

In from the cold?
Tackling fuel poverty in London

March 2012



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**Greater London Authority
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Published by
Greater London Authority
City Hall
The Queen's Walk
More London
London SE1 2AA
www.london.gov.uk

enquiries 020 7983 4100
minicom 020 7983 4458

ISBN

This publication is printed on recycled paper

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Terms of reference for this investigation

The terms of reference for the review, agreed under delegated authority and noted on 25 May 2011, were:

- How the Mayor is using his available resources to enable London to meet the national target of eradicating fuel poverty by 2016; and
- What action energy companies in London are taking to alleviate and reduce fuel poverty with respect to their duties under the Energy Act 2010.

Full details of the meetings held and written evidence gathered for this investigation are available at www.london.gov.uk/who-runs-london/assembly

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Chair's foreword

Fuel poverty is not just a numerical formula: living in fuel poverty means being cold. While the rest of us watch the weather forecast and can turn up the thermostat, this is not the case for thousands of homes across London. Fuel poverty affects the most vulnerable, often the elderly and those who are already having difficulty making ends meet. One of the submissions we received was a petition from Islington Pensioners Forum, calling for action from energy companies. Eat or heat is the choice for many, and for those whose homes are also in poor repair with damp seeping through, health can also be affected, and long term debilitating conditions exacerbated. Our aim is that all homes achieve an acceptable level of warmth, providing minimum healthy indoor temperatures of between 18-21°C. To achieve this, a home must have very good levels of insulation and efficient, effective heating.



This is an important issue with a myriad of people and organisations overlapping in trying to resolve who to help first. There are a variety of schemes and grants to help and by highlighting this issue at the London Assembly we are looking to address how to identify the most affected so that these homes can be prioritized. New homes are built to higher efficiency standards; however, we need to continue to retrofit older properties.

The most important point here is information. We need open public data, so that we can map which homes are most affected; usually older homes that were not built with the insulation levels demanded today, often poorly constructed blocks of flats. We know that certain construction types such as solid wall housing and homes without central heating are likely to be more expensive to heat, so by studying these, and using heat maps we can immediately identify the most affected streets and wards in London. London has been poorly served to date, as the size of the problem and the lack of structure and clear identification of priorities has meant that we have fallen behind in getting a fair share of the grants that are available from the energy companies.

By using the available public data more intelligently, and overlaying a number of relevant datasets, existing home energy efficiency programmes such as the GLA's RE:NEW programme could be targeted to help those at most at risk of fuel poverty. At the moment, these programmes tend to focus only on carbon reductions. We have developed a prototype mapping tool that can help with this, and would welcome further input to help refine it. This can be found on the London Datastore (www.data.london.gov.uk).

Government could help by setting regional targets for the available energy efficiency funding, and the energy companies could work with the GLA's RE:NEW programme to make real progress in the next four years.

I would like to thank those that have contributed to this report where we have studied in detail how the Mayor, the energy companies and government can help London meet the national target to eradicate fuel poverty by 2016.

Victoria Borwick AM
Chair of the Health and Public Services Committee

Executive summary

More than 560,000 London households are estimated to be in fuel poverty, spending more than ten per cent of their basic income on energy. Of even more concern are the 126,400 households in 'severe' fuel poverty, which spend twenty per cent or more of their income on fuel.

Despite national and Mayoral commitments over the years to reduce fuel poverty, the number of London households living in fuel poverty has continued to rise. Poor energy efficiency, high energy costs and inadequate basic income are the three main risk factors for fuel poverty.

The most sustainable way to reduce the risk of fuel poverty for any individual household is to improve its energy efficiency. A lack of home insulation has been shown to be directly related to excess winter deaths. Retrofitting existing housing is going to be essential to meet both London's carbon reduction targets and fuel poverty eradication objectives.

Government has set targets for energy companies to deliver energy efficiency improvements in the domestic sector. Because these schemes are cost-driven, London has lost out, receiving just 4.5 per cent of the total funding available for loft and cavity wall insulation. As the Green Deal and Energy Company Obligation replace these schemes in late 2012, we ask the Government to establish a regional funding target, to ensure London receives the investment it needs to make progress on fuel poverty.

We welcome the Mayor's RE:NEW area-based energy efficiency programme which is helping to bolster London's share of national energy efficiency target-based schemes, to reduce carbon emissions. Improving energy efficiency benefits efforts to both reduce carbon emissions and tackle fuel poverty. RE:NEW has recently been extended and we call on the Mayor to use this opportunity to target areas at high risk of severe fuel poverty.

To support the Mayor's efforts we see clear mutual benefits for energy companies to fund the next phase of RE:NEW, to target households in severe fuel poverty and to help them meet their national targets. To help find those homes most in need of support, we have worked with the GLA's Intelligence Unit to develop a mapping tool that uses key "at risk" indicators to identify those areas where severe fuel poverty is most likely to be found. Using this tool will better target efforts and deliver more "bang for their buck" for those agencies running energy efficiency schemes.

