### **GOVERNMENT CONSULTATION: East Suffolk Council Response:**

### **Review of the Fuel Poverty Strategy**

Further information/ Consultation document: Review of the Fuel Poverty Strategy - GOV.UK

Closing date: 4th April 2025

#### **QUESTIONS:**

1. Should the 2030 fuel poverty target be retained? Please explain your reasoning.

Yes / No

No, all indications are that the target is now unrealistic and there is a need for reprofiling of the target, based on ambitious yet achievable parameters.

2. What are your views on an alternative fuel poverty target objective and what this objective should be?

Improved coordination between fuel poverty metrics and EPC metrics is needed to drive improvements across both policy areas. Coordination with emerging landlord duties to meet Decent Homes (HHSRS excess cold and damp and mould growth hazards) and comply with Awaab's law (all MHCLG remit) also need to be considered if the revised Fuel Poverty Strategy is to meet stated cross-cutting objectives.

A multiple metric approach may be beneficial in this respect but there is a risk of losing focus and understanding.

3. What are your views on the objective date? We welcome views on the target date for the current 2030 objective and any objective date for any alternative target which could replace or succeed the 2030 target

The objective dates should be reprofiled to reflect the current circumstances and realistic ambition to reduce fuel poverty in accordance with any revised targets in the short and medium term (i.e. 2028-2035).

If that is set having proper regard to grant programmes and the growth of the green economy (including workforce development and installation capacity), alongside any reprofiling of MEES targets for the PRS, then each of those elements is more likely to accelerate and prove successful.

- 4. 4. What are your views on:
  - A. retaining the Low Income Low Energy Efficiency metric as a measure of structural fuel poverty and as the official measure of progress to the statutory fuel poverty target in England?
  - B. whether to adopt an additional indicator to monitor the impact of energy prices on the affordability of energy?

C. the form of an energy affordability indicator, including whether this should include an income constraint and considerations on the basis on which to determine unaffordable energy requirements?

#### Please provide any supporting evidence.

Yes retain LILEE and introduce an affordability-based indicator so that the impact of all relevant interventions to reduce fuel poverty are better tracked across the affected population.

We agree that an income constraint is needed to help retain focus on long term measures that improve the efficiency of homes occupied by households in (or at risk of) fuel poverty.

5. What are your views on adapting or implementing the Worst First principle, in order to maximise the number of fuel poor homes brought to Band C while ensuring that the worst homes are not left behind? Please provide any supporting evidence.

A pragmatic approach involves a move towards breadth in which more households in FPEER D are assisted at a much lower cost per household. Such an approach would also accelerate progress on domestic carbon reduction.

Moving away from depth (worst first) risks increasing inequalities, cutting loose the most disadvantaged people living in the most energy inefficient homes.

On balance, we take the view that more breadth is needed to accelerate household take-up and industry development, but this approach needs to be sustained, learning from the mistakes of the past.

Meanwhile effective measures need to be put in place to stimulate investment in E, F and G rated homes that are associated with the deepest fuel poverty and a range of health impacts arising from cold and damp homes.

6. What are your views on how we could better define or implement the cost effectiveness principle? Please provide any supporting evidence.

This is an opportunity to coordinate objectives using BCR based on a stronger understanding of the benefits. Some examples:

- Reduction in energy costs for occupier.
- Cost saving to the landlord as a result of compliance (reduced risk of civil claims, Rent Repayment Orders, and avoidance of MEES fines and civil penalties in respect of breach of Decent Homes Standard or Awaab's Law)
- Increase in property value and mortgageability
- Cost saving to NHS (see BRE methodology for <a href="Housing Health Cost Calculator">Housing Health Cost Calculator</a>)

- Cost saving to society from carbon reduction
- Wider cost saving to society (see BRE methodology for <u>Housing Health Cost</u> <u>Calculator</u>)
- Wider business case for landlords (reduced management costs including tenancy turnover, rent arrears, cost of eviction action, void periods and redecoration costs).

Can lenders and insurers play a role in strengthening the benefits to incentivise private investment?

