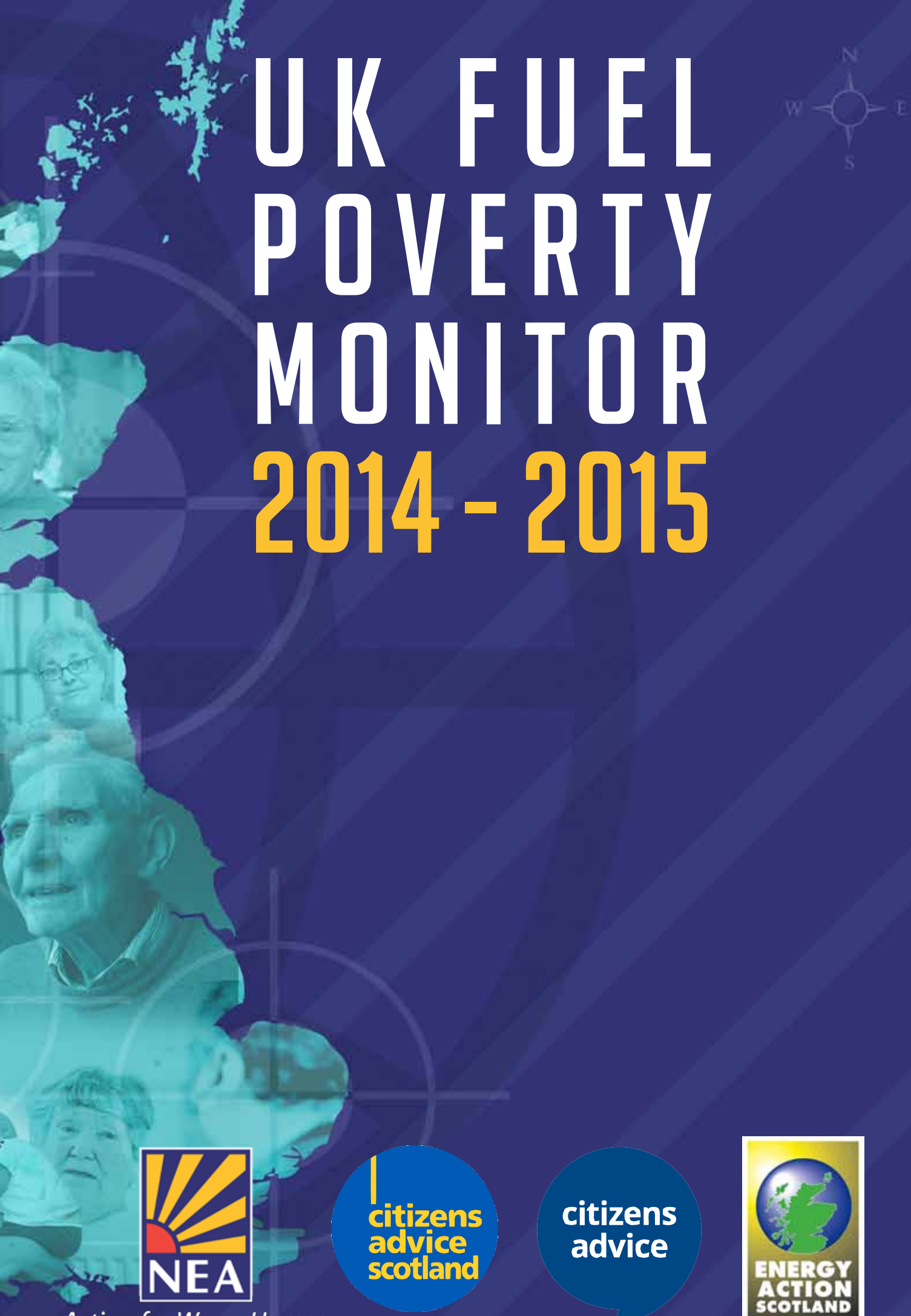
UK FUEL POVERTY MONITOR 2014 - 2015



NEA
Action for Warm Homes

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ENERGY ACTION SCOTLAND

ACKNOWLEDGEMENTS

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EXECUTIVE SUMMARY

Across the United Kingdom, unaffordable energy prices, combined with low incomes and poor quality housing have resulted in 4.5 million households who are unable to adequately heat their homes. National Energy Action (NEA) and Energy Action Scotland (EAS) are national charities working to end fuel poverty and the illness caused by cold homes. The UK Fuel Poverty Monitor is an annual investigation by NEA and EAS of fuel poverty in the UK and its four nations and the policies in place to tackle it. Following our previous collaborations with Consumer Focus and Consumer Futures, this year, this publication was produced with support from Citizens Advice.

The UK Fuel Poverty Monitor 2013-14 report found that a UK-wide approach to eradicating fuel poverty was a distant prospect and the UK Government was not proactive in supporting the devolved nations to end fuel poverty by their statutory dates[1]. It also found that approaches to delivering energy efficiency interventions across the four nations were becoming increasingly varied[2]. While this divergence was not necessarily a cause for concern, the report stated different programmes may lead to significant disparities between affordability outcomes for consumers across the different countries.

One year on, this year's Fuel Poverty Monitor explores this key finding in more detail. Specifically, how the differing approaches and varying levels of service across the UK are leading to significant differences in the experience of fuel poverty for vulnerable and low income consumers both between nations and across the UK. This is demonstrated in the report with some illustrative examples or 'pen portraits' of different consumers' experiences of accessing fuel poverty support and energy efficiency interventions. By comparing the impact of policies 'on the ground' the report seeks to highlight the relative success of efforts to integrate fuel poverty policies with other key strategies within the nations. This section also highlights widespread recognition that significant energy efficiency interventions and bespoke energy advice can help increase warmth, comfort and make fuel bills affordable for vulnerable households.

Alongside the portraits, the report reviews relevant literature and secondary data to outline the link between fuel poverty levels and ill health and winter mortality. This analysis is supported by NEA's own research which shows preventable deaths caused by cold homes, and the associated financial costs to national health services, are predicted long into the future unless the related financial costs within the nations are acted upon urgently. In terms of immediate opportunities to act, we highlight how policy makers can take steps to align health and housing agendas within the nations.

The final section of the report finds that eliminating fuel poverty across the United Kingdom remains achievable and doing so will provide wider social, health, environmental and economic benefits. However, ending fuel poverty and realising the associated benefits will only happen if the scale of investment in domestic energy efficiency is increased (nationally and across the UK). Given HM Treasury expects to receive a significant windfall from domestic energy consumers in all four nations; we conclude that the new UK Government must support the use of these revenues or public infrastructure funds to adequately resource initiatives that make homes warmer and healthier and in turn encourage economic growth.

KEY FINDINGS

"The cost and suffering caused by cold homes is grave and projected to increase without more adequate national and UK responses"

Independent experts have highlighted living in a cold home is currently a bigger killer across the UK than road accidents, alcohol or drug abuse combined[3]. Over the term of the last UK Parliament alone NEA estimates there were over 41,000 needless deaths across the UK directly attributable to vulnerable households inhabiting cold homes[4]. We also believe the cost and suffering caused by fuel poverty is likely to significantly increase in the future. Without adequate national and UK responses, between 2015-2030, NEA estimates that over 125,000 vulnerable people across the UK may die needlessly[5]. Furthermore, national health services will need to spend billions treating cold-related morbidity, in excess of £22bn in England and Wales alone over the same 15 year period[6]. We stress that no government or parliament should accept this level of suffering and unnecessary cost and show how policy makers can respond to these challenges by taking the urgent actions identified within this report.

"Joining up the benefits of action on cold homes should be a common message across the nations. However growing differences in delivery and changes to policies by the UK Government have undermined national delivery plans and targets to eradicate fuel poverty"

The analysis highlights the widespread recognition of the importance of significant energy efficiency interventions to increasing warmth, comfort and helping make fuel bills affordable for vulnerable households. Energy efficiency is also regarded as a highly cost effective way of reducing carbon emissions. However, whilst these crucial benefits are understood at a strategic policy level within the nations, all four countries continue to take very different approaches to energy efficiency policy. As demonstrated in section five, this has notable impacts on vulnerable households and the pursuit of national fuel poverty targets or related national priorities.

We also find that the reduced resources now available through the Energy Company Obligation (ECO) have undermined the realisation of current national fuel poverty targets and programmes in Scotland, Wales and England. The report also notes the risk that by 2018, and potentially beyond, many fuel poor households in England and Wales could still need to spend around £1,000 more per year on energy to heat their rented homes compared to more affluent home owners. The new Private Rented Sector (PRS) regulations are also being introduced when the financial incentives that do exist for energy efficiency improvement measures in the PRS, namely the Landlords Energy Saving Allowance (LESA), have recently ended. This section has also noted the importance (and progress) in involving a wide range of parties in delivery. However many of these organisations (private and public) are also not going to be able to engage fully unless the lack of sufficient funding available for low income householders to fund energy efficiency measures is addressed, especially in England (given the lack of recurrent grant based programmes like in the rest of the UK).

"Aligning the health and housing agendas must become a priority across the nations"

Across each nation there is clear evidence that action on fuel poverty is being linked to public health and social care provision. Implementation of the new NICE guidelines[7] in England on tackling cold homes, transposition of the guidance in Wales and Northern Ireland and the integration of health and social care services in Scotland could have a significant impact on tackling fuel poverty. However, across the nations there is a risk momentum will be lost. We therefore highlight the importance of the governments of the nations and their relevant government departments to act collectively to purposefully align the health and housing agendas at a national and UK level.

"Local delivery partners are often best placed to tailor support to local needs and capture multiple benefits but need more adequate resource and support from national policy makers"

All four countries continue to take very different approaches on energy efficiency programmes. Naturally, the motivations for an energy efficiency intervention vary as much as the delivery of different energy efficiency schemes. However, the extent to which energy efficiency is offered to different vulnerable groups within countries clearly impacts on the affordability outcomes which are able to be achieved. Not all schemes offer joined up services with advice on debt. Not all households are entitled to a whole house package of works.

The full report highlights that the current ECO scheme is not providing suitable access and guaranteed assistance for the most vulnerable households whose health is most affected by living in a cold home. Not only is there a need to target greater activity at low-income households and deprived areas, there is also a need to move away from single measures, guarantee access for the most vulnerable households, limit client contributions which are a barrier to the poorest accessing help, and ensure the scheme administrator actively monitors any requirement for households to pay towards the cost of any energy efficiency work.

Whilst these reforms present some opportunities for energy suppliers to ensure domestic energy schemes are better suited to the needs of those households that require the most support, the report notes and welcomes a continued transition to local support services and programmes led and delivered by local delivery partners and local authorities. In Scotland and Northern Ireland this recognition that local approaches work best has prompted the respective governments to encourage local authorities to take responsibility for overseeing the delivery of their devolved energy efficiency schemes. In England and Wales, whilst many local authorities continue to support national energy efficiency policies, in the main they are reliant on working with obligated energy suppliers (or contractors) to deliver fuel poverty programmes and are under-resourced.

There are therefore critical differences in the extent to which authorities actively fulfil their current duties in relation to housing standards, again with notable impacts on vulnerable households and the pursuit of national fuel poverty targets or related national priorities. We therefore highlight new steps are required to make sure all English and Welsh local authorities have the motivation, means and capacity to actively enforce existing or emerging housing standards, act on national policy initiatives and execute public health responsibilities.

"Whilst support services are becoming more integrated across the nations, many consumers and even frontline support staff are not clear about who to contact for advice and support needs. In particular, there are variations in the extent to which local schemes are actively referred to by national agencies, despite the potential for locally delivered projects to often offer a greater level of assistance and more services".

There are a large number of services vulnerable energy consumers may seek to access to receive support on energy and related matters, for example, energy debt advice, income maximisation and energy efficiency. The full report finds this 'patchwork' of support services is becoming more integrated. However, there is a risk some consumers and frontline support staff and advisors may not be clear about which service they are able to access in their area and which organisations to turn to for support. There is also a pressing need to reconcile national support schemes with assistance that can be provided locally and the absence of service mapping could result in duplication of effort in some localities. This could either confuse clients or be less resource efficient when compared to a centrally co-ordinated system.

"The economic benefits of energy efficiency are clear, yet currently not £1 of the £100bn public infrastructure budget has been spent on initiatives to make homes warmer and healthier and in turn encourage economic growth. This is despite HM Treasury receiving a significant windfall from domestic energy consumers in all four nations - with clear implications for fuel poverty"

Whilst policy makers recognise the linkages between tackling fuel poverty and other national priorities, additional outcomes – such as carbon reduction, reduced pressure on GPs and emergency services, economic development and regeneration and reduced gas imports – will only materialise if the scale of investment in domestic energy efficiency (nationally and across the United Kingdom) is sufficiently increased. Currently, policy makers pay lip service to these multiple benefits while failing to unlock the investment required.

The report highlights that over the term of this UK Parliament domestic energy consumers will contribute over £14 billion to the Treasury (£11.82bn in England, £1.33bn in Scotland, £690m in Wales and £190m in Northern Ireland) through VAT and revenue generated from carbon taxes. With HM Treasury expected to receive this significant windfall, we conclude that the new UK Government must support the use of these funds (or alternative public infrastructure funds) to adequately resource initiatives that make homes warmer and healthier and in turn encourage economic growth. We also show how using adequate funds would represent a sound use of public money. As well as creating jobs and economic growth, additional investment will reduce pressure on health services, improve energy security and reduce carbon emissions.

NATIONAL RECOMMENDATIONS

ENGLAND

I. Fuel poor householders in England need to spend close to £1 billion more a year on energy compared to non-fuel poor householders due to the toxic combination of low income and living in homes with poor energy efficiency standards. It is therefore of great concern that the Government has not set a target to reduce the size of the aggregate and average 'fuel poverty gap' each year.

II. The Department of Energy and Climate Change (DECC) and Department for Communities and Local Government (DCLG) should provide regular updates on the extent to which local authorities in England are fulfilling their current duties for enforcing and monitoring housing standards. This includes enforcement action under the Housing Health and Safety Rating System (HHSRS) and Private Rented Sector (PRS) regulations and production of biennial Home Energy Conservation Act (HECA) reports on action taken to improve the energy efficiency performance of the local housing stock. The reports should include information on funds used for carrying out improvements to low income homes and the level of fines levied due to private landlords not meeting PRS regulations.

III. DECC and DCLG should move from the current short term, competition-based, approach to funding local activity to a long term, tax-funded programme that complements ECO and is overseen by local authorities or larger consortia of local authorities.

IV. Building on the positive recommendations within the NICE guidelines on "Excess winter deaths and morbidity and the health risks associated with cold homes", DECC the Department of Health (DoH) and Public Health England (PHE) should monitor the extent to which Health and Wellbeing Boards have adopted the guidance and prioritised fuel poverty or reducing excess winter deaths and cold-related morbidity within their local Joint Needs Strategic Assessments (JSNA). PHE should regularly update the current NEA analysis of which fuel poverty schemes have accessed local Clinical Commissioning Group (CCG) funding directly. DoH should also provide estimates of the overall scale and cost of the impact of cold-related morbidity on health services, alongside an assessment of the extent to which any relevant policies are assumed to be reducing these unnecessary costs.

V. DECC should report annually on the relative contribution of energy discounts and energy efficiency measures to the attainment of the interim EPC E and D milestones and the final EPC C target.

NORTHERN IRELAND

I. The NI Assembly should update the current House Condition Survey in Northern Ireland to ensure it provides up-to-date information on the contribution of energy efficiency to mitigating fuel poverty in Northern Ireland. This assessment should also include an evidenced based review of the state of cavity wall insulation across all tenures and highlight any problems or where appropriate standards are or are not being met.

II. The Northern Ireland Assembly should ensure the current Northern Ireland Sustainable Energy Programme (NISEP) continues until such time as an equivalent scheme is introduced which maintains a high percentage of ring-fenced activity which is deliberately targeted at low income households in fuel poverty.

III. Any new scheme should continue to maintain a high percentage of ring-fenced activity for low income households in fuel poverty and make sure there is uniformity of delivery across councils.

IV. It is important that a single department is made responsible for the delivery of the energy efficiency schemes and that there is a single entry point for customers that do not reside within wards of deprivation. This department must also make sure grants and schemes provide value for money and are delivered in a clear and transparent fashion, with information on administrative costs and incentives paid to suppliers made available in an annual fuel poverty report.

V. The Northern Ireland Assembly is responsible for transposing the new NICE guidelines on "Excess winter deaths and morbidity and the health risks associated with cold homes" to Northern Ireland. The Assembly should therefore signal support for the guidelines and produce an action plan to embed the guidance.

SCOTLAND

I. Whilst the Scottish Government's efforts to address fuel poverty are having a clear impact, based on current policies, the target to eradicate fuel poverty by November 2016 could fail to be met. Indications of this likelihood are that levels of fuel poverty are in fact now rising. If this transpires, the Scottish Government must consult fully with key stakeholders well in advance of any public statement on the likelihood of this eradication target not being met.

II. The proposed devolution of further powers to shape ECO schemes delivered in Scotland (although not the overall obligation) may enable the development of an ECO scheme that better suits Scotland's needs. However, the UK Treasury should provide additional resources for Scottish Government schemes from reserved infrastructure funds, particularly given NEA estimates that Scottish energy consumers will pay £1.33bn in increased energy taxes over the term of this UK Parliament.

III. The Scottish Government should improve the reporting of the impact of its fuel poverty and energy efficiency schemes. The Scottish Government should publish monthly progress reports to help assess whether any adjustments are required to the schemes or their delivery. This is essential if lessons are to be learned and progress towards current or future statutory targets is to be tracked effectively.

IV. The transposition of NICE guidelines, such as "Excess winter deaths and morbidity and the health risks associated with cold homes", to Scotland is a decision for the Scottish Government. With the recent integration of health and social care, working together with Community Planning, the potential for fuel poverty action as a means of reducing health inequalities is considerably enhanced. Scottish Ministers must act quickly to use this opportunity to tackle fuel poverty, poor health and to reduce costs to the national health service.

WALES

I. The Welsh Government is to be commended to date for maintaining the Nest and Arbed schemes despite a difficult economic climate. However, the offer of a 'whole house approach' under Nest has sadly not fully materialised in the majority of households and the future of these current schemes is uncertain. The Welsh government is unlikely to meet its remaining statutory duty to eradicate fuel poverty by 2018 without immediate clarification on these points. It must act upon these areas in the coming months. However, without substantially increased funding overall, the Welsh Government's flagship energy efficiency programmes are currently only able to assist a small fraction of fuel poor households in Wales.

II. Within the forthcoming energy efficiency strategy for Wales, the Welsh Government must show their active support for Welsh energy consumers by lobbying the UK Government to use the revenue the UK Treasury receives from levies on energy bills to ensure this money (or alternative funds) is pledged to increase resources within the Welsh Government's energy efficiency programmes.

III. The Welsh Government is responsible for transposing the new NICE guideline on "Excess winter deaths and morbidity and the health risks associated with cold homes" to Wales. The Welsh Government should signal its support for the guidelines within the Government's forthcoming energy efficiency strategy for Wales.

IV. The new UK Government must recognise that austerity and welfare reform have had a real impact on the ability of the Welsh Government to eradicate fuel poverty and poverty in general. The new UK Government should publicly set out its plans for working with the Welsh Government to address low incomes and low pay to assist the Welsh Government to meet its fuel poverty and child poverty targets.