We have also looked at other forms of support that government and the energy companies provide to households in fuel poverty. Government

provides help through the Winter Fuel Payment and Cold Weather Payment to vulnerable households to help them meet the cost of winter fuel. In addition, the energy companies are required to give a rebate of £120 to vulnerable groups through the Warm Home Discount. Some of the households in this group – those receiving Pension Credit – will benefit from automatic payment through data matching. Other vulnerable groups, however, may lose out because the energy companies have different eligibility criteria or because they have to approach the energy companies themselves. We call on the energy companies to agree on consistent eligibility criteria to make it easier for vulnerable customers to receive support.

1 Introduction

- 1.1 More than 560,000 London households are estimated to be in fuel poverty, with fuel costs more than ten per cent of their basic income.¹ Of these, we estimate that 126,400 households are in severe fuel poverty, with fuel costs representing more than 20 per cent of their basic income. This is equivalent to all the households in a large inner London borough.²
- 1.2 As fuel prices increase faster than incomes, warm homes become unaffordable for increasing numbers of people. The Marmot Review found that cold homes cause and exacerbate serious health problems including cardiovascular and respiratory diseases and are associated with mental health problems for all age groups.³ People affected by fuel poverty can take longer to recover from serious illnesses, and require longer hospital stays because their homes are not deemed suitable for their recovery.⁴
- 1.3 People without access to affordable warmth can be forced to make 'eat or heat' decisions, which in turn can result in poor diet leading to further negative health impacts.
- 1.4 The cost of cold homes to the NHS nationally has been estimated at £859 million per year but is likely to be much higher.⁵ In London's private rented sector alone, a report for the Chartered Institute of Environmental Health estimates that 82,000 houses are associated with excess cold, and the cost to the NHS of not improving them is £18.9m per year.⁶ The Chief Medical Officer has estimated that every £1 spent on maintaining adequate warmth saves the NHS 42 pence.⁷
- 1.5 The impacts on children and young people are significant, with children living in cold homes more than twice as likely to suffer from respiratory problems as those living in warm homes.⁸ Cold housing is also known to cause educational development delays in children and affect their wellbeing and resilience, reducing their life chances and opportunities.⁹
- 1.6 Older Londoners also suffer particularly severe impacts. The risk of excess winter deaths increases with age – around half of excess winter deaths occur among the over-85 year olds. In London in 2010/11 there were 2,500 excess winter deaths;

fuel poverty is likely to be a direct contributor to these deaths.

- 1.7 Despite national and Mayoral commitments to reduce fuel poverty¹⁰ and an array of initiatives and incentives, the number of London households living in fuel poverty has continued to rise.¹¹ The number of homes in London affected by fuel poverty increased from 472,000 in 2008 (15.6 per cent) to 562,800 in 2009 (18.6 per cent). This represents a rise of 19.2 per cent within the year. A higher proportion of London households are fuel poor than in neighbouring regions, such as the South East – where fuel poverty affects 12.9 per cent of households – and the East of England (17.2 per cent).
- 1.8 The delivery of affordable warmth is particularly challenging in London. For example, London's prevalence of solid wall housing makes it much more expensive and difficult to install insulation. London also has a high and increasing proportion of people living in flats and in the private rented sector, both of which are hard to treat.
- 1.9 Tackling fuel poverty is complex and difficult. It needs to be addressed through concentrated, local action bringing together a range of disparate programmes that are primarily focused on other policy areas like CO₂ emissions reduction, housing improvement, income maximisation and health inequalities. We show in Appendix 5 the large number and complexity of organisations and programmes that are involved in tackling this issue. Clarity needs to be brought to this bewildering array of programmes so that fuel poverty can be tackled in the most cost effective way.
- 1.10 This report proposes a new strategic approach to tackling fuel poverty in London. Fuel poverty can and should be eradicated in London by 2016. Doing so will require a range of bodies to bring together their resources and expertise to identify those at risk of fuel poverty and provide the advice and support they need.

Conclusion

- 1.11 Fuel poverty affects around a fifth of London households. It affects vulnerable people in all income groups, causing ill-health, excess winter deaths and reduced life chances. On current projections, the Government's target to eradicate fuel poverty in vulnerable households by 2016 stands little chance of being achieved. Unless concerted and effective action is taken to mitigate the risks of fuel poverty and its associated impacts, long term energy price rises will continue to push more and more people into fuel poverty.

2 Factors that increase the risk of fuel poverty

- 2.1 The official definition of fuel poverty is based on the ratio of the cost of fuel to income. A household is defined as being in fuel poverty if the cost of fuel amounts to more than 10 per cent of household income.
- 2.2 This measure provides a useful indicator of the scale of the problem nationally, but it has significant limitations as a tool for targeting policies and programmes. The cost/ income measure is highly price sensitive and therefore volatile. It is an arbitrary line: it does not provide any insight into the severity of fuel poverty; it gives limited information about the relative vulnerability of different households to severe negative impacts; and it does not tell us whether fuel poverty is entrenched and long term, or temporary as a result of price fluctuations. There are large numbers of households that fall just outside the definition of fuel poverty but may be more at risk of suffering long term negative impacts as a result of other exacerbating factors.¹²
- 2.3 The national definition of fuel poverty is based on income as a whole, rather than basic income taking into account housing costs. Using this definition results in under-estimates of the extent of fuel poverty in London, where housing costs are higher than other regions.
- 2.4 In 2011 the Secretary of State for Energy and Climate Change commissioned Professor John Hills from the LSE to help government understand fuel poverty from first principles and to assess whether the right policy tools are in place to meet the aims of the Warm Homes and Energy Conservation Act (WHECA) 2000. In his interim report, Hills suggests a new definition that would focus on those households that are both below the poverty line (60 per cent of median income) and who have relatively high energy costs. He also proposes a 'fuel poverty gap' which is important because it would indicate the depth of fuel poverty, We support Hills' proposal that income is considered 'after housing costs' because it recognises that Londoners will therefore have lower residual incomes from which to pay fuel costs, and look forward to the final report.

