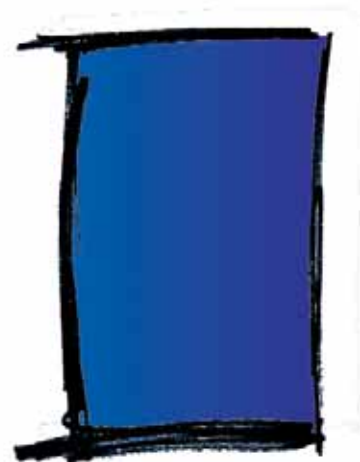


Rochdale MBC

Affordable Warmth

Strategy



Foreward

Fuel poverty is a national problem estimated to affect 4 million people, (2.7 million households - NEA) many of whom are elderly and vulnerable. The inability to heat their home to a comfortable level at an affordable cost contributes to a poor quality of life, cold related ill health and excess winter death. Young families too can suffer from the effects of fuel poverty and children can find it difficult to study effectively in cold damp houses. This can have a negative impact on their educational achievement.

The Government has recognised the problem and the UK Fuel Poverty Strategy 2001 outlined the Government's commitment to initially end fuel poverty for vulnerable households by 2010 and for all by 2016.

The development of Rochdale MBC's Affordable Warmth Strategy enables a co-ordinated approach through a targeted action plan that draws together stakeholders to work to eliminate this local and national problem.

The four main aims of the action plan are :

1. Raise awareness of fuel poverty across the borough.
2. Ensure adequate advice provision to all residents in the borough.
3. Ensure all housing in the borough is capable of providing affordable warmth.
4. Improve and / or develop community involvement and partnership working.

The size of the task cannot be under estimated. Fuel prices have risen dramatically in recent times and many more people are finding that they can't afford to adequately heat their home. Through partnership working and a co-ordinated approach the Affordable Warmth Strategy will guide positive action to provide affordable warmth for all Rochdale MBC residents.



*Councillor Doreen Brophy-Lee
Cabinet Member for Housing*

Contents:

Executive Summary.....	pg 2
What is fuel poverty?.....	pg 3
Background.....	pg 4
An affordable warmth strategy for Rochdale MBC.....	pg 5
Impact on health.....	pg 8
National overview.....	pg 8
Acknowledgements.....	pg 9
Useful contacts.....	pg 9

Executive Summary

In recognition of the fuel poverty problem across the UK, the case for affordable warmth has been acknowledged by Government.

The Warm Homes and Energy Conservation Act 2000 placed a duty on Government to ensure that, as far as possible, people in England do not live in fuel poverty by 2016 and to set out measures to achieve this. The Government's approach to comply with the Act is outlined in the publication of the UK Fuel Poverty Strategy 2001. This builds upon national strategies for housing, energy, health, poverty and social exclusion. It confirms that the first priority is to ensure that by 2010 no older householder, no family with children and no householder who is disabled or has a long term illness need risk ill health due to a cold home. Fuel poverty in other households will be tackled once progress is made on the priority vulnerable groups and eradicated by 2016.

About a half of all CO₂ emissions (one of the main "green house gases") come from buildings, 25% from our homes and 25% from other buildings.

Rochdale Metropolitan Borough Council and its partners are committed to the eradication of fuel poverty and the provision of affordable warmth for all households in the borough.

What is fuel poverty?

A household is considered to be suffering from fuel poverty if it cannot afford to keep adequately warm at reasonable cost. Fuel poverty is defined as a household that needs to spend more than 10% of its income on fuel to heat its home to an adequate standard of warmth. This is generally taken to be 21°C in the living room and 18°C in other occupied rooms. Higher temperatures may be required for certain groups of people, for example the elderly or disabled.