- 7. What are your views on how we could better define or implement the vulnerability principle? Please provide any supporting evidence. Responses could include views on:
  - How to better incorporate consideration of health inequalities and vulnerabilities into fuel poverty policies
  - How to better target fuel poor households who are vulnerable
  - How to better track the rates and impacts of fuel poverty on households with specific vulnerabilities

In Suffolk we have been working on pilot projects with health partners both directly with an ICB and with GP surgeries. Vulnerable households have been contacted using a variety of communications (letters, text message, phone calls) that come from a health partner they trust. The cohort have all been suffering from respiratory ill, health in these early trials. The data held by housing about their living conditions (risks from cold and potentially damp and mouldy homes) is then used to prioritise action. Worst health, worst housing improved first.

This approach not only targets the most vulnerable and acutely affected residents but also makes use of established methods of communication from a trusted source. This is leading to higher levels of take-up for a range of interventions including retrofit, income maximisation and other measures to address vulnerability.

Organisations such as Public Health, Integrated Care Boards and Local Authorities hold enough data, if overlayed, to effectively target any cohort. Suffolk has made significant progress towards developing this model, and started to evidence the efficiency, and efficacy of this work. We can work much more efficiently when we work together. If it is being done here, it can be done at scale locally and nationally. With the shake-up of the NHS this is the time for these vital preventative opportunities to be integrated as business as usual. It would be easier if these agreements and data protocols were rolled out with a "top down" approach, rather than operational teams having to lead, often resulting in dealing with many more hurdles that would otherwise be needed.

A culture shift to sharing data using the Housing Act and Care Act and the legal basis would greatly support these efforts,

We believe these approaches are scalable, particularly with cross-departmental support from Government.

- 8. What are your views on how we could better define or implement the sustainability principle? Please provide any supporting evidence. Responses could include views on:
  - How the transition to net zero can be best implemented for fuel poor households
  - The role of fabric first in alleviating fuel poverty
  - The role of fossil fuels within government schemes addressing fuel poverty
  - How smart technologies could be used to support fuel poor homes
  - How home retrofit can support climate change adaptation

There needs to be a managed transition which rebalances gas and electricity prices. Energy suppliers have started to respond to this by introducing heat pump tariffs but targeted Government support, that increases this rebalancing effect for fuel poor households, would help to accelerate take-up and improve perception of heat-pumps from those who would benefit most from the technology (if they can afford to run them efficiently on a steady state basis).

Higher temperature heat pumps are less-efficient and less-cost effective. Alongside poor system design and a failure to adapt use patterns, heat pumps running at too high a temperature and on a stop start basis are partly to blame for their mixed reputation and lower take-up in the UK.

Any investment in new heating technologies for fuel poor households requires education and support for households on how to use the systems and appropriate energy tariffs to reduce potential running costs.

We are currently seeing growing numbers of ECO4 ASHP and solar PV installations in homes with low EPCs without fabric improvements and we are keen to understand user experiences in these homes. What research is taking place to examine the impact of this move away from a fabric first approach for hard-to-treat homes? Research findings will need to inform the strategy around fabric first versus other interventions.

We are also seeing examples of landlords considering installation of oil-fired boilers (Suffolk has huge off-gas areas) rather than heat pumps in response to Improvement Notices requiring them to remedy Excess Cold hazards under part 1 Housing Act 2004. Whilst the switch from solid fuel and on peak electric to oil may help to alleviate fuel poverty, it reflects a confused market where incentives are not strong enough to drive a coordinated approach across policy objectives and have an affordable clean heat solution.

Rebalancing electricity and gas costs earlier for vulnerable households would help to encourage planned uptake of ASHP but would not help in boiler breakdown situations unless timely additional support could be provided.

It would also drive the take-up of smart technology as households start to see the benefits of integrated smart meters and smart technology. There appears to be considerable resistance based on perceived security risks, connectivity issues and unsubstantiated health concerns particularly in relation to smart meters.

In-house energy displays can be a useful tool for understanding energy efficiency. Energy companies are however not obliged to provide replacement in-house displays, where these are broken or have been removed from a property by previous occupant.

Smart technologies need to be user friendly so that households are able to use them effectively to derive maximum benefit. Overly complex systems that are prone to develop faults will quickly alienate users unless they feel properly empowered and supported.

# 9. Are there any additional principles that you think should be considered for inclusion in the new strategy?

Yes, fuel poverty, affordable warmth and managing indoor air quality have a knowledge dimension as well as a financial one. The current gap in knowledge allows for misinformation around cheap fixes and miracle cures to heating and the prevention or remediation of condensation and mould.