- 2.5 However, whatever indicator is developed, it will still be an *indicator* of fuel poverty as an *outcome*. This is of limited use for the purposes of targeting support to households most at risk of long-term fuel poverty and its ill effects. For example, energy companies have found it difficult to identify low income vulnerable households at risk of fuel poverty, and that this is posing ‘significant delivery challenges’.¹³ This has prevented support getting to the people who most need it.
- 2.6 The main problem in identifying households at risk of fuel poverty is the fact that data about households is not shared between agencies, and much of the useful household data, such as eligibility for benefits, is confidential. Energy companies told us that, without access to confidential personal data and detailed household-level data about property condition, existing energy efficiency measures and tenure, it is difficult to tell whether a specific household is likely to be in fuel poverty and what support the occupants of the household might be entitled to.
- 2.7 It might, in the future, be possible to overcome these problems through expanded data matching between local authorities, government departments and energy companies. We welcome the steps that have been taken to try to make progress in this area, but achieving comprehensive, secure and workable sharing of confidential data between all the relevant agencies would be a hugely complex and controversial undertaking, and as a result it is unlikely to happen in the short to medium term. It is also not necessary for the purposes of efficiently directing resources to people who need them.
- 2.8 It is possible to circumvent the difficulties with household level data by looking instead at wards to identify areas that are likely to include a large proportion of households at high risk of fuel poverty. The Assembly has long advocated the use of area-based models, drawing in particular on the experience of Kirklees,¹⁴ and is fully supportive of the Mayor’s RE:NEW model. Area-based schemes may use intensive proactive contact involving written information and door-to-door visits to reach the households in a selected area in order to maximise the take-up of support. This delivery model has

been shown to work, and it is being considered by the Department for Energy and Climate Change to be used in future support materials for the Green Deal.

- 2.9 Area-based programmes do not require household-level analysis in order to work – they can instead be informed by mapping of local areas to find where a large proportion of households are likely to be in need of support. Mapping can indicate the prevalence of particular wall construction types (i.e. cavity or solid walls), or poor health or unemployment rates in an area, for example, allowing local authorities to identify areas that require more urgent support. Combining these separate data sets will establish which wards are most at risk of fuel poverty. This mapping can then be used to guide local authorities, energy companies and other partners to more effectively direct their fuel poverty reduction programmes.
- 2.10 Strategic policy to tackle fuel poverty could usefully be informed by mapping the key risk factors that cause fuel poverty, identifying local areas likely to contain a high proportion of households at risk of severe fuel poverty. These areas could be selected on the basis that the areas exhibit a combination of key risk factors and indicators and using this to drive the area-based energy efficiency programmes.

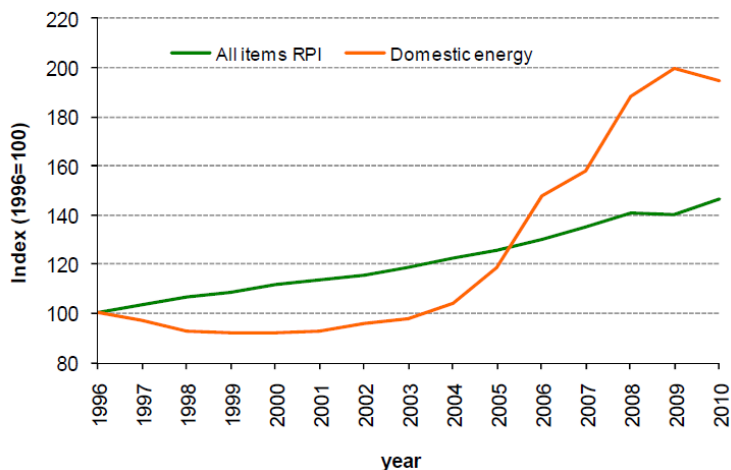
Key drivers of fuel poverty

- 2.11 There are three main drivers of fuel poverty and a number of exacerbating factors that make it more likely that a household will be affected by fuel poverty.
- 2.12 **Poor energy efficiency:** In London 59.4 per cent of households in energy performance Band G are in fuel poverty, compared to 3.8 per cent of homes in Band A.¹⁵ British Gas estimates that £1 out of every £4 spent on household energy is wasted through poor insulation.
- 2.13 The London Borough of Haringey experimented with using aerial heat maps to help identify warm homes that may be leaking heat due to poor energy efficiency, and cold homes that could be under-heated. Heat mapping could be used across London to improve the local authority intelligence

about which streets and areas could benefit from more insulation. Public data are available showing the proportion of homes with insulation at a local authority and ward level.

