

## **Community Scrutiny Committee**

### **Fuel Poverty Task and Finish Group**

#### **Final Report**

#### **1. Background**

- 1.1 At its meeting on 29<sup>th</sup> June 2022, the Community Scrutiny Committee recommended that a task and finish group be established to review the work that the Council is doing to minimise fuel poverty in North West Leicestershire.
- 1.2 The Fuel Poverty Task and Finish Group met for the first time on 15<sup>th</sup> September to appoint its chair, to consider and agree its terms of reference, and the principal areas for review. The agreed terms of reference are attached as Appendix 1.
- 1.3 The Task and Finish Group held 3 formal meetings on 25<sup>th</sup>, 27<sup>th</sup> October, and 3<sup>rd</sup> November 2022, and were supported in the consideration of matters through the attendance of Council partners, and its own officers, to give evidence. Individual briefing notes were also provided by officers against each area of review.
- 1.4 The following report includes those issues as highlighted by the Fuel Poverty Task and Finish Group that are most relevant to the agreed terms of reference and are within the influence of the Council either through its own activity, or which it is able to shape through its work with partners. To inform this work, a number of recommendations are made to the Communities Scrutiny Committee, for subsequent consideration and decision by Cabinet on how and what to implement. While acknowledging these governance processes, for ease, this report will refer to recommendations to Council.
- 1.5 Members commend the commitment and professionalism of NWLDC officers in meeting the Council's responsibilities for supporting local communities in addressing cost of living concerns, of which the rising fuel costs and subsequent fuel poverty are significant elements. In addition, Members are grateful to officers for their helpful advice and support to the Task and Finish Group throughout its review.

#### **2. What is meant by Fuel Poverty?**

- 2.1 Fuel poverty is an accumulation of low incomes, energy inefficient and poor quality housing, and rising energy costs. It is worth noting that fuel poverty in England is measured using the Low Income Low Energy Efficiency (LILEE) indicator. Under this indicator, a household is considered to be fuel poor if:
  - They are living in a property with a fuel poverty energy efficiency rating of band D or below, *and*
  - When they spend the required amount to heat their home, they are left with a residual income below the official poverty line.

- 2.2 There are 3 important elements in determining whether a household is fuel poor:
- Household income
  - Household energy requirements
  - Fuel prices
- 2.3 These 5 determinants are worthy of consideration when considering the efficacy of the Council's approach.
- 2.4 The Government publishes an Annual Fuel Poverty Statistics Report, available [here](#). Partial regional and local analysis is available [here](#). However, the local analysis lacks any real depth, and the most recent report is based on 2020 data – and this lag, not least in its failure to reflect events of the past 12 months, means the report offers little contribution to the consideration of this issue. Perhaps a more useful reference document is the House of Commons Library publication 'Fuel Poverty in the UK', dated 9<sup>th</sup> May 2022, available [here](#).
- 2.5 Of course, the wider national and international dimension to the current cost of living crisis, and its resulting fuel poverty, is outside the influence of North West Leicestershire District Council. Nevertheless, there remain a number of areas within the influence of the Council where further action may go some way to easing the pressure on local communities, and so this constructive challenge and review of these actions, and ambition, is worthwhile.
- 2.6 Notwithstanding this, Members expressed dissatisfaction with the national definition of fuel poverty, as measured using the Low Income Low Energy Efficiency (LILEE) indicator. While there was agreement as to the 3 important elements in determining whether a household is fuel poor; i.e., household income, household energy requirements and fuel prices – the qualifying criteria of households needing to be *both* 'living in a property with an EPC of band D or below', *and* 'when they spend the required amount to heat their home, they are left with a residual income below the official poverty line', was deemed to be too limiting and so risks significantly underestimating the true incidence of fuel poverty in the local area, and thereby limiting support to those in most need.
- 2.7 Accordingly, Members recommend that the Council should adopt a locally agreed measure and consider individuals or households to be in fuel poverty as solely defined by the 2<sup>nd</sup> criterion, i.e., when they spend the required amount to heat their home, they are left with a residual income below the official poverty line. A subset of this measure, those in greatest need, would include those households that reside in a property with an EPC rating of 'D' or below. The locally agreed measure would provide both a better baseline of the incidence of local fuel poverty and inform the better targeting of support services.
- 2.8 This is reliant upon the Council being able to access reliable and consistent data on income and household energy expenditure. Whether this data is easily accessible or is only available through bespoke arrangements and at additional cost will need to be considered.

