



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.

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

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
Department of Energy and Climate Change
Area 2E
3 Whitehall Place
London
SW1A 2AW

Section 2: Setting a meaningful fuel poverty target

Target	
Q1	What are your views on the interim milestones we propose to include in the fuel poverty strategy?
<p>Comments and Evidence:</p> <ul style="list-style-type: none">• London is estimated to have over 12% of England's fuel poor.¹ London's existing buildings are responsible for nearly 80 per cent of London's CO₂ emissions, and with 80 per cent of them likely to still be standing in 2050, retrofitting is a key priority for London, in order to tackle fuel poverty.• The Mayor therefore welcomes the introduction of interim milestones for fuel poverty, and believes they will provide the best balance between predictability and flexibility, in ensuring that the energy performance of fuel poor homes is increased, as we make progress towards complete decarbonisation of buildings by 2050. Interim targets will also help the medium term transition out to 2030, when harder-to-treat measures and solid wall insulation will need to be completed – a particular challenge for London, where half of the homes in the capital (some 1.8 million) are solid wall and therefore require deeper retrofit measures to successfully reduce carbon emissions, consumers energy costs and bring people out of fuel poverty.• However, the Mayor recommends that the ambition be increased to ensure that all fuel poor homes achieve an EPC 'C' by 2025 and an EPC 'B' by 2030. The Mayor believes that the proposed target (EPC 'C' by 2030), will leave many vulnerable households waiting far too long for the help they need to bring their fuel bills down. The Mayor is also concerned that having an interim target of an EPC 'E' by 2020, means that action to retrofit homes to a higher level of energy efficiency will not happen until well into the 2020s. A higher ambition would also better align with DECC's wider objectives (and trajectory) for decarbonising buildings entirely by mid-century (which includes delivering all insulation measures, including significant penetration on solid walls, by 2030).• Moreover, the Government's recent fuel poverty statistics highlighted that fuel poverty levels in England (under the Low Income High Cost definition) are projected to have increased from 2.28 million in 2012, to 2.33 million in 2014. The gap between what these households need to spend (when compared to non-fuel poor households) is also projected to have increased from £1 billion in 2012, to £1.1 billion in 2014; and the average individual gap was projected to increase from £443 in 2012 to £480 in 2014.• However, higher ambition needs to be coupled with increased funding from Government to ensure it is achievable. The Mayor believes that investing in energy efficiency improvements for fuel poor homes now, will inevitably result in greater economy-wide savings in the future across health and social care services – effectively reducing the overall health care bill. However, the Mayor believes that ECO may not be the most appropriate or effective means of delivering energy efficiency measures to fuel poor homes and would encourage Government to investigate alternative funding means, including allocating regional funding sources and financial incentives.• The higher proportion of energy inefficient properties in the Private Rented Sector	

¹ <https://www.gov.uk/government/collections/fuel-poverty-sub-regional-statistics>

contributes significantly to the high level of households in fuel poverty, and in London one in ten privately rented homes has the lowest energy efficient ratings. As the Mayor set out in his response to the Government’s consultation on Private Rented Sector regulations on 2 September,² the proposed five-year exemption would effectively mean landlords could postpone installing energy efficiency measures as late as 2025 before even achieving an ‘E’ EPC rating. This would present an unreasonable amount of time for a vulnerable tenant to continue to live in an inefficient home, potentially keeping them in fuel poverty for the period. **The Mayor therefore believes that the ambition of the interim fuel poverty milestones should be reflected in the proposed PRS regulations.**

- Finally, clarity on the monitoring and reporting arrangements for these milestones/targets would also be welcome.

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?
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Comments and Evidence:

- The Mayor agrees that a number of indicators will be important in helping to understand the factors driving progress towards the target.
- The Mayor would also welcome a **regional indicator** which would track the rate/nature of improvement in energy efficiency in fuel poor households including impacts e.g. excess winter deaths, in relation to geographical regions. As stated in the Hills Review, fuel poverty can be a very local problem and therefore the Government policy framework needs to recognise geographical differences to help improved targeting of fuel poverty. This will also help us better understand the area-specific barriers to deployment. However, **a regional indicator also needs to be linked to, and inform the share of, funding which is made available to regions.** London for example, received only six per cent of measures under ECO and previous obligations, despite the capital having 13 per cent of the UK stock, and now recent announced changes to ECO result in the same share.
- Regarding the energy efficiency indicator – the presence of whether there is a thermostat/heating controls, should also be included. (The Government’s heat strategy highlighted that around 10% of UK homes do not have proper heating controls, which can lead to higher energy consumption/bill costs).
- Lastly, District Heating should be included as an indicator in the context of energy supply and renewables. District heating networks operating as part of a decentralised energy system have the potential to supply market competitive low to zero carbon energy in dense urban areas, like London, whilst providing long-term flexibility to accommodate new and emerging heat production technology and energy sources.