- 2.14 **High energy costs:** energy costs have risen steeply in recent years in comparison with other retail prices, as shown in Figure 1, below. Incomes have not risen at the same rate as energy prices, increasing the impact of increases in energy costs. Costs are higher for larger households, and these in turn are at a higher risk of fuel poverty, particularly if dwellings are under-occupied or are single-earner households. And the long term projections are for further price rises; Ofgem, the energy company regulator, has predicted price rises of 14 to 25 per cent to 2020.

Figure 1: Domestic energy prices and the Retail Prices Index, 1996 to 2010 (Source: DECC Annual Fuel Poverty Report 2011)



- 2.15 **Inadequate basic income:** The risk of fuel poverty is higher in households where basic income (ie excluding income ring-fenced for other purposes, such as housing benefit) is lower. Approximately 70 per cent of people in fuel poverty are in the lowest two income deciles. The risk is increased in single person and single-earner households. However, it is important to note that although people on low incomes are more likely to be unable to afford to warm their homes, there

are people in all income brackets who cannot afford to warm their homes adequately. Those on middle incomes are increasingly likely to be affected as fuel prices rise faster than incomes.

- 2.16 Census data and the indices of multiple deprivation provide data about incomes at a ward level which can be used to inform mapping of areas with high proportions of low income households.

Risk factors

- 2.17 There are a number of factors related to the inhabitants of households and characteristics of the dwelling itself which can increase the likelihood that a household is in fuel poverty, or worsen the depth of fuel poverty. Work by GLA Economics sets out the basic characteristics of households in fuel poverty. They identify, in particular:
- 2.18 **Vulnerability:** The risks of fuel poverty are magnified when the household includes people who are vulnerable because of their age, ill-health, or disability. Vulnerable households¹⁶ are much more likely to be in fuel poverty, and are at a higher risk of being affected by the illnesses and other problems it causes.
- 2.19 **Household composition and tenure:** The risk of fuel poverty is higher in larger properties, single-income households and households that are under-occupied. Households in the private rental sector are more likely to be in fuel poverty.

A prototype tool to map areas with higher rates of fuel poverty

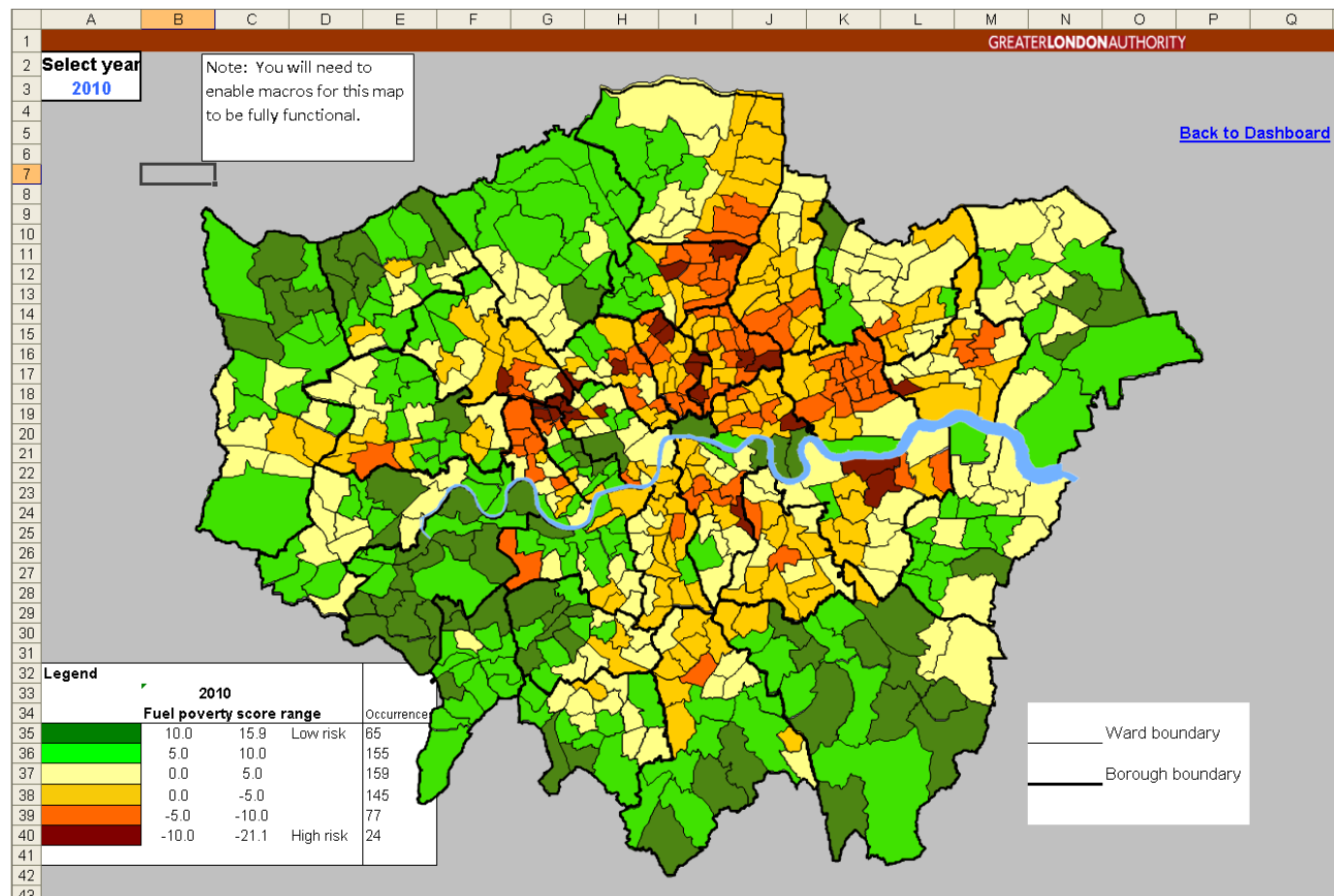
- 2.20 Building on our understanding of the risk factors likely to lead to fuel poverty, it is possible to use mapping to identify specific areas where fuel poverty is likely to be concentrated. This work needs to be done at a regional level in order to provide a strategic framework for policy and delivery for the whole of London. The GLA has a statutory responsibility to address health inequalities and has existing programmes that can contribute to fuel poverty eradication, as discussed in later sections. The GLA also has the capability and resources to lead on this work. The Intelligence Unit can carry out the

