

Warm Justice

Sustainable solutions to fuel poverty



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The roots of fuel poverty

Key factors in fuel poverty include:

- Low household income
- Poor insulation
- Lack of (energy-efficient) central heating
- Low-efficiency appliances
- Living away from the gas network
- Failure to claim full benefit entitlement
- Higher use of prepayment meters

Fuel for thought

John Chesshire sets the scene.

Fuel poverty affects between four and six million people in the UK. Precise definitions vary, but the 'fuel poor' are generally defined as those needing to spend over 10% of their income on fuel to have an acceptable living standard. Households for whom warmth is particularly critical – home to elderly or ill people, or young children – are especially vulnerable. Overall, far too many people in Britain – the world's fourth largest economy – suffer the debilitating consequences of this wasteful and preventable condition.

It's over 20 years since fuel poverty was first identified as a distinctive and pernicious form of poverty. Yet it has only recently come to prominence on the policy agenda.

Only five years ago, indeed, some

“Britain is the world's fourth largest economy, yet nearly one in ten suffer from preventable fuel poverty”

ministers were still questioning the very concept. But there's now a great deal of effort under way to tackle it, involving not just government but NGOs, energy suppliers, and local councils, too. This Special Supplement brings together the views of many of those involved, asks what still needs to be done, and whether the government is taking the right approach.

But first, we need to get to grips with the single biggest scourge of fuel poverty as far as those who suffer it are concerned – its effects on health.



OLIVER FRANKEN/CORBIS

There have to be better ways to keep warm...

Why fuel poor means

Public health physician **Dr Noel Olsen** on fuel poverty's fiercest impact

People do not choose to live in cold, damp housing which they cannot afford to heat sufficiently to protect their health. Yet for millions in the UK, this is the consequence of inadequate building and environmental health standards stretching back over generations. As

a result, a substantial proportion of Britain's housing stock breaches any reasonable requirements for a decent home.

One consequence is that we have an average of nearly 50,000 additional deaths each winter – the equivalent of a major aeroplane crash every day of the season.

This 'excess winter mortality' is far worse than that in much colder countries such as Norway, where decent housing and building standards have long been seen as a duty of government. While the exact proportion attributable to cold houses requires further research, it is clearly a major factor, and apart from influenza



NUO SHOPS/CONRIS

health poor

(largely preventable by immunisation) probably that most open to reduction in the short term. It contributes to a massive burden of preventable illness such as respiratory infections, asthma, strokes and premature heart disease. In the past, other elements such as smoking, diet, inadequate exercise, poverty and poor education have usually been seen as the major causes. But epidemiological studies now show a major impact on long term health from bad housing during childhood, even after allowing for these factors. So poor housing might pose health problems of the same order of magnitude as smoking, and even greater than alcohol.

This translates into massive pressures on the NHS each winter. Waiting lists are aggravated after cold weather, with hospital beds blocked by patients with cold-related illness. Planned operations have to be cancelled – a major source of NHS inefficiency. GPs and nurses struggle with increased surgery and home visits and a higher expenditure on prescriptions. The environmental impact from wasted energy is also significant – and, as a contributor to global warming, that means further health problems across the world. If proper standards were set and enforced, particularly in rented housing (private and social), many of these consequences could be prevented.

Housing improvements require a broad-based approach: lack of insulation, dampness and poor ventilation all require attention. Of these, ventilation and its effects on relative humidity, and consequently on mould and dust mite growth, frequently tend to be forgotten. It is not enough to close off the draughts, put in some cavity and roof insulation and improve the heating system. We need to design decent ventilation into the structure of the home, not address it as an afterthought.

On the plus side, awareness of the problems is slowly growing, particularly within the medical profession. The Chief Medical and Nursing Officers wrote to all doctors and nurses last year about fuel poverty, and the BMA will shortly publish a report pulling together the available evidence on housing and health. The National Heart Forum, in association with the Faculty of Public Health, is producing a toolkit of action NHS professionals can

take to help alleviate fuel poverty. Because of its large membership of medical organisations, this should have a considerable impact in raising professional awareness and catalysing action.

The health service cannot provide decent housing. But it is health professionals who see the effects of bad housing on the health of their patients. They have most contact with vulnerable people, and are often the most trusted confidants and advisers of the isolated and the elderly. Involving the NHS therefore provides an important opportunity to help those most in need, and most likely to benefit from programmes for which they are unlikely to apply on their own.