### **Recommendation 1**

**The Council should adopt a locally agreed measure and consider individuals or households to be in fuel poverty when after they spend the required amount to heat their home, households are left with a residual income below the official poverty line. A subset of this measure would include those households that reside in a property with an EPC rating of 'D' or below.**

### **3. Demonstrating Ambition and Delivery**

- 3.1 The cost of living crisis and resulting fuel poverty is a clear concern for communities, particularly those already facing levels of socio-economic disadvantage. Local authorities of course recognise this and are able to offer support, but their ability to influence significant change may be limited and is subject to local resource priorities and decision making.
- 3.2 While this review of the Fuel Poverty Task and Finish Group is an important step towards addressing the challenges of fuel poverty, the potential to inform change is dependent upon the ambition and commitment of the Council. A first principal question for the Council is, therefore, to consider the extent to which reducing fuel poverty is an organisational priority, especially when set against the competing demands that the Council also has to balance.
- 3.3 The Decent Homes Standard is an important driver of the Council's investment programme, not necessarily warm homes and fuel efficiency. It is noted that the Council has been awarded LAD1B funding to improve 30 social housing properties to PAS2-35 (energy efficiency) compliance but a more specific focus on fuel poverty/efficiency may drive the wider housing investment programme in a different direction. This will be for a political decision and given the primacy of the existing Decent Homes Standard, may be a decision associated with organisational and political risk.
- 3.4 If demonstrating its commitment to addressing fuel poverty, the Council may be invited to develop a strategy and associated delivery plan that includes confirming its approach to housing capital expenditure, repairs and maintenance. A cross-cutting operational team should lead the strategy and delivery plan, with senior officer and oversight.
- 3.5 An effective strategy should be data led and so the development of an appropriate baseline is key – from which subsequent progress will need to be measured and against which the Council should ensure appropriate resources are in place for delivery. This links to a subsequent recommendation for ensuring a robust evidence base.
- 3.6 Alongside this, timely and consistent arrangements should be in place to support a regular reporting cycle, potentially on a bi-annual basis. The Group suggests that monitoring and political engagement may be undertaken through a Member-led group, potentially the existing Fuel Poverty Task and Finish Group.
- 3.7 Realistic expectations remain important. The Council and partners should acknowledge that the data, and so the measure of progress, may not move that quickly, and while delivery will

range in scope from the short, medium to long-term – the impact of this is likely to be more medium to long term.

### **Recommendation 2**

**The Council is invited to develop and deliver a fuel poverty reduction strategy and associated delivery plan, alongside effective performance management and monitoring arrangements.**

#### **4. A 'Fabric First' Approach**

- 4.1 Members agree that a priority of the Council should be upon improving the quality of its housing stock as a means of achieving greater energy efficiency and so reducing household fuel costs. In effect, this is a 'Fabric First' approach. Improving the 'fabric' of housing is potentially the most effective lever at the Council's disposal in reducing the incidence of fuel poverty, and/or its severity, in its own stock and hence for its tenants. This includes the focus of resources on improving the insulation of housing (e.g., loft and exterior walls) and wider quality of housing stock.
- 4.2 The 'fabric first' approach is relevant to both repair/retrofitting and the active management of the Council's housing stock. In the development of options for managing the stock, Members suggest that the housing team consider options for holding voids until all improvement work is completed. This would ensure housing stock is of an appropriate standard before tenancies commence, limit subsequent disruption to the tenant of any later works and may increase the cost efficiency of the improvement works for that specific property.
- 4.3 While retained council stock is generally accepted as a positive in ensuring those in need are appropriately housed, is it axiomatic that the Council should continue to retain all its existing stock, or should the Council undertake a more active management plan disposing of those properties that are more challenging to bring up to acceptable standards once they become vacant – and investing these funds in new stock acquisition? In effect, this becomes a choice between retain and remediate, or disposal and reinvestment and is one requiring a political decision to be made by the Council.
- 4.4 This 'fabric first' approach is most relevant to properties that have an Energy Performance Certificate (EPC) rating of D or below. This is not solely because EPCs are the accepted measure of the property's energy efficiency. There is also the requirement for all new tenancies started from end-December 2025, a property will need to have a minimum EPC rating of C, and all existing tenancies will require a minimum EPC rating of C from December 2028. After meeting this obligation, the Council should consider other measures to address fuel poverty for households in those properties at EPC rating of C or above.
- 4.5 In recommending this approach to Council, Members acknowledge the constraint on resources and wider implications of this medium to longer term approach. While holding voids pending the completion of improvement works may be the preferred route, the benefits of this approach should be considered against other factors that include the likelihood that it

will increase the wait time for those on the Council's housing list, at a time when housing pressures continue to increase. In addition, the random nature of void presentation will lead to an 'ad hoc' improvement programme (as voids may become the dominant driver) limiting the cost efficiencies that arise from a larger and targeted investment programme, with the resulting higher costs limiting the reach of the Council's overall programme.