detailed analysis that is required,¹⁷ and the London Datastore provides a platform for publishing data and maps.

- 2.21 We have worked with the GLA's Intelligence Unit to develop a prototype tool to help delivery organisations to identify wards in London that are most likely to contain households at risk of fuel poverty. The rationale for including these datasets is provided in Appendix 4. We have not used any personal confidential data to do this; we have drawn from data published by the GLA, Department for Energy and Climate Change, the census, and other sources based on the risk factors for and indicators of fuel poverty. These datasets can be either viewed independently (i.e. to show risk associated with one of the factors), or more than one dataset can be overlaid to identify areas which include large proportions of households with several of the risk factors combined. The tool is available online at the **London Datastore**.
- 2.22 The screenshot below shows a sample map which is produced from a selection of indicators. In this example, we have selected cavity walls that are uninsulated, lofts with less than 150mm insulation, health deprivation and disability domain, Incapacity Benefit claimant rate, older people claiming Pension Credit, Income Support claimant rate, and households classified as 'fuel poor' (DECC measure). Appendix 2 shows the tool dashboard used to create the map.

Prototype fuel poverty risk mapping tool (GLA Intelligence)

'Occurrences' refer to the number of wards within each category of risk



Conclusions

- 2.23 A strategic affordable warmth policy should direct resources and support to the households most at risk of long term fuel poverty.
- 2.24 There is a consensus that area-based approaches are the most effective and efficient delivery mechanism for affordable warmth support. Household-level data and analysis are not necessary to support this approach. Area-based programmes could usefully be informed by mapping data about risk factors for fuel poverty to identify areas most likely to contain a high proportion of households at risk. These areas should then be prioritised for early and intensive intervention to mitigate the risks.

Recommendation 1

The Greater London Authority should work with energy companies, central government and local authorities to test and refine the prototype mapping tool we have developed. The GLA should then publish and regularly update the tool within the London Datastore, so that all delivery bodies can use it to help target the support they provide. This should be completed by May 2012.

3 Home energy efficiency: a solution for fuel poverty as well as climate change

- 3.1 The most sustainable way to reduce the risk of fuel poverty for any individual household is to increase the household's energy efficiency. Individual households can – and should be encouraged to – improve their household energy efficiency to reduce their fuel bills and carbon emissions. There is a range of small and relatively inexpensive improvements that any household can do; from small measures such as draught-proofing doors and windows (which can save a household £55 per year on average)¹⁸ or using energy efficient light bulbs, to more extensive retrofitting. Fixed installations such as insulation and boiler upgrades can make a significant and long-lasting difference to the household's fuel requirements, reducing the cost of heating the home to an adequate level. Reducing fuel consumption by making homes more efficient not only helps the current occupants, but also reduces the risk of fuel poverty for future occupants. Households in fuel poverty may, however, struggle to afford energy efficiency measures and they may require support from government, energy companies, local authorities and advice organisations to reduce their risk of fuel poverty.
- 3.2 New buildings with higher energy efficiency standards will have a long-term impact on reducing fuel poverty. Building regulations with higher energy efficiency requirements are helping to improve the efficiency of new housing stock, with a report by London Southbank University in 2009 finding that *'The Mayor's climate change mitigation and energy policies in the London Plan have been successful in significantly reducing energy consumption and CO2 emissions in new developments and go well beyond the national requirements'*.¹⁹ In 2010/11, 84% of the homes built in London under the Affordable Homes Scheme reached Code for Sustainable Homes 3, and 16% reached levels 4 or 5.²⁰ The Mayor's London Plan aims for 40% of new homes to reach level 4 from 2013, and that they should be zero carbon from 2016.²¹ Between 2011 and 2021 the London Plan has set a target to deliver 322,100²² additional homes in London.
- 3.3 Assuming new homes reach the Mayor's energy efficiency targets they will still represent only a small proportion – 9.7 per cent – of London's total housing in 2021.²³ Therefore,

new homes with the highest energy efficiency standards will protect only a small proportion of London households from fuel poverty.