Unfortunately, collaboration between agencies is often poor, and for many health professionals the duty of confidentiality creates real barriers. For a doctor to refer an elderly and slightly confused patient to a programme that is not widely known at local level raises major ethical issues. The new primary care trusts and directors of

public health have a key role in overcoming these sort of barriers. And environmental health officers need to monitor standards and enforce action where necessary: at present, some landlords provide housing which is so thermally inefficient as to make it impossible for many people on low incomes to achieve the room temperatures demanded by the WHO.

The fact that the government has at last recognised the size of the problem is one of the most important and encouraging pieces of public health policy of recent years. After generations of neglect of housing standards, the new Fuel Poverty Strategy has the potential to alleviate poverty, reduce social isolation and combat inequality. What is now needed is for the government to apply Milner's dictum ('If something is preventable, and it is our duty to prevent it, prevent it we must and damn the consequences') to the primary problem – bad housing. For in public health terms, much of the housing lived in by the most vulnerable people in our society remains a disgrace.

WARM GLOW

Works well in Worksop

Eleanor Williams (85 years old) of Worksop suffered a broken hip in a fall. After a stay in hospital, she recuperated in her daughter's house but soon wanted to return home. As her house was heated by coal fires and had no insulation or draughtproofing, social services put her in touch with NEA's local project office, WARM (Warmth and Regeneration for Mansfield). After inspecting Mrs William's home, NEA met her family, explaining to them the help that was available via Warm Front grants and a utility energy-saving scheme, and providing the necessary application forms.

"The forms were very straightforward. It was then a question of waiting for surveys and approval," said son-in-law Graham Forbes. "We didn't know there were grants available to help people in Eleanor's situation, until we made contact with WARM."

Because Eleanor receives income support, she was eligible for a complete energy efficiency package, including a new central heating system.

"Everything took about three to four months, from the time we applied to the completion of all the work," said Graham. "We were very pleasantly surprised at the standard of the workmanship and the courtesy of the contractors; they took trouble to explain things and were clean, tidy and efficient. To be honest, our expectations weren't very high since this was a grant scheme, but we have had no problems with any of the work."

"My mother-in-law is delighted with the end results. She has instant warmth without the physical challenges of making and clearing coal fires. She can also shower whenever she wants, and there are no draughts in the house."

All the case studies in this supplement come courtesy of National Energy Action (NEA – www.nea.org.uk).

Getting warmer...?

John Chesshire gives an overview of what needs to be done – and how the government is setting about it.

If people can't afford to heat their homes, it goes without saying that fuel prices are key. Over the last decade, real energy prices have fallen, which in itself has lifted around one million people out of fuel poverty. But this isn't a trend which can be relied upon.

Some environmentalists have demanded rises in fuel prices across the board as a way of encouraging reductions in energy use, and so tackling climate change. This is understandable, but it runs the risk of being socially regressive, as poorer families spend a greater proportion of their money on energy than average income ones. Higher welfare payments to offset resulting higher energy prices have been suggested as a solution. But as household energy expenditure varies widely, and under-claiming for eligible welfare benefits is widespread among the most vulnerable, particularly pensioners, this wouldn't in itself tackle the root problem. More imaginative measures than mere income support are needed.

A more promising route out of fuel poverty is capital expenditure – on insulation, on more efficient (and better controlled) heating systems, lighting and

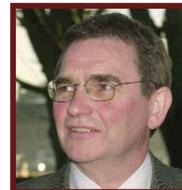
appliances – together with advice on energy efficiency. These are all elements of the government's Fuel Poverty Strategy, launched after much consultation late last year. This aims to end fuel poverty for all by 2015, and for households most at risk by 2010.

In some ways, it would be better to describe the strategy as a goal, since it is largely just bringing under one heading a whole range of parallel initiatives, many of which are already in existence. One new element is the creation of a Fuel Poverty Advisory Group (in England) to monitor performance and suggest new approaches. (Similar bodies have been created by the devolved administrations in Northern Ireland and Scotland.) The government's approach is currently being scrutinised by the Trade and Industry Select Committee, which will report shortly.

The Scottish Executive has also set its own 15-year target, aimed at ensuring that no-one in Scotland lives in fuel poverty by the end of 2016.

Whether the government can effectively join up all these various initiatives will be the strategy's acid test. A major challenge is the fact that the two main current programmes, Warm Front and the Energy Efficiency Commitment, both end in early 2005 – so new initiatives are urgently needed. Another is the way in which existing schemes to tackle fuel poverty are targeted at people in receipt of a range of qualifying benefits – so called 'passport' benefits. That risks ignoring one of the root causes of fuel poverty, which is the poor quality of much of our housing stock (the main reason why, within the EU, fuel poverty is a distinctly UK phenomenon). Many households' circumstances change frequently – people get or lose jobs, get married or divorced, have more children, become pensioners, move home, and so on. As a result, their benefit entitlements vary, and so they drift in and out of qualifying for fuel poverty

assistance schemes. That makes it difficult to plan for systematic remedial work on homes. In an ideal world – where finances were not so constrained – it would be better to shift the focus from deciding



"Early next year we will be reporting on how we are progressing in tackling fuel poverty. A lot is going on, but the task is huge. Far too

many households find themselves in difficulty in winter when it comes to keeping warm. Our Fuel Poverty Strategy may be a national objective, but ultimately its success comes down to local delivery of measures to individual households.