- 4.6 There is no right or wrong approach. Merely the implications of the Councils' housing investment programme and approach should be fully considered, and its impact recognised.

### **Recommendation 3**

**The Council is invited to consider its approach to both its housing investment programme and its commitment to addressing fuel poverty, and specifically a 'fabric first' approach to ensure that all properties in the first instance are brought up to an EPC rating of C or above, or disposed of, if this is not practical or cost effective to deliver.**

## **5. The Delivery of an Effective Housing Repair Programme**

- 5.1 EPC 'C' rating is accepted as minimum acceptable standard, with a move towards ensuring all let properties attain this classification. Alongside this requirement, the Council's housing repairs programme is an important factor in ensuring the maintenance of decent housing standards and thereby addressing fuel poverty concerns. However, it has been confirmed that there are instances where people have moved into properties where works are required albeit with assurance that subsequent remedial works will be completed in good time. There is an inherent risk that council action, or indeed inaction, inadvertently pushes tenants into fuel poverty by its failure to repair/maintain its stock. This should be mitigated by an evaluation of the robustness of its housing stock management and investment programme.
- 5.2 An effective housing repair programme does depend upon an effective partnership between the Council and its tenants. This is in part dependent upon good engagement between the Council and its tenants.
- 5.3 In considering the range of options and measures open to the Council in undertaking work to lessen the impact of fuel poverty, Members emphasise that tenants themselves have an important role to play. A significant element of any fuel poverty/energy efficiency measures are behavioural. This can have a near immediate, short-term effect, and includes measures tenants may take as a household, e.g., turning off lights, switching off standby, shorter showers and washing clothes at 30°. Alongside this, it should also be emphasised to tenants that there is a partnership between them and the Council – and while there is an entirely reasonable expectation, for example, that repairs are completed in a timely manner; the Council may similarly expect the support of tenants in agreeing (and keeping to) the schedule and scope of improvement work.

#### **Recommendation 4**

**The Council is invited to evaluate the robustness of its housing stock management, investment and repairs programme and in the delivery of this, consider action to improve its engagement with tenants.**

### **6. The Evidence Base**

- 6.1 The importance of an Energy Performance Certificate was emphasised as a key factor in being able to determine the quality of the housing 'fabric' and the corresponding risk to residents of fuel poverty. However, this is just one indicator of the risk or incidence of fuel poverty, and the Council is encouraged to develop a robust and consistent data, evidence and intelligence base to inform policy decisions and resource allocation.
- 6.2 Members supported the potential for the EPC data to be cross-referenced with waste collection and council tax data in order to provide the Council with a better understanding of the level of need in local communities, and the resulting challenges and opportunities in addressing this. Members acknowledged that work is being undertaken to better understand the Council's asset base and investment priorities, by property type, area, levels of deprivation and demography but also highlighted the potential for this work to be further expanded upon. In doing so, however, the limitations of GDPR and data protection are acknowledged.

#### **Recommendation 5**

**The Council is invited to develop a more robust data base to:**

- a) Support a more comprehensive understanding of the incidence and drivers of local fuel poverty.**
- b) Improve understanding of the condition of the local housing base of local authority, social and private rented sector housing.**
- c) Inform and support the monitoring of Council interventions and policy decisions.**

### **7. Local Leadership**

- 7.1 The council has both a place shaping and local leadership role. In addition to specific support programmes, the Council could look to enhance its local leadership responsibilities through effective and co-ordinated partnership management, particularly in corralling local partners in the delivery of a limited set of agreed local priorities.
- 7.2 Action to address fuel poverty will comprise action against both the *cause*, e.g., fabric and housing standards, and the *effects*, increased need for food bank support and warm hubs through the colder winter months. In particular, the effectiveness of the latter (community support activity) will be dependent upon local leadership in partnership with the community and voluntary sector, and in turn dependent upon sufficient resources (not solely financial) being in place to enable this work.
- 7.3 As part of its local leadership responsibilities, the Council may consider how it engages with the private rental sector. To limit the consideration of the incidence and effects of fuel

poverty to solely those living in local authority housing would fail to go anywhere near to addressing the challenge. Poor quality housing in the private rental sector remains a significant concern, as is the limit to the Council's ability to drive an improvement in standards.