We have sought to address that gap by producing a four and a half minute animated video, <u>heating your home to prevent damp and mould</u>, through our DLUHC/MHCLG funded pathfinder, Safe Suffolk Renters.

The National Fuel Poverty Strategy has to make provision for increasing public knowledge and awareness of these issues so that people can make more informed choices that will improve their household's health and wellbeing as well as their finances.

10. What are your views on the factors set out above which will determine what is 'reasonably practicable' in relation to meeting the fuel poverty target? Are there any additional factors that should be considered in the analysis of the number of homes that can achieve the target level by the target date? Please provide any supporting evidence.

This is a useful concept in helping to better understand the factors that constrain progress towards the target. We agree that this could help to reprofile the target if it were based on a BCR of 1 or higher.

However, our view is that the Strategy can also be used as a vehicle to better influence those constraints. For example:

- Value for Money can BCR be used to better inform funding programmes and cost caps for landlords based on full consideration of the underlying factors, including those we set out in response to Q6 above?
- **Householder preference** this can be effectively influenced by more joined up strategy involving public health campaigns, better targeting, and improved delivery (all highlighted in our earlier responses).
- **Supply chain** the revised strategy can be used to influence the development of the supply chain, particularly in relation to skills and knowledge. Ensuring that the retrofit industry and damp and mould specialists are less siloed in future is a specific development that would reduce the number of inappropriate or incomplete remedies which lead to missed opportunities to properly retrofit homes and solve damp and mould problems linked to fuel poverty.
- Targeting of support How can the revised strategy be used to reduce the barriers to better targeting? Sharing examples of good practice, encouraging research and data development, and making appropriate data sharing easier would all help to create a more comprehensive strategy.
- Wider drivers impacting fuel poverty The strategy needs to exert some influence on the design of energy infrastructure and the development of a greener, more secure domestic energy market. Fuel poverty and associated inequalities (including child poverty) must be reduced through better system design.
- **Property characteristics** Listed Buildings operation of the current regulatory system (LB consent) is rightly focussed on conservation but gives insufficient weight to adaptation, climate change or occupier health and wellbeing. This creates a gatekeeper mentality that is largely able to ignore wider objectives and shut down discussion around mutually beneficial solutions. That same mindset extends into the current confusion around whether Listed Buildings require EPCs and the ease to which MEES exemptions can be applied to them without justification under any other exemption criteria. That creates inertia and does a disservice to those heritage assets and their occupiers that will limit their useful life. An overarching duty on local councils to balance heritage, health and climate adaptation, together with greater clarity on EPCs/MEES exemptions for Listed Buildings would help to open up more sustainable, well-informed solutions.

### 11. What are your priority recommendations for an updated plan to improve the energy performance of fuel poor homes?

Ensure the strategy promotes joined up Government and joined up regulation through better informed use of the BCR (see answer to Q6) for a range of investors and stakeholders including landlords, institutional investors, local authorities and health trusts.

- 12. What are your priority recommendations for the design of energy bill support for fuel poor households? Responses could include views on:
  - who should receive support
  - what form that support should take
  - any additional policies which would contribute to the updated fuel poverty strategy to support fuel poor households with the cost of energy

Social tariffs could be targeted at supporting those households that are fuel poor and those with health-related conditions – like the tariffs applied by water companies.

Some of this data regarding health vulnerabilities should be available via the Priority Services Register.

Energy companies should not be allowed to over-charge energy customers, for example, households paying for historic Economy 7 tariffs that don't meet their current energy use (no longer have night-time storage heaters). Energy customers should be able to identify these customers and ensure they are on the most cost-effective tariff for their current usage.

### 13. What do you think are the priorities for government to support fuel poor households in accessing the energy market fairly and effectively?

Ensuring that energy companies provide simpler communications with their customers through bills and correspondence. Energy bills can be extremely complicated and inaccurate – leading to extra stress and anxiety (particularly when customers then struggle to resolve issues).

Innovation from energy retailers in the form of smart tariffs, time-of-use tariffs and tracker tariffs generally benefit more affluent customers who have the resources, headspace and ability to take risks through embracing change and greater complexity. On the flipside, that disadvantages more vulnerable households who may be in fuel poverty but do not feel able to change supplier, let alone experiment with innovative tariffs. That leads to them paying proportionately more for the fuel they do use.