This will require a wide range of people and organisations, including central government and its agencies, local government, the health sector, energy companies, voluntary bodies, and other NGOs, all working together to identify fuel poor households and ensure that they are helped. The active participation of local authorities is crucial – they have the local knowledge and relationships which can give the campaign immediate recognition and credibility: and tackling fuel poverty dovetails neatly with their other objectives such as environmental improvement and regeneration.

The key task now is to ensure that we have effective local delivery mechanisms. We have recently set up a Fuel Poverty Advisory Group, involving organisations from all the sectors I have mentioned, with the task of identifying barriers and improvements to the delivery of our strategy, and I look forward to its first report early next year. We have made a good start; but there is still a long way to go, and we must – all of us – keep up the momentum."

Brian Wilson MP, Minister for Energy

DAVID CHESSHIRE/PA PHOTOS



"As a major energy company, we recognise that our activities touch many aspects of people's lives, and we're committed to carrying

out our business with a sense of responsibility for the environment, our customers and the communities in which we work. That is why we are committed to finding innovative means of addressing fuel poverty, such as our Health Through Warmth scheme. Our approach is to work in partnership with others: by working together, we believe we can eradicate fuel poverty."

Brian Count, chief executive, Innogy,
www.innogy.com

which households qualified for assistance, to which properties did so.

Overall, welcome progress is being made, and the Fuel Poverty Strategy is a real step forward. But evidence from existing programmes shows that there is more to be done to tackle the health dimension, the floating population of the 'nearly fuel poor', hard-to-heat homes, and the specific problems faced in rural areas off the gas network. Resolution of these issues will require novel measures, enhanced funding and – above all – effective partnerships between many organisations, to ensure joined up delivery on the ground, where it matters.

John Chesshire is chairman of the Energy Efficiency Partnership for Homes and the Eaga Partnership Charitable Trust, and deputy chairman of the Fuel Poverty Advisory Group. He writes in a personal capacity.

WARM GLOW

Checking out the benefits

Mr Singh, a lone parent of a five-year old boy, inherited a Victorian, three-storey terraced house that was in a considerable state of disrepair: the front and back door were rotten, all the windows were draughty, and the property was heated by several electric storage heaters more than 20 years old.

Nottingham NEA's Rob Howard first inquired about Mr Singh's eligibility for the New Home Energy Efficiency Scheme (now Warm Front). Although he was working full time, hence not on benefit, Rob urged him to go along for a "benefits check" at a local advice session run by the Nottingham Council for Voluntary Service. It was soon established that Mr Singh was entitled to the Working Families Tax Credit; in turn, this made him eligible for a help with his heating.

Following a detailed energy audit of the property, Mr Singh was able to have central heating, a new front door, loft insulation and draughtproofing installed under two grant programmes.

"Mr Singh is extremely happy with the improvements to his home," said Rob. "Not only is it warmer, but he also reports that his son is catching fewer colds. He has said the improvements have given him the incentive to redecorate the house and install a gas fire in the lounge."



KAREN BEARDS/INACE BANK/GETTYONE

Calculating the cost: high fuel bills are a burden on pensioners – and not everyone claims the benefits they're entitled to



Warm toolkits

These are the principal government programmes targeting fuel poverty

Warm Front, until now the main government initiative, delivers a package of measures, typically including central heating and insulation, to households on benefit. It's focused on the owner-occupied and privately rented sectors.

Warm Front covers England: each of the devolved administrations has a similar programme – Warm Deal in Scotland; Home Energy Efficiency Scheme in Wales. The main drawback of Warm Front is that it is limited to households on 'passport' benefits.

In Scotland, though, a series of new initiatives has drawn praise from Friends of the Earth and other NGOs. In addition to Warm Deal, there is a new Housing Act setting tighter energy efficiency standards for new dwellings, and a new non-means-tested central heating grant. The Scottish Executive has just announced a series of targets, including the provision of central heating by 2004 to all council houses outside Glasgow and all housing association tenants; extending to all elderly households (in public or private housing) by 2006. The aim is to cut by 30% the numbers living in fuel poverty within four years.