- 3.4 Retrofitting existing housing stock is going to be essential to meet both carbon reduction and fuel poverty eradication objectives. Energy efficiency measures like cavity wall insulation, loft insulation and condensing boilers can significantly reduce energy consumption. The impact is particularly high in properties that are older, larger, and/or detached.²⁴
- 3.5 A lack of home insulation has been shown to be directly related to excess winter deaths. A comparison of European countries in 2003 showed that countries with high rates of insulation and double glazing (Finland, Germany, the Netherlands and Sweden) had fewer excess winter deaths than those with lower rates (including the UK).²⁵
- 3.6 There has been some progress in recent years in installing home insulation in London, particularly in the social housing sector. However, there is considerable potential to improve the insulation of London's homes. Figures from the Energy Saving Trust suggest only 16 per cent of homes with cavity walls in London have cavity wall insulation, and almost 55 per cent of lofts have less than 150mm of loft insulation, which could be topped up.²⁶
- 3.7 Since its introduction in 2008 the Carbon Emission Reduction Target (CERT) scheme has delivered cavity wall insulation in over 54,500 homes and almost 90,000 loft insulation measures in London.²⁷ But London has not received a proportionate amount of the available funding under the CERT scheme – with London receiving just 4.5 per cent of the total funding available. According to the Mayor, London has missed out on an estimated £350 million worth of supplier obligation energy efficiency funding; we have heard this is a result of how the scheme incentivises delivery at the lowest cost to energy suppliers, which is often outside London.

- 3.8 London households are harder and more expensive to treat. This has contributed to London losing out on the available funding through these schemes. London's housing stock is disproportionately old, solid-walled, in the private rental sector, and made up of flats (often in buildings of mixed tenure). There can be difficulties in gaining planning permission to carry out external solid wall insulation, particularly in conservation areas. This drives investment to areas with larger proportions of detached housing where the costs are lower.²⁸
- 3.9 By the end of 2012, the CESP and CERT schemes will be succeeded by the Green Deal and Energy Company Obligation. The Green Deal will provide people with the opportunity to install energy efficiency measures in their homes at no initial outlay; the cost will instead be covered through repayments attached to energy bills. The 'golden rule' of the scheme is that energy bills should not be increased as a result of these repayments. The Green Deal will be open to all. The Energy Company Obligation (ECO) will provide grants to subsidise Green Deal finance in cases where the cost of energy efficiency measures do not pay for themselves through bill savings to meet the 'golden rule'. The ECO will include an affordable warmth target (for households in fuel poverty) as well as a carbon reduction target for households requiring more expensive measures; with the latter mainly expected to be solid wall insulation.
- 3.10 The ECO affordable warmth target is designed to support fuel poor households. Government has proposed that households eligible for this part of the ECO are the same households currently in the CERT 'Super Priority Group' (the criteria for this group are shown in Appendix 3). Given that the energy companies have experienced some difficulty identifying fuel poor households (as we discussed in Chapter 2), it is likely that they will encounter similar problems in finding eligible households to fulfil their ECO obligations.
- 3.11 Over the first three years of the ECO, Government estimates that, nationally, 325,000 households will benefit from the Affordable Warmth target. The combined value of the ECO

targets is expected to be worth £1.3bn annually.²⁹ If this investment was distributed fairly among the English regions,³⁰ London's share of combined annual support from the energy companies would be worth £193.7m. Approximately 25% of this amount is likely to be spent on Affordable Warmth target to tackle fuel poverty; this would equate to £48m per year in London.

- 3.12 However, many of the obstacles that have stifled investment in energy efficiency measures in London under the CERT and CESP schemes will still exist under the new schemes. The Mayor estimates that if London continues to receive a low share of Green Deal activity, in line with the activity under CERT and could lead to a loss of over £500 million from 2012-2015, in addition to the estimated £350 million already missed out on under CERT.
- 3.13 There are also obstacles that will prevent older people, disabled people, and others from taking up Green Deal and ECO schemes without additional help and support to prepare their properties. For example, an older household might require help clearing their loft before it can be insulated; work that will not necessarily be undertaken by the supplier. Also, the new schemes are based primarily on long-term repayment loans rather than grants which were available under the previous schemes. In cases where households are required to take up a combination of Green Deal finance and the ECO, this may be a disincentive for low income and vulnerable households to take up the schemes.
- 3.14 It will be necessary to continue providing grant support and other related support (such as loft clearance) for people in households at risk of fuel poverty, to enable them to reduce their energy consumption by making their homes more energy efficient. This will be particularly important in the private rented sector, and in vulnerable households that are reluctant or unable to take on long-term repayment obligations.
- 3.15 Local authorities have a crucial role to play in tackling some of the barriers to investment in home energy efficiency in London. They have valuable local knowledge; relationships

with local organisations and community groups; and can act as an essential trusted intermediary (rather than people being contacted directly by energy companies or suppliers, who they are less likely to trust). They also have detailed data on the condition of the housing stock, the ability to address problems relating to planning permission and parking restrictions,³¹ and existing relationships with local people through the other services they provide. Some local authorities also have their own programmes to try to tackle fuel poverty.

