

# **Report of the Strategic Director of Regeneration to the meeting of Environment and Waste Management Overview & Scrutiny Committee to be held on 25 October 2016**

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## **Subject:**

**Update on the Fuel Poverty Framework for Action for the Bradford District and the Better Homes Yorkshire Programme**

## **Summary statement:**

**This report provides an update on the progress of the programme of Work for the Fuel Poverty Framework for Action for the Bradford District and an update on the Better Homes Yorkshire Programme**

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**Overview & Scrutiny Area:**  
**Environment and Waste Management**





## 1. SUMMARY

This report provides an update on the progress on the Fuel Poverty Framework for Action and the related Programme of Work since the document was adopted by the Council in September 2015. It introduces an updated work programme for the 2016 to 2018 period.

The report also provides an update on progress of the regional Better Homes Yorkshire programme and related issues including the Green Deal Communities schemes, the Central Heating Fund scheme and the project arising from the successful Local Growth Fund bid.

## 2. BACKGROUND

### Fuel Poverty in the Bradford District Statistical Update

Fuel poverty continues to be a significant issue in the Bradford District. The latest figures available from the Department of Energy & Climate Change (DECC) show that 26,621 households (13.2%) in the District were considered to be in fuel poverty in 2014 (slightly down from 14.1% in 2013). This is equivalent to the combined total number of households in Central Keighley and the Worth Valley. Fuel poverty in the Bradford District is higher than both the regional and national averages.

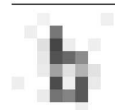
**Table 1: Fuel Poverty in England 2012 to 2014 (DECC 2015)**

	2014	2013	2012
Bradford District	13.2%	14.1%	14.2%
Yorkshire & Humber	11.8%	10.6%	10.8%
England	10.6%	10.4%	10.4%

Bradford has a relatively high level of fuel poverty due to the high level of deprivation in parts of the District, low household incomes and the poor quality of the dwelling stock. The BRE Housing Stock Modelling and Database for the Bradford Metropolitan District (May 2016) showed that:

- the highest concentrations of fuel poverty were found in the inner-city wards of City, Bowling and Barkerend and Bradford Moor
- all fuel poor households in the District came from the bottom four income decile groups
- in 2013, around 40 per cent of each of the bottom two deciles were fuel poor as was 13 per cent of the combined third and fourth deciles
- the depth and likelihood of being fuel poor increases markedly with lower EPC scores
- in 2013, there were 31 per cent of households living in EPC 'G' rated properties in fuel poverty, with an average fuel poverty gap of £1,274
- this is compared to those households living in properties with EPC ratings 'A' to 'C' where just two per cent were fuel poor and there was an average fuel poverty gap of £370

### Fuel Poverty Framework for Action for the Bradford District





The Fuel Poverty Framework for Action for the Bradford District was adopted by the Council's following a meeting of the Executive in September 2015.

The actions contained in the initial programme of work for the Framework of Action have been completed. Appendix 1 gives a progress update for each action. A new programme of work has been developed to take the work on fuel poverty in the District forward. The actions in this document recognise that improving 'hard to treat' properties in relatively deprived areas and addressing fuel poverty in the private rented sector (PRS) are important challenges in the District, whilst also recognising that there are significant difficulties in addressing these issues. Appendix 2 sets out the actions in the new programme of work.

### **Warm Homes Healthy People**

The Bradford Council Environment & Climate Change Unit and Public Health teams work closely with local third sector partners in the Warm Homes Healthy People (WHHP) programme to deliver a 'Keeping Warm' programme, which includes direct support to vulnerable households in relation to affordable warmth & food as well as a range of other practical support needs. There are a number of small scale initiatives across the District providing energy debt advice as well as home visits to give individual's home energy advice. In addition WHHP partners are helping to raise awareness of fuel poverty issues by rolling out the Fuel Poverty and Debt e-learning package across key teams including community nursing, health visiting, neighbourhood services, wardens and other frontline services.