- 7.4 The lack of a private sector housing team, or indeed an individual officer, reduces the Council's ability to effectively engage with private sector landlords (e.g., active support in improving the quality of private rented stock), monitoring developments and in holding them to account (through, for example, enforcement). It is also a notable gap in the Council's wider approach, that already and very sensibly brings together the work of its own housing officers (assets and policy), climate change programmes, and community services. Enhanced private rental sector capacity would better support this cross-team approach.

### **Recommendation 6**

**In order to better develop capacity to drive the improvement in housing standards and energy efficiency, Members invite the Council to consider the potential to recruit a dedicated private rental sector officer/team. This may be a 'locally owned' resource, or the Council may explore the potential for securing joint arrangements with a neighbouring council(s).**

## **8. The Importance of Communication**

- 8.1 There are a number of important initiatives with associated funding, e.g., LAD, HUG2 and ECO4. It is important that there is awareness of these opportunities, not least in supporting a 'pipeline' of qualifying properties and investment programmes.
- 8.2 Work to improve the fabric of properties will reduce the incidence of fuel poverty. Other Council activity mitigates against the effects of fuel poverty. While it will be important to ensure adequate resources are in place to support local programmes (e.g., household support grants, fuel vouchers and warm hubs), vulnerable residents must both aware of this help and supported to access it.
- 8.3 Making every contact count is key, and council officers have an important role in ensuring the provision of accurate and timely information to residents. As a minimum, the Council may wish to ensure that all frontline officers and customer service contacts have access to up to date information and are able to efficiently signpost residents to additional support, advocacy or referrals.
- 8.4 The local landlords' forum offers route for engaging with private sector landlords and the Council may wish to consider how it may refresh the forum to improve levels of engagement, particularly in relation to those landlords that do not attend, or indeed, may not even be aware of the forum's existence.
- 8.5 The Council may wish to consider how it communicates the benefits of increasing investment to address local fuel poverty. Addressing fuel poverty has an important, if not fundamental, wellbeing consideration. However, alongside this, it is worth emphasising that investment in

measures to alleviate fuel poverty also in turn lessen the pressure on NHS and social care services, children that are warm and better fed will do better at school, healthier people make for better employees – and the Council being at the vanguard of these programmes will place it in an advantageous position in drawing down additional funding and support from Government.

#### **Recommendation 7**

**As part of its work in addressing fuel poverty, the Council is invited to consider the potential for improving its communication on these matters, with communication/engagement seen as a key element of any wider Council led approach. As a minimum, the Council may wish to ensure that all frontline officers and customer service contacts have access to up to date information and are able to efficiently signpost residents to additional support, advocacy or referrals.**

### **9. Summary**

9.1 The Fuel Poverty Task and Finish Group acknowledge the commitment of the Council in addressing these matters and are grateful for the opportunity to lead this review.

9.2 The context is important, and at a time when the local community is facing ever greater cost of living concerns, the pressures on Council resources have perhaps, never been greater. The Council will therefore need to carefully consider its future approach and support, and the Fuel Poverty Task Group trust that their review, with its conclusions and recommendations, is helpful in this regard.

9.3 The proposed recommendations are:

#### **Recommendation 1**

The Council should adopt a locally agreed measure and consider individuals or households to be in fuel poverty when after they spend the required amount to heat their home, households are left with a residual income below the official poverty line. A subset of this measure would include those households that reside in a property with an EPC rating of 'D' or below.

#### **Recommendation 2**

The Council is invited to develop and deliver a fuel poverty reduction strategy and associated delivery plan, alongside effective performance management and monitoring arrangements.

#### **Recommendation 3**

The Council is invited to consider its approach to both its housing investment programme and its commitment to addressing fuel poverty, and specifically a 'fabric first' approach to ensure that all properties in the first instance are brought up to an EPC rating of C or above.

#### **Recommendation 4**

The Council is invited to evaluate the robustness of its housing stock management, investment and repairs programme and in the delivery of this, consider action to improve its engagement with tenants.

#### Recommendation 5

The Council is invited to develop a more robust data base to:

- Support a more comprehensive understanding of the incidence and drivers of local fuel poverty.
- Improve understanding of the condition of the local housing base of local authority, social and private rented sector housing.
- Inform and support the monitoring of Council interventions and policy decisions.

#### Recommendation 6

In order to better develop capacity to drive the improvement in housing standards and energy efficiency, Members invites the Council to consider the potential to recruit a dedicated private rental sector officer/team. This may be a 'locally owned' resource, or the Council may explore the potential for securing joint arrangements with a neighbouring council(s).

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