Zero bills initiatives by energy retailers, developers and social landlords offer scope for targeted support but it is hard to see how that could be scalable for retrofit of owner-occupied and privately rented homes occupied by fuel poor households.

Re-consider the current standing charges. This is particularly relevant for those with prepayment meters who use limited energy and may ration and/or disconnect from their gas supply during summer months, by not topping up their meters, then not afford to turn on their heating the following winter. We are aware of examples where landlords can't arrange the annual gas safety check, as the households does not have enough credit on their gas meter to facilitate safety checks.

A carefully designed domestic carbon tax based on the polluter pays principle could be used to fund interventions or subsidise those in fuel poverty whilst driving retrofit by those who can afford to pay, and reducing the differentials – counter-productive? Unintended consequences?

- 14. What are your views on how to improve targeting of fuel poor households?
  Please provide any supporting evidence. Responses could include views on:
  - Alternative ways to set criteria to verify the eligibility of fuel poor households
  - Views on tools that can support better targeting of fuel poor households
  - How to improve the targeting of support for children and people with health conditions
  - The role of referrals to help reach vulnerable households
  - How to target support schemes to hard to reach, or treat, properties

Strategic targeting - SODA – Housing, Health and Vulnerability Dashboard – add details

A data led approach, one that includes data sets from a range of organisations, overlaying housing, deprivation, and health data to target those most in need. This work should build on identified strategic alignment, most notably Core 20 Plus 5 for the NHS. This will mean data protection barriers will need to be overcome, but we can use the Care Act and Housing Act as the legal basis for most cases.

Tools such as the Low Income Family Tracker (LIFT) are available to help us better understand where the low income households are.

LILEE and affordability metrics provide scope for better targeting of different provisions

There are good practice examples of where partnerships between health trusts and local authorities can break down barriers to effective targeting, particularly in relation to existing health conditions that are likely to be exacerbated by cold damp living conditions. Strategic interventions by Government that help to enable such schemes more readily will help to improve targeting of support and overall VFM of schemes.

A more joined up and trusted ecosystem of support across health and other public sector services, alongside voluntary and private sector contributors would ensure the right intervention or support comes from the right person in the right format. Referrals and effective data sharing are fundamental to that process.

Enabling data sharing and promoting the development of that ecosystem in all areas of the Country needs to form part of the revised strategy ambition.

The approaches outlined above, particularly the use of BRE stock modelling data has been shown to extend targeting into hard to reach/hard to treat examples, often in remote rural areas.

### 15. What else could improve partnership and learning to support the fuel poor?

Data sharing (between health, local authorities, energy suppliers, housing providers and DWP).

Energy suppliers have a lot of information about energy use including self-disconnection.

# 16. How could access to quality advice be improved to support the fuel poor? Where should advice be targeted?

Face to face advice is extremely limited. Energy companies are often difficult to contact, particularly for those households that are digitally excluded. There are gaps in advice around understanding new heating systems and

# 17. How could vulnerable households be supported to access advice? Is there a role for the health and social care workforce or other professional groups supporting vulnerable households?

Through working in partnership, health professions can support vulnerable households by making referrals to specialist/ trusted impartial energy advice.

We have been looking at referrals from Annual Asthma reviews and energy advice talks to health support groups such as Pulmonary rehabilitation groups, Breath-easy, and Stroke Assocation.

This advice needs to be accessible including face to face, home visits, telephone (not just online).

This could also be improved by the creation of Public Health toolkits and other publicly assessable online (and paper resources).

# 18. How else can government improve understanding of fuel poverty and its impacts? Responses could include views on:

- Any evidence gaps which need to be filled to improve our collective understanding of fuel poverty and its impacts
- Examples of best practice which could improve our understanding of fuel poverty

Greater pressure on energy company to ensure earlier support for customers that are struggling with rising costs. More accurate energy billing including

better providing for energy meter reading for those customers that can't have a smart meter and can't read or access their own energy meters.

Greater practical support before and after the delivery of measure such as ECO funded Retrofit support – that focus on the needs of the individuals, suitability of the measures and cost implications (running costs, appropriate energy tariffs, how to use new technology).

19. Are existing arrangements sufficient to meet our commitments to review and scrutinise Government action on fuel poverty?

No view.

20. Do you have any further views or evidence on how the 2021 fuel poverty strategy should be updated?

No