The WHHP employs a Warm Homes Officer, based within BEAT (Bradford Environmental Action Trust). This post focuses on undertaking Home Energy Checks, supporting clients to access the Warm Home Discount schemes and coordinating community based fuel poverty projects. Work has begun on preparing material to be used in capacity building community based support e.g. developing training packages to support up-skilling stakeholders and other appropriate agencies on Fuel Poverty issues.

### **Better Homes Yorkshire**

Bradford Council is part of a partnership of Leeds City Region local authorities that have entered into an exclusive contract with Better Homes Yorkshire (a consortium of Keepmoat and Willmott Dixon) for the period of 2015 to 2018 with an option to extend for a further 5 years.

The Better Homes Yorkshire programme offers advice, home surveys and a range of energy efficiency, heating and renewable energy measures to all owner occupier and privately rented homes across the participating Local Authority areas. It also offers householders' access to funding (where eligible) through the Energy Company Obligation (ECO) scheme and other sources, such as central government funding (Green Deal Communities Fund, Central Heating Fund, etc) and the recent successful bid to the Local Growth Fund.





### **3. OTHER CONSIDERATIONS**

#### **Bradford Poverty Scrutiny Review**

A draft report on the findings of the Bradford Poverty Scrutiny Review was presented to the meeting of the Corporate Overview and Scrutiny Committee on 29 June 2016. The report noted that “Bradford has higher than average levels of fuel poverty” but made no specific recommendation on fuel poverty, the committee accepting that the Environment and Waste Management Overview & Scrutiny Committee had an overview of the fuel poverty work programme and would receive annual reports on the progress of the annual action plan.

#### **Changes in Government Policy and Funding schemes since December 2013**

- In the Autumn Statement of December 2013, the Coalition Government announced that it would extend the time scale for the ECO by two years to March 2017 and reduce the annual costs in consumer energy bills, estimated to be £50 (including the cost of other measures) – the implementing legislation came into force on 4 December 2014
- Following the 2015 General Election, the Government announced in the Spending Review and Autumn Statement 2015 that it would bring forward proposals aimed at reducing the projected cost of green policies on the average annual household energy bill by a further £30 from 2017 with the bulk of these savings to come from reforms to the Energy Company Obligation (ECO) scheme
- A revised ECO scheme is due to commence in April 2018, with an interim scheme to operate from April 2017 to March 2018

#### **Interim ECO Consultation for 2017/18 and the prospects for the future of the market for funding retrofit domestic energy efficiency measures**

A consultation on the Interim ECO scheme released by Department for Business, Energy and Industrial Strategy (DBEIS) finished in mid August. This consultation was intended to help shape the interim obligation to be placed on registered providers from April 2017 to March 2018 and to inform thinking for the successor to the ECO scheme, which is intended to operate from 2018 to 2022. It is intended that the interim obligation scheme will focus on providing more assistance to fuel poor households whilst reducing the obligation on registered providers by 22%. Bradford Council consulted with partners before responding to the consultation to ensure that key issues for the District would be considered in the new scheme.

The recent current consultation for the Interim ECO scheme also covered how a future obligation post 2018 would operate. It is clear that the Government does not intend to increase the obligation on providers and wishes to target all available resources on households in fuel poverty, but it is less clear how it intends to do so while supporting the energy efficiency supply chain and improving ‘hard to treat’ properties where most fuel poverty is concentrated. The evidence from the current consultation and its findings should be presented in the autumn of 2016, which will hopefully allow some ECO funding to be released and give an indication to what future policy may look like.





Bradford Council has been keen to use the consultation process to promote tackling fuel poverty in the private rented sector and to establish regional targets for solid wall insulation in fuel poor areas.

### Progress of the Better Homes Yorkshire programme

The ability for schemes like Better Homes Yorkshire to deliver outputs has relied heavily on Government energy efficiency financial support regimes largely delivered by obligations imposed on the 'Big 6' energy companies but also with ad hoc Government led grant programmes. Following the changes in national policy there has been a significantly lower level of funding from the ECO scheme, which together with the closure of the Green Deal and Green Deal Home Improvement Fund schemes has had a considerable impact on the delivery of the Better Homes Yorkshire programme.