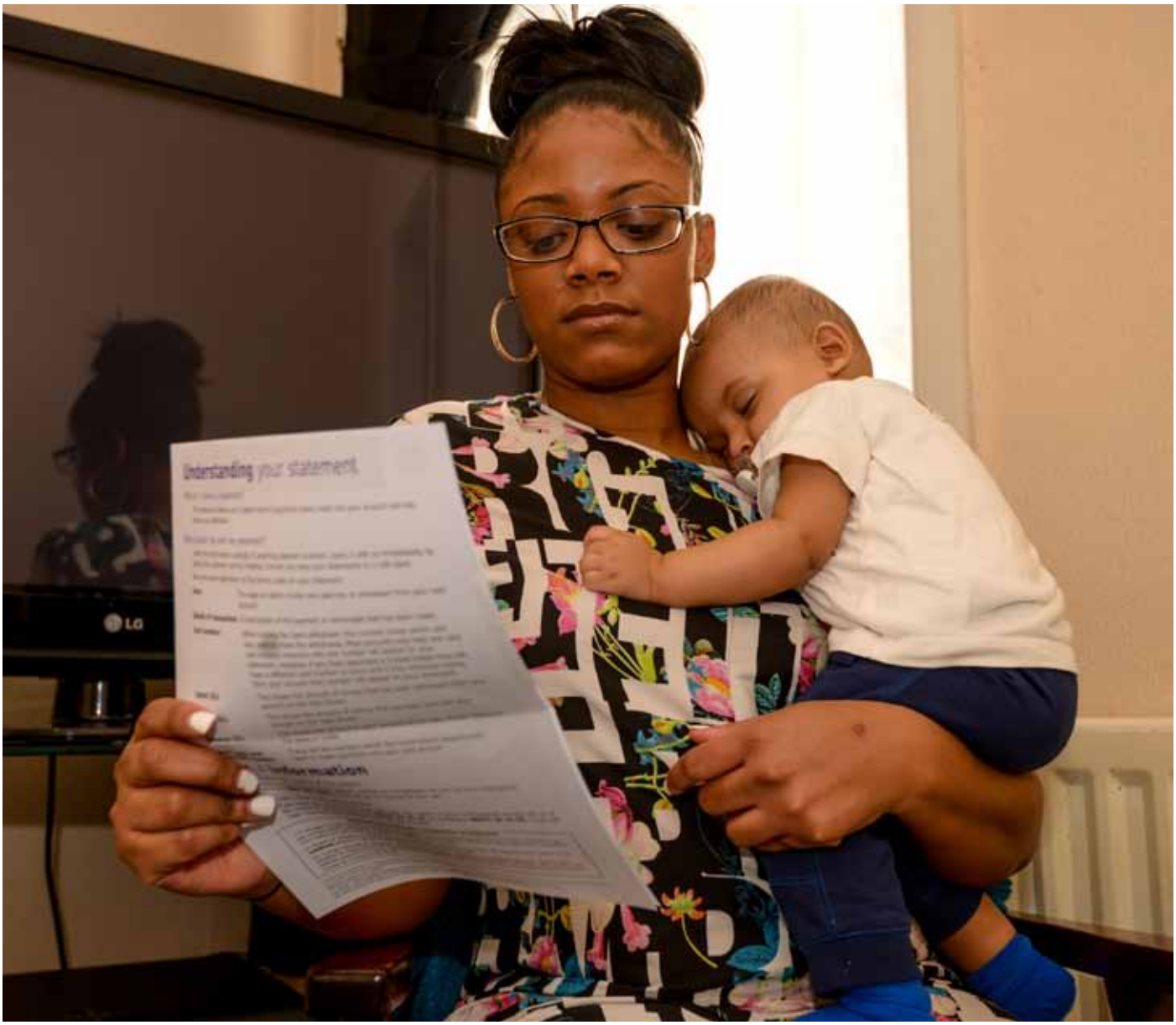
V. Despite the Welsh Government's Fuel Poverty Strategy noting local authorities and social housing providers have a critical role to play in tackling fuel poverty, there is currently no statutory obligation on local authorities in Wales to tackle fuel poverty[8]. The Minister for Communities and Tackling Poverty within the Welsh Government should therefore work with other relevant departments in Wales to establish the extent to which local authorities in Wales are fulfilling their current duties in relation to housing standards and take appropriate action.

UK AND GB RECOMMENDATIONS

I. The UK Government must introduce an ambitious energy saving target for the whole of the UK. Existing research highlights a 40 per cent energy saving target for 2030 would boost UK GDP by £62bn[9], even after the upfront costs are met. Energy imports also negatively impact the EU's trade balance and accounted for over €1 billion per day in 2013 (around €400 billion a year) and represent more than a fifth of total EU imports[10]. Overcoming the remaining barriers to realise this energy saving potential in the UK must be a priority, particularly for low income households. The UK Government should also support a minimum binding 40 per cent energy saving target across Europe by 2030.

II. The next Comprehensive Spending Review will be of critical importance. This report has highlighted how national governments, different departments and a wide range of practitioners can help support, fund and deliver action on fuel poverty. This requires increasing annual investment in energy efficiency at a national and UK wide level. The UK Government must take a lead and set an aspirational target for a minimum of 8-10 per cent of the annual public infrastructure budget to be spent on supplementary programme(s) that can make homes warmer and healthier as well as creating economic growth. This could be allocated according to current levels of domestic energy taxation across the UK nations and the extent of fuel poverty within the respective countries.

III. The UK Government must continue to monitor fuel poverty levels across the UK and identify any changing demographics within fuel poor households under the 10 per cent method of measuring fuel poverty. This should involve working across the nations and relevant departments to update national housing surveys and identifying any cross cutting fuel poverty implications within UK wide policy making. The fuel poverty advisory groups of the respective nations must also be actively engaged in this process.



INTRODUCTION TO THIS INVESTIGATION

It is well understood that the three main factors that contribute to fuel poverty across the UK are inadequate heating and insulation standards, low household incomes and high energy costs. Whilst heating and insulation standards are primarily the responsibility of the national governments within the four nations, policies which directly impact household income (such as income tax) and energy regulation are largely still determined by UK Government policy. In Northern Ireland however, energy regulation is already a fully devolved matter and consequently fuel poor households are not assisted by GB energy company programmes which apply across the other three nations. The following UK (or GB) wide programmes therefore aim to address the following areas:

RAISING HOUSEHOLD INCOMES

The Winter Fuel Payment is a non-means tested cash payment available to all UK pensionable age households. There is no requirement to spend the allowance on energy bills or energy efficiency measures and the payment is funded through general taxation. The Cold Weather Payment is also available and is triggered by extended periods of exceptionally cold outdoor temperatures. This measure is also funded through general taxation.

ACTION ON ENERGY COSTS

The Warm Home Discount Scheme (WHDS) provides automatic electricity bill support to low income older age households. For other vulnerable and low income electricity customers (not of pensionable age) the one-off payment of £140 is not paid automatically but is available to those who apply in the summer period. This policy is paid for through a levy on energy consumers and is delivered across Great Britain by obligated energy suppliers. The UK Government have also recently introduced the Government Electricity Rebate (GER) to ensure GB domestic electricity customers receive a £12 rebate on their bills in 2014 and 2015. This rebate is designed to help in part pay for the WHDS and also lower the impacts of other UK Government environmental and social policy costs recovered through GB consumer energy bills. The GER is delivered through electricity suppliers but is funded through general taxation.

REDUCING ENERGY USE

The Green Deal is an energy efficiency scheme aimed at 'able to pay' households in England, Wales and Scotland. The other energy efficiency scheme, ECO, is funded through a consumer levy and is delivered across Great Britain by obligated energy suppliers. Within ECO, the Carbon Saving Communities Obligation (CSCO) and the Home Heat Cost Reduction Obligation (HHCRO) target deprived areas and low income, vulnerable households.

Whilst income support measures and energy discounts clearly play an important role in tackling two of the factors which cause fuel poverty, their effect is temporary and can be poorly targeted at the fuel poor[11]. As a result, the main focus of this report is to examine the integration of policy agendas to maximise action on energy efficiency and thereby help optimise related benefits at a national and household level. Specifically, the report looks at the extent to which national and local governments, commercial companies, public sector bodies and a broad section of non-governmental organisations recognise and are attempting to:

- Link up energy efficiency policy frameworks across carbon reduction and broader energy policy, health and social care provision and economic development and regeneration
- Bring together fuel poverty-related advice and services, including on energy efficiency, income maximisation, health and wellbeing etc.

As illustrated in the following section concentrating on these interlinkages also enables an investigation of the extent to which the business case for ending fuel poverty is being joined up across the UK and nationally.

Having defined the scope of our investigation, the report uses secondary data such as national progress reports, research from non-governmental organisations and direct feedback from relevant respective national Government departments to establish the extent to which policy makers recognise and act upon the links between fuel poverty and these related priorities (section 4).

The report then seeks to identify how the different approaches the four nations are currently taking on energy efficiency programmes can directly impact vulnerable households on the ground and how this in turn may affect the pursuit of national fuel poverty targets or related national priorities and goals (section 5).

The impact of current national programmes is illustrated with the help of 'pen portraits' or some illustrative consumers' experiences of the schemes which operate across the nations in urban and rural areas and for households that are on a low income, despite being in employment. Whilst these examples are not drawn from actual households, they use the project team's combined background knowledge and relevant secondary sources to provide a brief description of the energy schemes the householder is benefiting from and illustrate what services may be offered. The examples also detail how this assistance is provided (did the householder have to apply, did they have to contribute towards the cost of services etc.) and notes if it was linked to other forms of support or service. We then highlight the major differences between the nation's approaches within the findings section (section 6).

By comparing how fuel poverty policy works in this way the report hopes to provide an informed view of where any notable gaps may exist and makes recommendations on cross cutting themes that must be addressed if we are to truly capture the positive mix of social, environmental and economic benefits that can finally lead to the end of the cost and suffering caused by fuel poverty.

OVERVIEW OF FUEL POVERTY IN THE UK AND ACROSS THE NATIONS

4.5 MILLION UK HOUSEHOLDS UNABLE TO ADEQUATELY HEAT THEIR HOMES

Drawn from the UK Government's most recent figures[12], the table below shows the levels of fuel poverty in the four UK nations between 2012 and 2013, according to the 10 per cent definition of fuel poverty[13].

TABLE 1: FUEL POVERTY LEVELS IN THE UK BY COUNTRY, 2012 AND 2013 (DECC)

	NUMBER OF FUEL POOR HOUSEHOLDS (MILLIONS)		PERCENTAGE OF FUEL POOR HOUSEHOLDS (%)	
COUNTRY	2012	2013	2012	2013
ENGLAND	2.61	2.73	12%	12%
SCOTLAND*	0.84	0.94	35%	39%
WALES	0.39	NO ESTIMATE AVAILABLE	30%	NO ESTIMATE AVAILABLE
N. IRELAND	0.29	NO ESTIMATE AVAILABLE	42%	NO ESTIMATE AVAILABLE

** As noted in the next section, the Scottish Government also publishes its own fuel poverty statistics and recently updated its fuel poverty methodology. This led to an increase in the number of FP households in Scotland and in 2012 the fuel poverty rate was estimated to be 35.2 per cent, in 2013 it was estimated to be 39.1 per cent.*

According to the UK Government's figures[14] fuel poverty is projected to have increased slightly under the 10 per cent definition (still used in Northern Ireland, Wales and Scotland). In 2013 the number of fuel-poor households in the UK was estimated at around 4.5 million, representing 17 per cent of all UK households. The UK Government's statistics also highlight 3.3 million are considered to be vulnerable households. That is, containing an elderly person, a child, someone with a disability or someone who has a long-term illness. This is a 10 per cent increase on 2012 levels (3 million). For each reported country there has also been an increase.

FUEL POVERTY IN ENGLAND

In 2013, the number of households in fuel poverty in England under the Low Income High Cost (LIHC) definition[15] was estimated at around 2.35 million, representing approximately 10.4 per cent of all English households. This is broadly unchanged from 2.36 million households in 2012 (a small decrease of around 0.5 per cent). DECC also Estimated that fuel poverty is projected to increase marginally from 2.35 million in 2013, to 2.36 million in 2014, before decreasing to 2.34 million in 2016. Under the LIHC the depth of fuel poverty fell by around four per cent, to £877 million in 2013. This means that fuel-poor households in England still need to spend almost £1 billion more a year compared to non-fuel poor householders. The average fuel poverty gap also reduced marginally in real terms over this period, from £385 to £374.

Beyond the impacts of changes in definition, the UK Government introduced new legislation, as part of the Energy Act 2013, to replace the duty on the UK Government to eradicate fuel poverty in England by 2016 with a new duty to set a new fuel poverty objective within secondary legislation. On 5 December 2014 the Government set out a new fuel poverty target which aims to ensure that as many fuel poor homes 'as is reasonably practicable' achieve a minimum Energy Performance Certificate (EPC) of Band C by 2030. Following a further consultation, in March 2015 the Government published 'Cutting the cost of keeping warm'[16]. This purports to set out a strategy for showing how the government intends to meet its new fuel poverty 2030 target and two interim milestones. The milestones are to ensure that as many fuel poor homes as is reasonably practicable reach Band E by 2020 and Band D by 2025. Currently, less than 5 per cent of fuel poor households in England have an energy efficiency rating of Band C and above. Analysis by the Committee on Climate Change (the government's advisory body on climate change) suggests that hitting the new targets would cost in total £18bn, or £1.2bn–1.6bn per annum to 2030. Current annual spending on energy efficiency improvements in fuel poor homes in England amounts to less than half that, circa £490m, a proportion of the GB wide ECO programme[17]. In addition, for those households that don't benefit from this funding the fuel poverty gap will increase as the policy is paid for via a levy on consumer energy bills.

In addition to ECO funding, and to help meet the 2030 target, the Government's fuel poverty strategy also refers to parallel legislation to introduce minimum energy efficiency standards for the private rented sector (see section 4), initiatives to encourage 'warmth on prescription' schemes for cold and sick households, along with a new central heating fund for low income households off the gas network. Nevertheless, the GB wide HHCRO & CSCO elements of ECO remain by far the most significant programmes for improving properties occupied by low income householders.

FUEL POVERTY IN NORTHERN IRELAND

As noted in the previous chapter, in Northern Ireland, energy regulation is a devolved matter and fuel poor households are not assisted by GB energy company programmes which apply across the other three nations. There is currently no statutory target for the eradication of fuel poverty in Northern Ireland. However, the Department for Social Development has the lead responsibility for taking forward the Northern Ireland fuel poverty strategy.

Whilst the housing stock will have altered considerably since the date of the publication, statistics from the NI House Condition Survey in 2011[18] shows that fuel poverty in Northern Ireland is endemic, 42 per cent of all households. These statistics also show that households with an annual income below £10,000 are most likely to be fuel poor and that the private rented sector is the housing tenure with the highest level of fuel poverty (49.1 per cent). In addition, rural fuel poverty is higher than the Northern Ireland average at 44 per cent. In light of the huge scale of fuel poverty in Northern Ireland there have been growing calls to urgently address the problem. This includes the Northern Ireland Fuel Poverty Coalition calling on the Northern Ireland Executive to develop a detailed and costed action-plan setting out how and when fuel poverty is to be adequately addressed[19].

FUEL POVERTY IN SCOTLAND

The Housing (Scotland) Act 2001 requires the Scottish Government to eradicate fuel poverty in Scotland, as far as is practicable, by November 2016[20] and to report on progress every four years in the Scottish Fuel Poverty Statement. Out of the three main causes of fuel poverty, two, i.e. household income and energy regulation, are matters reserved to the UK Government, while energy efficiency is a matter devolved to the Scottish Government. The Scottish Government has continued to fund its own programmes aimed at reducing fuel poverty levels in Scotland, in particular, the Home Energy

Efficiency Programmes for Scotland (HEEPS). The Government has also designed HEEPS to operate alongside and to encourage integration with the GB wide ECO programme.

In 2013-14, well over 100,000 energy efficiency measures were installed in Scottish households either directly funded by Scottish Government schemes or supported by the broader enabling environment created through HEEPS. As a result of this and other supportive investment, over a third of all Scottish dwellings are now in Energy Performance Certificate (EPC) Band C or better, an increase of over 13 percentage points since 2010 and 7 percentage points in the most recent recorded year (2013)[21]. However, despite the Scottish Government noting the improvements in home energy efficiency standards, the 2014 Scottish House Condition Survey reported record high levels of fuel poverty for 2013 at 940,000 households, or 39 per cent of all households[22]. The Scottish Government attributed this largely to increased fuel prices. However, the situation is far worse in some remote rural and island communities, where the fuel poverty rate is estimated to be as high as 71 per cent[23].

In response to some of these challenges, the Smith Commission, following last year's referendum on independence, has proposed devolution to the Scottish Parliament of certain elements of ECO, the Warm Home Discount scheme, Winter Fuel Payments and Cold Weather Payments[24]. It also proposed closer links between the Scottish Parliament and the energy regulator, Ofgem, and changes to the arrangements for consumer advocacy. The proposals could have significant implications for energy efficiency and fuel poverty policy in Scotland if confirmed in legislation early in this UK parliament. The Scottish Government also remain resolute in their determination to meet the 2016 target[25]. It is however clear that without substantially increased funding for energy efficiency and the Scottish Government exerting more effective influence over the UK Government policies on household income and energy regulation, the target to eradicate fuel poverty by November 2016 could fail to be met.

FUEL POVERTY IN WALES

The 2010 Fuel Poverty Strategy[26] set out a target to eradicate fuel poverty in Wales by 2018. However, it is clear that the target is currently unachievable given the scale of existing fuel poverty policies. As in Scotland, responsibility for the main measures to improve household income and influence energy prices are currently matters reserved to the UK Goverment, while energy efficiency is already largely within the remit of the Welsh Assembly. As well as investing to attract further supplier funding from ECO into Wales, the Welsh Government has two fuel poverty programmes in place, NEST and Arbed, which have resulted in a 3 per cent reduction of households in fuel poverty from what they would have otherwise been[27]. However, Wales is still facing a fuel poverty crisis and despite ECO and the Welsh Government's schemes, 30 per cent of Welsh households were unable to adequately heat their homes[28] in 2012.

HOW JOINED UP IS THE BUSINESS CASE FOR ENDING FUEL POVERTY ACROSS THE UK AND NATIONALLY?

This chapter focuses on the extent to which policy makers recognise and act upon the links between fuel poverty and other related priorities, such as reducing carbon emissions, health and social care, economic development and regeneration, advice on income maximisation and other support services.

The potential to join up the business case for action on cold homes and energy efficiency has also been a prominent theme within Europe.

The International Energy Agency (IEA) highlighted and quantified the potential for energy efficiency to deliver new jobs and economic growth, reduce pressure on health services, improve energy security and reduce carbon emissions (at the same time as providing a long-term, sustainable solution to unaffordable fuel bills for all consumers). In particular, their report ***Capturing the Multiple Benefits of Energy Efficiency*** demonstrated that large scale energy efficiency programmes can lead to increases in GDP of up to 1.1 per cent per year; can create significant employment (8–27 job years per €1million invested); and can have a benefit to cost ratio of 4:1[29].

Work by the EU Commission has also highlighted that energy imports negatively affect the EU's trade balance; accounting for more than €1 billion per day (around €400 billion a year) in 2013 and more than a fifth of total EU imports.

The EU imports more than €300 billion of crude oil and oil products, of which one third comes from Russia[30].

However, the EU also notes that without further action on energy efficiency, these costs will increase and the Commission expects fossil fuel import prices to continue to increase[31].

FUEL POVERTY AND ENERGY EFFICIENCY - THE LINKS TO THE UK GOVERNMENT'S ENERGY PRIORITIES

Whilst heating and insulation standards are primarily the responsibility of the devolved administrations the Annual Energy Statement[32] sets out the UK Government's progress against its energy policy priorities over the term of the UK Parliament. The document recognises poorer households are typically hit hardest by energy price rises and the importance of providing assistance to these households. The Energy Statement also highlights how action to tackle fuel poverty will bring about wider benefits, such as supporting jobs, saving carbon and improving health[33].

The UK Government's Energy Efficiency Strategy[34] makes the case that improvements to domestic energy efficiency can reduce the country's dependence on imported fossil fuels and increase energy security. It highlights how cost-effective investment in all forms of energy efficiency could save the UK 196 TWh in 2020, equivalent to 22 power stations[35]. The report also confirms that energy efficiency is one of the central pillars of the Government's efforts to tackle fuel poverty[36].

ENCOURAGEMENT OF NEW GB WIDE ENERGY EFFICIENCY MODELS

Ofgem have stated within RIIO[37]-ED1[38] distribution network operators (DNOs) have an important role to play in supporting vulnerable customers and delivering solutions for them (either themselves or by partnering with others)[39]. Ofgem have also stated that measures enabling more efficient use of energy for households might offset the need for network reinforcement (or defer it) in a given part of their distribution area.

The alternatives to reinforcement that may be appropriate could be the DNO helping to replace inefficient electrically heated systems, a contribution towards connecting a household to a modern efficient district heating or gas network, helping fund extensive solid wall insulation or providing capital towards lighting improvements or other low cost energy saving measures etc. However, in order for these alternative energy efficiency projects to occur, first they must be located in similar locations to those places where the DNO is planning to invest in network reinforcement alongside areas with relatively high population density, high deprivation and high penetration of electrically heated housing. This means the opportunity to invest in these projects will not be evident in every instance and this 'convergence' may only occur in a small number of planned reinforcements a DNO may be planning on their network.