The main causes of fuel poverty are :

- Low income and debt
- Thermally inefficient housing and heating systems
- Under occupation
- Household behaviour
- The cost of energy and higher tariff rates for those least able to afford them

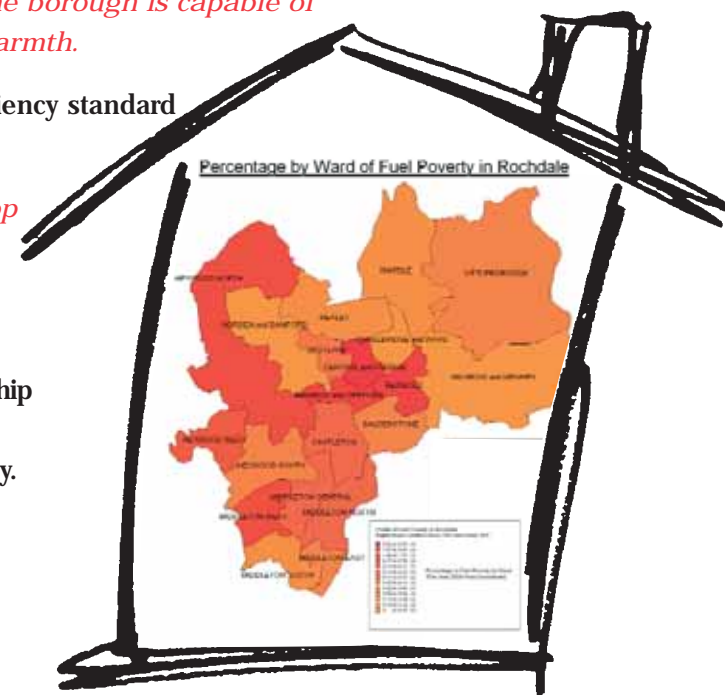
Fuel poverty can lead to :

- Poor health and in extreme cases premature death
- Reduced quality of life
- Deterioration of the housing stock

In partnership with other key stakeholders and agencies we have developed a strategy and action plan to eradicate fuel poverty and deliver affordable warmth at a local level for the borough's residents.

The four main aims of the action plan are :

- 1. Raise awareness of fuel poverty across the borough.*
 - Identify key agencies and raise awareness of fuel poverty amongst key agency staff.
 - Raise the profile of fuel poverty amongst the general public across the Borough.
 - Identify funding for resources.
- 2. Ensure adequate advice provision to all residents in the borough.*
 - Provide income maximisation services.
 - Improve householder's access to energy efficiency advice.
- 3. Ensure all housing in the borough is capable of providing affordable warmth.*
 - Improve the energy efficiency standard of all homes.
- 4. Improve and / or develop community involvement and partnership working.*
 - Develop effective partnership working to deliver the Affordable Warmth Strategy.
 - Develop a multi-agency approach to tackling fuel poverty.



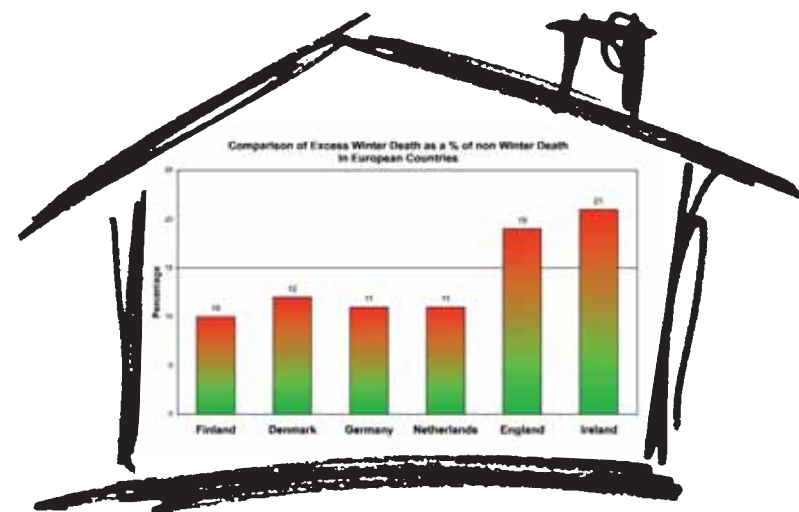
Background

Rochdale Metropolitan Borough Council is situated north east of Manchester and has a population of 206,500 (mid 2006). There are an estimated 89,374 dwellings in the borough. Rochdale borough is one of the most deprived boroughs in England, and is ranked between 10th and 44th most deprived in the Indices of Deprivation 2007 measures of deprivation at district level.

