



**South
Derbyshire**
District Council

Affordable Warmth Strategy 2014 - 2019

DRAFT



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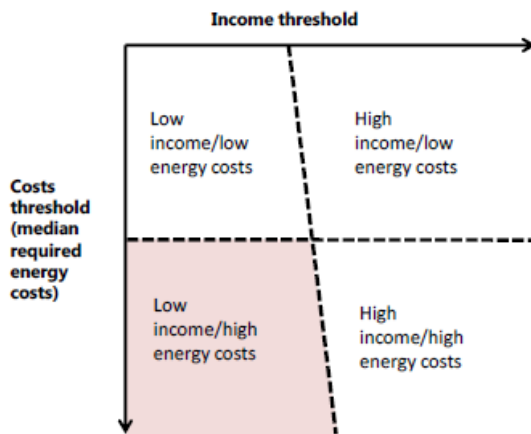
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- A Affordable Warmth Action Plan 2014 - 2019

1. Introduction

- 1.1 This Affordable Warmth Strategy is focussed on assisting vulnerable people on low incomes who are either in fuel poverty, or may fall into fuel poverty as a result of a change in their circumstances, to live in easy to heat, thermally efficient dwellings.
- 1.2 In July 2013 the Government adopted a new assessment for fuel poverty based on a 'Low Income, High Cost' definition. Under this definition a household is considered to be fuel poor where:
- The household fuel costs are above average (the national median level).
 - Where after fuel costs the household income is below the official poverty line (60% of national median income).

Figure 1¹: Low Income, High Cost



- 1.3 Therefore, the shaded area in figure 1 above represents those households in fuel poverty. To no longer be in fuel poverty a household could either lower their energy costs or increase their income.
- 1.4 Based on the latest data available from the 2011 English Household Surveys datasets, the national median household fuel costs are £1,234 and the median income after housing costs is £11,553. Putting this into a South Derbyshire context, based on the 2014 Private Sector Stock Condition Survey the median annual income for households, after taking into account household costs, for those in fuel poverty is estimated to be £8,477 compared to £20,709 for households not in fuel poverty.
- 1.5 Rising energy prices are affecting many households. The Council cannot control energy prices, nor can it insist on households taking up measures to improve the energy efficiency of their homes. However the causes of fuel poverty amongst households is often a combination of several factors – the property, household profile and behaviours, income levels and budgeting skills, lack of access to and information on the most competitive energy tariffs and poor awareness of energy efficiency measures.

¹ Figure1: The low income high costs definition from 'Fuel Poverty: Fuel Poverty Report, updated August 2013, published by Department of Energy & Climate Change.

2. Aims and Objectives

- 2.1 This strategy comes at a time when there are significant financial constraints to public sector funds which impacts on the level of financial support councils can offer to those households in fuel poverty. Therefore, this strategy focuses on ensuring households are aware of their options and, where limited funding is available, energy improvements targeted to those households known to be in/at risk of fuel poverty.
- 2.2 The core aims of this strategy are to reduce fuel poverty in South Derbyshire by:-
- Encouraging households at risk of fuel poverty to take measures to reduce their fuel bills.
 - Promoting take-up of energy efficient measures to improve the thermal efficiency of the private housing stock.

3. National Context

- 3.1 The Climate Change Act 2008 introduced a legally binding framework to tackle the dangers of climate change requiring the UK's greenhouse gas emissions to be at least 34% lower by 2020, using a baseline of 1990 figures. In practice, there needs to be a reduction in the demand for energy in existing homes by improving insulation and replacing inefficient boilers, as well as measures to change householders' behaviour if the government is to achieve this goal. Getting households out of fuel poverty links in with this by ensuring that residents not only live in well heated, thermally efficient homes, but that they also consider reducing their energy use and, thereby, fuel wastage.
- 3.2 The Energy Act 2011 introduced the Green Deal and the Energy Company Obligation (ECO). The Green Deal was launched in January 2013 and is a funding mechanism (through the not-for-profit Green Deal Finance Company) to allow homeowners and businesses to undertake measures now and pay for some or all of the cost of the energy saving improvements over a 25 year period. In the main Green Deal is not an affordable option for those households on low incomes struggling to pay for energy, i.e. those in fuel poverty. ECO is targeted at supporting the installation of energy efficiency measures to low-income households and in properties that are harder to treat, such as those with solid walls or of non-traditional construction which cannot be financed solely through the Green Deal. The Energy Act 2011 also requires energy companies from 2013 to provide households with information on the cheapest tariff on their energy bill statements.
- 3.3 The Health and Social Care Act 2012 transferred responsibility for public health from the NHS to upper tier local authorities. Each local authority now has its own statutory Health and Wellbeing Board with the responsibility to ensure that NHS Services, health improvement and social care services are properly co-ordinated and integrated. The Department of Health has produced a framework document for England which sets out desired public health outcomes and how they will be measured for the period 2013 - 2016. These wider determinants of health include indicators to measure reductions in fuel poverty and in the numbers of excess winter deaths in the overall population.