Section 3: Developing a Roadmap for 2030

3.1 Warmer Homes

² <https://www.london.gov.uk/priorities/environment/publications/response-to-the-consultation-on-the-private-rented-sector-energy>

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.
No comment	
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.
Comments and Evidence: <ul style="list-style-type: none"> The Government should continue to promote the uptake of renewable heat (such as heat pumps) in support of non-gas fuel poor homes. Investment in energy infrastructure and smart systems/technology (e.g. smart meters) should be targeted to areas identified as having high levels of fuel poverty. And, the Government could use Smart Meter data to better understand how fuel poor households use energy to help develop more targeted policies. 	
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?
Comments and Evidence: <ul style="list-style-type: none"> Improving how we manage our heat use (for example by avoiding heating unoccupied spaces through use of heating controls, or using meters to better understand our use), we can reduce our consumption of energy for heat while bringing down bill costs – without necessarily sacrificing comfort levels. The Mayor therefore agrees that investing in innovation is vital to exploit the potential of emerging technologies (such as advanced heating controls) to reduce energy bills, and welcomes the Technology Strategy Board/Research Councils UK's investment in R+D to help stimulate innovation in energy management for existing buildings. Most heating controls are still inherently complex and advanced controls can be expensive. The Mayor believes that the Government should work closely with industry to help catalyse markets for advanced and intuitive heating controls, while also providing more support to consumers to help overcome behaviour barriers. For example, Local Authorities working as trusted delivery agents helping implement schemes like the '<i>Green Doctor</i>' are proven to be extremely effective – these involve visits to homes to install energy saving measures and offer practical advice on energy saving to reduce peoples energy use and reduce fuel bills. The Mayor recommends that more sophisticated options enabling better room-by-room heating, for example remote sensors (like TRVs or even radiator occupancy sensors) which respond to occupancy, should be rolled out to fuel poor households. In addition, there may also be value in the Government supporting a competition to promote innovation and demonstration of systems that can successfully cut average temperatures without compromising comfort. 	

- Working with Smart Meters, more advanced heating controls may also support behaviour change and highlight opportunities for fuel poor households to use energy more efficiently and prevent waste.
- Lastly, it is important that heating controls are not considered an alternative to energy efficient heating systems but should be installed in addition/alongside them.

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

- The Mayor believes that the health sector/professionals need to work more closely with the fuel poverty agenda, in particular stronger links between Government departments (DECC, DoH, DWP, etc) especially around sharing data, which is crucial for understanding and monitoring the impacts.
- There is a substantial and growing body of evidence that shows a close association linking cold homes, fuel poverty and poor health, including:
 - Health and wellbeing;
 - Cost benefits of preventing hospital admissions;
 - Excess winter deaths;
 - Mental health issues attributable to cold homes;
 - Energy affordability and access;
 - Increased disposable income; and,
 - Increased asset values.
- The 2012 Health and Social Care (H&SC) Act places a duty on Clinical Commissioning Groups and NHS establishments to reduce health inequalities for patients with regards to accessing services and health outcomes by the provision of healthcare. CCGs also have a duty to secure integration in the provision of health services with health-related services or social care where this may reduce inequalities. The 2012 H&SC Act also transferred responsibilities for public health to local authorities where housing and regeneration teams already work. This has created greater opportunity and impetus for public health and housing to collaborate on the issue of fuel poverty at a local government level, using the health benefit of fuel poverty initiatives as a driver. The now established Health and Well-being boards aim to encourage NHS services and local authorities to work in a more integrated manner, including tackling the determinants of health to prevent ill-health and therefore reduce both health and social care costs for their local population.
- Reducing fuel poverty will have a beneficial impact on population groups that also experience poor health outcomes, such as low income households. It therefore seems of benefit for better data collection linking reduction in fuel poverty to better health outcomes that supports commissioning decisions on the integration in the provision of health services with health-related services, for example commissioning of local advice and referral networks through a GP surgery. This supports health organisations meet their duties around health inequalities.

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.
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<p>Comments and Evidence:</p> <ul style="list-style-type: none"> • The Mayor strongly believes that health and fuel poverty action should be better integrated, to ensure multiple objectives are delivered. In many cases, energy efficiency interventions have the potential to save money in the long run across health and social care services. For example, local authorities – through directors of public health, health and wellbeing boards and public health teams – are well placed to lead effective strategic planning. • The Mayor believes that creation of local advice and referral networks/services are an effective means to tackle fuel poverty and health issues. These could be based either on CCGs or, more preferably (given that CCGs mostly see this as a public health issue) within the local authorities themselves given that Public Health budgets now reside with councils. For example, the ‘<i>SHINE</i>’ referral scheme provided by the London Borough of Islington, is an exemplary one-stop referral system for affordable warmth and seasonal health interventions • The Mayor recommends that Government make funding available for the establishment of referral networks/services, which are a very effective means through which fuel poor people be given assistance and financial support for carrying out energy efficiency improvements as well as have treatment for health issues. The Mayor believes that investing in referral services to aid fuel poor homes now, will inevitably result in greater economy-wide savings in the future across health and social care services – effectively reducing the overall health care bill. 	
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?
<p>Comments and Evidence:</p> <ul style="list-style-type: none"> • The Mayor believes that the development of a system of “mandated” health referrals (e.g. from GPs, nurses or other frontline health workers) <u>is essential</u> to securing the full involvement from the health sector (and other key stakeholders) and should be introduced as soon as practicable. • The Mayor however believes that such a system would not be possible without sufficient long-term funding from the Government. As set out above, the Mayor believes that investing in referral services to aid fuel poor homes now, will inevitably result in greater economy-wide savings in the future across health and social care services – effectively reducing the overall health care bill. 	