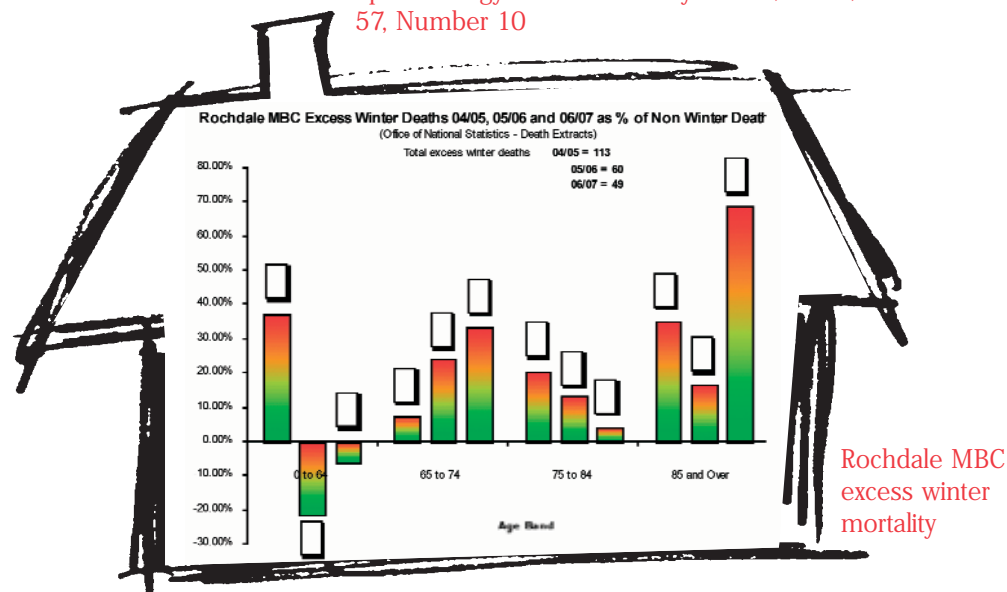
An estimated 23,120 households or 34% of the total number of households are in fuel poverty (RMBC House Condition survey 2007). This figure has increased since the 2002 RMBC stock condition survey and is attributable to the rise in energy costs since that time.

A warm and comfortable home is a major factor in the health and well being of the borough's population. Many residents in the borough live in cold, damp homes which they cannot afford to heat to a sufficient level to maintain warmth and comfort. This can lead to fuel debt, ill health and in extreme cases during the winter can cause premature death, often referred to as excess winter mortality.

Excess winter mortality is calculated by comparing the total number of deaths during the winter period, December to March, with the average number of deaths in the preceding and following four month periods. In England in 2003 this was 19% (27,000 deaths), however for the same period in the Scandinavian countries of Finland and Denmark the rate was 10% and 12% respectively. Although the factors affecting winter death rate are complex and varied there is general agreement that a strong correlation exists between winter death rate and the thermal standards in housing.



Healy, JD, Excess winter mortality in Europe: a cross country analysis identifying key risk factors, *Journal of Epidemiology and Community Health*, 2003; Volume 57, Number 10



Rochdale MBC excess winter mortality

An Affordable Warmth Strategy for Rochdale M.B.C.

Rochdale Metropolitan Borough Council is committed to improving the energy efficiency of all homes in the borough and ensuring affordable warmth for residents. This will require improvement in the energy efficiency of homes, maximisation of household income and reduction of energy consumption where appropriate. It will also require a multi agency approach and commitment as the task is substantial. However we are not starting at the beginning as much work has already been done to alleviate fuel poverty in the borough ranging from major investment in our own council stock to bulk discount insulation schemes for energy efficiency measures in the private sector administered through our energy efficiency advice centre. To achieve further progress a strategy and an action plan has been developed that draws together a wide range of partners and stakeholders, sets realistic objectives and specific tasks and targets. This document sets out our strategic action plan.