- 3.16 As the representative body for all London boroughs, London Councils has helped to raise the profile of fuel poverty, and it is supportive of a mechanism for boroughs to share best practice. In addition, the existing London Carbon Action Network (LCAN) brings together officers from London's 33 local authorities working on promoting energy efficiency in London.
- 3.17 The GLA can provide a useful conduit between the local authorities and energy companies, using its existing network of contacts and relationships to help bring the right people together to facilitate investment where it is needed. Through the RE:NEW programme, the GLA can facilitate contact between households and organisations that can provide support and assistance, including the energy companies and local authorities.
- 3.18 The Mayor developed the RE:NEW programme to bolster London's share of national energy efficiency target-based schemes. RE:NEW is an area-based scheme in which trained assessors visit properties to install inexpensive energy efficiency measures (such as reflective radiator panels, standby switches and energy use monitors) and they can refer households for loft and cavity wall insulation. So far, the RE:NEW scheme has provided retrofitting for 40,000 homes and it aims to reach 55,000 households by May 2012.³² Households are expected to benefit from energy bill savings of up to £180 from the RE:NEW scheme.³³

- 3.19 In the RE:NEW programme, the GLA has established a delivery model that works. RE:NEW has retrofitted up to 41 per cent of dwellings in the wards selected for the scheme in the current programme to date.³⁴ The programme has recently been extended with funding of £3.3 million provided for an additional 20,000 homes announced in the Mayor's 2012/13 Budget,³⁵ but the programme's future beyond 2012 is not secure unless further funding can be identified.
- 3.20 While RE:NEW aims to increase insulation levels, the current programme is a carbon reduction programme, so it is not specifically aimed at reducing fuel poverty. This influences the way in which the programme is targeted and delivered. Only 40 per cent of the wards covered by the RE:NEW programme are in the 25% of wards most at risk of fuel poverty. 12 per cent are in wards least at risk of fuel poverty.³⁶
- 3.21 If a new, long-term RE:NEW programme – which we term 'RE:NEW 2' – were to be targeted at areas at high risk of severe fuel poverty, the programme could contribute both to CO₂ reduction and fuel poverty eradication. This would make more effective use of the available resources to eradicate fuel poverty without undermining or detracting from its CO₂ reduction objectives. As it would be "tenure blind", a new programme could benefit anyone who has a higher risk of fuel poverty regardless of the type of housing, providing advice on appropriate support depending on the household's circumstance. For example, for those not eligible for the affordable warmth target, assessors could provide advice on whether they could qualify for the ECO carbon saving target, or a Green Deal package.
- 3.22 The Government is supportive of local authorities and Green Deal suppliers working in partnership. RE:NEW 2 – which would continue to be administered by the GLA and local authorities – is a tried and tested model for this approach.³⁷

Conclusions

- 3.23 Home insulation and energy efficiency programmes are the most significant and sustainable opportunity to tackle fuel

poverty. These programmes need to be targeted to areas most at risk of fuel poverty in order to maximise their impact on both carbon emissions and fuel poverty.

- 3.24 There are London-wide opportunities to share good practice about tackling fuel poverty. Given the clear convergence between carbon reduction and activity to reduce fuel poverty, London Councils could support a network of practitioners to develop expertise on reducing fuel poverty.
- 3.25 There will be a continuing need for grant-based support to supplement the funding available through the Green Deal and ECO schemes.
- 3.26 Specific and deliberate action will need to be taken to ensure that London does not continue to lose out on funding available through national schemes and energy company obligation.
- 3.27 Energy companies could reduce their own costs and overcome their difficulties in identifying eligible households for the ECO Affordable Warmth target if they sponsored the RE:NEW 2 programme.³⁸ Supporting the RE:NEW model would increase referrals for households eligible to receive heating and insulation measures through the target. This would also help to ensure that London receives a fair proportion of the available funding through the Green Deal and Energy Company Obligations.

Recommendation 2

London Carbon Action Network should establish a London Affordable Warmth and Health Forum to promote citywide action on fuel poverty. The forum should work with the support of London Councils and members should be invited from a range of partners including local authorities, Registered Social Landlords, the NHS and the GLA to discuss effective practice and working in partnership. It should be set up by July 2012 to discuss effective solutions that can be implemented in winter 2012/13.

Recommendation 3

By May 2012, the GLA should establish criteria for areas to be selected for the next tranche of RE:NEW funding. This extension of the programme should prioritise households likely to be in severe fuel poverty. It should explicitly target areas with a high proportion of households at risk of fuel poverty, designated as Affordable Warmth Zones, using the fuel poverty risk mapping carried out under Recommendation 1.