Each of the Warm Front programmes is managed by a private company that delivers the work through a network of local contractors. In England, the country is divided between two managing agents: the EAGA Partnership and TXU Europe.

(With thanks to Norrie Kerr of Energy Action Scotland, www.eas.org.uk)

The **Energy Efficiency Commitment**, launched in April 2002, compels energy suppliers to invest in efficiency measures in the home, in order to achieve a certain target for carbon savings. Of this, 50% of the savings must be achieved in vulnerable households. Overseen by the regulator, Ofgem (p. xiv), this tripled the amount companies were required to invest in similar measures under an earlier programme. Suppliers are encouraged to achieve these savings as part of an overall 'energy services' package, including efficiency advice, insulation provision and other initiatives, as opposed to one-off measures.

On the social housing front, the **Decent Homes Standard** aims to eradicate fuel poverty in local authority

or housing associations by 2010. However, fuel poverty campaigners are concerned that the energy efficiency targets are lower than for the government's own Warm Front-type programmes.

Many fuel poverty initiatives have been criticised as being too focused on the benefits model (p. vi). **Warm Zones** is an effort to move beyond that by targeting fuel poor households on a street-by-street basis, working with local authorities, primary health care trusts and others.

So far, Warm Zones have been established in Newham (East London), Sandwell (West Midlands), Hull, Stockton and Northumberland, with new schemes starting in October 2002 in Redcar and Cleveland. Tony Blair has given very public, enthusiastic backing to the scheme, visiting the Stockton Warm Zone where 6,000 homes have been fitted with insulation and draught-proofing, and a further 1,500 with new central heating systems.

Each zone is sponsored by one of the following energy companies: London Electricity, npower, Powergen and TXU. www.warmzones.co.uk

...But is it enough?

While broadly welcoming the government's new strategy, campaigners are keen to point out several areas where there is work still to do...

Help for the hard to heat

William Gillis, director of National Energy Action, argues the case for the 'cinderella homes'.

One of the main gaps in the Fuel Poverty Strategy is the question of how to address 'difficult to heat' homes. These fall into broadly two categories: those whose structure makes them difficult to insulate, and those which are not connected to mains gas.

Of the former, there are some four million homes without cavity walls (mostly built before 1919), and others where loft insulation is not an option. Such housing is home to up to two million of the 'fuel poor' – in other words, nearly half of the total.

Meanwhile, around 4.5 million people live in properties without access to mains gas – currently the cheapest domestic fuel – of whom nearly a million fall into the fuel poor category.

Difficult to heat properties must be tackled if the government's aim of eradicating fuel poverty is to be met. So what's to be done? Extending the gas network is one option, but this has its drawbacks – not least concern over security of supply as Britain becomes a net importer of gas (much of it from the politically volatile Middle East). There are also doubts over the ability of the network to cope with a significant increase in capacity. More sustainable solutions are needed. In some cases, grants will have to be increased – to finance the insulation of solid walled homes, for example. For homes without mains gas in particular, renewable and other sustainable energy sources may well be an appropriate alternative to pricey conventional forms. This is currently the



subject of a feasibility study by the NEA, in conjunction with the National Energy Services (NES).

In Wales things have gone even further. Following an earlier study by NES, the Welsh Assembly Government has plans to introduce ground source heat pumps, biomass fuelled heaters and solid wall insulation into the Home Energy Efficiency Scheme.

These initiatives are a start, but they need to become mainstream very quickly if the government's fuel poverty targets are to be met.

Cold comfort country

Rural homes are the forgotten face of fuel poverty. William Baker, of the Centre for Sustainable Energy, sets out the challenge.

Like social exclusion in general, rural fuel poverty is often hidden and dispersed, existing side by side with 'fuel affluence'. Rural homes are often the hardest to heat and insulate. They may be older houses; heated by solid fuel; or have their hot water supplied by expensive immersion heaters – and some have all of these characteristics. Since many rural

properties don't have mains gas or – due to their age – cavity walls, standard Warm Front packages have minimal impact. Many also often need remedial works, such as rewiring or installation of loft hatches, before Warm Front measures can be installed. Without gas, many rural households rely instead on expensive heating fuels, such as solid fuel, bottled gas or electricity (average costs for electrically heated homes are 40% higher than for gas-heated ones).

In addition, the lack of advice and information services means that low-income households in rural areas often don't claim the benefits or the Warm Front grants to which they are entitled.

The lack of affordable housing, a major driving force behind social change in rural areas, also creates problems for the fuel poor. This is because they either put up with poorer quality homes or pay high housing costs that they can ill afford.