Another critical challenge for these alternative investments (and the key for delivering value to all energy customers not just the direct beneficiaries of these measures) is that the contribution by the DNO to the cost of these projects would always have to be lower than the cost of the business as usual network reinforcement. However, as noted later on in this section, complying with this criteria should not deter a DNO from considering these approaches and taking a longer-term view of reinforcements to their network as potential exists for leveraging national or local energy efficiency programmes funds that can defray some of the cost of the in-house measures (where these exist and are accessible). Beyond government funded schemes, DNOs can also support energy suppliers' or gas network operators' to deliver their own existing obligations. In this way, there is a greater potential for DNOs (along with these other parties) to ensure the investment in energy efficiency is more cost effective; benefiting all energy consumers whilst also providing a direct social outcome for the recipients of the energy saving measures.

The Low Carbon Network Fund (LCNF) in particular provides results and information collected from various projects that have trailed DNO-led projects aiming at reducing peak load as an alternative to network reinforcement. These projects (and others) will give network companies a better understanding of the opportunities and challenges of pursuing this model. A brief summary of these projects are provided below.

SOLENT ACHIEVING VALUE FROM EFFICIENCY (SAVE)[40]

Led by Scottish and Southern Energy Power Distribution (SSEPD) in the Solent and surrounding area, the project aims to establish to what extent energy efficiency measures can be considered as a cost effective and predictable by quantifying theoretical expectations with investigating actual customer responses to a range of different technologies. The trial will compare the effectiveness of four energy efficiency measures (LED installation, data-informed engagement campaign, DNO price-signals direct to customers plus data-informed engagement, and community coaching) and produce an investment decision tool that introduces the deployment of energy efficiency measures as a solution to network constraints.

LESS IS MORE[41]

Western Power Distribution partnered with the Centre for Sustainable Energy to help communities reduce their electricity demand, especially at peak times so that less money was spent on upgrading substations, to cope with rising demand. The project encouraged ten communities, "attached to" a monitored substation to consider their electricity use and find ways to reduce it and/or shift it to off-peak times, in return for up to £5,000. The project was presented as a solution to create savings for everyone, with reduced bills and reduced upgrade costs.

VULNERABLE CONSUMERS AND ENERGY EFFICIENCY (VCEE)[42]

The partnership was established by UK Power Networks and works in the Tower Hamlets area of London to investigate the impact of smart meters and energy efficiency devises for network operators. The LCNF VCEE project is in its second year and will run until 2017. The project will provide smart meters and low cost energy saving measures to a sample of over 500 participants and compare the impacts against a control group where no interventions will be installed until the end of the project. The project is rare in its scope as it involves a wide range of partners including UKPN, NEA, British Gas, CAG consultants, Tower Hamlets Homes, Institute for Sustainability, Bromley by Bow Centre, Poplar Harca and UCL. Outside of the LCNF, there have been other projects which have provided insights which can support the development of this model:

POWER SAVER CHALLENGE[43]

The project aimed to extend the life of existing network assets by working with customers to reduce the amount of electricity they use, in return of a reward. Electricity North West Ltd worked with NEA in Stockport on a proof-of-concept, gathering 10 teams in a competition, to aim for the challenge of a 10 per cent reduction in winter peak electricity compared to the previous year, and with the help of advice and energy-saving equipment. The aim was explicitly to test the feasibility of avoiding investment in an urban primary substation and extend the life of the existing asset.

NEW ED1 MODEL AND STAKEHOLDER ENGAGEMENT INCENTIVE

DNOs are incentivised to deliver ED1 outputs as efficiently as possible. The effect of this regulatory framework should mean that where a DNO makes a saving in the cost of their investments (by implementing the new DNO model or more generally); they get to keep a proportion of the saving, with the remainder returned to consumers. As noted above, provided the contribution by the DNO to the cost of alternative projects is always lower than the cost of the network reinforcement, DNOs can then look to this mechanism to incentivise the installation of alternate heating technologies or in-home energy efficiency to offset the need for network reinforcement[44].

In some instances, meeting the requirement to ensure the costs of an alternative project is always lower than the cost of the network reinforcement may not be feasible and therefore, justifiably, the aforementioned generic efficiency incentive would not provide a reward. This challenge may therefore result in DNOs being understandably reluctant to invest in any projects where the 'margin of feasibility' is tight. It is therefore important to briefly understand how the regulatory regime incentivises a DNO to identify complementary energy efficiency activity that is already being planned or developed within an area. This is where the potential exists to 'piggyback' a DNO investment alongside third party funds instead of making the investment entirely independently (albeit with the same intention of avoiding an unnecessary reinforcement of the network).

OFGEM STAKEHOLDER ENGAGEMENT INCENTIVES

Within RIIO-ED1 Ofgem have increased the value of the Stakeholder Engagement Incentive so that Ofgem can specifically assess and reward the steps DNOs take in response to social challenges[45]. As noted above, this provides an opportunity to develop alternative investment projects alongside other third party funds. However, in order to achieve this, there is a clear need to engage with a wide range of stakeholders such as local authorities, housing associations, obligated energy suppliers, gas distributors and potentially other utility providers. As long as the Stakeholder Engagement Incentive is large enough to cover the overheads associated with identifying and working with these 3rd parties to pursue this opportunity, this could provide a necessary reward to undertake this work. However, whilst the DNO may be directly incentivised to work with a third party, a further consideration is the willingness of said party to engage with a DNO and for an alternative project to meet shared objectives.

MOTIVATIONS TO JOIN UP DELIVERY WITH OTHER PARTNERS

Gas Distribution Network (GDN) companies are incentivised to connect fuel poor households to the gas network following an economic assessment model and it is anticipated that at least 80,000 households will be connected to the network over the next 8 years[46]. Projects that connect a property to gas networks (or alternatives such as district heating) could have a positive impact on reducing the strain on the electricity network as there would be a fuel switch (away from electricity to gas or alternative heating sources). This means that as well as acting independently to help support investments in energy efficiency, GDNs could join up network extensions with DNOs and help offset the need for wider network reinforcement.

In order to fund some of this activity Ofgem has recently set out its requirement for the Gas GDNs Discretionary Reward Submission (DRS) under the RIIO GD1 framework[47]. For the first time the regulator is asking for a collaborative approach to the submission with the four GDNs putting a joint submission as well as their own supporting evidence. These developments highlight how the current or emerging regulatory regime could help create clear synergies between DNOs and GDNs. However, Ofgem should also ensure where a DNO and GDN are working in partnership to connect a household to the gas network, the successful gas connections must also benefit from appropriate levels of insulation.

This is fundamental to the full affordability outcomes which could be realised by a new gas connection and is also critical to ensure this activity is more consistent with DECC's heat strategy. This aims to 'squeeze fossil fuels' out of domestic heating by 2050[48]. Therefore without responding in this way, this activity could fail to help meet these policy objectives and make it more costly to install renewable heating technologies in the future. In addition to the potential for a DNO and GDN to work more closely to connect a household to the gas network and identify new opportunities for funding the cost of the in-house works, this also prompts a consideration of the willingness of ECO-obligated energy suppliers to help DNOs or GDNs co-fund in-house measures.

As noted in the summary in section five, the ECO programme can be challenging to access and leverage due to a lack of guaranteed assistance for eligible households and a requirement to make capital contributions which may not be within the means of the low income householder. This underlines the value of DNOs working with obligated energy suppliers to deliver in-house measures (and reducing the need for any household contributions) but Ofgem will also need to continue their work with DECC to address insufficient funding available for low income householders, especially in England (given the lack of recurrent grant based programme like in the rest of the UK). Currently, the extent of household capital contributions towards the cost of energy efficiency measures is also not subject to any oversight by the scheme administrator.

LINKS TO OTHER ENERGY PRIORITIES WITHIN THE NATIONS

As well as the important contribution fuel poverty action can have on joining up energy priorities across the UK (or GB), the respective nations have also attempted to embed action on fuel poverty within their own national energy strategies.

ENGLAND

In March 2014, the UK Government set a new fuel poverty target which aims to ensure that as many fuel poor homes 'as is reasonably practicable' achieve a minimum energy efficiency rating of Band C, by 2030. The new targets are supported by a new fuel poverty strategy[49], the first for 13 years. The strategy sets out the Government's vision – to cut bills and increase comfort and well-being in the coldest low income homes – and specifies how they will meet the new targets by applying a set of core principles. The key principles outlined are to prioritise the most severely fuel poor, and deploy cost-effective policies while having regard for the most vulnerable. However, as noted above, a number of organisations criticised the strategy for failing to identify the additional investment needed to reach the targets quicker and specify how existing resources would be supplemented given they are less than half of the amount required to meet the new targets[50].

In February 2014 the UK Government also confirmed that from April 2016, domestic landlords in England and Wales should not be able to unreasonably refuse requests from their tenants for consent to energy efficiency improvements, where financial support is available from national or local schemes. The new regulations[51] also require that from April 2018, private domestic and non-domestic landlords will need to ensure that their properties reach at least an E EPC rating. According to information provided by DECC to support the intervention, fuel poor households privately renting an F or G EPC rated home would need, on average, to spend around £1,000 more per year on energy to heat their homes properly compared to typical homes. This compares to around £390 for those in EPC bands E and above[52].

However, whilst these developments are broadly welcome, the regulations specify that these requirements will be subject to there being no upfront financial cost to landlords and the Government introduced accompanying five year exemptions before landlords must comply with the requirements. A further caveat is that landlord only needs to fund to the level of the 'golden rule' under the Green Deal and not get the property to band E. As a result, tenants may still face high energy bills or it is assumed the landlord or tenant would have to rely on either the Green Deal and/or the ECO to fund the necessary energy efficiency work. In addition, the new regulations are being introduced when the financial incentives that do exist for energy efficiency improvement measures in the private rented sector, namely the Landlords Energy Saving Allowance (LESA), have recently ended. This is despite a commitment in the 2013 Pre-Budget Statement to introduce a new and additional energy efficiency grant to support private landlords which was going to seek to improve around 15,000 of the least energy efficient rental properties each year for 3 years.

Given the challenges to low income households accessing the ECO programme (noted elsewhere in the report), and the significant concern that the Green Deal is not an appropriate mechanism for these households, compliance with these future regulations will therefore seem to fail entirely or fall on the tenant instead of the landlord or additional forms of public funding. NEA strongly disputed the need for these caveats and has called for all properties within scope of the regulations to be required to meet a minimum standard of EPC Band E, up to a maximum spend of £6,000[53]. In addition, NEA along with other groups believes all domestic private rented properties should be within scope of the minimum standard regulations, not just those with a valid EPC. In particular, Houses of Multiple Occupation (HMOs).

It is also imperative that the PRS regulations recognise the precedent within the Housing Health and Safety Rating System (HHSRS), introduced in the 2004 Housing Act, which is already regulating minimum standards in housing in England and Wales. The main relevant enforcement category is Excess Cold, one of the most common Category 1 hazards[54]. Approximately 15 per cent of private rental homes are classified as a Category 1 'excess cold' hazard under the HHSRS. Guidance on HHSRS states that homes with a SAP of less than 35 should be classed as 'excessively cold' and therefore a Category 1 hazard.

Local authorities already have a duty to arrange for an inspection of any premises to determine whether there is a Category 1 or 2 hazard following a well-founded complaint or for any other reason that the authority considers appropriate. If a Category 1 hazard is found to exist, the local authority should then take action to ensure the hazard is removed and critically the landlord is liable for the full cost of the works. It is therefore essential that this existing duty on the landlord is maintained and the introduction of the new regulations enhances HHSRS enforcement. As a result, NEA has also argued that the PRS regulations must be explicit in ensuring the existing enforcement of a C1 or C2 hazard for cold does have to be rectified and paid for by the landlord before any of the aforementioned proposed exemptions apply.

Finally, NEA highlights that the Energy Act makes local authorities responsible for enforcing the new PRS regulation. However, in general, local authority enforcement action has been badly effected as a result of limited resources and competing pressures on local authorities, especially Environmental Health Officers. The additional enforcement required by the introduction of the regulation could be seen as a burden on local authorities unless this additional enforcement is resourced effectively and ring-fenced funding made available for authorities to undertake this role. NEA has also highlighted an opportunity for the Government to use enforcement fines to also compensate tenants for higher energy running costs and also introduce a low cost loan facility for landlords to help meet the proposed EPC band E standard which the landlord would need to pay back after the property is sold or after a period of 5 years.

SCOTLAND

The Climate Change (Scotland) Act 2009 commits the Scottish Government to reducing greenhouse gas emissions, transitioning to a low carbon economy and increasing sustainable economic growth. The Act places a duty on Scottish Minsters to promote energy efficiency and to improve the energy efficiency of living accommodation. Section 60 of the Climate Change (Scotland) Act 2009 also requires the Scottish Government to set annual energy efficiency targets.

Low Carbon Scotland: Meeting our Emissions Reduction Targets 2013-2027 is the Scottish Government's second report on proposals and policies (RPP2) for meeting its climate change targets for the period 2013-2027. Set through the Climate Change (Scotland) Act 2009, the RPP2 is structured around the key sectors of energy supply, homes and communities, business and the public sector, transport, waste and rural land use. For each of these sectors, policies to reduce greenhouse gas emissions have been identified, as are a number of proposals for further consideration and development. Energy efficiency is recognised as the simplest and most cost-effective way to reduce emissions. Its milestones, under Homes and Communities, for 2020 include:

- Every home to have loft and cavity wall insulation, where this is cost-effective and technically feasible, plus simple measures such as draught-proofing and pipe lagging;
- Every home heated with gas central heating to have a highly efficient boiler with appropriate controls; and at least 100,000 homes to have adopted some form of individual or community renewable heat technology for space and/or water heating

The Scottish Government has also published the Energy Efficiency Action Plan (EEAP) in 2010 with subsequent progress reports. The EEAP sets a framework for energy efficiency and microgeneration that furthers the Scottish Government's climate change, economic and social agendas. The EEAP established a target to reduce total final energy demand in Scotland by 12 per cent by 2020, from a 2005-2007 baseline, covering all fuels and sectors. The ability to meet the target is seen as critical to meeting other targets in a cost-effective way. The key actions relating to energy efficiency include to:

- Improve the energy efficiency of all housing stock to meet the demands of the future
- Promote infrastructure improvements, eg by developing a sustainable heat supply

The Sustainable Housing Strategy (2013) also sets out the Scottish Government's vision for warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland.

The strategy sets out the investment and programmes which the Scottish Government intends will help it meet statutory targets for fuel poverty and greenhouse gas emission reductions. It aims to:

- Make sure no-one in Scotland has to live in fuel poverty, as far as reasonably practicable, by 2016;
- Deliver a step-change in provision of energy efficient homes to 2030 through retrofit of existing housing and improved building regulations for new build homes;
- Make a full contribution to the Climate Change (Scotland) Act targets; and
- Enable the refurbishment and house building sectors to contribute to and benefit from Scotland's low carbon economy and to drive Scotland's future economic prosperity.

The Housing (Scotland) Act 2001 also places a statutory duty on local authorities to prepare a Local Housing Strategy (LHS). The LHS must include what the local authority will do to tackle fuel poverty. However, there is no further guidance on what specific activities local authorities should undertake to tackle fuel poverty. These LHS plans cover a five year period and local authorities provide annual progress reports to the Scottish Government.

As reported in last year's Monitor[55], *the Energy Efficiency Standard for Social Housing* (EESSH) also aims to improve the energy efficiency of social housing in Scotland. It builds on the previous Scottish Housing Quality Standard. All social landlords are expected to achieve the EESSH by 2020. This will mean that in the main no social rented property will be lower than a 'C' or 'D' energy efficiency rating. Tenants should therefore benefit from a warmer home, which could mean lower fuel consumption, lower energy bills and fewer tenants living in fuel poverty. Building standards in Scotland are controlled by the Building (Scotland) Act 2003 and subsequent secondary legislation. Local authorities in Scotland administer the Building Standards system. The regulations cover structural and fire safety, accessibility, resistance to noise and damp, and conservation of energy. For many years the energy standards in the regulations were set at a modest level, broadly following those that existed across the rest of the UK. The Scottish Government recently consulted on these energy standards and new ones will come into force in October 2015. The Scottish Government is currently working with stakeholders to draft proposals for public consultation on the level and timing of any future minimum energy efficiency standards that might apply to private sector housing, ie both the private rented sector and owner-occupied properties, in Scotland. The consultation on the Regulation of energy efficiency standards in private sector housing (REEPS) is expected to open in the summer of 2015.

WALES

The Welsh Government recently issued a call for evidence on a new energy efficiency strategy for Wales, a draft of which will be consulted on later in 2015[56]. The document recognises that energy efficiency will contribute to delivering the Climate Change Strategy, Fuel Poverty Strategy and wider Welsh Government energy policy while complementing the aspirations of Energy Wales[57]. It stated; "energy efficiency benefits households, businesses and the public sector, by saving them money, by reducing energy security risks, and by supporting more sustainable business practices and lifestyles. It is the most cost-effective way to support the move to a low carbon energy system. Improving energy efficiency in Wales is a major challenge, but the opportunity for Wales is immense". However, in its response to the consultation NEA Cyrmu stated "As the current schemes can only assist a small fraction of fuel poor households in Wales it is imperative that increased resources for energy efficiency schemes are made a priority"[58].

In order to help join up delivery and the business case for enhanced action, the Minister for Economy Science and Transport chairs the Energy Wales Strategic Delivery Group. The group, made up of senior energy industry representatives, provides direct industry views to Welsh Government. In practice, this group assists the Welsh Government to define actions in a number of key areas that include energy security and cost of energy, the overcoming of barriers, the opportunities presented by devolution of powers, the importance of renewable energy and the opportunities associated with resource efficiency and the transition to low carbon. The overriding objective of the group is to define the actions and delivery mechanisms that are needed to support business sustainability and growth within the context of a low carbon resource efficient economy. However, the group also has a clear role to play in balancing these objectives alongside the need to ensure all domestic energy schemes are better targeted at those households that need the most support to reduce their energy bills, increase comfort and save carbon. Once again, this initiative highlights one way in which the respective nations have attempted to embed action on fuel poverty within their own national energy priorities.

NORTHERN IRELAND

In 2010 the Department of Enterprise, Trade and Investment (DETI) who are the Northern Ireland Department with primary responsibility for energy policy, set out its Strategic Energy Framework (SEF). As part of that framework there was a commitment to produce a Sustainable Energy Action Plan (SEAP) which was published in May 2012. The action plan looks to 2015 and beyond and outlines the role and responsibilities of the myriad of Departments and NDGO's with responsibility for key actions around the carbon reduction and broader energy policy landscape. In 2010, DETI set specific renewable energy targets for NI, and NI is included in the DECC 2050 pathway analysis with the realisation that NI's energy system may need to differ due to our land border with Republic of Ireland.

Additionally Northern Ireland is included in the UK Energy Efficiency Action Plan which documents the policies and measures in place which contribute to the achievement of our climate and energy policy objectives. At the time of writing the only fuel poverty scheme which collects information

on carbon reductions is the Northern Ireland Sustainable Energy Programme (NISEP) which provides grants for the implementation of energy efficiency schemes for domestic and commercial consumers. In summary, the action plan seeks to provide a single location where all the sustainable energy actions are brought together. This is important because responsibility for energy policy is currently divided between a large number of departments[59] and departments have had to work cross-departmentally to achieve joined-up policies on energy, as far as possible. As a result, a Sustainable Energy Inter-departmental Working Group (SEIDWG) has been established and has asked the Executive to sanction its work on bringing together legislative responsibility for energy issues. This should ensure action on fuel poverty is further embedded across a range of national priorities, not just energy.

KEY FINDING IN THIS SECTION:

"Joining up the benefits of action on cold homes should be a common message across the nations. However growing differences in delivery and changes to policies by the UK Government have undermined national delivery plans and targets to eradicate fuel poverty"

The analysis highlights the widespread recognition of the importance of significant energy efficiency interventions to increasing warmth, comfort and helping make fuel bills affordable for vulnerable households. Energy efficiency is also regarded as a highly cost effective way of reducing carbon emissions. However, whilst these crucial benefits are understood at a strategic policy level within the nations, all four countries continue to take very different approaches to energy efficiency policy. As demonstrated in section five, this has notable impacts on vulnerable households and the pursuit of national fuel poverty targets or related national priorities.

We also find that the reduced resources now available through the Energy Company Obligation (ECO) have undermined the realisation of current national fuel poverty targets and programmes in Scotland, Wales and England. The report also notes the risk that by 2018, and potentially beyond, many fuel poor households in England and Wales could still need to spend around £1,000 more per year on energy to heat their rented homes compared to more affluent home owners. The new PRS regulations are also being introduced when the financial incentives that do exist for energy efficiency improvement measures in the private rented sector, namely the Landlords Energy Saving Allowance (LESA), have recently ended. This section has also noted the importance (and progress) in involving a wide range of parties in delivery. However many of these organisations (private and public) are also not going to be able to engage fully unless the lack of sufficient funding available for low income householders to fund energy efficiency measures is addressed, especially in England (given the lack of recurent grant-based programme like in the rest of the UK).

