

**TITLE OF REPORT:** Domestic Energy Management & Fuel Poverty Review  
– Monitoring Report

**REPORT OF:** Paul Dowling, Strategic Director, Communities and  
Environment

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## **SUMMARY**

This monitoring report sets out the progress made against the recommendations agreed by the overview and scrutiny committee following the domestic energy management and fuel poverty review. The review made recommendations to help reduce fuel poverty and improve residents' management of their energy bills.

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## **BACKGROUND**

1. The Council agreed that OSC should carry out a review domestic energy management and fuel poverty during 2014/15. The Council, like Government, recognises the importance of people being able to keep warm in their homes and the need for there to be increased fairness in the energy markets and therefore household electricity and gas bills. The review included four evidence gathering sessions between September 2014 and January 2015 and included a client case study and site visit to Chopwell.
3. Whilst the review was led by Gateshead Council it incorporated input from partner organisations to ensure a holistic approach that fully reflected the service delivery of domestic energy management.
4. During the review the Committee heard evidence from:
  - Officers from Gateshead Council – Energy Services, Public Health, Trading Standards
  - The Gateshead Housing Company – Asset Management and Rent & Income Team
  - Warm Up North
  - Citizen's Advice Bureau
  - National Energy Action
  - Gateshead Private Landlord Association
5. The main issues that emerged from the review were as follows:
  - Fuel Poverty is a complex problem distinct from wider poverty.
  - Households in fuel poverty are not evenly distributed across the borough in terms of geography or housing tenure.
  - Fuel Poverty and poor energy management create Cold Homes and a detrimental impact on health.
  - Consumer protection for residents undertaking energy efficiency improvements to their home is paramount.

- The energy efficiency of housing stock in the borough is vastly different, but significantly improved in the past decade.
  - Many households require support to manage their energy use, bills and payments and front line staff require training on how to respond.
  - Energy Company Obligation (ECO) Funding and the Green Deal present both opportunities but challenges to improve the energy efficiency of the housing stock.
  - Existing and forthcoming Government Policy provide mechanisms to simplify energy tariffs and improve energy efficiency.
6. OSC agreed the following recommendations and asked the Council and its partners to take forward the following actions over the forthcoming year.
- (i) Incorporate additional performance information relating to fuel poverty domestic energy efficiency into the Council's Plan – Year End Assessment of Delivery and Performance Report
  - (ii) Continue to promote and increase awareness of the Warm Up North partnership to increase the delivery of energy efficiency measures to tackle fuel poverty.
  - (iii) That the work undertaken to protect consumers is publicised to highlight enforcement action taken against "rogue traders".
  - (iv) That the Council give due consideration of the benefits arising from external solid wall insulation when considering planning applications, to the health and comfort improvement to residents, which in certain circumstances may outweigh the visual impact.
  - (v) As the Council becomes an energy supplier, through the district energy scheme, fair pricing, and fair use of prepayment metering should be explored, as should other opportunities to supply energy, either directly or indirectly, at fairer prices than on the market.
  - (vi) Explore the feasibility of offering training and awareness courses to elected members on energy efficiency, energy tariffs and fuel debt, to help them signpost residents into referral routes of the Council and its partners.
  - (vii) That the Council promotes the Warm Homes Discount Scheme when in re-opens in Summer 2015 to increase the rebates on the electricity bills of the most vulnerable households in Gateshead.
7. The Final Report was shared with the committee on 30 March 2015 and the Committee Chair presented the report to cabinet on 23 June 2015 as representing the Committee's findings and recommendations of the review.
8. The Interim Monitoring Report was shared with the committee on 14 September 2015. This included an update on the recommendations from the committee and what we aimed to do next, as follows.
- Recommendation (i). The OSC annual progress report on Carbon emissions is to be updated to include additional performance with regard to fuel poverty

- Recommendation (ii). Good progress reported on delivery of energy efficiency measures through Warm Up North
- Recommendation (iii). Evidence presented that Trading Standards Officers were pursuing prosecutions against Company Directors of a “Rogue Trader” that mis-sold energy efficiency measures to 2000 households. Court proceedings are due later in 2016.
- Recommendation (v). Update on plans for the District Energy Scheme to be registered to the Heat Trust fair heat pricing scheme
- Recommendation (vi). The Council delivered member training, in partnership with the Citizens Advice Bureau and National Energy Action in June 2015.