The government is at least starting to respond. Its Fuel Poverty Strategy includes plans to extend mains gas to deprived rural areas close to the existing network. And it's carrying out a series of renewable pilots to explore the extent to which solar water heating, heat pumps, biomass CHP schemes and other renewable solutions might offer routes out of fuel poverty for off-gas properties. (Wales is, as we've heard, already taking action in this area.)

Welcome as these initiatives are, there is still a long way to go. Mainstream rural policy could do much more to address fuel poverty. Energy advice providers need to link with those offering advice on welfare rights or health, and establish a community presence in rural communities, encouraging low income households to take advantage of the benefits they're entitled to. Warm Front

packages should offer more flexible measures suitable for rural homes, and allow for the greater costs of delivering those measures in remote areas. Centre for Sustainable Energy, www.cse.org.uk

Many of these issues are explored in a recent report by the Centre for Sustainable Energy for Eaga Partnership Charitable Trust (www.eaga.co.uk).

The adviser's view

Peter Lehmann is chair of the Fuel Poverty Advisory Group, which includes representatives from local government, the energy, health and NGO sectors, and advises the government on practical steps it can take to eradicate fuel poverty.

There are several areas needing attention. Existing programmes such as Warm Front, the Energy Efficiency Commitment and the Decent Homes Standard need to be made to work together so as to maximise the benefit for individual households. In

particular, we need to find ways of ensuring that Decent Homes, which is not mandatory, is implemented across the board in social housing. When it comes to gaps in provision, there's clearly more to be done on the well-known problem areas – homes without mains gas, and ones without cavity walls: we'll be making recommendations on how to tackle these.

There are some obvious opportunities, too. Take prepayment. With modern technology, it's surely possible to provide prepayment meters at lower cost, and we are in discussion with Ofgem about this. There is also more scope for joined-up acting between government departments. Improved take-up of benefits would help many householders qualify for fuel poverty support, so we're discussing how to achieve this with the Department of Work and Pensions. Similarly, there are synergies between the government's work on fuel poverty work and DEFRA's aim of applying rural funding in a more environmentally responsible manner, and we'll be looking for progress here, too.

WARM GLOW

Through the grapevine

Word of mouth can be an energy advice worker's most valuable ally, NEA's Judy Best claims. She works in Coventry with clients who struggle with high fuel bills and live with the debilitating effects of cold homes.

"Some distrust the notion of 'something for nothing,' while others don't want to divulge their income or savings levels, which are often needed if they want to claim energy-saving grants," she says. For these people, the experience of friends, relatives and neighbours can be the only thing that convinces them to accept the help that Judy and her colleagues offer.

A typical example followed the rejection of Mr Booth's application for assistance from the Benefits Agency. Although he suffered from significant health problems, he had been denied Attendance Allowance (enabling support for help in the home). Mr Booth heard of NEA through a friend and contacted the Coventry office when his second application for Attendance Allowance was turned down. Staff helped him draft an appeal, backed by doctors' evidence, arranged a grant for loft insulation and sorted out a new low-cost replacement for his ancient and defective fridge-freezer through a Powergen energy efficient appliance scheme. Not long afterwards a delighted Mr Booth phoned back to say he had won his appeal for Attendance Allowance at the lower rate.

Judy also helped Mr Farr to get his loft and cavity walls insulated via the Powergen energy efficiency improvement scheme. Although he often had difficulty meeting his winter fuel bills, he wasn't eligible for Warm Front because he didn't receive any welfare benefits. Like many elderly people at risk of fuel poverty, he had a small occupational pension, which meant that his income was marginally too high to qualify. The Powergen scheme was able to cover around half the cost of the work, even if Mr Farr had to dip into his modest savings to find the rest. So pleased was he with the results that he then helped a neighbour find energy advice in turn.

WWW.THERC-AVENUE.CO.UK



Windows on warmth: simple measures like double glazing can make a real difference

Acting local

Local councils have a crucial role to play in tackling fuel poverty, says **Martin Fodor**, adviser on energy policy to the Local Government Association.

In the last few years, energy and climate issues have become a matter of strategic interest to local authorities. This is partly due to the UK's target of cutting CO₂ by 20% by 2012, but also because such issues have significant local economic, social and environmental effects. Fuel poverty is one area where they all meet.

Councils have increasingly recognised the connections between poverty, ill health and the state of people's homes – hence the availability of improvement and insulation grants, and campaigns to

encourage their take-up, even at times of budget restrictions.

Most prioritise elderly owner-occupiers for energy efficiency support, since that increases their likelihood of being able to continue to live in their own home, which has advantages for the individual, the community and the council, too. And there's a growing recognition that every pound not spent on utility bills, damp repairs or debt relief is one available for spending in local shops and on local services. So energy efficient and well ventilated homes are good for local economies as well as for the individuals

concerned.