LINKS TO HEALTH & SOCIAL CARE

It is now widely accepted that a number of health conditions – including cardiovascular and respiratory diseases – are caused or exacerbated by living in cold conditions[60]. The most at risk groups are older people, children and those with existing long term illnesses. 3.3 million of these households are currently unable to heat their homes adequately across the UK. This is a 10 per cent increase on 2012 levels.

According to a 2011 report from the World Health Organisation[61], deaths from cardiovascular diseases are directly linked to exposure to excessively low indoor temperatures for long periods. It appears that 50-70 per cent of excess winter deaths are attributed to cardiovascular conditions, and some 15-33 per cent to respiratory disease. As a result, an estimated 30 per cent of winter deaths are caused by cold housing[62].

Evidence has also shown that in the United Kingdom every 1°C drop in average temperatures below 18 degrees results in an average of 8,000 extra deaths[63].

In 2014, recognition that fuel poverty is a significant public health issue became more prominent. This may seem surprising in a year where Excess Winter Deaths (EWDs) dropped to some of the lowest numbers since records began[64] but this is likely to reflect the fact cold homes are currently a bigger killer across the UK than road accidents, alcohol, or drug abuse[65]. NEA's analysis also highlights that over the term of the last 5 years there were over 41,000 needless deaths across the UK directly attributable to vulnerable households inhabiting cold homes (see table 2 below). We also believe the cost and suffering caused by fuel poverty is likely to significantly increase in the future. Without a major shift in policy we estimate over 125,000 vulnerable people in the UK are likely to die needlessly between 2015 and 2030.

TABLE 2: EXCESS MORTALITY RELATING TO COLD HOMES

	2009 TO 2010	2010 TO 2011	2011 TO 2012	2012 TO 2013	2013 TO 2014	EWM 5 YEAR AVE	WHO 30% AVE	5 YEAR PROJECTION	15 YEAR PROJECTION
ENGLAND	24,160	24,120	22,960	29,100	17,100	23,488	7,046	35,232	105,696
SCOTLAND	2,760	2,450	1,420	2,000	1,600	2,046	614	3,069	9,207
WALES	1,690	1,960	1,260	1,900	1,100	1,582	475	2,737	7,119
N. IRELAND	940	740	500	560	590	666	200	999	2,997
TOTAL	29,550	29,270	26,140	33,56 0	20,390	27,782	8,335	41,673	125,019

Beyond needless premature deaths NEA estimate health services will need to spend billions treating cold-related morbidity over the next 15 years, in excess of £22bn in England and Wales alone[66].

LINKS BEING MADE WITHIN THE NATIONS

There is evidence the nations are slowly taking steps to align the health and housing agendas.

ENGLAND

On 5 March 2015 the National Institute for Clinical Excellence (NICE) published its guidelines on tackling excess winter deaths, morbidity and the health risks associated with cold homes[67].

This followed an extensive process of evidence reviews, economic modelling and submission of expert papers[68]. The guidance calls on health practitioners to:

- Establish a single-point-of-contact health and housing referral service to help vulnerable people who live in cold homes
- Primary health and home care practitioners should identify people at risk of ill health from living in a cold home, and make every contact count by assessing the heating needs of people who use health and care services
- Discharge vulnerable people from health or social care settings to a warm home and

assess soon after admission whether the person is likely to be vulnerable to the cold and if action is needed to make their home warm enough for them to return to
- Provide access to tailored solutions such as housing insulation, heating improvement programmes and grants, and advice on managing energy effectively in the home and securing the most appropriate fuel tariff and billing system
- Train heating engineers, meter installers and those providing building insulation to help vulnerable people at home, and to be able to spot if someone is at risk because of a cold home, and know who to call if there is a problem
- Raise awareness among practitioners and the public about how to keep warm at home, including addressing commonly held misconceptions, such as that drinking alcohol can help keep someone warm, that hypothermia is the main health problem caused by the cold, or that sleeping in a cold bedroom is good for your health.

The Government's recent Fuel Poverty Strategy for England also states that Government will take more account of the particular needs of vulnerable people, including those with disabilities and long-term health conditions, in developing approaches to delivery of energy efficiency measures and other forms of fuel poverty support. In particular, the strategy recognises that vulnerable households, particularly those where someone has a health condition related to living in a cold home, may be harder to reach, have multiple needs and require more structured support. The Strategy also refers to a commitment to align the health and housing agendas and to build on the momentum generated by the NICE guidance.

In 2015, NEA carried out research on behalf of DECC seeking to establish the extent of coverage of local health and housing projects. Out of 110 responses to the survey, approximately 69 schemes are in operation in England. While the scheme providers noted that the majority of these schemes were providing medium-to-high cost energy efficiency measures such as insulation or a boiler replacement, the majority referred households into a wider scheme such as ECO. Only about a fifth of schemes had accessed local health funding directly. Respondents also noted that the changing and short-term funding landscape on energy efficiency in England was hindering the ability to plan for and implement schemes.

SCOTLAND

The Scottish Government last year passed legislation that moves towards full integration of health and social care services across Scotland[69]. Health boards and local authorities were required to put in place their local integrated arrangement by April 2015 with the full integration of services across Scotland expected by April 2016.
The Scottish Parliament's Health and Sport Committee also recently published a report on Health Inequalities[70]. In this it was explicitly recognised that if action to address health inequalities is to have any impact, it would need to address wider social inequalities and involve a range of partners across central and local government and the wider public sector and the third sector. This recognition appears to be leading to a more holistic way of thinking in the Scottish Government's new and updated strategies.

Evidence of this effect is a pilot programme that has been set up by the Scottish Government. The Links Worker Programme pilot[71] places Community Links Practitioners in seven GP surgeries in some of Scotland's most deprived communities. The aim is to better link up the work between health and well-being and relevant support services both locally and nationally. The Community Links Practitioners help people to deal with financial, emotional, social or environmental problems. These might be caused by difficulties with fuel poverty, housing, debt, social isolation or stress. The Community Links Practitioners support people to find and access local services. The scheme has been developed as a partnership between the Health and Social Care Alliance and GPs at the Deep End, and in association with SAMH [The Scottish Association for Mental Health] and the Royal College of General Practitioners. It emerged from numerous initiatives which explored how support resources could be made known to the range of professionals and volunteers who are in a position to signpost people to the vital help they need.

Among the outcomes of the programme to date has been the development of ALISS – A Local Information System for Scotland. ALISS connects to existing online resources to help find and share local information. It is intended to be used by GPs and the Community Links Practitioners[72]. This new service could play an important part in helping people cope with their condition and support them manage their own health by identifying support services close to the home of the household. There is therefore the potential for this local information service to integrate with the Home Energy Efficiency Programmes for Scotland (HEEPS).

WALES

In 2013, the Welsh Government's Knowledge and Analytical Services (KAS) undertook pilot work to investigate whether linking existing data about economic and social condition of Wales can help develop a richer evidence base to support policy development. KAS officials worked with the Energy Efficiency and Fuel Poverty (EEFP) team on a demonstration project that focused on fuel poverty and the impact of home energy improvements on health outcomes. Last year, the then Minister for Natural Resources and Food agreed to fund a research programme to take forward further work on data linking. This programme will be delivered by a full-time analyst and a PhD student and will enable more detailed research to be undertaken and to establish conclusive findings with regard to health benefits. The analyst began the three year project in March 2015.

In addition, Cardiff and Swansea Universities are jointly running a 3 year longitudinal study with recipients of measures from the Welsh Government's Arbed phase 1 and Arbed ERDF schemes. The study will evaluate the immediate and longer term health impacts that improving investment in structural energy performance has had. Researchers will compare health status before and after the housing improvements as well as comparing residents in improved housing with residents in other places. They will focus on whether housing improvement reduces emergency hospital admissions for conditions such as heart attacks, asthma attacks, falls and burns, particularly in people over 60 years old. They will also establish if there is a decrease in the number of prescriptions made for anxiety and depression, asthma and related conditions, for people of all ages in the improved houses. They will compare these to similar people locally who have not had their houses improved. The study is NIHR funded.

Finally, the Welsh Government's fuel poverty team is currently investigating how the next phase of their work could link to their colleagues in the health department of the Welsh Government to help reach each other's aims, for example considering how reducing fuel poverty could also reduce hospital admissions.

NORTHERN IRELAND

The biggest shake up of health and social care provision is currently being implemented in Northern Ireland. *Transforming Your Care: A Review of Health and Social Care in Northern Ireland* was published in December 2011 and proposed a new model of care for Northern Ireland, underpinned by principles for change, the most relevant to this report are:

- A focus on prevention and tackling inequalities
- Safeguarding the most vulnerable
- Incentivising innovation
- Placing the individual at the centre of the model by promoting a better outcome for the service user, carer, and their family
- Using outcomes and quality evidence to shape services
- Integrated care – working together
- Maximising the use of technology

Essentially the policy proposes caring for people at home for as long as possible. However, despite the positive initiatives elsewhere across the UK nations, no reference is currently made to the additional cost of heating homes or any linkages to any fuel poverty programmes. NEA NI therefore continues to highlight this. However, the Public Health Agency (PHA) is a multi-disciplinary, multi-professional body with a strong regional and local presence, they are established to provide a renewed and enhanced focus on public health and wellbeing by bringing together a wide range of public health functions under one organisation.

The PHA are also required to create better inter-sectoral working, including enhanced partnership arrangements with local government, to tackle the underlying causes of poor health and reduce health inequalities. It is within their health and social wellbeing directorate to ensure a decent standard of living for all where they focus their efforts on fuel poverty.

Approximately £816,000 was invested by the PHA in tackling poverty in 2014/15 which includes food poverty, fuel poverty, benefits maximisation and keep warm packs. In particular, NEA's Northern Exposure Project is funded through the PHA and provides access to a range of services including energy efficiency advice, insulation measures including cavity and loft insulation and central heating systems.

KEY FINDING IN THIS SECTION:

"The cost and suffering caused by cold homes is grave and projected to increase without more adequate national and UK responses"

Independent experts have highlighted living in a cold home is currently a bigger killer across the UK than road accidents, alcohol or drug abuse combined[73]. Over the term of the last UK Parliament alone NEA estimates there were over 41,000 needless deaths across the UK directly attributable to vulnerable households inhabiting cold homes[74]. We also believe the cost and suffering caused by fuel poverty is likely to significantly increase in the future. Without adequate national and UK responses, between 2015-2030 NEA estimate that over 125,000 vulnerable people across the UK may die needlessly[75]. Furthermore, national health services will need to spend billions treating cold-related morbidity, in excess of £22bn in England and Wales alone over the same 15 year period[76]. We stress that no government or parliament should accept this level of suffering and unnecessary cost and show how policy makers can respond to these challenges by taking the urgent action required.

"Aligning the health and housing agendas must become a priority across the nations"

Across each nation there is clear evidence that action on fuel poverty is being linked to public health and social care provision. Implementation of the new NICE guidelines[77] in England on tackling cold homes, transposition of the guidance in Wales and Northern Ireland and the integration of health and social care services in Scotland could have a significant impact on tackling fuel poverty. However, across the nations there is a risk momentum will be lost. We therefore highlight the importance of the devolved Governments and relevant Government departments acting collectively to purposefully align the health and housing agendas at a national and UK level.

LINKS TO ECONOMIC DEVELOPMENT AND REGENERATION IN THE UK

In 2014, Cambridge Econometrics and Verco updated this research within the report ***Building the Future: The economic and fiscal impacts of making homes energy efficient***[78].

This report found that an adequate investment in energy efficiency in the domestic sector can trigger even greater benefits and could result in a 26 per cent reduction in imports of natural gas in 2030 (worth £2.7bn in that year), £8.61 billion per annum in total energy bill savings across housing stock, return £3.20 through increased GDP per £1 invested by government and increase relative GDP by 0.6 per cent by 2030 and increase employment by up to 108,000 net jobs per annum over the period 2020-2030[79].

In general terms, high energy bills and low incomes are typically regarded as a drain on the UK economy. High energy costs or fuel debt for example, currently as high as £950m[80], means that money that could be spent by low income consumers in local economies is spent instead on trying to heat up inefficient properties or servicing increasing levels of debt. In addition to fuel debt and energy inefficiency, the table below shows that HM Treasury will raise significant amounts of money directly from domestic consumers across the UK.

Over the term of this UK Parliament (5 years), NEA estimates that domestic energy consumers will contribute over £14 billion to the Treasury (£11.82bn in England, £1.33bn in Scotland, £690m in Wales and £190m in Northern Ireland) through VAT and revenue generated from carbon taxes. Over the next 10 years the Treasury will receive close to £30 billion in taxes, an average of £106 per energy consumer. This means higher energy bills and misery for millions of households with nothing returned in the form of investment in home energy efficiency improvements.

In terms of the direct links to economic development, in the UK, over 135,000 people are currently employed in the domestic energy efficiency industry[82]. According to other independent research, the home energy efficiency market could support further attempts to reduce youth unemployment and create additional jobs for low-skilled workers. Cambridge Econometrics and Verco in their Consumer Futures-commissioned report entitled Jobs, growth and warmer homes, found an ambitious programme to improve the homes of fuel poor households would create 130,000 additional jobs, boosting GDP by 0.2 per cent and represented a more cost-effective investment of public money than almost any other comparable investment programme.[83]

As a result of these macroeconomic benefits, many groups[84] have argued that household energy efficiency should have access to money allocated to infrastructure by the UK Government. The updated National Infrastructure Plan[85] identifies a total infrastructure pipeline of £554bn, with Public Sector Net Investment (a measure of public investment in infrastructure) totalling c. £25.3 billion in 2013/14 or 1.5 per cent of GDP. Despite the energy sector accounting for 55 per cent of the value of all planned projects, the energy infrastructure priorities listed are large scale generation projects, specifically, transmission and distribution upgrades and oil and gas production.

TABLE 3: NEA ANALYSIS OF REVENUE RAISED FROM TAXATION OF DOMESTIC ENERGY BILLS PER ANNUM[81]

COUNTRY	
VAT	£31.50
CFP	£27.94
ETS	£11.05
TOTAL	£70.49
PER DOMESTIC GAS CUSTOMER (£)	
VAT	£36.45
TOTAL	**£106.94**

NATION	COMBINED CONTRIBUTION (£BIL) PER YEAR	TOTAL 5YR COMBINED CONTRIBUTION (£BIL)	TOTAL 10YR COMBINED CONTRIBUTION (£BIL)
UK	£2.83	£14.16	£28.33
GB	£2.77	£13.87	£27.73
ENGLAND	£2.36	£11.82	£23.63
SCOTLAND	£0.27	£1.33	£2.65
WALES	£0.14	£0.69	£1.38
NI	£0.04	£0.19	£0.38

Energy efficiency is unfortunately not included in the 'Top 40 Infrastructure Priorities'. This is despite the previous Commercial Secretary to the Treasury, Lord Deighton, saying he is 'extremely attracted' to the idea of reframing home energy efficiency as a top infrastructure priority. Subsequently, in the build up to the UK General Election, a number of political parties within their party's manifestos[86] did however make commitments related to domestic energy efficiency. Some of which included the idea of ensuring energy efficiency is an infrastructure priority in the term of this UK Parliament.

GB WIDE POLITICAL PARTY COMMITMENTS ON ENERGY EFFICIENCY

CONSERVATIVES[88]

The Conservative Party committed to "keep your bills as low as possible… help you insulate your homes…meet our climate change commitments, cutting carbon emissions as cheaply as possible" also ensuring they will meet the coalition Government's fuel poverty strategy. Energy efficiency policies included were to support low-cost measures and bring energy efficiency measures to over 1,000,000 homes.

LIBERAL DEMOCRATS[89]

The Liberal Democrats committed to ensuring 4 million households receive energy efficiency improvements by 2020, and wanted to introduce a new statutory target to improve all low-income homes to EPC C by 2027. They also stated that if in Government they would have ensured the next Spending Review clarifies that investment in energy efficiency is a key national infrastructure priority and would therefore be able to unlock significant capital investment.

GREEN PARTY[90]

The Green Party of England and Wales pledged a £45bn investment to a new nationwide energy efficiency programme – delivered by local authorities - concentrating on deprived areas where fuel poverty is most serious. The programme seeks to cut energy demand by one third by 2020, one half by 2030, two thirds by 2050 and would aim to use current carbon taxes to fund investment in energy efficiency measures by offering £5,000 worth of free insulation for 9 m homes and take 2 million out of fuel poverty by 2020.

LABOUR PARTY[91]

The Labour Party committed to making 200,000 low-income homes warmer every year, providing whole house energy efficiency retrofits which would be delivered street-by-street by local authorities and community organisations. They also stated they wish to ensure that energy efficiency is a national infrastructure priority.

NEA's own Manifesto for Warmth Video can be viewed at

www.actionforwarmhomes.uk[92]

Northern Ireland political party commitments on energy efficiency

The Democratic Unionist Party concentrated on issues which are the responsibility of the United Kingdom Parliament. They highlighted the need to ensure energy security in terms of supply and cost to consumers and businesses in Northern Ireland which is in keeping with the key tenet of energy efficiency. Sinn Fein said they will grow the Green Economy to ensure that renewable energy services are at the forefront of supply and called for investment in infrastructure to improve connectivity. The Social Democratic and Labour Party has shown commitment to tackling fuel poverty by ensuring that the Northern Ireland Assembly and Executive will address this widening and deepening problem, showing that the Executive must not merely leave the job of tackling fuel poverty to energy companies. They also said that in the coming Parliament they will fight for the winter fuel payment to be increased to £500. The Ulster Unionist Party under the banner of 'TACKLING THE BLIGHT OF FUEL POVERTY' set out an extensive range of actions required to deliver affordable warmth and improve energy efficiency across all housing tenures. The Alliance Party pledged to protect the environment and to implement a Green New Deal to significantly increase investment in renewable energy, energy efficiency and tackling fuel poverty.

Scotland political party commitments on energy efficiency

In Scotland, The Scottish National Party (SNP) gave the following statement, a mong others, to EA S within the UK Gener al Election 2015 Special Report on Fuel Poverty: 'We will support lower energy bills for consumers by pushing f or the Energy Compan y Obligation to be funded through general taxation and not as a levy on energy bills. We will also support new powers to mak e sure that energy companies pass on the benefits of lower prices to consumers, saving households around £100 on energy bills based on recent wholesale prices.

Wales political party commitments on energy efficiency

In Wales, Plaid Cymru pledged in their manifesto more measures to tackle fuel poverty in Wales. It pledged to reduce the amount of energy used in Wales by using local businesses to deliver the work of making houses more energy efficient. It pledged to deliver a 'Climate Change Act for Wales' to set feasible but challenging greenhouse gas reduction targets in Wales. They also committed to set up a Green New Deal and help private homeowners with a reduction in VAT on certified house repairs. It also advocated community bulk-energy buying to help make energy more affordable.

LINKS TO ECONOMIC BENEFITS WITHIN THE NATIONS

As well as the UK wide analysis highlighted above of the macroeconomic benefits of household energy efficiency and calls for accelerated action on cold homes, Scotland, Wales and Northern Ireland are taking their own initiatives to align the housing agendas with economic development and regeneration. And some national political parties also made relevant commitments in the build up to the UK General Election.

SCOTLAND

The Scottish Government's Low Carbon Economic Strategy (LCES), launched in 2011, is focused on the transition to a low carbon economy. The LCES seeks to establish strong policy direction around Scotland's key low carbon economic opportunities and strengthen business confidence in exploiting them. It sets out:

- the global economic opportunities that will arise in making the transition to a low carbon economy;
- the drivers and barriers to the development of these opportunities and growth of the low carbon economy; and
- the role of government and wider public sector in supporting business to overcome the barriers.

The new Economic strategy for Scotland published in March 2015 intends to take a more holistic approach to improving Scotland's economy. There are close links with the Climate Change (Scotland) Act 2009 and the Energy Efficiency Action Plan (2010). The strategy is based on 2 key pillars: increasing competitiveness and tackling inequality.

Significantly, reducing inequality is considered vital to creating the conditions to deliver sustainable economic growth. More recognition is now made of the fact that health inequalities reduce people's economic opportunities and have a negative impact on the country's overall economic performance. Addressing these inequalities also improves employment opportunities – as well as the skills of Scotland's workforce. It also takes into account regional inequalities that may be faced by Scotland's rural communities. The strategy particularly highlights resource efficiency as a key aspect of improving the economy. By improving resource efficiency energy demand and overall greenhouse emissions can be reduced. It also states that resource efficient homes are less likely to experience fuel poverty.