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?
<p>Comments and Evidence:</p> <ul style="list-style-type: none"> • The Mayor welcomes the recognition that direct bill support could be expanded to provide additional relief to households that are heated through non-gas network methods (specifically, in London, electricity – which can be particularly expensive and only exacerbate fuel poverty). • Direct payments and bill support are essential to many vulnerable households but do not address the underlying and fundamental problem of energy inefficient homes. The worst off households should receive additional bill support until effective energy efficiency interventions can be delivered. • It is recommended that Government should consider extending data matching powers taken in the Pensions Act 2008. Sharing this data could reduce delivery costs for all energy consumers and directly benefit those that would be assisted, this could move on existing opposition. • Lastly the Mayor believes that there should be a stronger connection between energy security and the importance of securing affordable, reliable and clean energy for the fuel poor now and for generations to come. Fuel switching, rebates and fairer energy markets go some way in tackling the vulnerability of the fuel poor to rising energy costs but the Government must recognise the volatility of the global energy market and that the fuel poor are most vulnerable to energy price fluctuations. Long term policies to tackle fuel poverty must be based on a gradual shift away from fossil fuel based energy production. 	
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?
<p>Comments and Evidence:</p> <ul style="list-style-type: none"> • GLA research indicates low awareness of take-up of benefits and fuel efficiency measures among pensioners. The Mayor's annual 'Know Your Rights' campaign, carried out in partnership with Age UK London and other voluntary organisations, aims to support pensioners to maximise their income and encourage them to seek help with paying their household/energy bills. • Given the upward trend in energy prices over recent years, it is possible that the number of households in fuel poverty will increase. It is therefore critical that the Government's fuel poverty programmes target support more effectively however, in doing so, the Government needs to ensure that increased targeting does not result in less support for a wider group of vulnerable (not just fuel poor) households. • The Mayor therefore agrees that direct payments and bill support are essential to many vulnerable households, but it must be recognised that it does not directly address the underlying and fundamental problem relating to the fabric of buildings / energy inefficient homes. 	

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?
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Comments and Evidence:

- The Mayor agrees that behaviour change is both important and relevant, but is most effective once physical improvements to poor housing stock have been installed.
- According to research by *uSwitch* in 2013, 7 out of 10 households were forced to go without heat at some point to keep costs down in winter.

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)?
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Comments and Evidence:

- The Mayor supports the principle of a co-ordinated network of energy advice services to deliver an extensive programme of outreach to vulnerable consumers, focussed on helping them reduce their energy costs through assisted action on tariffs, switching and the take up of energy efficiency offers.
- The Mayor would recommend extending and expanding the current Big Energy Saving Network to support the creation of local advice and referral services thereby helping to provide local expertise for community-based energy projects and issues. The Big Energy Saving Network should exist to facilitate better cross working between the various relevant agencies.

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?
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Comments and Evidence:

- The Mayor has a Health Inequalities Strategy for London that sets a direction of travel for London in terms of taking action to reduce health inequalities. The GLA Health Team would therefore be open to discuss resource that can support a project to increase partnership working in London between community groups and other local level actors, with good links to Health and Well-being Boards through its health team and energy efficiency installers. This has the potential to be an effective use of resource in London in order to tackle fuel poverty.

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?
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Comments and Evidence:

- The Mayor is concerned by the gaps in evidence and data in respect of fuel poverty, in particular at a regional and local (e.g. Local Authority) level. The Mayor recommends that the Government focusses more on developing understanding of who are fuel poor and the scope for improved targeting. This can also be informed through maximising learning from delivery and evaluation of the full Government policy package – including Green Deal and the Energy Company Obligation etc.
- A fuel poverty evidence base and statistics set could include the following, at local authority level:
 - Fuel poor households;
 - Fuel poverty gaps;
 - Fuel poor households at each energy efficiency band;
 - Excess winter deaths;
 - Seasonal morbidity due to cold homes; and,
 - Estimated financial burden on NHS due to cold homes.
- Equivalent address-level data for each indicator should also be available, and the Government should find a way to securely share this with local authorities.
- In addition, DECC could look at developing/improving the methods of communication (simplifying and making messages tangible and relevant, and repeatable so the core of the message gets through from multiple sources). Community groups and local level actors are committed to helping improve the situation. A common language tool would help ensure the different groups are able to communicate with each other and the public.
- Lastly, DECC should work with DWP to ensure data sharing of those who claim benefits in relation to fuel poverty, to improve targeting.

For more information:

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