Improving the state of homes is also often the start of an improvement path for an area previously in decline. With neighbourhood renewal at the top of the political agenda for councils, and a goal of the new statutory Community Strategies, tackling fuel poverty is sure to remain a key priority both for local authorities and the new Local Strategic Partnerships.

National government initiatives, too, are focusing minds at local level. The Home Energy Conservation Act places a duty on local authorities to plan for improvements in the energy efficiency of

Energy and community

Energy Services for Sustainable Communities (1998) sums up the LGA's thinking. It starts from the perspective that energy is essential for achieving sustainable communities, but it has to be managed well. Communities will then be better able to meet their economic needs, achieve social goals like good health and prevention of fuel poverty, and minimise CO₂ emissions, pollution and other hazards from energy use. A sustainable community, says the report, should:

- give everybody access to basic energy services, notably affordable warmth at home;
- promote settlement patterns and buildings which encourage lower-energy lifestyles; and
- exploit the job creation, economic regeneration and community ownership potential of energy conservation and renewable energy, in both urban and rural areas.



WARM GLOW

The art of warm zones

Artist Joyce Brassem creates her sculptures in her home, a unique 1960s bungalow originally built for Joyce's late husband, who was disabled. Joyce herself is visually impaired and, when working, needs all the light that comes in through her home's full-height windows. However, rotten window frames and single glazing also meant that heat escaped at an alarming rate.

Few people held out any hope for making Joyce's home more energy efficient: aside from the cost, there were enormous technical difficulties attached to improving the property. But Keeping in the Heat (KITH), a scheme funded by NEA and Midlands Electricity, took up the challenge.

The scheme is run by Summerfield Care and Repair, the home improvement agency, and Birmingham City Council's Housing Department. Their programme to assist fuel poor homeowners includes grant aid for new windows with higher-than-average energy efficiency specifications. First, Celine Hynes of Summerfield Care and Repair carried out an energy survey of Joyce's bungalow, proposing energy efficient glazing to create a warm zone in the lounge, the most frequently used room in the house. KITH provided £800 for new windows, with grants from various other charities paying for the rest. It took seven full-length glazed units to replace the windows in the lounge, each estimated to be twice as energy efficient as the original windows, translating into an annual savings of £75 to £85 on fuel. Additional ventilation was added to prevent condensation forming, and improvements were made to the heating system.

Joyce is delighted with the changes, which allow her to live and work in a bright, warm and draught-free home. She is considering further insulation improvements as well as new windows in the bedroom, and is participating in a year-long study that will monitor her home's increased energy efficiency.

all housing within their areas, and monitor progress with a special focus on fuel poverty. Then there are the obligations contained in the Decent Homes Standard. On this, however, the LGA shares the concerns of others in the field that the insulation levels adopted for social housing are not sufficient to lift households out of fuel poverty.

Many local authorities are keen to set up energy service companies as a way of delivering improvements to local people. For example, the London Borough of Tower Hamlets has worked with London Electricity to establish the Barkentine Heat and Power Company, serving a large housing estate and leisure centre on the Isle of Dogs from a local CHP station. Woking Borough Council is a partner in Thamewey, a local energy company providing heat and electricity to residential, commercial and municipal buildings in the town centre. This groundbreaking scheme (GF31, p13) includes a fuel cell, photovoltaics and CHP as its power sources.

Similar companies exist across the country from Southampton in the south to

Lerwick in the Shetland Isles. Other councils are keen to develop such schemes, and there are now signs that the government recognises the need to give local authorities the powers they need to take this forward.

The eventual shape of the Energy White Paper will be a hugely influential factor in future developments. Will it go for large scale power supply options? Or will it emphasise more diverse, smaller scale solutions that focus on meeting local needs, promoting energy efficiency and renewables? The choice could mean the difference between local solutions with more scope for community stakeholders, or a dependence on supply side infrastructure with little focus on energy efficient communities. If local government views are heard, then we can be sure of greater social, economic and environmental benefits shared across the whole country.

The Local Government Association (www.lga.gov.uk) represents all the local authorities of England and Wales.

Beacon burners

Addressing fuel poverty is one of the criteria by which councils can qualify for the coveted 'Beacon Council' status. Among those which have made the grade in this respect are Luton Borough, Leicester City, the London Borough of Camden and Newark & Sherwood District Council, whose energy agency manager, David Pickles, explains how it has approached the task.