Also in Scotland, use has been made of Community Benefit Clauses, i.e. contractual clauses that build economic, social or environmental conditions into the delivery of public contracts. For example, the Scottish Government's contract for the previous Energy Assistance Package included 26 apprenticeships, 31 work placements and 454 training opportunities. In addition, there are plans in the draft national Community Energy Policy Statement for communities to accrue benefits from commercially owned schemes and to show how these assets might provide the opportunity to help fund measures to alleviate fuel poverty.

However, it should be noted that the Scottish Fuel Poverty Forum advised Scottish Ministers to explore ways of increasing participation of SME companies in delivering measures through the HEEPS schemes. Local employment and providing green jobs were key objectives in the Forum's recommendations both in 2012 and 2014. So far, this has met with a low level of success, particularly in rural areas. This is in spite of support such as the Low Carbon Skills Fund which gives employers in Scotland with up to 250 employees the opportunity to apply for a maximum of £12,500 towards employee training costs.

WALES

The Nest programme places a high priority on delivering multiple benefits, such as jobs, training, community benefits and effective household engagement alongside the delivery of energy efficiency measures in homes. The programme supported 46 SMEs and created a total of 83 apprenticeships, trainees and jobs over the length of the scheme. The Welsh Government have also stated94 the Arbed programme has seen a multiplier effect of up to £2 returned to the Welsh economy per £1 invested in the programme as measured by the Value Wales Community Benefit Measurement Tool. In addition to this, support has been provided to the supply chain delivering Arbed to ensure that the scheme maximises the business and training support that is available to them from the Welsh Government and other partners, for example, as with Nest, funding for apprentices. Alongside Nest and Arbed, the Welsh Government has provided grant funding to local authorities for area-based energy efficiency schemes. This has been managed alongside the Welsh Government's Vibrant and Viable Places regeneration programme that includes energy efficiency in some of the schemes.

The Welsh Government's Tackling Poverty Action Plan 2012-16 has three key objectives: to prevent poverty, help people improve their skills and mitigate the impact of poverty. It is designed to build the fuel poverty and other strategies. However, apart from a brief reference to Nest and Arbed, the Action Plan does little to demonstrate how cross cutting anti-poverty work in other Welsh Government departments will address fuel poverty specifically, and link with the Nest and Arbed schemes. This is in spite of the Welsh Assembly Government's Wellbeing of Future Generations Bill emphasising the role of energy efficiency programmes in both carbon and poverty reduction along with job creation and economic growth.

The Wales Rural Development Programme 2014-2020 (RDP) is a 7 year European Agricultural Fund for Rural Development (EAFRD) programme funded by the European Union and Welsh Government. It has six Rural Development Priorities, one of which is 'promoting social inclusion, poverty reduction and economic development in rural areas'. The programme is currently awaiting approval by the European Commission.

NEA Cymru submitted a response to the RDP consultation which suggested how tackling fuel poverty could be incorporated in the programme[92]. In particular, it highlighted how off gas households are likely to respond favourably to community led initiatives and recommended a route map should be developed to make it easy for other areas to replicate the energy efficiency approaches that have already worked well in rural parts of Wales. Beyond fuel poverty, NEA's response also highlighted additional benefits such as rural energy efficiency schemes increasing community cohesion; reducing the number of tankers on the road and support for socially isolated householders, including contact with regard to oil deliveries and helping wellbeing more generally.

NORTHERN IRELAND

As part of the Northern Ireland Economic Strategy, DETI and the Northern Ireland Executive have committed to strengthening Northern Ireland's economic competitiveness through a focus on export-led economic growth. The vision is long term in nature and reflects the reality that it will take some time to rebalance the economy and build a stronger private sector. However it is also recognised that improving wealth, employment and living standards of everyone in Northern Ireland are complementary actions aimed at rebuilding the economy to address the impact of the global economic downturn, particularly on employment[96].

KEY FINDING IN THIS SECTION:

"The economic benefits of energy efficiency are clear yet currently not £1 of the £100bn public infrastructure budget has been spent on initiatives to make homes warmer and healthier and in turn encourage economic growth. This is despite HM Treasury receiving a significant windfall from domestic energy consumers in all four nations - with clear implications for fuel poverty"

Whilst policy makers recognise the linkages between tackling fuel poverty and other national priorities, additional outcomes – such as carbon reduction, reduced pressure on GPs and emergency services, economic development and regeneration and reduced gas imports – will only materialise if the scale of investment in domestic energy efficiency (nationally and across the United Kingdom) is sufficiently increased. Currently, policy makers pay lip service to these multiple benefits while failing to unlock the investment required.

The report highlights that over the term of this UK Parliament domestic energy consumers will contribute over £14 billion to the Treasury (£11.82bn in England, £1.33bn in Scotland, £690m in Wales and £190m in Northern Ireland) through VAT and revenue generated from carbon taxes. With HM Treasury expected to receive this significant windfall we conclude that the new UK Government must support the use of these funds (or alternative public infrastructure funds) to adequately resource initiatives that make homes warmer and healthier and in turn encourage economic growth. We also show how using adequate funds would represent a sound use of public money. As well as creating jobs and economic growth, additional investment will reduce pressure on health services, improve energy security and reduce carbon emissions.

ADVICE ON INCOME MAXIMISATION AND OTHER SERVICES

Fuel poverty is, of course, highly correlated with household income. Across the UK, there are currently 13 million low income individuals, who, after housing costs, have incomes well below £16,000 per year[97]. Just under half are in employment but still struggle to meet the costs of living, including utility bills. As well as the previous sections that have highlighted income supplements like the Winter Fuel Payment for economically inactive pensioner households (UK wide) and energy bill rebates such as the Warm Home Discount Scheme (GB wide), there is also a need to briefly explore how the nations improve take up of welfare benefits and work closely with other sectors to refer to non-energy support schemes that can assist vulnerable households in other ways.

CITIZENS ADVICE SERVICES ACROSS THE UK

The Citizens Advice service provides free advice through local bureaux. The advice each client receives varies considerably and is dependent on need. There are however two main support services: Gateway advice: information, signposting and referral; and Full advice: detailed advice and ongoing case work. Across England and Wales in 2013 Citizens Advice estimated that the value of their free face-to-face advice at £110m. Furthermore, they saw 2.1 million clients in 2012/13[98] within 338 bureaux offices and across 3,000 outreach centres. In 2013/14 this Citizens Advice Bureau (CAB) network advised two million people with 5.5 million problems relating to issues including debt, benefits, employment, housing and immigration. In Scotland, a report by the Fraser of Allander Institute calculated that Scottish CAB advice saved the Scottish economy over £60m per year in costs that would otherwise be borne by the NHS, the benefits system and homelessness services. In addition, the report found that Scottish CAB advice put back £63m in the pockets of Scottish CAB clients, and that this money when spent in shops and services in turn supports nearly 1,250 Scottish jobs, and wages of around £27m[99].

With regard to energy-specific services, and with support from the energy regulator Ofgem, Energy Best Deal education sessions are being run in England and Wales by members of the regional financial capability forums and by CAB offices in Scotland. Sessions are aimed at low

income consumers and front-line staff who work with people at risk of fuel poverty. The aim is to improve signposting for consumers to a range of sources that can help with issues such as fuel debt, benefits entitlement and energy efficiency. In 2013/14, 182 delivery partners in England and Wales, including CAB and other independent advice agencies, delivered 1,484 sessions, directly reaching 10,349 consumers and 5,408 frontline workers. Overall, through this work, the Citizens Advice service has stated that it has improved the confidence of over 350,000 domestic energy customers across England, Wales and Scotland to reduce their bills and get support on debt advice[100].

MONEY ADVICE TRUST SERVICES ACROSS THE UK

In 2003, following a pilot programme which began in 2000, the Trust agreed to take on responsibility for running National Debtline, a telephone based advice service that now receives around 200,000 calls a year. In 2005 the Trust took on responsibility for running Business Debtline, the sister service of National Debtline, catering specifically for small and micro businesses. In 2011, the Trust launched My Money Steps, an online advice service utilising expertise from National Debtline to ensure people could access help 24 hours a day, 365 days a year.

LINKS WITH GREAT BRITAIN WIDE SUPPORT SCHEMES

The GB-wide Priority Services Register (PSR) requires energy suppliers and DNOs to provide non-financial services, currently for customers who are of pensionable age, disabled or chronically sick. Following a review by Ofgem, eligibility for the PSR will be changing from this 'category' approach to a model based on need. That is, anyone who needs a non-financial service should receive one. Energy suppliers, DNOs and also Gas GDNs will be obligated under the new PSR and will be expected to become more proactive in identifying those in 'need'. At present however services generally offered under companies PSRs are as follows:

- Advice and information on supply interruptions (DNOs)
- Password schemes to confirm the identity of energy representations making home visits to householders (DNOs and energy suppliers) Fitting appliance controls and adaptors (energy suppliers)
- Prepayment meter re-siting / replacement (energy suppliers)
- Quarterly meter readings (energy suppliers)
- Bill nominee schemes where a bill/statement is redirected to the account of a nominated person (energy suppliers)
- Accessible formats for billing information and other communications (in particular for deaf/ hearing impaired and blind/partially sighted customers, DNOs and energy suppliers)

Whilst supportive of the move to a needs-based model for PSR, core groups who have previously been assured access to the PSR are only to be retained for safety services only. This means that customers within those core groups will have no guaranteed access to non-financial assistance from their energy supplier but will instead have to demonstrate need. The degree of supplier discretion is concerning. In particular, if suppliers choose to interpret need narrowly (for example, for cost reasons) or in different ways. This could create confusion amongst advice providers and households about what services a household with identified vulnerabilities are entitled to.

SUPPORT SERVICES IN ENGLAND

There are two models for referral to energy efficiency schemes currently in operation in England:

- single point of contact (SPOC) services (whereby referrals are forwarded to a trusted intermediary that coordinates an intervention and maintains a communication link with individuals; and
- single point of referral (SPOR) services which provide onward referral to one or more service providers where individual providers deliver separate interventions for households.

Two national SPOC services are in operation, namely the Home Heat Helpline for energy company services including ECO and the Energy Saving Advice Service for Green Deal and ECO referrals. Whilst these national services are valued, they currently often only provide local-to-national 'upward' referrals only and do not routinely scope or hold information on local needs or local service provision[101]. As a result, NEA has called for the service provider EST and DECC to design a suitable protocol for where a local authority could be running ECO projects in their area (or alternative domestic energy schemes) and this is made clear to the caller. Without local schemes being referred to in this way, there is the potential to leave the caller unaware that the local scheme could offer a greater level of assistance or different or further energy saving measures.

In addition to ESAS, multiple other examples of local SPOC and SPOR exist (many of which were

previously supported by the now defunct Warm Homes Healthy People fund). All utilise different methods to engage households in need – including the use of telephone helplines, referral cards, face-to-face contact by professionals, leaflets, posters, fliers etc. However, despite this good work, there is no consistency in the development and delivery of SPOC/SPOR, their leadership, funding, outputs and outcomes across England. This may undermine their contribution towards delivering on the new minimum energy efficiency targets. The absence of service mapping prior to the development of some local SPOC/SPOR has also resulted in duplication of effort in some localities and could either confuse clients or be less resource efficient when compared to a system involving central co-ordination by a relevant body.

One method to map and support local service provision is the Big Energy Saving Network (BESN) which was established in 2013. The Network delivers face-to-face outreach, tailored to the needs of communities, through organisations they know and trust. It builds on efforts of existing support networks and helps vulnerable consumers by developing the capability of advisors through training them on tariffs, switching and how to access energy efficiency programmes. During the first year of the Network DECC funded over 150 projects from more than 90 third sector organisations. DECC provided a further £1m funding to continue the Network into 2014/15. Around 170 projects across GB have delivered an expanded programme of outreach over the autumn/winter of 2014/15. DECC's evaluation report of the first year estimated that the Network reached over 90,000 consumers in total – 16,000 participants via workshops and 78,000 through frontline workers[102].

SCOTLAND

In Scotland there has been increased recognition of in-work poverty in Scotland which has an economic cost to society. For example, among working age adults in poverty in Scotland, 52 per cent live in households with at least one adult in employment. Fifty-nine per cent of Scottish children who live in poverty are living in these households[103]. The Scottish Government has therefore funded the Poverty Alliance to promote wider take up of the Living Wage accreditation scheme[104]. The aim is to increase the number of accredited Living Wage employers in Scotland to at least 500 by March 2016.

As in the rest of the UK, welfare reform has had a significant impact on many Scots' household incomes. The Scottish Government took the decision to take steps to mitigate the impact of this. For example, it is providing £35 million this year and next to councils to fully mitigate the effect of the so-called Bedroom Tax and is providing funds of £4 million to Citizens Advice Scotland from 2013 to 2016 for a welfare reform advice service.

With regard to support for income, there is now also a one-stop shop for money advice services in Scotland. Scotland's Financial Health Service website provides links to a range of organisations offering information and advice on debt, managing money, housing, homelessness and ethical lending. While the Scottish Government website does not itself provide advice, it acts as a signpost to services that can give the right advice and support. In addition, there is a dedicated hotline to reach advisors. The focus of the website is on dealing with debt and managing bills, learning how to budget (including a financial education module) and identifying organisations in the community – such as credit unions – that offer loans and savings facilities.

An integrated advice service is also delivered by the Energy Saving Trust which is funded by the Scottish Government to deliver Home Energy Scotland, a telephone helpline and online service that provides the first port of call for advice on improving home energy efficiency and reducing fuel bills. As part of the service Home Energy Scotland offers benefits checks to ensure, where needed, callers are maximising their household income.

Some local authorities such as Fife and West Lothian, have also taken an integrated approach to providing advice and support services at a local level. A typical customer journey might be immediate help for a householder to avoid eviction and help to claim benefits not yet claimed, followed by advice on debt management and perhaps leading to wider housing support, such as energy efficiency advice and help with fuel bills. Importantly in these examples, the public have a single entry point to advise and support services and are then referred on to the various council departments or other agencies.

WALES

Resource Efficient Wales is also the Welsh Government's new SPOC for information on resource efficiency (i.e., energy, waste and water). The team can provide information over the phone for domestic customers on a range of topics, including renewable technologies, heating and insulation, Renewable Heat Incentive (RHI), water saving, the Nest energy efficiency programme, Green Deal and ECO. The service can refer callers to all of these support services and provides advice and support to the community, business and public sectors.

In addition, in 2014, the Welsh Government provided an additional £2 million funding for frontline advice services to provide debt, welfare benefits, housing and discrimination advice. These services are available across Wales over the telephone and a number of hubs have been established to provide face to face advice in priority areas. The Financial Inclusion team also supports an internal Welsh Government advice service to ensure a co-ordinated approach. The National Advice Network will bring together a range of key external stakeholders and held its first meeting in March which looked at the strategic development of advice services in Wales.

Nest, the Welsh Government's fuel poverty scheme, also provides referrals and signposting to third party services. These include benefit entitlement checks (26 per cent of callers), debt advice (6 per cent of callers), Warm Home Discount (30 per cent), money management advice (15 per cent), enabling services such as Care & Repair (6 per cent), energy tariff and switching advice (13 per cent), the Fire Service (1 per cent) and the Winter Fuel Payment (3 per cent). In 2013-14, over 350 callers into Nest were identified as eligible for new or additional benefits averaging over £2,084 per year per household. This equates to an excess of £730,000 potential increase in benefit take-up this year and over £1.4 million in 3 years.

NORTHERN IRELAND

The Department for Social Development (DSD) has the key responsibility for funding the generalist advice service in Northern Ireland. A consultation has just been completed seeking views on this service. Currently, advice services are commissioned by the 26 local councils and are provided through CAB and independent advice centres across Northern Ireland.

Benefit uptake is a priority for the Social Security Agency. Since 2005, this Agency has delivered targeted exercises and outreach activities along with benefit specific mail shots. To date, this has generated over £50million in additional benefits income and arrear reductions. DETI also provide around £1M for debt advice which is delivered through the CAB and other advice centres. In addition, the Make the Call campaign[105] is delivered as part of the broader Benefit Uptake Programme. The campaign includes a range of approaches including direct targeting, community level promotion and advertising.

Customers call a freephone number and receive a full benefit entitlement check, from an experienced advisor, to identify any additional or new benefit services and support they may be entitled to.

Initially targeted at older people the scheme has been extended to dovetail with the new fuel poverty area-based 'Affordable Warmth' roll out, whereby householders are offered a referral to a DSD advisor.

KEY FINDING IN THIS SECTION:

"Whilst support services are becoming more integrated across the nations, many consumers and even frontline support staff are not clear about who to contact for advice and support needs. In particular, there are variations in the extent to which local schemes are actively referred to by national agencies, despite the potential for locally delivered projects to often offer a greater level of assistance and more services".

There are a large number of services vulnerable energy consumers may seek to access to receive support on energy and related matters, for example, energy debt advice, income maximisation and energy efficiency. This section finds this 'patchwork' of support services is becoming more integrated. However, there is a risk some consumers and frontline support staff and advisors may not be clear about which service they are able to access in their area and which organisations to turn to for support. There is also a pressing need to reconcile national support schemes with assistance that can be provided locally and the absence of service mapping could result in duplication of effort in some localities. This could either confuse clients or be less resource efficient when compared to a centrally co-ordinated system.

CONSUMER JOURNEYS

The previous section highlighted the extent to which at a strategic policy level, the nations are attempting to integrate fuel poverty alongside other national or local priorities. This led to the development of some key observations which inform our final national, UK and GB recommendations. The following section provides a brief description of the energy efficiency schemes that are in operation within Great Britain[106] and across the four nations. This is then followed by an example of how these schemes may operate in practice.

THE ENERGY COMPANY OBLIGATION (ECO)

As noted in Section 3, the Energy Company Obligation (ECO) is funded through a consumer levy and is delivered across Great Britain by obligated energy suppliers. ECO includes a Carbon Saving Obligation focused on carbon abatement alone; plus a Carbon Saving Communities Obligation and Home Heat Cost Reduction Obligations (HHCRO) targeted at low income and vulnerable households or deprived areas. The CSCO also includes a sub-objective aimed at rural communities. In last year's Monitor, the report noted that whilst welcoming additional policy certainty over the General Election period and up to 2017 for HHCRO and CSCO, other changes to the ECO[107] were anticipated to have a negative impact on energy efficiency delivery in Scotland, Wales and England.

The principal change to ECO which has impacted on the delivery of energy efficiency in Great Britain was to reduce the 2015 Carbon Emission Reduction Obligation (CERO) target by 33 per cent. This inevitably led to a reduction in ECO delivery, and in turn energy efficiency measures, for the remaining obligation period. However, the Government believed it was right that the impact of environmental programmes on consumer energy bills should be reduced. DECC also confirmed that all forms of cavity wall insulation and 'easy to treat' cavities and loft insulation will be primary measures for CERO and count towards the target. This prompted calls from NEA and EAS for the UK Government to jointly assess the impact this change would have on the key role ECO was providing in supporting domestic energy efficiency schemes in Wales and Scotland especially given the propensity of solid wall and hard to treat properties.

NEA also proposed that the CERO target should be delivered only within the expanded Carbon Saving Communities eligible areas. Whilst the Government stated they believe that it would be appropriate to try to ensure that easy to treat measures are wherever possible delivered to those households that are most in need of subsidy, this outcome didn't materialise. Whilst no compelling evidence was put forward for this view, the Government stated that this could raise costs or lower carbon outcomes. However, they commit to "actively monitor delivery evidence with a view to developing possible options for the future"[108]. This statement was reaffirmed by DECC in the fuel poverty strategy for England which said they would focus any future energy efficiency subsidy where it can have most impact[109].

These reforms also prompted a range of organisations to highlight the need to appropriately resource energy efficiency programmes. In particular, the multiple benefits of ending fuel poverty through energy efficiency were recognised by the Committee on Climate Change (CCC)[110]. In early 2014, the CCC commissioned the Centre for Sustainable Energy (CSE) to explore the implications for fuel poverty of meeting the fourth carbon budget[111]. The modelling used DECC's National Household Model (NHM) to investigate the deployment of energy efficiency and low-carbon heating measures across the residential sector to 2030 to see if it was possible to tackle fuel poverty and carbon emissions at the same time.

