



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

17 OCTOBER 2019

WARMER HOMES: A FUEL POVERTY STRATEGY FOR RHONDDA CYNON TAF

REPORT OF THE DIRECTOR OF PROSPERITY AND DEVELOPMENT, IN DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDER COUNCILLOR R BEVAN

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1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to set out the Council's Fuel Poverty Strategy for the period 2019 - 2023.

2.0 RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Approve the Council's Fuel Poverty Strategy 2019-2023 (Appendix 1).

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 The need to have a Fuel Poverty Strategy for RCT is to help mitigate the effects of fuel poverty for Rhondda Cynon Taf residents due to the high numbers of pre 1920s solid walled terraced homes and pre-fabricated housing types that exist in the County Borough.
- 3.2 This strategy will provide a framework for investment, actions and interventions by the Council and its partners for the next four years in order to mitigate fuel poverty, improve the energy efficiency of homes and reduce carbon emissions.
- 3.3 Actions to mitigate fuel poverty have a direct correlation with the Council's plan to achieve zero carbon, through improving energy efficiency of homes which reduces carbon emissions, and promoting behavioural change with residents.

4.0 BACKGROUND

- 4.1 In Wales a household is defined as being in fuel poverty if it spends more than 10% of its income to heat their home to a satisfactory comfort level.
- 4.2 This definition of fuel poverty does not however capture families that 'under heat' their homes due to the inability to afford a comfortable heating standard. These families can be at greater risk of suffering further consequences of cold related illnesses from living in cold homes.
- 4.3 There are three main factors that contribute to fuel poverty:
1. Household income
 2. Energy prices
 3. The energy efficiency of homes
- 4.4 When faced with fuel poverty, households often react in the following ways:
- They use less energy than they need, potentially making existing health problems worse and making them more vulnerable to other cold related illnesses.
 - They try to meet their energy needs by rationing other essential items such as food (heat or eat).
 - They borrow money to pay their energy bills and/or fall into debt.
- 4.5 New fuel poverty figures released by Welsh Government highlight that 12% of homes in Wales are in fuel poverty (2018) and 20% of households living in pre 1919 properties are in fuel poverty. In RCT there are above national averages of pre 1964 housing types which can present a high risk of fuel poverty. Energy bills for households are continuing to rise year on year and this trend is expected to continue. Tackling fuel poverty remains a grave issue when there are still 1,800 Excess Winter Deaths (EWDs) in Wales with 540 of these being due to people living in cold homes.
- 4.6 Living in a cold home has a direct impact upon health conditions, especially for those households that contain elderly people and/or children. Within RCT 30% of households contain a child and 40% of households have an occupant over 65 years old. It is estimated that cold housing costs the NHS in Wales £67m per year (The Cost of Poor Housing in Wales, BRE and Shelter 2011). However, when factors such as poor educational attainment and reduced life chances caused by living in a cold home are taken into account, the total cost to society is estimated at much more.

- 4.7 Improving the energy efficiency of homes can also significantly improve their appearance and condition, which can be one of the more visible signs of local regeneration. Capital energy efficiency schemes can also bring social capital benefits through community benefits for local training and job opportunities and also a better quality of life for residents by contributing to a sense of ownership and pride in their communities.
- 4.8 Over the last 10 years, the Council has delivered a range of approaches and interventions to help mitigate the number of households living in fuel poverty.

These include:

- Levering in **£26.4 million** of external investment into the County Borough (including £8M Welsh Government funding for Arbed, Warm Homes and Vibrant & Viable Places, and £17.6M through external Energy Company Obligations) to enable/deliver domestic capital energy efficiency schemes.
- Installation of over **8,000** energy efficiency measures to over **7,000** homes in both private sector and social rented homes i.e. cavity wall and loft insulation, boilers etc.
- Provision of grants to enable delivery of free or discounted energy efficiency measures to areas/households most at risk of fuel poverty.
- Delivery of the Councils tariff switching service called 'RCT Switch' and Dwr Cymru's discounted tariff schemes.
- Employment of a full time Housing Energy Officer to provide energy advice and assistance on utility bills and behavioural change. This service alone has helped residents save over **£500,000** per year on energy bills.
- Development of the Councils 'Energy Hub' Service to provide inward and outward referrals between the Council and partner agencies such as Citizen's Advice, Welsh Government's NEST Scheme.

5.0 THE STRATEGY

- 5.1 Whilst it is acknowledged that good progress has been made over the last 10 years, the Council will continue to work towards mitigating the effects of fuel poverty. As such, a strong strategic approach is required which has objectives that are clear, deliverable and will make a difference now and for future generations.
- 5.2 To achieve this, the strategy sets out three key objectives that translate directly into a series of projects and actions:

- 1. To provide advice and assistance to maximise household disposable income**

This includes:

- Continue to expand the energy advice service to a one stop energy referral 'hub' to improve access to other services and link with the development of the Council's Community Hubs.
- Provide energy advice for behavioural change to residents, young people, community groups, schools and local forums.
- Launch a new advertising and marketing campaign to include social media and website marketing.
- Provide advice and support to private landlords to improve minimum EPC levels to a 'C' level by 2030 in line with Government's standards.