The KPIs for the Better Homes Yorkshire scheme were agreed for partner authority level and initially included targets of improving 229 homes in the Bradford District in year one, 601 in year two & 1,115 in year three. However, in light of the changes in policy and financial support the target in year two has now been revised downwards to just 815 homes **across the whole** of the Leeds City Region (188 measures in the Bradford District). This reflects the significant downturn in the availability of national ECO funding.

**Table 2: Better Homes Yorkshire original KPIs**

	Year 1	Year 2	Year 3
No of homes improved in Bradford District	229	601	1,115
Actual outputs	55	-	-

**Table 3: Better Homes Yorkshire revised KPI for Year 2**

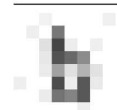
	Year 2
No of measures delivered in Bradford District	188

Securing additional project funding apart from that from the Energy Company Obligation has been challenging, but Bradford Council has a successful track record of attracting funds within the Better Homes Yorkshire partnership. There are still considerable advantages to having the programme in place as a structure for alternative funding bids where capacity for scale of delivery can make a significant difference.

### Green Deal Communities Fund

The partnership of local authorities working with the WYCA Better Homes Yorkshire programme manager put in a successful joint bid to the Green Deal Communities (GDC) Fund in December 2013. This led to the delivery of two very successful projects in relatively deprived areas within the Bradford District, using funding from this fund along with some finance from the Energy Companies Obligation and a modest customer contribution towards the cost of the work. This delivered 197 External Wall Insulation measures to 'Right To Buy' private sector homes on peripheral estates, with 101 homes benefitting in Holme Wood, and a further 91 homes in Thorpe Edge benefitting from this measure. There was also a smaller scale scheme in Wyke that delivered 5 measures.

Please see Appendix 3 for 'before and after' photographs that show the improvement in





properties that have received External Wall Insulation measures as part of the Green Deal Communities scheme in Holme Wood.

Bradford was also in a position to take advantage of underspend from other Green Deal Communities schemes throughout the country. This allowed an additional 31 inner-city households in fuel poverty to benefit from energy efficiency measures (mainly 'room in the roof' insulation) as well as to ensure the smooth delivery of the earlier Green Deal Communities schemes. Please Table 4 below for a summary of the outputs from these and other schemes.

As part of the Green Deal Communities scheme, it was agreed to that Bradford Council would identify a suitable property for a Showhome project to demonstrate how a hard to treat building can benefit from a 'whole house' approach to improve its energy efficiency, thereby significantly reduce the resident's heating costs. A three bedroom stone built end terrace house in central Keighley was chosen for this project as it is similar to thousands of homes across the district. The home was previously expensive to heat and had a low energy rating (EPC) of "G" but when several energy efficiency measures were installed, the energy rating of the property was increased to a rating of "C". Before the work was carried out, it is estimated that the annual cost for the energy bills would have been £3,033 for lighting, an adequate level of heating and hot water each year. This figure was reduced to an estimated £484 as a result of the new energy efficiency works, a saving for the resident of £2,549 per year. Appendix 3 shows photographs of the measures installed in the Showhome in Keighley.

### **Central Heating Fund**

There was also a successful joint bid to the national Central Heating Fund, which has provided gas central heating systems for 46 households in fuel poverty in Bradford that previously did not have a gas central heating system as their primary heating method.

### **Local Growth Fund Bid**

The Better Homes Yorkshire Partnership has successfully bid for £5M from the Local Growth Fund (LGF) from the LEP. This will support further schemes to deliver 'hard to treat' external wall insulation schemes in deprived areas within the Bradford District with a target of improving more than 120 homes. This initial scheme in Bradford will bring in funding of nearly £1.2M with a potential option of including an additional Bradford initiative later on in the programme. The initial Bradford scheme will deliver 60 EWI measures to 'able to pay' households on the Thorpe Edge estate who are on a waiting list following the previous GDC scheme (who will pay a customer contribution of £1,500) and a further 60 EWI measures to households who meet a 'Low Income high Cost' criteria and live in other relatively deprived parts of the District (Bierley, Guardhouse & Lower Grange).