The report, submitted as the CCC's response to DECC's consultation on the Fuel Poverty Strategy , noted that there was a greater potential for national policies to meet the fourth carbon budget as well as achieving the new fuel poverty targets in England and the other UK nations. However, the report also noted that whilst realigning existing national policies to explicitly target the fuel poor could help improve synergy between decarbonisation policy and social justice, new funding sources would be needed[112]. The report particularly highlights the need to expand energy efficiency programmes in England, citing the additional, non-levy funded programmes that operate in Wales and Scotland. They also noted low-carbon heat policies in England rely on the upfront capital costs being met by the householder. They clearly state this is problematic for fuel poor households.

One other modification of note was to change the rural sub-obligation of the Carbon Saving Communities element of ECO, worth an estimated

£25m per annum. Suppliers can now meet the sub-target by installing measures in any domestic property located in (or in the adjoining areas to) deprived rural areas. Previously, measures could only be delivered to households meeting the Affordable Warmth eligibility criteria. It is envisaged that the number of eligible households has increased from around 600,000 to around 1.3 million. However, while the reform will help increase take-up, it is likely to divert help away from isolated dwellings or homes in smaller remote rural areas towards the easier to reach clustered dwellings in semi-rural areas or market towns.

OVERVIEW OF PROGRAMMES IN ENGLAND:

Following the loss in 2013 of the publically funded energy efficiency scheme Warm Front, which supported fuel poor households explicitly, the ECO continues to be the main energy efficiency programme for low income households and communities. The UK Government has announced that the scheme will be extended to March 2017 however the overall impact on fuel poverty alleviation is largely unchanged[113].

The Government therefore announced a new £25m fund within the 2014 Autumn statement to support English off-grid households. The fund will support the installation of first time central heating measures. These households often face the highest costs of keeping warm and are particularly likely to be fuel poor. The fund will be allocated through a local authority competition over 2015/16.

OVERVIEW OF PROGRAMMES IN NORTHERN IRELAND:

Northern Ireland continues to have a number of energy efficiency initiatives within the owner occupied and private rented sectors. There are currently three main energy efficiency programmes in Northern Ireland with the main programme being the Warm Homes Scheme. As reported in last year's Monitor, the Office of the First Minister and Deputy First Minister (OFMDFM) has also enabled a pilot to engage with local Councils to deliver energy efficiency through an area based approach. This approach uses algorithms to identify fuel poverty in clusters areas of 125 households. The results have been positive, identifying areas with an average of 78 per cent of fuel poverty prevalence. Since then, work with a further four councils has begun. Whilst NEA is supportive of this new approach to targeting and model of delivery, there is a concern that there may be some challenges with mainstreaming delivery and moving from two organisations currently managing the Warm Home Scheme for the whole of Northern Ireland to eleven Local Councils, a process which was initially intended to be complete by April 2015.

In addition, the Northern Ireland Sustainable Energy Programme (NISEP) which is funded through a levy on both domestic and commercial electricity customers in Northern Ireland continues to be maintained, along with its focus on vulnerable customers, defined as domestic customers on lower incomes and in or at risk of fuel poverty. 80 per cent of the total funding is ring-fenced for this social purpose. In 2012 the Department of Enterprise Trade and Industry announced that NISEP was to be succeeded by an Energy Efficiency Obligation (EEO).

Despite a delay in the introduction of the EEO, the Northern Ireland Authority for Utility Regulation (NIAUR) signalled that NISEP would end in 2016. This caused grave concerns as ending NISEP without a sustainable alternative would leave Northern Ireland with gap of £7.9 million for energy efficiency programmes which would detrimentally impact on fuel poor households and energy efficiency industry.

Alongside this development another programme namely the Household Efficiency and Thermal Improvement Programme (HEaT) was proposed. Since the initial inception of HEaT the design has changed but the model has yet to illustrate how it will be designed to tackle fuel poverty. As a result, NEA NI has established a campaign to ensure NISEP continues until such time as an equivalent scheme is introduced which maintains a high percentage of ring-fenced activity which is deliberately targeted at low income households in fuel poverty. Stakeholders welcomed a consultation which proposed an extension to the NISEP for one year to 2017. However, the proposals are also looking to shift the contribution of NISEP from non-domestic customers to domestic customers which will increase fuel poverty for those that don't benefit from the scheme.

In addition to NISEP, the Department of Agriculture and Rural Development (DARD) provided £1.56m to DSD's Warm Homes Scheme in 2014. This funding was mainly to support top up allowances for rural hard to treat homes through Maximising Access to Rural Areas Project. A further £614,000 was provided to Power NI to support various energy efficiency measures through the NISEP for free insulation for low income families in rural areas bringing a total investment of £1.72m. As illustrated in section 4, the Public Health Agency (PHA) also funds a range of initiatives to tackle fuel poverty including NEA's Northern Exposure project.

OVERVIEW OF PROGRAMMES IN SCOTLAND:

The Scottish Government's latest initiatives to tackle fuel poverty and increase energy efficiency in homes have, since April 2013, come under the umbrella heading of Home Energy Efficiency Programmes for Scotland (HEEPS). In the period of this report ie 2014-2015, HEEPS consisted of an area-based scheme (HEEPS: ABS), an Affordable Warmth Scheme (HEEPS: AWS) and the Energy Assistance Scheme. However, both the Affordable Warmth Scheme and the Energy Assistance Scheme closed at the end of March 2015 and a replacement for the Energy Assistance Scheme is due to open in September 2015.

HEEPS: ABS follows an area-based approach with initial focus on the most deprived areas. Schemes draw on a range of data including indices of multiple deprivation, child poverty statistics, the Scottish House Condition Survey and heat mapping. It is intended to cover all homes in Scotland in 10 years from 2013. Responsibility for programme delivery for HEEPS: ABS falls to local authorities, who are considered best placed through their Local Housing Strategies to understand the nature of housing provision and to co-ordinate a local supply-chain. Measures available are dependent on the schemes developed by each local authority and are free to the householder and open to all tenures.

HEEPS: AWS was a referral mechanism, via Home Energy Scotland, to the Home Heating Cost Reduction Obligation (HHCRO) of the GB-wide Energy Company Obligation (ECO). A sub-set of measures, ie boiler replacement, loft insulation and cavity wall insulation, was offered to households who were vulnerable to fuel poverty as defined by the UK Government's affordable warmth group. As a result, they had to be the homeowner or else the tenant of a private sector landlord and had to be in receipt of qualifying benefits.

The Energy Assistance Scheme was a reactive scheme and was available to households who were most vulnerable to fuel poverty but were not eligible for Affordable Warmth and did not live in a current HEEPS: ABS area. Grants of up to £4,000 (sometimes £6,500) were available to eligible home owners and tenants of private sector landlords for insulation and heating measures. Householders had to be aged 60 or over and have no central heating or live in an energy inefficient home and be in receipt of a qualifying benefit.

In addition to the suite of HEEPS schemes, the Warm Homes Fund was a Scottish Government initiative, managed by the Energy Saving Trust. Although it closed at the end of March 2015, the Warm Homes Fund aimed to assist communities affected by fuel poverty by providing grants and loans to support renewable energy schemes. It was launched in November 2012 with an overall budget of £50 million. It was open to Registered Social Landlords (RSLs), local authorities and energy services companies formed by RSLs or local authorities, but not to individual homeowners.

WALES:

Nest and Arbed are the Welsh Government's two main energy efficiency programmes targeted at tackling fuel poverty. Nest is a demand-led scheme for individual owner-occupiers and private rental tenants, while Arbed is an area based scheme available to all tenures within a project area. In addition, the Welsh Government has announced extra funding for schemes to bring in energy supplier funding[115]. It is envisaged that area based schemes run through local authorities will be a key recipient of this funding. It is however not known how many households are likely to receive measures through the £35m announced per year to incentivise ECO investment in Wales in up to 2016.

Under the Nest programme properties have to have an F or G SAP rating to qualify for an energy improvement package and households have to be on a set of eligible benefits however social housing is excluded from the scheme. The programme then aims to raise those properties to a C rating, where it is practical and cost effective to do so.

The Nest scheme has been funded to a value of approximately £58m between April 2011 and September 2014 and has provided over 15,000 households with a package of home energy improvement measures, increasing the SAP rating of 94 per cent of properties to a rating of E or above from F/G.

However, although Nest offers a whole house approach, using whatever technologies are necessary to achieve a target SAP rating of C where practical and cost effective to do so, many households with solid walls have been told their home cannot be insulated as the measures would not be cost effective.

This issue was recently highlighted in an evaluation of the Nest energy efficiency scheme[116] which suggested Nest is not delivering whole house measures as much as intended and a greater proportion of applicants report being in fuel poverty than those who receive or are eligible for measures.

CONSUMER JOURNEY 1: DELIVERY IN URBAN HOUSEHOLDS

This section of the report seeks to identify how the different approaches the four nations are currently taking on energy efficiency programmes can directly impact vulnerable households on the ground. The impact of the national programmes above is therefore now illustrated with the help of 'pen portraits' or some illustrative consumer's experiences of the schemes which operate across the nations in urban and rural areas and for households that are on low income, despite being in employment. Whilst these examples are not drawn from actual households, they use the project teams' combined background knowledge and relevant secondary sources to provide a brief description of the energy schemes the householder is benefiting from and illustrate what services may be offered in different contexts. The first set of examples are based on low income families living in flats in major urban areas.

ENGLAND

A low income family lives in a small high rise block flats in a major urban area in England. The flat has solid concrete walls and was built in the mid-1960s and used to be council owned. Despite the parents both being in employment and it being a comparatively small property, they struggle to keep it warm. They have single glazing, no wall insulation and use inefficient storage heaters to try and heat the property. Because the rooms and windows leak heat, they also need to use supplementary electric fan heaters when they get back from work to get the property warm. However, because they are on an Economy 7 tariff and need to put on the additional heaters at peak times this has been too expensive recently. The family was worried about a late payment and had heard they could reduce their bills through energy efficiency. The family contacted their fuel supplier who passed them to the Energy Saving Advice Service who asked some questions on whether the parents were claiming benefits. Despite being eligible, neither the husband nor wife were currently claiming benefits but when asked for their postcode they were told their supplier may be able to provide energy efficiency measures after all as they lived in an area which may be eligible. Despite being concerned about the possible disruption, they agreed to have their property assessed. The assessment didn't take too long and they were told by the contractor working with their energy company they would be contacted once they had written up the report and provided it to their fuel company. They asked how much the new low cost insulation would cost, however the contractor couldn't tell the family straight away and said it depended on a number of factors like the size of the property as this would affect the carbon savings that could be made in the property, with people in smaller properties more likely to have to pay something towards the cost. After the installation, they were however asked by the installer if they could take photographs of the measures installed and were handed a long document to read and sign. This didn't include any acknowledgment they

had contributed towards the cost of the measures. Since having the work done they have noticed the property doesn't take as long to heat up but they still struggle with their bills.

NORTHERN IRELAND

A working family live with their two children in a 3 bedroom flat in an urban area of Northern Ireland. This flat is part of a house conversion. The house itself was built in 1925 and therefore is a solid walled property. One parent is unable to work due to health problems, however the mother continues to work and their total income is less than £22,000 per year. They have economy 7 heating and double glazing. NEA NI referred them to the Northern Ireland Sustainable Energy Programme (NISEP) and they were able to get their Economy 7 tariff storage heaters changed to a gas central heating system with a combi boiler. This was fully funded via the scheme and was installed once the contactor agreed a suitable time with them. However, whilst they are pleased with their new heating, the flat is also a solid walled property and they were told the programme does not provide solid wall insulation. It was also a ground floor flat and therefore does not require loft insulation. Before the intervention the family were paying approximately £2400 per year on both heating and electricity which has now been reduced to £1600. Whilst they still sometimes struggle with other bills, the instantaneous hot water has also made a huge difference to their lives especially as they have two young children and they have noticed the ease with which they can now take control over their central heating system. The family were also offered a referral to an advice agency for a benefit entitlement check but they did not opt for this as they noted they had recently had one completed and were not expecting any further changes in their employment status.

SCOTLAND

The family owns a flat in an urban area in Scotland; the parents are eligible for means tested benefits. The property is electrically heated and had an Energy Performance Rating of F. The household should be eligible for the Carbon Saving Communities Obligation as their property is in an area of high deprivation. This allowed them the potential to access insulation measures, including hard-to-treat insulation measures, and a district heating connection, should a heat network be present in the area. However, being a flatted property, any application for such works would be dependent on the other flat owners also participating. As they are on means tested benefits, the householders also qualified for the Energy Assistance Scheme. Under this scheme, they received a replacement electric heating system and other measures such as draught proofing and tank and pipe insulation. The family were also in a property in an area where a Home Energy Efficiency Programmes for Scotland (HEEPS) Area Based programme currently operates. The HEEPS: ABS programmes, although funded by the Scottish Government, are designed and managed by the local authority. Each ABS programme is tailored to local needs and is likely to incorporate ECO funding from suppliers. Being in receipt of benefits could mean the family is potentially eligible for welfare reform mitigation funds made available by the Scottish Government.

WALES

A family own their middle floor flat with 24 year old storage heaters, using Economy 7, have single glazing and have no wall insulation, leading to the flat achieving an Energy Performance Certificate (EPC) rating of F. They are on a low income but do not believe they are eligible for benefits because they work. They phone Nest who refer them for a benefits entitlement check, which finds they are entitled to tax credits, which increase their income by £2000 a year. They are also referred to their supplier's Warm Homes Discount scheme, but don't qualify. After receipt of their new means-tested benefits, they qualify for a Whole House Assessment through Nest, which recommends that they receive a new heating system and draught proofing for the windows. They are also given advice on how to use their Economy 7 heating effectively to charge up the heaters when electricity is at its off peak rate. The measures are installed, saving them money on their energy bills and enabling them to keep their home warmer. If their block of flats had been in an area with an Arbed scheme, the whole block may have received external wall insulation. However, if the family's income had taken them just above the threshold for means tested benefits, they would not have qualified for the package of measures through Nest and would have just received advice. If they were ECO eligible, they would have been signposted to ESAS, or to advice of any alternative support available in their area. They may still have qualified for a partial grant voucher through Nest if one of their children was aged under 5.

CONSUMER JOURNEY 2: DELIVERY IN RURAL HOUSEHOLDS

Without deliberate interventions and targeted funding, energy efficiency programmes can fail to benefit deep rural areas. These households will often also lack access to the gas grid and therefore may also be more reliant on comparatively expensive alternative heating fuels.

ENGLAND

An elderly lady owns her own home in a rural area which she bought from the local authority when her husband was still alive. She lives on a fixed income of less than 18K per annum and suffers from arthritis, an underactive thyroid and high blood pressure. Her home was built in the late 1950s and doesn't have wall insulation or loft insulation and she tries to heat rooms with two portable electric heaters and coal fire in her living room where she spends most of her time. Following a period of ill health, she was advised by the district nurse to stop using the coal fire due the dust caused by the ashes and the risk of smoke inhalation.

At her local community centre she found out her old local housing association, located next to her property, may be taking part in a project the local authority and the local gas distribution network company (GDNs) were hoping to run in the area. Knowing her health would suffer if she didn't do anything, she found out who was running the project and was told by the gas network company to talk to an agency they work with to take her through an application. She called the agency and was asked about her benefits etc she was then advised to contact her fuel company to let them know she was now claiming pension credit and she could apply for the energy efficiency measures. She then contacted her fuel supplier but they wanted to know whether she could pay for some of the cost of the measures. When she heard this, she then rang the GDN to tell them she thought she had already been told she was eligible but her fuel company had said she would have to pay towards the work. She was however told by the network company they hoped they would be able to pay for the work anyway but only if they received funding from a competition a government department had set up. She is now waiting to hear whether the local authority and the local gas distribution network company may be able to provide her with some further funding for the new boiler and heating system and she is still using her portable electric heaters.

NORTHERN IRELAND

An Owner Occupier with an income less than 20K per annum is over 80 years old with mobility issues and a health condition which is affected by the coldness within the property. He only uses a few rooms within the property. The property was built in the 1960s. It is a detached property with a roofspace which has no insulation. There does not appear to be any effective wall insulation. The heating system in the house is via an internal oil fired burner which is over 40 years old and does not heat the property adequately. The customer also uses portable electric and gas heaters in the bedroom for extra heat at night. The property has single glazing throughout. There are also numerous draughts in the property from the windows and doors.

As there were some concerns regarding fumes from the oil fired burner, the householder was advised by the Home Safety Officer of the potential danger of carbon monoxide poisoning. The initial Affordable Warmth survey was completed and the property will be considered for energy efficiency measures under the Affordable Warmth Scheme. The householder may be eligible for insulation, heating and glazing/draught-proofing measures under the scheme. A benefit check was also agreed by the customer. In this case the Home Safety Officer and Energy Efficiency Officer also called with the customer to give advice on home safety and energy efficiency measures. They continue to work with the householder to help encourage them to progress through the scheme. Should there be any measures not approved through the Affordable Warmth Scheme or any future grants arise which might match their needs for additional measures, such as through NISEP, then they will be referred accordingly.

SCOTLAND

A pensioner is on a low fixed income, is eligible for means tested benefits, and lives in a rural area that is also classed as being one of high deprivation. His property, which he owns, is off the mains gas grid and classed as hard to treat and is very expensive to heat. The population area in which he lives is less than 10,000 and so he is eligible for the rural sub-obligation under ECO CSCO. This provided him with external insulation which was suited to his hard to treat home. If there had been no heating system in place, then he would also have been eligible for the Energy Assistance Scheme, as the householder or partner was aged 60 or over and owned their home. However, in order to qualify he must have occupied the property as his only or main home for at least one year, unless he or his partner was terminally ill and had DS1500 certification. This would have given access to the Energy Assistance Scheme's measures, which included the provision of alternative heating measures like an air source heat pump.

If there was a heating system already in the home, then, given the poor energy rating of the property, ie less than SAP 55, and the fact that the householder and/or partner was aged over 60,he would also have qualified for the Energy Assistance Scheme if he was in receipt of the Carers' Allowance or another qualifying benefit. However, once again he must have occupied the property as his only or main home for at least one year, unless he or his partner was terminally ill and had DS1500 certification. If these criteria were met, then they would have gained access to measures such as loft insulation, draught proofing, room thermostats and heating controls and insulation for hot and cold water tanks and pipes.

WALES

A pensioner couple living on a low fixed income in a rural area receive Pension Credit and automatically receive the Warm Homes Discount from their supplier. Their home does not have access to the mains gas network and has solid walls with no loft space. Their central heating system is an old oil fired system and their house is draughty. They qualified for a Whole House Assessment through Nest where a qualified Energy Assessor determined that the most appropriate and cost effective measures for the property were a new boiler and draught proofing measures, although the property would have also been suitable for solid wall insulation and loft insulation if the measures had been more cost effective.

Following the assessment, the Nest programme was able to leverage grant funding from Wales and West Utilities into the Nest package to connect the property to the mains gas network. This allowed them to heat their homes through mains gas, reducing their bills further. The couple were also referred to their local Care & Repair organisation, who helped them with some home repairs, and to Mid Wales Fire and Rescue Service who provide them with a personalised home safety report.

CONSUMER JOURNEY 3 – DELIVERY FOR WORKING HOUSEHOLDS IN SUBURBAN AREAS

As noted in the previous chapter, there are currently 13 million low income individuals in the UK, who, after housing costs, have incomes well below £16,000 per year[117]. Just under half are in employment but still struggle to meet the costs of living, including utility bills. How national schemes take account of working households who are close to the benefits threshold or qualify but don't receive any support is therefore a critical issue for the delivery of energy efficiency schemes.

ENGLAND

A young mother rents a small two bedroom house on the outskirts of a major city. She works full time earning £14,000 per annum. She has suffered with asthma since birth and so does her young daughter. She does not claim any benefits. Her rented home has solid walls and loft insulation which is about 15 years old. Due to previous tenants not paying their energy bills the landlord has fitted a pre-payment meter. Not knowing a great deal about energy efficiency and energy bills, the mother did not take these things into consideration when renting the property which she moved into in the spring and in Winter was spending up to £30 a week to top up her pre-payment meter so she was able to heat the house to a comfortable level, cook and light the property for her young daughter. This wasn't sustainable as she simply didn't have the money to pay upfront. In the end she self-disconnected, turning the boiler off all together in order to reduce her energy bills. During the winter her daughter's asthma was exacerbated due to the cold living conditions and she developed a severe chest infection which led to her being admitted to hospital.