It was doctors and schoolteachers who first made us aware of the scale of fuel poverty. That was back in the mid-80s, when local GPs were regularly writing to the council linking their patient's ill health to their cold and damp homes. Condensation with mould plagued more than 30% of the council's housing, and teachers spoke of a damp mouldy stench on pupils' clothing. Meanwhile, we were noting an increase in mortality among our pensioners during winter. At that time, only 6% of council homes were capable of delivering affordable energy.

So we embarked on a rolling programme of investment in cost effective insulation, ventilation and central heating improvements to our housing stock, supplemented by energy advice to the householders. By April

2001, the number of homes capable of delivering energy efficiency had risen to 93%.

It's a programme that has produced some impressive – and quantifiable – benefits for all concerned, including:

- £1.1 million worth of savings for the local health service;
- £930,000 annual savings in fuel bills for local people;
- £300,000 worth of employment benefits and job creation every year;
- £110,000 worth of benefits for landlords in the rented sectors annually;
- 6,750 tonnes less CO₂ emitted each year.

These benefits have been achieved with impressive payback times of less than 2.2 years.

www.newark-sherwooddc.gov.uk

WARM GLOW

Breathing easier

Heather Murphy was only seven months old when she was first diagnosed with asthma. Now seven, she has had a childhood characterised by continuous chest infections and severe asthma attacks, particularly when she was younger.

Fortunately, Heather lives in one of the seven Nottingham council households that participated in a unique NEA study examining the links between energy efficiency, ventilation and asthma. Tracey, Heather's mother, now sees a dramatic difference in her daughter's health: "Heather used to be quite poorly... she would get breathless doing judo or rollerblading. Now she's really like a different kid; she doesn't cough so much."

The year-long research project involved homes that lacked full modern central heating systems and that were occupied by at least one asthmatic. Before any home improvements were carried out, the households were monitored for health, comfort, energy use, house dust mite population, residents' behaviour and physical conditions.

Thanks to the heating, ventilation and energy efficiency measures that followed, asthma sufferers found significant improvements in their general health and a reduction of the medication they needed. But improved ventilation was credited with one of the study's most significant findings: a dramatic reduction in the number of mites. "The house dust mite is a major public health hazard and isn't recognised as such. It threatens the health of tens of thousands of people," said Roger Critchley of the Health and Housing Group, which helped carry out the study.

Rob Howard of NEA Nottingham is enthusiastic about the possibilities for allowing asthmatics to breathe easier: "Our study has shown what social and private landlords, as well as owner-occupiers, can do to improve the health of asthmatics by improving housing conditions."



Asthma is one of the symptoms of poorly heated – and ventilated – homes

Doing the business

At its core, the solution to fuel poverty is to provide the energy services people need, particularly warmth, at prices that they can afford, in a way that is environmentally sustainable. As such, the energy industry has a major role to play – as does the regulator that sets the framework for energy companies to operate in. Ofgem's **Virginia Graham** explains its contribution.

In its Green Paper, *A Fair Deal for Consumers*, the government first suggested that regulators set out the ways in which they could contribute to reducing fuel poverty. In particular, it required Ofgem to develop a Social Action Plan to do just that. First published over two years ago, the plan is now well under way.

One of its key elements has been ensuring that all consumers have access to competition, which helps keep costs as low as possible. According to DTI estimates, around a million people were lifted out of fuel poverty during 1996-2000 as a result, and fuel costs are now at their lowest in real terms since 1974.

Ofgem has also made sure that all consumers have information on alternative payment methods, and the savings to be had by switching electricity suppliers. Switching rates are tracked through an annual MORI survey. The latest, covering 2001, showed that around 170,000 households are switching supplier each week, and that 15 million are no longer with their former provider. For the first time the survey also showed that vulnerable consumers, such as those on low incomes, the disabled and one-parent families, are as likely to switch as others, although older consumers are still rather less likely to do so. Significantly, switching rates for prepayment meter customers were double those in 2000. These results persuaded Ofgem that the time was right to lift the price controls on gas and electricity suppliers from April 2002.

Ofgem has also helped simplify payment schemes, worked with supply companies on dealing sympathetically with customers who slip into debt, and encouraged them to set up their own initiatives on fuel poverty (see p. xv). It has used its licensing powers to require the companies to improve performance in a range of areas, from making payments easier for vulnerable customers, to improving the provision of energy efficiency advice and other services, particularly for the elderly, disabled or chronically sick. Suppliers' performance against these codes of practice is carefully monitored and details published on the Ofgem website (www.ofgem.gov.uk).

Virginia Graham is director of social and environmental affairs at Ofgem.