How is Fuel Poverty defined?

The definition of fuel poverty is widely held to be where a household has to spend more than 10% of disposable income to maintain satisfactory levels of warmth and comfort (Dr Brenda Boardman - Environmental Change Unit Oxford University 1998). An alternative definition suggests the income level used, of which 10% is considered affordable, should be the income net of housing costs. (This definition leads to a potentially greater number of households considered to be at risk of fuel poverty.) A satisfactory heating regime is taken to be 2 hours in the morning and 7 hours in the evening during the week and for a continuous 16 hours at weekends. Suitable room temperatures are 21°C in the main living room and 18°C in other occupied rooms. (World Health Organisation). In 2000 there were an estimated 3,000,000 vulnerable households in the UK, about 85% of the fuel the poor. (The UK Fuel Poverty Strategy 2001 - DEFRA). Since 2001 local authorities have been required to report on their actions to reduce fuel poverty in their annual Home Energy Conservation Act (HECA) report to Government.

What are the main causes of fuel poverty?

Broadly speaking, fuel poverty is a combination of five main factors:

1. low household income
2. energy inefficient homes
3. under occupancy
4. the cost of fuel and higher rate tariffs
5. lack of awareness of assistance available and poor education

Low household income

Low income is a major contributing factor in fuel poverty. Many low income households live in the least energy efficient housing and are at home during the day for longer periods. This is particularly the case for elderly residents and young families where higher temperatures and longer heating periods may be required. They may be unable to pay for enough fuel to stay warm or have to choose between other essentials such as food or housing costs. They also may be unable to invest in energy saving measures and appliances and be unaware of grant assistance available to them. These households may operate their heating systems for less time than is required to maintain a healthy living environment. Lower priced fuel tariffs are generally only available through direct debit and this requires that the customer has a bank account.

Energy inefficient homes

A home is more likely to have poor energy efficiency if it has poor thermal insulation and inefficient or “costly to run” heating and hot water systems, resulting in bills that are difficult for the occupant to pay. Homes in a poor state of repair will generally also be energy inefficient and occupants may be unaware of assistance available to them under different grant schemes.

In Rochdale MBC nearly 25% of dwellings were built before 1919 and the majority of the borough's properties are either terraced (42%) or semi-detached (31%). The average SAP is 59.

(The Standard Assessment Procedure (SAP) is a means of determining the energy efficiency standard of a dwelling. It uses a scale of 1 (worst) to 120 (best) in measuring the heating and insulation characteristics of the property). SAP 2005 is the revised rating system. The rating of SAP 2005 is on a scale of 1 to 100, takes into account more aspects of a building's energy performance and includes renewable technologies.

Under occupancy

This occurs where the property provides larger accommodation than is needed by the current occupier. This group of people can be single occupiers, lone families or couples on low income. The combination of low income, inefficient heating systems and a large number of rooms to heat combine to make fuel poverty more likely.

Fuel cost

In recent years fuel costs have been relatively low due to a reduction in the VAT rate and competition between suppliers following liberalisation of the energy markets. This is unsustainable in the future and already price increases have been experienced with more likely to follow. “Between 2003-2005 electricity prices increased by 11% in real terms and gas by 16%. In fact the major concern now is that high and increasing domestic energy prices may be a permanent, rather than a temporary, condition”. (source : National Energy Action).