Thanks to a local 'health through warmth initiative' the mother was approached by Warm Zones who helped her approach her landlord to ask him to look into insulation options, update the old, inefficient back boiler, and change the pre-payment meter. They were also able to offer advice on energy efficiency and help her read and understand gas and electricity bills. Although sympathetic, the landlord was unable to afford the upfront cost of insulating the solid walls; neither was he prepared to remove the prepayment meter. He did however agree to install extra loft insulation and fixed up holes to eliminate draughts. He said that the e boiler would be given a full service but not replaced. Sadly the changes did not improve the property sufficiently for her and her daughter to notice a difference. Fortunately Warm Zones had access to a hardship fund through npower's Health Through Warmth programme which allowed them to replace the boiler. Their circumstances have now changed and she has subsequently been able to move to a newer property which also benefits from a new heating system, wall and loft insulation. Since moving, her daughter has had no more health complaints although they are still very careful and ration when the heating is on. The replacement tenants, who were also on a very low income were able to move into a property which was more affordable for them to heat and avoided falling into fuel poverty.

NORTHERN IRELAND

A single mother lives with her 8 year old disabled child in a suburban area in Northern Ireland. They live in a 3 bedroom house built in 1950 which has an Oil Fired Central Heating system of which the boiler is over 15 years old. They also use electric heaters to supplement the heat in the home. The windows of the property are single glazing.

The mother works part time and her gross income is less than £20,000 per year, this also includes benefits of Child Tax Credits and Working Tax Credits. On an annual basis she would need to pay approx. £2000 on heating and electricity which is a large proportion of her income and she struggles

to pay for oil in huge quantities. The mother was referred by her local council for loft and cavity insulation in the home. However, due to delays with the council's energy programme she was told she would instead qualify under the current Northern Ireland Sustainable Energy Programme (NISEP). Following the assessment, she found she qualified and received the loft and cavity insulation fully funded. However, because the heating system was still working there was no help to fully fund the replacement of the old boiler or change to Gas Fired Central Heating. She was told she could apply to the NI Boiler Replacement Scheme for a grant of up to £1000 towards replacing her old oil boiler or for a full change to gas. As she does not have any savings or spare income to pay the additional cost she is unable to take advantage of the grant. Whilst she still worries about her energy bill, she does however find the insulation keeps the property warmer for longer.

SCOTLAND

A single parent on a low income living in a suburban area needs constant care for her son who is disabled. The house has mains gas, is F rated and is owner-occupied. She is eligible for means tested benefits but doesn't claim them. The property qualified for ECO CERO and so received wall and roof insulation measures. Given the poor energy rating of the property and the fact that it is owner-occupied and there is a child under 16 in the household, the householder could have qualified for the Energy Assistance Scheme if she had been in receipt of the Carers' Allowance or a qualifying benefit. However, she wasn't currently claiming and she had not occupied the property for at least one year. Had she been able to access the Energy Assistance Scheme, she would have received a new heating system with a condensing boiler and controls. However, the property was in an area where a HEEPS: ABS programme operated i.e an area-based programme. The HEEPS: ABS programme, funded by the Scottish Government, was designed and managed by the local authority and tailored to local needs.

WALES

A single parent with a disabled child, living in a suburban area owns his end terrace home, which has an Energy Performance Rating F due to its condemned gas boiler, single glazed windows and lack of cavity wall or loft insulation. He is looking for work but struggles to find hours that fit in around caring responsibilities and has built up debt. He was then referred to Nest by JobCentrePlus, who inform Nest that he receives child tax credit and income based job seeker's allowance, qualifying him for a Whole House Assessment. Nest provided him with advice and referred him to an external organisation for debt advice. In talking to the external organisation, he discovered that he qualifies for an energy supplier's trust fund, which wiped out all his energy debt.

Through the Whole House Assessment, he also qualified for a package of measures including cavity wall and loft insulation, a new boiler and draught proofing. JobCentrePlus was also able to monitor the referral through the Nest partner portal and he had the work completed within 45 days of the initial referral. He is now able to heat the home more affordably again yet if the boiler had not been condemned, his home's energy efficiency rating would probably have been higher than F, which would have disqualified him from receiving the Whole House Assessment and package of measures through Nest. However, he could still have received energy efficiency advice and been referred to an external organisation for debt advice by Nest and would have been advised of any alternative schemes offering support such as local authority schemes.

KEY FINDING IN THIS SECTION:

"Local delivery partners are often best placed to tailor support to local needs and capture multiple benefits but need more adequate resource and support from national policy makers"

All four countries continue to take very different approaches on energy efficiency programmes. Naturally, the motivations for an energy efficiency intervention vary as much as the delivery of different energy efficiency schemes. However, the extent to which energy efficiency is offered to different vulnerable groups within countries clearly impacts on the affordability outcomes which are able to be achieved. Not all schemes offer joined up services with advice on debt. Not all households are entitled to a whole house package of works.

This section also highlights that the current ECO scheme is not providing suitable access and guaranteed assistance for the most vulnerable households whose health is most affected by living in a cold home. Not only is there a need to target greater activity at low-income households and deprived areas, there is also a need to move away from single measures, guarantee access for the most vulnerable households, limit client contributions which is a barrier to the poorest accessing help, and ensure the scheme administrator actively monitors any requirement for households to pay towards the cost of any energy efficiency work. However, whilst these reforms present some opportunities for energy suppliers to ensure domestic energy schemes are better suited to the needs of those households that require the most support, the report notes and welcomes a continued transition to local support services and programmes led and delivered by local delivery partners and local authorities.

In Scotland and Northern Ireland this recognition that local approaches work best has prompted the respective governments to encourage local authorities to take responsibility for overseeing the delivery of their devolved energy efficiency schemes. In England and Wales, whilst many local authorities continue to support national energy efficiency policies, in the main they are reliant on working with obligated energy suppliers (or contractors) to deliver fuel poverty programmes and are under-resourced. There are therefore critical differences in the extent to which authorities actively fulfil their current duties in relation to housing standards, again with notable impacts on vulnerable households and the pursuit of national fuel poverty targets or related national priorities. We therefore highlight new steps are required to make sure all English and Welsh local authorities have the motivation, means and capacity to actively enforce existing or emerging housing standards, act on national policy initiatives and execute public health responsibilities.

SUMMARY OF KEY FINDINGS

Within the opening sections of the report the Monitor noted that fuel poverty policy has been in a state of flux and progression in 2014-15. Not accounting for the UK General Election in May 2015, there have been critical legislative developments and moves to alter the relationship of the UK nations which could lead to greater devolution on energy matters and consumer advocacy. Despite these interventions and others noted within the report, the UK is still facing a fuel poverty crisis. Most worryingly, fuel poverty continues to disproportionately impact vulnerable people who are least able to cope with not being able to adequately heat their homes.

The Monitor has illustrated that the cost and suffering caused by cold homes is grave and is projected to increase without more adequate responses. Independent experts have highlighted that a cold home is currently a bigger killer across the UK than road accidents, alcohol, or drug abuse combined and NEA's own analysis also highlights a shocking level of related excess mortality. There is a real possibility the UK may potentially see as many as 125,000 vulnerable people die needlessly over the next 15 years and national health services will need to spend billions treating cold-related morbidity, in excess of £22bn in England and Wales alone. We also illustrate how the changes to the Energy Company Obligation (ECO) in particular have also made the realisation of current national fuel poverty aspirations or targets less likely to be met in Scotland and Wales and have impacted on the programmes that exist and England. In Northern Ireland, where fuel poverty levels are highest, there is still no certainty that there will be an adequate replacement to the current NISEP arrangements. In the recommendations we therefore note that no government or parliament can accept this level of suffering or unnecessary cost.

Section four of the report also noted that HM Treasury makes a significant windfall from domestic energy consumers in all four nations - with clear implications for fuel poverty. Yet currently not £1 of the £100bn public infrastructure budget has been spent on initiatives that can create economic growth as well as making homes warmer and healthier for less, yet evidence demonstrates that investing in energy efficiency brings multiple benefits. As a result policy makers in the UK are in danger of paying lip service to many important drivers while the true benefit will remain locked without adequate investment. Within our recommendations we therefore propose how using revenues raised from VAT or carbon taxes or alternative public infrastructure funds must help eradicate fuel poverty across the four nations.

We also highlight how this investment would be a sound use of public money and would create jobs and economic growth throughout the UK. In this context, the report highlights this has been a prominent theme across the UK and within Europe in 2014 - 2015. We profile the work of a number of independent experts but particularly the Climate Change Committee (CCC) and the International Energy Agency (IEA). Collectively, these respected and influential bodies have quantified the potential for energy efficiency to deliver new jobs and economic growth, reduce pressure on health services, improve energy security and reduce carbon emissions. This is at the same time as providing a long-term, sustainable solution to unaffordable fuel bills for all consumers.

The report has also highlighted that the joining up of the benefits of action on cold homes is presenting welcome similarities across the nations on the ground. There is increasing recognition that significant energy efficiency interventions can play a vital role in supporting wider policy goals across the UK. In particular, the adoption of the new NICE guidance[118] in England, Wales and Northern Ireland (along with the continued support of the PHA) could make tacking cold homes a priority for public sector health workers. The integration of health and social care services in Scotland could also be hugely positive. However, across the nations there is a risk momentum could be lost and within the country recommendations we highlight the need for devolved governments to act more urgently to align the health and housing agendas across the nations. We also highlight the importance of reporting on scheme outcomes, which is currently mixed.

Following the macro-analysis above, in section five of the report we investigated some examples of consumer journeys in the nations. This found that the observations in last year's Monitor were increasingly valid. The approaches to delivering energy efficiency interventions across the four nations continue to be increasingly varied and the examples provided illustrate disparities between

the affordability and real and potential wider outcomes achieved by the different programmes. Below, the report therefore reflects on the differing experiences across the nations and highlights country specific recommendations which can enhance the effectiveness of current schemes.

These national recommendations also reflect a key observation that local delivery partners are often best able to tailor support to local needs and capture multiple benefits. However, as well as the need for adequate resource, these local bodies (and particularly local authorities) require support from national policy makers. New steps are required to ensure all local authorities have the motivation, means and capacity to actively enforce existing or emerging housing standards, act on national policy initiatives and execute public health responsibilities. Effective monitoring could also encourage a fair distribution of funds across different geographic locations. This approach can also ensure existing resources do not duplicate activity within any given area, and encourage the development of co-funding. It is now down to our policy makers to respond and invest the money that is needed to truly capture the mix of positive social, health, environmental and economic benefits illustrated in this report and act decisively to end the cost and suffering caused by fuel poverty once and for all.

NATIONAL RECOMMENDATIONS

ENGLAND

I. Fuel poor householders in England need to spend close to £1 billion more a year on energy compared to non-fuel poor householders due to the toxic combination of low income and living in homes with poor energy efficiency standards. It is therefore of great concern that the Government has not set a target to reduce the size of the aggregate and average 'fuel poverty gap' each year.

II. The Department for Energy and Climate Change (DECC) and Department for Communities and Local Government (DCLG) should provide regular updates on the extent to which local authorities in England are fulfilling their current duties for enforcing and monitoring housing standards. This includes enforcement action under the Housing Health and Safety Rating System (HHSRS) and Private Rented Sector (PRS) regulations and production of biennial Home Energy Conservation Act (HECA) reports on action taken to improve the energy efficiency performance of the local housing stock. The reports should include information on funds used for carrying out improvements to low income homes and the level of fines levied due to private landlords not meeting PRS regulations.

III. DECC and DCLG should move from the current short term, competition-based, approach to funding local activity to a long term, tax-funded programme that complements ECO and is overseen by local authorities or larger consortia of local authorities.

IV. Building on the positive recommendations within the NICE guidelines on "Excess winter deaths and morbidity and the health risks associated with cold homes", DECC the Department for Health (DoH) and Public Health England (PHE) should monitor the extent to which Health and Wellbeing Boards have adopted the guidance and prioritised fuel poverty or reducing excess winter deaths and cold-related morbidity within their local Joint Needs Strategic Assessments (JSNA). PHE should regularly update the current NEA analysis of which fuel poverty schemes have accessed local Clinical Commissioning Group (CCG) funding directly. DoH should also provide estimates of the overall scale and cost of the impact of cold-related morbidity on health services, alongside an assessment of the extent to which any relevant policies are assumed to be reducing these unnecessary costs.

V. DECC should report annually on the relative contribution of energy discounts and energy efficiency measures to the attainment of the interim EPC E and D milestones and the final EPC C target.

NORTHERN IRELAND

I. The NI Assembly should update the current House Condition Survey in Northern Ireland to ensure it provides up-to-date information on the contribution of energy efficiency to mitigating fuel poverty in Northern Ireland. This assessment should also include an evidenced based review of the state of cavity wall insulation across all tenures and highlight any problems or where appropriate standards are or are not being met.

II. The Northern Ireland Assembly should ensure the current Northern Ireland Sustainable Energy Programme (NISEP) continues until such time as an equivalent scheme is introduced which maintains a high percentage of ring-fenced activity which is deliberately targeted at low income households in fuel poverty.

III. Any new scheme should continue to maintain a high percentage of ring-fenced activity for low income households in fuel poverty and make sure there is uniformity of delivery across councils.
IV. It is important that a single department is made responsible for the delivery of the energy efficiency schemes and that there is a single entry point for customers that do not reside within wards of deprivation. This department must also make sure grants and schemes provide value for money and are delivered in a clear and transparent fashion, with information on administrative costs and incentives paid to suppliers made available in an annual fuel poverty report.

V. The Northern Ireland Assembly is responsible for transposing the new NICE guidelines on "Excess winter deaths and morbidity and the health risks associated with cold homes" to Northern Ireland. The Assembly should therefore signal support for the guidelines and produce an action plan to embed the guidance.

SCOTLAND

I. Whilst the Scottish Government's efforts to address fuel poverty are having a clear impact, based on current policies, the target to eradicate fuel poverty by November 2016 could fail to be met. Indications of this likelihood are that levels of fuel poverty are in fact now rising. If this transpires, the Scottish Government must consult fully with key stakeholders well in advance of any public statement on the likelihood of this eradication target not being met.

II. The proposed devolution of further powers to shape ECO schemes delivered in Scotland (although not the overall obligation) may enable the development of an ECO scheme that better suits Scotland's needs. However, the UK Treasury should provide additional resources for Scottish Government schemes from reserved infrastructure funds, particularly given NEA estimates that Scottish energy consumers will pay £1.33bn in increased energy taxes over the term of the new UK Parliament.

III. The Scottish Government should improve the reporting of the impact of its fuel poverty and energy efficiency schemes. The Scottish Government should publish monthly progress reports to help assess whether any adjustments are required to the schemes or their delivery. This is essential if lessons are to be learned and progress towards current or future statutory targets is to be tracked effectively.

IV. The transposition of NICE guidelines, such as "Excess winter deaths and morbidity and the health risks associated with cold homes", to Scotland is a decision for the Scottish Government. With the recent integration of health and social care, working together with Community Planning, the potential for fuel poverty action as a means of reducing health inequalities is considerably enhanced. Scottish Ministers must act quickly to use this opportunity to tackle fuel poverty, poor health and to reduce costs to the national health service.

WALES

I. The Welsh Government is to be commended to date for maintaining the Nest and Arbed schemes despite a difficult economic climate. However, the offer of a 'whole house approach' under Nest has sadly not fully materialised in the majority of households and the future of these current schemes is uncertain. The Welsh government is unlikely to meet its remaining statutory duty to eradicate fuel poverty by 2018 without immediate clarification on these points. It must act upon these areas in the coming months. However, without substantially increased funding overall, the Welsh Government's flagship energy efficiency programmes are currently only able to assist a small fraction of fuel poor households in Wales.

II. Within the forthcoming energy efficiency strategy for Wales, the Welsh Government must show their active support for Welsh energy consumers by lobbying the UK Government to use the revenue the UK Treasury receives from levies on energy bills to ensure this money (or alternative funds) is pledged to increase resources within the Welsh Government's energy efficiency programmes.

III. The Welsh Government is responsible for transposing the new NICE guideline on "Excess winter deaths and morbidity and the health risks associated with cold homes" to Wales. The Welsh Government should signal its support for the guidelines within the Government's forthcoming energy efficiency strategy for Wales.

IV. The new UK Government must recognise that austerity and welfare reform has had a real impact on the ability of the Welsh Government to eradicate fuel poverty and poverty in general. The new UK Government should publicly set out its plans for working with the Welsh Government to address low incomes and low pay to assist the Welsh Government to meet its fuel poverty and child poverty targets.

V. Despite the Welsh Government's Fuel Poverty Strategy noting local authorities and social housing providers have a critical role to play in tackling fuel poverty, there is currently no statutory obligation on local authorities in Wales to tackle fuel poverty[119]. The Minister for Communities and Tackling Poverty within the Welsh Government should therefore work with other relevant departments in Wales to establish the extent to which local authorities in Wales are fulfilling their current duties in relation to housing standards and take appropriate action.

UK AND GB WIDE RECOMMENDATIONS

I. The UK Government must introduce an ambitious energy saving target for the whole of the UK. Existing research highlights a 40 per cent energy saving target for 2030 would boost UK GDP by £62bn[120], even after the upfront costs are met. Energy imports also negatively impact the EU's trade balance and accounted for over €1 billion per day in 2013 (around €400 billion a year) and represent more than a fifth of total EU imports[121]. Overcoming the remaining barriers to realise this energy saving potential in the UK must be a priority, particularly for low income households. The UK Government should also support a minimum binding 40 per cent energy saving target across Europe by 2030.

II. The next Comprehensive Spending Review will be of critical importance. This report has highlighted how national governments, different departments and a wide range of practitioners can help support, fund and deliver action on fuel poverty. This requires increasing annual investment in energy efficiency at a national and UK wide level. The UK Government must take a lead and set an aspirational target for a minimum of 8-10 per cent of the annual public infrastructure budget to be spent on supplementary programme(s) that can make homes warmer and healthier as well as creating economic growth. This could be allocated according to current levels of domestic energy taxation across the UK nations and the extent of fuel poverty within the respective countries.

III. The UK Government must continue to monitor fuel poverty levels across the UK and identify any changing demographics within fuel poor households under the 10 per cent method of measuring fuel poverty. This should involve working across the nations and relevant departments to update national housing surveys and identifying any cross cutting fuel poverty implications within UK wide policy making. The fuel poverty advisory groups of the respective nations must also be actively engaged in this process.

SOURCES AND FURTHER INFORMATION

1. Energy regulation is devolved in Northern Ireland and consequently fuel poor households are not assisted by Great Britain (GB) energy company programmes which apply across the other three nations. However as an illustration of the limited coordination across the nations, the Monitor 2013-14 highlighted changes that were made to resources under the Energy Company Obligation (ECO) which operates across GB. The report stated that resources under this programme were already insufficient considering the scale and depth of fuel poverty across Britain (estimated to assist just 7 per cent of fuel poor households) and following the actions of the Westminster Government this situation was made more acute. The report also found that the changes made the realisation of current national fuel poverty aspirations or targets more unlikely to be met. The report therefore recommended the need for an urgent re-evaluation of the contribution that ECO and other energy efficiency policies are assumed to make to national fuel poverty targets.

2. The 2013-14 Monitor noted that the Welsh Government is adopting a community-based approach and the Scottish Government an area-based approach to deliver energy efficiency improvements in a cost-effective and efficient manner. Northern Ireland was also piloting this model and is focusing delivery on smaller census output areas with positive results. However, the report noted that there continues to be no recurrent funding (or binding duty), which ensures Upper Tier Local Authorities in England play their key part in addressing fuel poverty, reducing domestic carbon emissions and support and facilitate emerging relevant public health responsibilities. The report also noted there are inconsistent requirements across the UK to specify the level which energy efficiency interventions need to reach within fuel poor households.

3. The Association for the Conservation of Energy (ACE) used official data from the Office for National Statistics, National Records of Scotland and Northern Ireland Statistics and Research Agency. ACE says that in the UK in 2013, 7,400 deaths were related to cold homes, 7,059 were related to alcohol and 1,575 were related to road or rail accidents. (See: *Chilled to Death: The human cost of cold homes*, Association for the Conservation of Energy, March 2015.)

4. Estimated using the most recent 5 year average of EWDs across the UK and assuming 30 per cent of Excess Winter Deaths are caused by cold housing.

5. Using the same methodology highlighted above.

6. This figure is based on an annual costs of £1.5bn which extrapolates a well-recognised annual cost (in England) of £1.36 billion. (See: *The cost of cold - Why we need to protect the health of older people in winter*, 2012, Age UK.)