**Table 4: Breakdown of outputs in the Bradford District from additional project**





## **funding 2014/17**

<b>Scheme</b>	<b>Works</b>	<b>No of measures</b>	<b>Value of funding</b>	<b>Value of total scheme</b>
Green Deal Communities Phase 1	External Wall Insulation (Holme Wood / Thorpe Edge)	171	£1,024,373	£1,423,892
Green Deal Communities Phase 2	External Wall Insulation (Thorpe Edge)	26	£142,928	£208,000
Green Deal Communities Phase 3	Mainly Room-In-The-Roof insulation	31	£80,932	£80,932
Central Heating Fund	Gas Central Heating Systems	46	£210,450	£210,450
Local Growth Fund Project (projected)	External Wall Insulation (Thorpe Edge / Bierley)	120	£1,192,628	£1,192,628
<b>TOTALS</b>		<b>394</b>	<b>£2,623,861</b>	<b>£3,088,452</b>

### **Potential for a Local Energy Services Company and a Community Energy Tariff**

Leeds City Council has recently entered into a partnership with Robin Hood Energy (a licensed energy company and a wholly owned not-for-profit subsidiary of Nottingham City Council) to create an Energy Supply Company (ESCo) that will seek to redress balance in the energy supply market by being geared towards providing residents with stable prices at the lower end of the price spectrum. Furthermore, the scheme has been designed to prioritise the creation of a fairer deal for pre-payment and low energy usage customers with an emphasis on alleviating fuel poverty and giving all residents in the locality access to fair, competitive energy prices.

It is intended that this ESCo will be branded as White Rose Energy and will be launched in Autumn 2016, with the potential to expand its scope to cover the entire Leeds City Region. Officers will bring forward proposals for Bradford's participation in the partnership to extend its benefits to include the Bradford District.

The Yorkshire Purchasing Organisation (YPO) is currently developing ESCo proposals that will offer 'own brand' energy tariffs to the domestic market as well as wider energy services to support local authority project development.

## **4. FINANCIAL & RESOURCE APPRAISAL**





None

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

None

## **6. LEGAL APPRAISAL**

None

## **7. OTHER IMPLICATIONS**

### **7.1 EQUALITY & DIVERSITY**

None

### **7.2 SUSTAINABILITY IMPLICATIONS**

None

### **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

Domestic energy improvements carried out by Better Homes Yorkshire will help to reduce the District's carbon footprint and greenhouse gas emissions. Work in the first year of the programme saved a total of 2,876 tonnes of carbon.

### **7.4 COMMUNITY SAFETY IMPLICATIONS**

None

### **7.5 HUMAN RIGHTS ACT**

Not applicable

### **7.6 TRADE UNION**

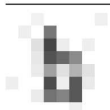
Not applicable

### **7.7 WARD IMPLICATIONS**

The Better Homes Yorkshire programme operates across the whole of the Bradford District but individual component schemes may be targeted at smaller areas.

### **7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)**

Not applicable





## **8. NOT FOR PUBLICATION DOCUMENTS**

None

## **9. OPTIONS**

None

## **10. RECOMMENDATIONS**

That the Committee comment on this report and that the new Programme of Work for the Fuel Poverty Framework for Action is endorsed.

## **11. APPENDICES**

Appendix 1: Fuel Poverty Programme of Work 201516

Appendix 2: Fuel Poverty Programme of Work 201618

Appendix 3: Green Deal Communities funded projects (photographs of measures)

## **12. BACKGROUND DOCUMENTS**

Fuel Poverty: A Framework For Action For The Bradford District (September 2015)

(link: <https://www.bradford.gov.uk/media/3182/fuel-poverty-framework-for-action-2015.pdf>)