3.4 The Home Energy Conservation (HECA) Act 1995 required all English housing local authorities to prepare and publish a report by 31 March 2013 setting out the energy conservation measures that the authority considers practicable, cost-effective and likely to result in significant improvement in the energy efficiency of homes in its area. In partnership with all other Derbyshire authorities, South Derbyshire District Council has prepared and published a HECA Strategy setting out the Council's priorities up to March 2016.

4. Local Context

4.1 Fuel poverty levels in Derbyshire (excluding Derby City) are estimated to be around 43,500 households, representing nearly 12.8% of all households across the area. Table 1 shows the estimated numbers of fuel poor households in each Derbyshire local authority area in 2012².

Table 1: Number of households in fuel poverty per local authority area 2012, updated June 2014 based on low income, high cost indicator.

Local Authority	No. of Households in Fuel Poverty	% of Households in Fuel Poverty
Amber Valley	7,078	13.2%
Bolsover	4,153	12.4%
Chesterfield	6,217	13.0%
Derbyshire Dales	4,915	15.6%
Erewash	6,287	12.6%
High Peak	5,281	13.3%
North-East Derbyshire	5,239	11.9%
South Derbyshire	4,393	11.0%
Total for Derbyshire (excluding Derby City)	43,565	12.8%
East Midlands	256,017	13.2%

4.2 The datasets above are extracted from the sub-regional fuel poverty statistics published by the Department of Energy and Climate Change based on the new 'low income, high cost indicator' definition for fuel poverty.

4.3 The differences between the authorities can be partially explained by the make-up of the local housing stock. Both age of the property and whether the dwelling is connected to the gas network have a significant bearing on the energy efficiency of a property and how expensive it is to heat it. Older properties built pre- 1930's are likely to have a solid wall construction. Gas is a cheaper form of fuel for heating compared to oil, liquefied petroleum gas (LPG) and electric. Table 2 below shows the percentage of households across Derbyshire not connected to the gas network.

² Fuel Poverty 2012, published June 2014: sub-regional data based on the new definition low income, high cost indicator published by the Department of Energy & Climate Change.

Table 2: Households across Derbyshire not connected to the gas network³.

Local Authority	No. of households not connected to the gas network	Number of households based on 2011 Census	% of households not connected to the gas network
Amber Valley	2,443	52,596	4.64%
Bolsover	1,636	32,801	4.99%
Chesterfield	1,367	46,796	2.92%
Derbyshire Dales	5,804	30,744	18.88%
Erewash	1,073	48,692	2.20%
High Peak	2,158	38,946	5.54%
North-East Derbyshire	2,379	43,070	5.52%
South Derbyshire	4,413	38,992	11.32%
Total for Derbyshire (excluding Derby City)	21,273	332,637	6.40%

4.3 Overall South Derbyshire has the second highest number of households off gas with Derbyshire Dales having the highest. Across South Derbyshire, the rural parishes in the south and north-west of the district have the highest number of properties off the gas network, between 26 – 37%.

4.4 Housing Types

4.4.1 Locally⁴, rates of fuel poverty are above the District average of 11% for households living in pre-1919 (17.7%) and 1919 – 1944 (19.4%) housing. Properties built during this period tend to be of solid wall construction and less energy efficient than today's more modern stock. Solid wall constructed properties are relatively more expensive to heat and it is more difficult to improve their thermal efficiency as opposed to cavity wall properties. In the main the Government's 'Affordable Warmth' programme which has run in various forms over the last 10 years has targeted those on means-tested benefits who would benefit from cavity wall and loft insulation.

4.5 Fuel Poverty Factors

4.5.1 The District 2014 Private Sector Stock Condition Survey suggests that the energy efficiency variation between various property types is quite small. Dwellings across South Derbyshire occupied by households in fuel poverty have an average SAP Rating of 60 compared to 61 for households not in fuel poverty. The main principal drivers of fuel poverty in South Derbyshire are household income and energy prices. Furthermore the average annual fuel cost for households in fuel poverty is £180 less than for those not in fuel poverty in South Derbyshire. Significantly, the average household income after fuel costs for those in fuel poverty is on average £8,400 in South Derbyshire. It is likely that the majority of these households are in receipt of some form of welfare benefit.

³LSOA Estimates of Households not Connected to the Gas Network, updated March 2014 published by the Department of Energy & Climate Change

⁴ 2014 South Derbyshire Private Sector Stock Condition prepare by David Adamsons & Partners Limited.