Fuel poor households are often unable to take advantage of the most economic fuel tariff or are unaware of alternatives. They may, for example, be using on-peak electricity for heating. These increased costs can be responsible for moving households into or returning them back into fuel poverty. General poverty and fuel poverty can be eliminated or substantially reduced by increasing income through benefit take-up where appropriate. However simply increasing income to pay for the energy costs of thermally inefficient housing is inappropriate. In addition, improving income in isolation to other measures is not sufficient to tackle fuel poverty in the long term as occupancy of a property may change over time. The best course of action is to improve the thermal efficiency by insulation and energy efficient heating systems and controls. This will lower running costs for the current and future occupants. Consideration should be given to the installation of renewable energy technology where possible.

In Rochdale MBC the total number of households estimated to be at risk of fuel poverty (based on gross income levels) is 23,120 households (approximately 34% of households). There is also a clear correlation between energy efficiency and household income, with those households in the lowest income bands occupying homes having energy ratings worse than average. (Rochdale MBC whole stock sample survey 2007).

Proportions of households at risk of fuel poverty.

(Source Rochdale MBC - HCS 2007)

Gross Income Band (All householders)	Income assumed (net of tax & NI)	Fuel costs Exceed 10% of Income	Average Fuel Cost (£/year)
1: Under £3,500	£3,499	100.00%	£963
2: £3,500- £4,500	£4,000	100.00%	£964
3: £4,501 - £5,500	£4,919	99.80%	£958
4: £5,501 - £6,000	£5,709	100.00%	£1,037
5: £6,501 - £7,500	£6,443	95.20%	£1,034
6: £7,501 - £8,500	£7,113	91.20%	£1,020
7: £8,501 - £10,000	£7,951	81.20%	£998
8: £10,001 - £12,500	£9,291	54.20%	£992
9: £12,501 - £15,000	£10,966	23.90%	£959
10: £15,501 - £20,000	£13,478	10.60%	£985
11: £20,001 - £30,000	£18,503	2.60%	£1,012
12: £30,001 - £40,000	£25,116	1.50%	£1,132
13: £40,001 - £60,000	£33,864	0.00%	£1,183
14: Over £60,000	£45,664	0.00%	£1,427
Totals		= 34,20%	
Number of homes		23,120	

The quality of life for those people living in fuel poverty is adversely affected and there is often an increase in demand for health, housing and other services as a result.

Why have we developed an Affordable Warmth Strategy?

The Government has recognised the fuel poverty problem across the UK and the need for affordable warmth for all.

The Warm Homes and Energy Conservation Act 2000 placed a duty on Government to ensure that, as far as possible, people in England don't live in fuel poverty by 2016 and to set out measures to achieve this. The Government's approach to comply with the Act is outlined in the publication of The UK Fuel Poverty Strategy 2001. This builds upon national strategies for housing, energy, health, poverty and social exclusion. It confirms that the first priority is to ensure that by 2010 no older householder, no family with children and no householder who is disabled or has a long term illness need risk ill health due to a cold home. Fuel poverty in other households will be tackled once progress is made on the priority vulnerable groups and eradicated by 2016.

Rochdale Metropolitan Borough Council and its partners are committed to the eradication of fuel poverty and the provision of affordable warmth for all households in the borough.

Affordable warmth is the converse of fuel poverty and also its solution. Ensuring that all residents can afford to heat their home to a warm and comfortable level will eradicate fuel poverty and improve the health of the borough's residents. There are associated benefits too in reducing fuel costs such as increased disposable income to spend in the local economy, reduced pollution, better health for individuals, reduction of health care cost and less time off work due to cold related illness.



Impact on health

4 million households in England are estimated by the Government's UK Fuel Poverty Strategy to be in fuel poverty. Cold homes are linked to excess winter mortality and cold contributes to medical conditions such as stroke, heart attack and Chronic Obstructive Pulmonary Disease (COPD). It reduces resistance to illness and recovery is extended. Children are vulnerable to conditions such as asthma and bronchitis which are linked to cold damp homes that encourage mould and fungal growth. On average, 1500 people die each year from asthma in the UK (National Asthma Campaign).

