls
Sefton Council
Severn Wye Energy Agency
Sheffield City Council
Sheffield Hallam University
Shelter
Siemens plc - Energy Automation
SmartGreen
Somerset West Private Sector Partnership
South Cambridgeshire District Council
South Coast Insulation services Ltd
South East London Community Energy

Organisation
South Gloucestershire Council
South Norfolk Council
South Northamptonshire Council
South Tyneside Council
Southern Housing Group
Southwark CABx
Speke CAB
SSE
St Edmundsbury Borough Council
St Helens Council
St Vincent's Housing
St. Helens Citizens Advice Bureau
Stevenage Borough Council
Stockport Homes Ltd
Stockton-on-Tees Borough Council
Sunderland Black and Minority Ethnic Network Limited
Sunderland City Council
Sure Start
Sustain Ltd
Sustainable Harborough (RCC)
Swindon Borough Council
Tadea
Talking Money
Tees Property Solutions Ltd
Thameswey Sustainable Communtiies Ltd
Thanet District CAB
The Chopping Company
The Community Council of Shropshire
The Regenda Group
Thinking Works
thirteen housing group
Torridge District Council
Track Training
Trafford Council

Organisation
UCL
UK Power Networks
University of Exeter
University of York
Venus Centre
Villages Housing
Viridian Housing
Wai Yin Society
Wales & West Utilities
Wansbeck Citizens Advice Bureau
Warm Front Ltd
Warm Wales Cymru Gynnes CBC
Warm Zones cic
Warmer Energy Services Limited
Warrington BC
Watford Borough Counil
Wealden District Council
West Coast Energy
West Dorset District Council / Weymouth& Portland Borough Council
Western Power
Wetherby Building Systems
Wigan Council
Willmott Dixon Energy Services
Wiltshire Council
Wiltshire Rural HA
Wirral Council
Worcester Bosch Group
Worcester City Council
WREN
Yes Energy Solutions
Yorkshire Coast Homes
Yorkshire Energy Services
Your Homes Newcastle
Total = 311

Annex 3: References

[i] The full report Environmental burden of disease associated with inadequate housing, which provides all evidence and background information, is available on the WHO Regional Office for Europe web sitehttp://www.euro.who.int/__data/assets/pdf_file/0017/145511/e95004sum.pdf

[ii] According to a 2011 Report from the World Health Organisation (see http://www.euro.who.int/__data/assets/pdf_file/0017/145511/e95004sum.pdf [p 6]), deaths from cardiovascular diseases are directly linked to exposure to excessively low indoor temperatures for long periods. It appears that 50-70% of excess winter deaths are attributed to cardiovascular conditions, and some 15-33% to respiratory disease. As a result, an estimated 30% of winter deaths in Europe are caused by cold housing. Evidence has also shown that in the United Kingdom every 1°C drop in average temperatures below 18 degrees results in an average of 8,000 extra deaths.

[iii] The Decent Homes Standard (DHS) was originally devised as a means of improving housing in the social rented sector. Local authorities and Registered Social Landlords were set a target to achieve the standard across their entire housing stock by 2010. A key element of the Decent Homes Standard was the Thermal Comfort Criteria which specified energy efficiency standards that a property should meet to comply with the DHS; this included effective thermal insulation and efficient and controllable central heating. However, whilst the minimal specifications of the Decent Homes Standard increased energy efficiency standards compared to other tenures, the initial progress and investment by CLG failed to be sustained.

[iv] Modelling the Monetary Value of a QALY: A New Approach Based on UK Data. Health Economics 18 933-950.)

[v] Kirklees Warm Zone: The project and its impacts on well-being. 2011, Department for Social Development NI, University of Ulster This is available at – http://www.science.ulster.ac.uk/psyri/Professor-Christine-Liddell.html#page=publications

[vi] Cost-benefit Analysis Applied to Energy. Environmental Studies Series. Dublin: University College Dublin). Professor Liddell's paper is available at - http://eprints.ulster.ac.uk/14646/

[vii] Available at http://www.brebookshop.com/details.jsp?id=325401.

[viii] This calculator is available at http://www.rhenvironmental.co.uk.

[ix] The report by CIEH is available http://www.cieh.org/policy/the-health-costs-of-cold-dwellings.html. The report – Understanding the costs and benefits of fuel poverty interventions: A pragmatic economic evaluation from Greater Manchester – can be supplied in pdf format.

[x] Understanding the costs and benefits of fuel poverty interventions: A pragmatic economic evaluation from Greater Manchester, Dr Anthony Threfall; Greater Manchester Public Health Practice Unit.

[xi]The report is available at http://archive.auditommission.gov.uk/auditcommission/sitecollectiondocuments/AuditCommissionReports/NationalStudies/betterlives9sept2009rep.pdf

[xii] The report is available at http://www.foe.co.uk/resource/reports/cold_homes_health.pdf

[xiii] Respiratory and cardiovascular conditions, rheumatism, arthritis and allergies and chronic stress and depression.

[xiv] For example, an individual who is member of disabled household, or a household containing young children, chronically sick or someone of pensionable age

[xv] In addition (as noted in response to question 4) the WHDS is only set to continue until 2016 and NEA believes the scheme must be extended until 2025, in line with the strategy timescales. This will provide much needed assurance to companies to plan properly and could encourage more expansive debt relief programmes and other company initiatives which will allow the energy suppliers to respond to emerging issues and new partnerships.

[xvi] Modelling carried out by Verco for Citizen's Advice report 'Raising standards, cutting bills Healthy homes: a costed proposal to end fuel poverty through higher standards and fairer funding', June 2014.