Installing much needed central heating

WARM GLOW

A touch of imagination

"Energy costs in these types of homes can make the difference between fuel poverty and affordable warmth," explains NEA's technical officer, Arthur Scott, who took part in the first stage of a pilot study involving hard-to-heat homes in Welford-on-Avon, Warwickshire. "And yet they are excluded from existing energy efficiency grants because it costs more to improve these homes than the funding allows."

South Warwickshire Housing Association (SWHA) joined forces with NEA, Stratford-on-Avon District Council and npower to fund and install non-standard energy efficiency measures in four of its coldest properties – properties that were sound and well maintained, but had low energy efficiency ratings, mainly due to a lack of insulation.

Improving energy efficiency meant coming up with some innovative solutions. In the absence of an accessible loft, roof insulation was installed by removing the roof tiles and fitting it beneath them; and external wall insulation, carefully rendered to match the colour and pattern of existing brickwork, was also applied. Solar panels were fitted to supplement the existing water heating systems; now solar heating provides hot water when other methods, such as using solid fuel or Economy 7, are at their most expensive.

The coldest home saw its energy efficiency improved threefold – which should result in a saving of around £400 per year on annual fuel bills. The next step for NEA is to use the findings as a basis for lobbying government for better funding policies to tackle hard-to-heat homes.

"At £9,000 per house, there's no doubt that these improvements were expensive," explains Arthur Scott. "But you've got to match that against lifting someone out of fuel poverty for the next 30 years."

Industry initiatives

Individual energy supply companies have set up their own initiatives to tackle fuel poverty. As well as the regulator's spur, they've also been encouraged to act by the Electricity Association, which groups together all the major energy suppliers (including – confusingly! – gas). Its Fuel Poverty Task Force has helped to identify a wide range of practical solutions. Here are a few of the most successful schemes.

Affordable Warmth (Transco) is a novel 'heat leasing' package for social landlords. This groundbreaking programme enables local authorities and housing associations to lease central heating systems, so freeing up scarce capital for investment in other refurbishment measures. Transco underwrites the residual value of the equipment at the end of the lease term. The scheme has secured a £100 million facility with the European Investment Bank.

www.affordablewarmth.co.uk

Health Through Warmth (Innogy / npower) is a £10 million programme run in partnership with the NHS, NEA and other local partners. People living in fuel poverty may be reluctant to seek help, so Health Through Warmth uses the 'eyes and ears' of key health and community workers to identify those most at risk. They are then referred to a specialist team to assess their requirements and determine which grants are available for energy efficiency measures to make these households warmer, drier and cheaper to heat.

The key aim of Health Through Warmth is to reduce the incidence of cold- or damp-related illnesses, and in some cases death, that result from living

in energy inefficient homes. An NHS research project is currently quantifying the health benefits of the scheme.

So far, Health Through Warmth has trained more than 2,300 key workers, who in turn have referred over 1,600 people and accessed £1 million of grants on their behalf. First launched in Birmingham and the West Midlands, the programme is being rolled out to a wide range of areas nationally during 2002-2003, bringing assistance to 300,000 fuel poor homes. In addition, npower has set up a crisis fund to cover the cost of measures not covered by other schemes.

Innogy is also a partner in three out of the five pilot Warm Zones – Sandwell, Hull and Northumbria, contributing £1 million to their three-year action plan.

www.innogy.com, www.npower.com

HELP – Home Essentials for Life

(British Gas) is a three-year, £150 million programme, launched this July, which aims to help around a million people in 500 of Britain's most deprived communities tackle fuel poverty and improve their quality of life generally. It draws together an alliance of local authorities and major charity partners, including Help the Aged, RNIB, Scope and Save the Children, to provide a package of

energy efficiency advice and practical help, benefits 'health checks', cold winter payments, home safety and security devices and grants for energy-efficient appliances such as fridges and freezers.

www.eaga.co.uk

Stay Warm (TXU Energy) is targeted at the over-60s. It supplies all the electricity and gas a customer needs for one flat rate. Launched in April 2000, it enables customers to make fixed payments – weekly, fortnightly or monthly, based on the number of bedrooms (maximum of three) and the number of people (maximum of four) living in the home. The 'no bills' approach means customers can budget more easily, and takes away the fear of high bills during the coldest winter months. If pensioners are in full receipt of their benefits, most StayWarm subscribers will be lifted out of fuel poverty.

StayWarm is significant not only for its effects on fuel poverty, but because it is the first genuine energy service for domestic customers in the UK. With StayWarm, it is in TXU's interest to encourage customers to conserve energy – quite the opposite from the typical commodity model commonly employed in the UK.

www.txu.com



Getting to grips with energy efficiency: spurred by the Electricity Association (www.electricity.org.uk), the industry's starting to respond

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