2. To reduce energy bills

This includes:

- Expand the delivery of RCT's in house tariff switching service - 'RCT Switch'.
- Provide advice and support for utility debts including water assist (allowing people to switch supplier freely and/or debt write off).
- Identify households who would benefit from digital inclusion projects and refer to projects to assist in seeking cheaper online offers.
- Provide behavioural advice to householders and promote cheaper methods of energy bill payments (i.e. pre-payment to direct debit payments).
- Support communities to develop 'Local Area Energy Plans' to identify local innovative options for low carbon energy systems and/or reduce energy costs.

3. To improve the energy efficiency of homes and decarbonisation.

This includes:

- Enabling the delivery of external capital grant schemes i.e. NEST, ECO funding, Arbed funding which mainly includes implementing insulation, heating, lighting and renewable energy measures where appropriate. This includes assisting households that are heated by sources other than gas i.e. coal, electric or oil, to enable a connection to a gas network or other sources of renewables.
- Investigate and develop energy projects that bolt on to other types of grant assistance available from the Council's Capital Housing Programme i.e. incorporate energy efficiency measures as part of any Disable Facilities Grant (DFG), Minor Repair Assistance Grants where appropriate.
- Create and develop options for off gas projects including gas connections and/or renewables (where possible).
- Investigate planning options to deliver energy schemes. This would include promoting renewable energy on new planning applications for all housing developments.

- Working in partnership with housing associations and the private sector to achieve where possible whole community cross tenure approaches.

5.3 A biennial action plan will be produced which will ensure that the strategic aims of the Strategy are delivered and key actions are undertaken.

6.0 EQUALITY AND DIVERSITY IMPLICATIONS

6.1 An equality and diversity screening exercise has been undertaken and a full impact assessment is not required at this time. Requirements for any specific assessments will be undertaken on an ongoing basis as strategy actions are delivered.

7.0 CONSULTATION

7.1 A consultation exercise is not required at this stage but may be required as actions within the strategy are delivered.

8.0 FINANCIAL IMPLICATION(S)

8.1 There are currently no financial implications aligned to this report. All the projects and actions can be progressed within existing resources.

9.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

9.1 The delivery of the aims of the strategy will in some cases require further advice from Procurement and Legal Services which will be sought on a project by project basis.

10.0 LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

10.1 Investment in housing provides an ongoing stimulus to the local economy, by encouraging spending and local supply chains. Reducing energy bills also creates more disposable income for residents that could be spent in local economies.

10.2 Maximising income helps improve prosperity of residents while also making them more resilient to future rises in energy bills/fuel poverty. Improving the energy efficiency of homes 'future proofs' homes for future generations by reduces the risk of fuel poverty for future occupants and reducing the impact of climate change by reducing carbon emissions.

10.3 As such, this strategy will contribute to the delivery all three of the Council's Corporate Plan priorities of economy, people and place. The Strategy will also assist the Council to contribute to all seven wellbeing goals that 'The Well Being of Future Generations (Wales) Act 2015' puts in place as follows:

1. **A globally responsible Wales** - Making homes more energy efficient reduces carbon emissions but decisions around products can also impact upon future generations by considering the 'embedded carbon' within certain products and/or using more sustainable products helps protect the environment for the future and reduces carbon footprints.
2. **A Prosperous Wales** - reducing the amount of money people pay on energy bills helps create more disposable income, along with referral pathways for residents to income maximisation projects and/or training.
3. **A Resilient Wales** - Improving property energy efficiency conditions, reducing energy bills and providing advice to other support services/grant funding helps i.e. priority services registers assists with fuel poverty proofing for the future. Residents become more resilient to rising energy bills and power cuts.
4. **A healthier Wales** – improved housing conditions and warmth has a positive impact upon health conditions, in particular cardiovascular and respiratory conditions, but also mental health and well-being.
5. **A more equal Wales** – Warmer homes also contributes to helping people to fulfil their full potential and improves factors such as education when people have a warm, comfortable area to study.
6. **A Wales of cohesive communities** – schemes and interventions are delivered area based across all tenures and as such benefiting all residents.
7. **A Wales of vibrant culture & thriving Welsh Language** – capital energy schemes can protect the 'heritage' of local homes by improving and protecting the traditional terraced homes in the borough.

10.4 In addition to this, many actions set out within the strategy seek to respond to the issues set out in the Committee on Climate Change Report – Net Zero, and the Council's Corporate Plan.

11.0 CONCLUSION

11.1 This report sets out the aims of the Council's Fuel Poverty Strategy for the period 2019 -2023.

11.2 The Council is already taking a proactive approach to achieving affordable warmth and mitigating fuel poverty within RCT and has made resources available to tackle these issues. This strategy will provide a framework for all fuel poverty activity to provide an evidenced based, co-ordinated and collaborative approach to decrease the number of households who are living in or who are at risk of fuel poverty in the borough and to reduce carbon emissions.

Other Information:-

Relevant Scrutiny Committee
Overview & Scrutiny Committee

Contact Officer
Derek James

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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Item:

Background Papers

None.

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