7. Excess winter deaths and morbidity and the health risks associated with cold homes, NICE, 5 March 2015.

8. Whilst the Welsh Housing Quality Standard requires all social landlords to improve their housing stock to an acceptable level by 2020, the Housing Health and Safety Rating System (HHSRS), introduced in the 2004 Housing Act by the UK Government, is meant to regulate minimum standards in private housing. As in England, local authority enforcement action in Wales has been badly affected as a result of limited resources and competing pressures on local authority Environmental Health Officers

9. Taken from an unpublished paper by Cambridge Econometrics for the European Commission. (See figures here: *http://www.wwf.eu/?229254/Commission-hides-data-showing-cheaper-2030-energy-efficiency-target*)

10. *Developing a Social Energy Target in Europe*, National Energy Action, October 2014, p.11

11. *Warmer Homes Improving fuel poverty and energy efficiency policy in the UK,* Richard Howard, Policy Exchange, p7. The report also calculated the combined cost of the Winter Fuel Payment, Cold Weather Payment, and Warm Homes Discount is estimated to be some £2.6 billion in 2014/15. The WHDS does however provide targeted automatic electricity bill support to low income older age households. Extending data sharing powers under the Pensions Act to provide the automatic electricity discount under a revised core group would enhance targeting to all low income families qualifying for support for Cold Weather Payments.

12. The time lag in publication of official fuel poverty statistics, generally around two years between collection and publication, means that the UK Government's estimates are not current. These statistics are taken from *the Annual Fuel Poverty Statistics Report, 2015*, Department of Energy and Climate Change (DECC), May 2015.

13. In October 2010, the UK Government announced that it would commission an independent review of the definition of fuel poverty in England. In March 2012 Professor Hills published the final report of his independent review, making several recommendations for how fuel poverty should be measured in England. Professor Hills proposed a new measure: the Low Income High Cost (LIHC) indicator which was subsequently adopted by the UK Government for defining fuel poverty in England only. Under the LIHC definition a household is considered to be fuel poor where they have required fuel costs

that are above average (the national median level) and were they to spend that amount, they would be left with a residual income below the official poverty line. This means essentially that a householder is only fuel poor where they are on a very low income and based on current levels of household energy efficiency live in a property which is highly energy inefficient. The main impacts of the change was to reduce the overall number of households in England deemed to be fuel poor by approximately 1 million and shifting the age and other demographics of the fuel poor population. The low income high cost measure also consists of two parts, the number of households that have both low incomes and high fuel costs and the depth of fuel poverty amongst these households. The depth of fuel poverty among these fuel poor households is measured through a 'fuel poverty gap'. Unlike the overall headcount measure under the LIHC definition, the fuel poverty gap indicates the impact energy prices have on the depth of the problem (for those households on the lowest incomes and with high energy costs). This can be summed for all households that have both low incomes and high costs to give an aggregate fuel poverty gap. The aggregate fuel poverty gap highlights that fuel-poor households in England need to spend much more on energy, almost £1 billion a year compared to non-fuel poor householders. Prior to the introduction of the LHIC indicator in England, fuel poverty was measured under the 10 per cent indicator. Under this indicator, a household is considered to be fuel poor if they are required to spend more than 10 per cent of their income on fuel to maintain an adequate standard of warmth. An adequate standard of warmth is usually defined as 21ºC for the main living area, and 18ºC for other occupied rooms. Northern Ireland, Scotland and Wales continue to use the 10 per cent definition and the UK Government committed to continue to report on fuel poverty under this measurement in England and across the other UK nations. This is critical as it is still used as the basis of any respective statutory eradication targets within these other nations.

14. Ibid.

15. Ibid.

16. *Cutting the cost of keeping warm - A new fuel poverty strategy for England*, HM Government, July 2014.

17. *Fuel Poverty Strategy Consultation Response and Annex,* 2014, Climate Change Committee (CCC)

18. The Northern Ireland Executive, *The 2011 House Condition Survey*, 2011. The Survey provides an update of key figures in relation to the Decent Homes Standard, fuel poverty and the energy efficiency of homes. It also provides an update on the dwelling stock, its residents, and the quality of the stock, including its state of repair. The work was carried out with support from the Building Research Establishment who provided technical advice and modelling work.

19. As mentioned in the Northern Ireland Fuel Poverty Coalition's Briefing for New Stormont Executive and assembly 2011. (See: *http://www.niassembly.gov.uk/globalassets/documents/social-dev/fuel-poverty/briefing_paper.pdf*)

20. *The Scottish Fuel Poverty Statement*, published in August 2002 pursuant to section 88 of the Act, sets out in further detail how this target will be achieved. The key elements to be undertaken towards achieving the target are improvements to housing stock, including owner-occupied and private rented housing; promote greater energy efficiency in domestic dwellings, developing greater knowledge about the state of fuel poverty in Scotland and monitoring change, support for awareness raising activities among statutory, voluntary, charitable and private sector actors and partnership working across the national and local levels.

21. *Scottish House Conditions Survey – Key Findings 2013*, Scottish Government, December 2014

22. *Progress Report on the Scottish Fuel Poverty Statement 2002*, Scottish Government, December 2014

23. *The Energy Advisory Service "Fuel Poverty Report" (2014)* for the Western Isles council. (See: http://www.theenergyadvisoryservice.co.uk/downloads/FuelPovertyReport2014_Email-Layout.pdf)

24. The Smith Commission report is here: https://www.smith-commission.scot/smith-commission-report/. The UK Govt. Command paper, which contained the draft clauses is here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/397079/Scotland_EnduringSettlement_acc.pdf

25. In April 2015, ahead of the General Election, NEA asked spokespeople from all political parties what action they would take to end the cold homes crisis if elected to the next government. The SNP sent a written contribution in which Mike Weir MP, Spokesperson for Energy and Climate Change (SNP) stated "our aim is to eradicate fuel poverty by 2016. This is challenging but we believe is achievable".

26. Welsh Assembly Government's Fuel Poverty Strategy 2010. http://gov.wales/docs/desh/publications/100723fuelpovertystrategyen.pdf

27. This equates to approximately 36,000 fewer fuel poor households.

28. Note that fuel poverty statistics for Wales are likely to be much higher than figures currently show. This is due to the time lapse in reporting statistics within the Welsh Government. (See *Fuel poverty report: annual report on statistics 2014*, Department of Energy and Climate Change (DECC), June 2014)

29. *Capturing the multiple benefits of energy efficiency*, International Energy Agency, 2014.

30. *European Energy Security Strategy, Communication from the Commission to the European Parliament and the Council,* May 2014.

31. *European Commission 2030 Communication of Climate and Energy,* Impact Assessment (2013).

32. Annual Energy Statement is presented to Parliament by the Secretary of State for Energy and Climate Change by Command of Her Majesty.

33. Annual Energy Statement 2014, HM Government, p32.

34. *The Energy Efficiency Strategy: The Energy Efficiency Opportunity in the UK*, DECC, November 2012.

35. *Department of Energy & Climate Change, Energy Efficiency Strategy:* The Energy Efficiency Opportunity in the UK, Nov 12

36. Ibid, p.12.

37. "RIIO" stands for Revenue = Incentives + Innovation + Outputs

38. The RIIO-ED1 price control sets the outputs that the 14 electricity Distribution Network Operators (DNOs) need to deliver for their consumers and the associated revenues they are allowed to collect for the eight-year period from 1 April 2015 to 31 March 2023.

39. *Strategy decision for the RIIO-ED1 electricity distribution price control,* Ofgem, 04 March 2013.

40. For more information visit: www.smarternetworks.org/Project.aspx?ProjectID=1325

41. For more information visit: http://www.lessismore.org.uk/

42. For more information visit: http://innovation.ukpowernetworks.co.uk/innovation/en/Projects/tier-2-projects/Vulnerable-Customers-and-Energy-Efficiency/

43. For more information visit: http://www.powersaverchallenge.co.uk

44. Ofgem have also set out some clear requirements to improve the quality of information DNOs (or other parties) have access to about vulnerable consumers and request that there is a clear explanation of how this information will be used

45. *RIIO-ED1 Stakeholder Engagement and Consumer Vulnerability (SECV) incentive consultation*, Ofgem, 16th Dec 2014.

46. On the 26th March 2015 Ofgem stated gas network companies can connect more eligible households to the gas grid than the 77,000 originally planned for delivery between 2013 and 2021. They must now resubmit their plans to Ofgem for consideration. Maxine Frerk, senior partner for distribution, said: "By encouraging gas network companies to connect more consumers to the gas grid, we're playing our part in supporting those in fuel poverty in Great Britain. We also want network companies and their partners to work more closely with suppliers and fuel poverty groups on improvement works, such as new boilers, radiators and internal pipework, to ensure consumers get the full benefit from the new connections provided by the scheme."

47. *Decision on arrangements for the first Gas Discretionary Reward Scheme (DRS) under RIIO-GD1,* Ofgem, 12th December 2014.

48. *The future of heating*, Department of Energy & Climate Change (DECC), March 2013

49. *Cutting the cost of keeping warm – a fuel poverty strategy for England,* HM Government, March 2015.

50. The CCC estimates that £1.2bn pa would be needed improve the homes of those currently in fuel poverty in England up to EPC Band C by 2030. The current Government has put in place legislation which requires any future Government to reach this goal however this analysis and subsequent figures from Policy Exchange's report: *Warmer Homes - Improving fuel poverty and energy efficiency policy in the UK* highlighted current resources are less than half of what is required to meet this target. The CCC has therefore stated an accelerated timetable could be achieved at a cost of £1.8bn pa, with a target date of 2025 and an independent consultant Verco has also estimated it would cost £2.6bn pa to improve the homes of all 4.7m low income households to Band C by 2025. Improving the homes of all low income households, rather than 'LIHC fuel poor', households is required as it helps overcome the difficulty of 'churn' arising from the relative Low Income High Cost (LIHC) definition and make the delivery and targeting of programmes much more straightforward.

51. *The Energy Efficiency (Private Rented Property) (England and Wales) Regulations*, UK Government, 2015.

52. *Domestic stakeholder briefing: Energy efficiency improvements to the private rented sector*, DECC, February 2015.

53. *Private Rented Sector Energy Efficiency Regulations Domestic (England and Wales),* consultation response by National Energy Action (NEA), September 2014.

54. The HHSRS Operating Guidance shows that the average pre-1945 dwelling would be considered to

have a Category 1 (i.e. serious) hazard associated with Excess Cold.

55. *UK Fuel Poverty Monitor 2014*, National Energy Action, 2014. p.47

56. *Energy Efficiency – Call for Evidence, Welsh Government,* October 2014.

57. *Energy Efficiency – Call for Evidence,* Welsh Government, October 2014.

58. *Energy efficiency strategy for Wales*, consultation response by NEA Cymru, January 2015.

59. DETI has overall responsibility for energy (including most forms of renewable energy) and gas policy, legislation and delivery; energy efficiency in the voluntary sector; renewable heat and renewable heat incentive; smart metering and billing; and the Sustainable Energy Inter Departmental Working Group (SE IDWG). Invest NI has responsibility for provision of integrated programmes of advice, information, finance etc to assist business to increase resource efficiency. The Office of the First Minister and Deputy First Minister (OFMDFM) has strategic policy responsibility for sustainable development. The Department of the Environment (DEL) has reasonability for climate change policy, legislation and delivery, including the climate change working group and various strategic energy efficiency policies such as the operation of Carbon Reduction Commitment and the EU Emissions Trading Scheme in Northern Ireland. The Department for Social Development (DSD) has responsibility for energy efficiency in residential accommodation (including the Warm Homes Scheme currently replaced by Affordable Warmth) and fuel poverty policy. The Department of Agriculture and Rural Development (DARD) – responsibility to help the agricultural and rural communities benefit from renewable energy; helping the farming community act to restrict Green House Gas emissions; education of agricultural community in respect of sustainable energy through CAFRE and AFBI; and the DARD estate. The Department for Regional Development (DRD) – responsible for regional planning; policy and legislation for water service; transport policy including sustainable transport; and the DRD estate. The Department of Finance and Personnel (DFP) holds responsibility for energy performance of buildings; building regulations; and, reduction of carbon emissions from DFP office estate. The Department for Employment and Learning (DEL) holds responsibility for promoting learning and skills in sustainable energy; and, assisting people into sustainable energy employment.

60. Collins in 1986 stated that householders that experience indoor temperatures below 16oC have an increased risk of respiratory disorders. In 1993 Collins went on to prove that (along with Lan Chang et al 2004; Howieson and Hogan 2005) that below 12oC cardiovascular stress occurs. In 2000, Collins concluded that acute respiratory infectious diseases cause the highest mortality when they affect a vulnerable section of the population, such as elderly people already suffering from chronic disabling respiratory illness.

61. For more information: http://www.euro.who.int/__data/assets/pdf_file/0017/145511/e95004sum.pdf [p 6]

62. Ibid p13

63. *UK Chief Medical Officer Annual Report,* 2009.

64. *Excess Winter Mortality in England and Wales, 2013/14 (Provisional) and 2012/13 (Final),* 28 November 2014. The increased Winter Mortality (Excess Winter Deaths) figure for Scotland in 2013/14 was also 1,600.

65. Ibid. 3

66. Methodology of this figure and Table 2 below is taken from government figures, 30% of the five year average of excess winter deaths (EWD) to reach the World Health Organisation's figure of EWD attributable to living in a cold home. Five year figure is ascribed to the last parliament. (See: *http://www.ons.gov.uk/ons/rel/subnational-health2/excess-winter-mortality-in-england-and-wales/index.html*)

67. Ibid. 6

68. Ibid. 7

69. The draft guideline, including the recommendations, was released for consultation in June 2014. At its meeting in September 2014, the PHAC amended the guideline in light of comments from stakeholders and experts and the fieldwork. The guideline was signed off by the NICE Guidance Executive in January 2015.

70. For more information visit: http://www.gov.scot/Topics/Health/Policy/Adult-Health-SocialCare-Integration

71. *Report on Health Inequalities (SP Paper 637, 1st report, Session 4 2015),* Health and Sport Committee - The Scottish Parliament, 5 January 2015

72. For further information visit http://news.scotland.gov.uk/News/GP-Link-Worker-Programme-ce4.aspx

73. The links worker scheme will be evaluated, with patient outcomes from the participating practices being compared with eight comparison practices who are in similar areas but have not received a links worker. Scottish Government Ministers will then consider whether to roll the scheme out further.

74. Ibid. 3

75. See Table 2, pg. 21

76. Using the same methodology highlighted above.

77. Using the same methodology highlighted above.

78. Ibid. 7

79. *Building the Future: The economic and fiscal impacts of making homes energy efficient,* Cambridge Econometrics and Verco, October 2014.

80. The aforementioned report also noted an enhanced programme targeted at low income households and communities (whilst providing an enhanced offer to able to pay households through 0 per cent loans), could also result 23.6MtCO2 reductions per annum by 2030, after accounting for rebound effects. This is a known risk that affects the performance of energy efficiency measures "the rebound effect". This is where the reduction in energy consumption (in this case electricity consumption) caused by a new measure is wholly or partially offset by a change in behaviour because of a combination of an income effect, e.g. a reduction in electricity bills from one source means that there is more to spend on other consumption which uses more electricity or a price effect, e.g. a reduction in electrical heating costs means that households feel able to heat their home to a higher temperature, taking the benefit as more heat rather than lower bills.

81. According to Ofgem, the level of domestic indebtedness to energy companies is £950m, this money will therefore not be spent in local economies. See: https://www.ofgem.gov.uk/ofgem-publications/92186/annualreport2013finalforpublication.pdf

82. This new analysis of the revenues the Treasury receives from domestic consumers is based on Government sources to estimate how much expected revenue they will receive from a) the European Union Emission Trading Scheme (EU ETS), b) the Carbon Price Floor (CPF) and c) VAT on an average electricity bill. We have then combined this with expected VAT revenues from domestic gas bills. These estimates are all based on the Government's own assumptions regarding energy consumption and this includes an assumption that EU products policy will increase the domestic energy efficiency of electric appliances substantially. However, what the analysis does show, regardless of the impact of various assumptions, is that both carbon revenue and VAT receipts help the Treasury yield a staggering amount of money, which is collected regressively and without an intervention will further strain the finances of particularly low-income households.

83. *Department of Energy & Climate Change, Energy Efficiency Strategy:* 2013 Update, Dec 13. However, these estimates do not take account of the recent changes to the Energy Company Obligation.

84. Cambridge Econometrics & Verco, 2012, Jobs, growth and warmer homes, Consumer Futures.

85. Aldersgate Group, Association for the Conservation of Energy, BioRegional, Cavity Insulation Guarantee Agency, Centre of Refurbishment Excellence, Energy Bill Revolution, Energy Saving Trust, Federation of Master Builders, Forum for the Future, Friends of the Earth, Green Alliance, Greenpeace, National Energy Action, National Energy Foundation, National Housing Federation, National Insulation Association, SHIFT - Sustainable Homes Index For Tomorrow, Sustainable Energy Association, UK Green Building Council and WWF-UK.

86. HM Treasury (2014) *National Infrastructure Plan 2014*

87. For more info on Lord Deighton's remarks see: http://www.ukgbc.org/news/lord-deighton-%E2%80%99extremely-attracted%E2%80%99-energy-efficiency-infrastructure-priority

88. *A strong Leadership, a clear economic plan, a brighter, more secure future*: https://www.conservatives.com/manifesto See Chapter 5, page 56.

89. *Liberal Democrat Manifesto*, April 2015, page 100.

90. *The Green Party Manifesto – For the Common Good*, Green Party, April 2015, page 21.

91. *Labour Party Manifesto*, April 2015, page 25.

92. To view the video please visit https://www.youtube.com/watch?v=tXyglcnH3iI.

93. *Inquiry into fuel poverty and energy efficiency in Wales*, Consultation response by National Energy Action (NEA), June 2014.

94. NEA Cymru Submission to the Welsh Government's Consultation on The Rural Development Plan 2014-20: Next Steps Based on discussions held with stakeholders on 27th February 2014, following the Rural Welsh Energy Advisorship Programme run by NEA Cymru and sponsored by Calor Gas.

95. *Economic Strategy: Priorities for sustainable growth and prosperity*, Northern Ireland Executive, March 2012. p.10

96. *Households Below Average Income: An analysis of the income distribution 1994/95 – 2012/13 (United Kingdom),* Department for Work and Pensions, 2014

97. *Making the case - The value to society of the Citizens Advice service*, Citizens Advice, 2013.

98. For more information regarding this report please visit http://www.cas.org.uk/news/cab-advice-saves-taxpayer-over- per centC2 per centA360m-year.

99. For more information on Energy Best Deal visit http://www.citizensadvice.org.uk/index/partnerships/financialskillsforlife/fsfl_projects/fsfl_projects_energybestdeal.htm

100. This observation was written prior to the formal integration of ESAS's service with the Fuel Poverty Gas Network Extensions Scheme (FPGNES). This should provide a new mechanism for referring households to see if they are eligible for a new gas connection from a Gas Distribution Network (GDN) company who are incentivised to connect fuel poor households to the gas network following an economic assessment model. It is anticipated that 80,000 households will be connected to the network over the next 8 years.

101. Evaluation of the Big Energy Saving Network - Final report, DECC, January 2015.

102. What do we know about In-Work Poverty? A summary of the evidence, Scottish Government 2015

103. For more information visit http://news.scotland.gov.uk/News/A-wage-to-live-on-14b4.aspx

104. For further information visit http://www.nidirect.gov.uk/i-made-the-call

105. There continues to be no UK wide energy efficiency initiatives.

106. The future of the Energy Company Obligation, Department of Energy and Climate Change (DECC), March 2014

107. The Future of the Energy Company Obligation - Government response to the 5 March 2014 consultation, 22 July 2014, p 25.

108. Cutting the cost of keeping warm - A fuel poverty strategy for England, March 2015, p.64.

109. For more information about the CCC, please visit: http://www.theccc.org.uk/

110. Meeting the proposed fuel poverty targets - Modelling the implications of the proposed fuel poverty targets using the National Household Model - Report for the Committee on Climate Change, Centre for Sustainable Energy (CS", November 2014.

111. Fuel Poverty Strategy Consultation response, the Committee on Climate Change (CCC), October 2014, p 3.

112. The Government has only modelled the impact of the proposed changes to the ECO on fuel poverty levels in England. By the end of 2016 (the original date for the eradication fuel poverty the policy is expected to remove an additional 32,000 from fuel poverty and reduce the 'aggregated fuel poverty gap' by £18m and reduce the individual fuel poverty gap by only £1.

113. In October 2013, the Minister announced £70m funding - £35m for 2014/15 and £35m for 2015/16 – to incentivise energy companies to invest ECO in Wales. It is envisaged that area based schemes run through local authorities will be a key recipient of this funding.

114. Evaluation of the Nest energy efficiency scheme, Miller Research (UK) Ltd and Brook Lyndhurst Ltd, 10 March 2015.

115. Ibid. 97

116. Ibid. 7

117. Ibid. 8

118. Ibid. 9

119. Ibid. 10

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