## **PROGRESS SINCE PREVIOUS UPDATE**

9. The following key achievements have been noted since the last update report.
10. Recommendation (ii). To increase delivery of energy efficiency measures through Warm Up North the Council in partnership with the Gateshead Housing Company has:
  - 149 Gateshead Council properties located in Leam Lane are to benefit from External Wall Insulation, delivered via Warm Up North. This will be completed April 2016.
  - 61 Gateshead Council properties located in Heworth Grange are to benefit from External Wall Insulation, delivered via Warm Up North. This will be completed May 2016.
  - Gateshead Council - Tower Blocks, Beacon, Lough and Fell Court are to benefit from, new windows, External Wall Insulation and new roof covering, delivered via Warm Up North. This scheme will provide benefits for 144 flats, with the scheme to commence May 2016 and be complete November 2016.
  - Gateshead Council - Trial scheme via Warm Up North to install Cavity Wall and Loft Insulation to 120 Council homes across Gateshead, which missed previous schemes. Surveys to take place from March 2016 onwards.
  - The Council have written to 600 Private Sector Landlords to promote via Warm Up North, the Central Heating Fund (which uses DECC funding) aimed at properties that are currently off the gas network, to install a gas supply.
  - The Council has promoted a new Free Gas Boiler scheme for qualifying households via Warm Up North, with articles in the Council News, leaflet distribution for promotion – located within Council premises, email distribution to Private Sector Landlords.

11. The Council had approved significant capital budgets, to install solar PV scheme on Council homes, to further reduce fuel poverty. However, in September 2015, the government announced plans to reduce the Feed in Tariff which supports solar PV installations, which came into force from January 2016. This made the business case for solar PV on social housing unviable, and unfortunately the scheme had to be aborted.
12. Recommendation (iv). The Council has approved solid wall insulation planning applications for Council Housing, where visual issues were of minimal concern. However, given the closure of grant schemes for solid wall insulation for private households mid 2015, there has not been the opportunity to test the planning process for solid wall insulation on other types of homes.
13. Recommendation (v). The Council has appointed Gateshead Energy Company to manage and operate the district energy scheme, which should be operational from Autumn 2016. The Council will seek to ensure GEC meet the standards required by the Heat Trust.
14. Recommendation (vii). It has been confirmed that all eligible households (those where a householder receives the Guarantee Credit element of Pension Credit) are contacted directly by their Energy Supplier, to make them aware of Warm Homes Discount Scheme, and the £140 discount is applied automatically.

## **WHAT WILL WE DO NEXT**

15. The Council and partners will continue to progress initiatives that respond to the agreed recommendations and ultimately improve energy in domestic properties and reduce fuel poverty.
16. One example of such an activity is in relation Big Energy Saving Week which took place during 26-30 October 2015 and Fuel Poverty Awareness Day on 26 February 2016. Working with Warm Up North, Citizens Advice Bureau, National Energy Action and The Gateshead Housing Company we again held display stalls in the Civic Centre offering energy saving advice and guidance. This will also continue throughout 2016 on a quarterly basis.
17. The Council will continue to support the launch of Green Doctors within Gateshead. A members briefing has recently been provided detailing the project. The project led by Groundworks North East and funded via a successful bid via British Gas Energy Savings Trust funding, aims to provide advice, install draught proofing and clothing for eligible residents. Working with Groundworks North East we have looked to enhance this project further by having a direct referral route into Warm Up North for Energy Efficiency measures, including, Cavity Wall and Loft Insulation, Gas Boiler and Central Heating Fund. We have also planned additional support for residents who are not eligible for measures via Warm Up North to be referred to Warmzone. This project is also supported financially by Public Health and the Clinical Commissioning Group.
18. The Council also awaits details of proposed changes to Energy Company Obligation grant funding, which the government has indicated will be reviewed. The challenge remains that grant funding for energy efficiency continues to be limited, and is expected to reduce further in future.

19. The Council continues to review alternative models for providing energy efficiency and renewable energy to homes, and should any prove financially viable, will bring these forward for consideration.

## **RECOMMENDATION**

20. The views of the OSC are sought on:-
- Whether the OSC is satisfied with progress against actions to date
  - Whether the OSC is satisfied for future update reports to be included within annual reports for Carbon Emissions monitoring

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