4.6 Deprivation across South Derbyshire

- 4.6.1 The English Indices of Deprivation 2010⁵ (IMD 2010) are the Government's official measure of multiple deprivation at small area level and provide a consistent measure of deprivation across England. The overall measure of IMD is constructed by combining data from seven domains, each of which measures a different aspect of deprivation including income, health and employment. In South Derbyshire only one ward, Newhall and Stanton features in the top 30% of most deprived areas in England.
- 4.6.2 However, the most significant of the seven domains measured which impact on fuel poverty is income. For South Derbyshire, this domain indicates that Hartshorne area as well as Newhall and Stanton are in the top 30% of most income deprived areas in England.

5. Past Achievements

- 5.1 During the last 5 years the Council has successfully completed several initiatives to improve the energy efficiency of homes across the district. This includes:-
- 2010 Low Carbon Village Project which targeted the rural parishes of Melbourne, Church Broughton, Barrow on Trent, Newton Solney and Overseal. This project was aimed at reducing the carbon footprint of villages and lowering residents' energy bills. Over 200 free energy measures were installed including full/top-up loft insulation and cavity wall insulation.
 - 2008 – 2012, using CERT (Carbon Emissions Reduction target) 4,140 lofts were insulated and 2,685 cavity walls filled primarily in the Swadlincote urban area. This is around 15% of the homes across the District equating to a carbon saving of 334 tonnes.
 - 2013/14 funding secured from the Department of Energy and Climate Change (DECC) was used to deliver a heating replacement programme. 46 inefficient boilers were replaced with A-rated energy efficient boilers to households across the District, resulting in approximately £16,000 of fuel savings per year for those households in or at risk of fuel poverty.
 - 2008 – 2010, delivered an external wall installation scheme in conjunction with the National Energy Agency to improve the thermal efficiency of 10 park homes.
- 5.2 According to the Department of Energy and Climate Change latest fuel poverty statistics published June 2014, 11% of the population South Derbyshire compared to 15.5% in 2010 are now in fuel poverty. This is a reduction of 4.5% (1,474 households).

⁵ English Indices of Deprivation published by DCLG: available at: <https://www.gov.uk/government/publications/english-indices-of-deprivation-2010>

6. Strategic Priorities for 2014 - 2019

6.1 Looking ahead to the period 2014 -2019 a key challenge for the Council will be to reduce fuel poverty at a time when there is significant economic difficulty, cuts to public funds and changes to welfare benefits. Given the national and local context and the work previously undertaken to reduce fuel poverty, for this strategy the intention is to focus on a small number of areas where a significant change can be achieved and measured. Therefore, the priority areas for action are proposed as follows:-

- Priority 1: To reduce energy bills to those households in fuel poverty.
- Priority 2: To encourage homeowners to undertake energy efficiency measures.

7. Action Plan 2014 - 2019

7.1 The Action Plan 2014 -2019 is at Appendix One and aims to address the issues which contribute to fuel poverty in relation to the priority areas identified above.

Affordable Warmth Action Plan 2014 - 2019

Key Action		Outcome	By When	Resources	Lead Officer
Priority One: To reduce energy bills for those households in fuel poverty					
1.1	To identify vulnerable households at risk from fuel poverty through desktop analysis.	A detailed desktop geographical breakdown will be developed to identify broad areas of high fuel poverty and fuel usage South Derbyshire to enable initiatives to be targeted.	Sept 2015	Within existing resources	Strategic Housing Projects Officer in liaison with Energy and Housing Standards Assistant
1.2	To inform households identified in 1.1 of the methods available to switch energy provider/tariffs	To pilot a project household fuel bills to determine the best method to encourage households to switch provider/tariffs.	Commence from Sept 2015	Within existing resources	Energy and Housing Standards Assistant
1.3	To explore community interest in a "collective community Oil/LPG scheme"	To provide households not connected to the gas network with a competitive option for purchasing fuel.	2015/17	Within existing resources	Senior Environmental Officer (Housing Standards)
1.4	Explore funding opportunities to delivery projects to reduce fuel poverty in the most deprived areas across the district.	To reduce household fuel bills in the Hartshorne, Newhall & Stanton area	On-going	Subject to external funding	Energy and Housing Standards Assistant
Key Action		Outcome	By When	Resources	Lead Officer
Priority Two: To encourage homeowners to undertake energy efficiency measures					
2.1	To promote energy efficiency improvements to homes through Green Deal and Energy Obligation Scheme (ECO).	To link with wider events and publications, e.g. Liberation Day, play schemes to raise awareness of initiatives.	September 2015	Within existing resources	Energy and Housing Standards Assistant
2.2	To continue to work with the Local Authority Energy Partnership (LAEP).	To develop in partnership with other Local Authorities a range of models/funding streams to support energy efficiency improvements.	2014 – 2019	£3,000 LEAP partnership contribution	Energy and Housing Standards Assistant
2.3	To remind private landlords that from 2018 properties must have an energy rating of at least 'E' and the consequences of not improving thermally efficiency properties.	To produce a leaflet and distribute to known landlords; promote awareness through local press and other forms of media e.g. website.	2015 - 2018	Within existing resources	Energy and Housing Standards Assistant

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