National Overview

- **Home Energy Conservation Act (HECA) 1995**

Local Authorities with housing responsibility became Energy Conservation Authorities and are required to report annually on energy efficiency improvements in residential accommodation. A target of 30% improvement in energy efficiency has been set over a period of 15 years from April 1997. Energy efficiency levels in the housing stock in Rochdale MBC have been increased by 17.63% as at 31st March 2008. Achieving the 30% target will be extremely difficult based solely on insulation measures. Old and inefficient heating systems and controls will require upgrading to high efficiency models along with improved insulation in order to see a significant borough wide energy efficiency improvement.

- **Warm Homes and Energy Conservation Act 2000**

This Act required the Secretary of State to publish and implement a strategy for reducing fuel poverty and to require the setting of targets for the implementation of that strategy.

- **The UK Fuel Poverty Strategy 2001**

The launch of the UK Fuel Poverty Strategy by the Government in 2001 was the response to the Warm Homes and Energy Conservation Act 2000 and aims to eradicate fuel poverty among vulnerable households by 2010 and eliminate it by 2016.

The main actions to achieve this are:-

Warm Front 2

This is delivered by EAGA Group and continues as the Government's main action for delivery of energy efficiency measures for those in receipt of certain qualifying benefit in vulnerable private sector households.

Energy Efficiency Commitment

The utility companies are required to promote energy efficiency to reduce both energy consumption and the production of CO₂ by domestic users through investment in and provision of measures such as loft and cavity wall insulation, low energy appliances and lighting (CFL's). The Carbon Emissions Reduction Target (CERT) for the period April 2008 -

March 2011 is the name for the obligation on energy suppliers previously referred to as the Energy Efficiency Commitment 2008-2011, or EEC3.



- **Energy White Paper 2003 - Our Energy Future**

In 2000 The Royal Commission on Environmental Pollution (RCEP) published a report on climate change, saying that the UK needs to cut emissions of carbon dioxide by 60 per cent from 1990 levels by 2050.

The Energy White Paper detailed the government's energy policy to ensure that "energy, the environment and economic growth are properly and sustainably integrated".

- **Climate Change - The UK Programme 2006**

Recent experience has proven the need to assess progress towards our medium and long-term goals on a more frequent and regular basis. The Government will therefore in future report annually to Parliament on progress at reducing the UK's greenhouse gas emissions. Building on this, the Review of the Economics of Climate Change, led by Sir Nick Stern, will consider other aspects of recent proposals for the introduction of "carbon budgeting". This analysis will inform the Energy Review.

- **Energy Review 2006**

Announced by Tony Blair in November 2005 the energy review has focused on progress in a number of key policy areas, including:

- To cut the UK's CO2 emissions by 60% by 2050, with real progress by 2020
- Secure energy supplies
- Make sure that every home is adequately and affordably heated

- **The Housing Act 2004**

This Act introduced the Housing Health and Safety Rating System that replaces the old fitness standard. This system takes into account the dangers of thermally inefficient housing in assessing hazards in a property.

- **Decent Homes Standard**

by 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in decent condition. This standard includes ensuring adequate thermal comfort.

- **Climate Change and the Sustainable Energy Act 2006**

This Act makes provision about the reduction of emissions of greenhouse gases, the alleviation of fuel poverty, the promotion of micro-generation and the use of heat produced from renewable sources. It also deals with compliance with building regulations relating to emissions of greenhouse gases, the use of fuel and power, the renewables obligation relating to the generation and supply of electricity and the adjustment of transmission charges for electricity.

Acknowledgements:

This strategy has been produced with the help and co-operation of a number of organisations including the National Energy Action Charity (NEA), Rochdale Home Improvement Agency, Greater Manchester Energy Saving Trust Advice Centre, Rochdale Boroughwide Housing, the Primary Care Trusts, Rochdale Federation of Tenants and Residents and EAGA Group.



Useful Contacts

- **The Warm Front Team 0800 316 2814 lines open Monday - Friday from 8am to 6pm and Saturday 9am to 5pm.**
- **Greater Manchester EnergySaving Trust Advice Centre 0800 512 012**