Recommendation 4

The Secretary of State for Energy and Climate Change should make provision for a regional ECO target to ensure an equitable distribution of ECO funding across Great Britain. The target should clearly set out the level of ECO investment London households can expect in the initial three-year period of the scheme to 2015.

Recommendation 5

By July 2012, the energy companies should each commit to funding the RE:NEW 2 programme, in proportion to the number of customers they have in London. The commitment should provide annual funding from 2013 to 2016, to provide a stable and secure source of funding for the programme over a sufficient period. By January 2013, the energy companies should also commit a percentage of their ECO Affordable Warmth funding to works on homes in Greater London, including those identified through the RE:NEW 2 programme.

4 Reducing the cost of energy as a proportion of income for households at risk of fuel poverty

Reducing the cost of energy for vulnerable households

- 4.1 There is a national controversy over the increasing retail prices of fuel. Energy companies argue that they are not seeking excessive profits and their prices mainly fluctuate to reflect changes in the wholesale cost of energy.³⁹ The London Assembly has unanimously called on energy companies to adopt fairer pricing schemes.⁴⁰
- 4.2 There is a range of supplements available through government benefits and energy company discounts that are aimed at reducing the price of fuel for households who cannot afford to heat their homes. Even if overall prices were to come down, support would still be required for vulnerable households at risk of fuel poverty, so these benefits and discounts are likely to remain an important safeguard against fuel poverty.
- 4.3 The Government provides automatic payments to vulnerable households to help them meet the cost of winter fuel. The winter fuel payment is a one-off payment of £200, paid automatically by the Department for Work and Pensions to all households with an occupant over 60 years old. For those over 80 years old the payment increases to £300. However, the amounts paid to each household have reduced in winter 2011/12; these payments are respectively £50 and £100 lower for households over 60 and 80 years old, compared to previous years.⁴¹ Similarly, Cold Weather Payments worth £25 are paid to qualifying households in receipt of specific benefits for every 7-day period where temperatures are below 0°C.⁴²
- 4.4 The Warm Home Discount scheme was introduced in April 2011. It requires the 'Big 6' energy companies to give discounts to vulnerable groups. The 'core group', pensioners, received a discount of £120 in 2011. It is paid automatically each winter to people in receipt of Pension Guarantee Credit. The Warm Home Discount rate is set by Government. Recipients are targeted through a process of data matching between the Department of Work and Pensions and the energy companies.⁴³

- 4.5 The main advantage of the core group scheme is that it is automatic; recipients do not have to apply for them or prove their eligibility. This means that take-up is high, and potential barriers arising from people's unwillingness to receive benefits are circumvented. However, the disadvantages of the Warm Home Discount scheme as a whole are that the discounts are not sufficient to enable all recipients to warm their homes; and the discounts are not available to all those at risk of fuel poverty.
- 4.6 The Warm Home Discount includes requirements that energy companies also provide a rebate for other vulnerable groups which come under the 'broader group' part of the scheme. These measures undoubtedly make some difference. Between them, four of the 'Big 6' energy suppliers provide assistance with fuel bills (through social tariffs or discounts, for example) to approximately 69,100 customers in London.
- 4.7 However, there are significant problems with the targeting and delivery of these schemes. Data matching is only used to identify qualifying pensioners. Energy companies find it difficult to identify other people who could qualify for the discount because they do not have access to benefits data, income data or data about the condition of properties.⁴⁴
- 4.8 With the introduction of the Energy Company Obligation, there are opportunities to cross-refer fuel poor households for other support. Government recognises that customers identified as eligible for support with the Warm Home Discount may also qualify for the Affordable Warmth Target.⁴⁵ This could work in both directions, helping energy companies provide a greater support to the fuel poor.
- 4.9 The eligibility criteria for the 'broader group' recipients of the Warm Home Discount are not consistent because energy companies each set their own criteria (see Appendix 3). This makes it confusing for customers and is likely to have a negative impact on take-up, resulting in those most in need not being aware of their eligibility or how to claim the discount they are entitled to receive.

4.10 Energy companies sponsor the Home Heat Helpline for customers to help them identify the most cost-efficient tariff based on their needs. In addition, the Home Heat Helpline provides advice on grants for energy efficiency, benefit entitlements, and support with paying energy bills.⁴⁶ However, energy companies told us that many people do not use this service, instead gleaning information from the internet and other sources. A new energy saving telephone advice service will be launched by the Department for Energy and Climate Change in April 2012, run by the Energy Saving Trust.⁴⁷

Income maximisation

4.11 Boosting household income can increase people's access to affordable warmth and lift them out of fuel poverty because it reduces the proportion of a household's income spent on energy. Income maximisation is a much wider and more complex issue than the scope of this report, but, for those in fuel poverty, it is an integral part of the situation and it therefore merits consideration in this context.

4.12 The Mayor's 'Know your Rights' campaign seeks to raise awareness and take-up of benefits. In 2011 the campaign targeted older people, and it also sought to raise awareness about support for households that may be in fuel poverty. However, no evaluation of the scheme or its impact has been published. It is time that this was done.

4.13 Jim O'Sullivan, Director of the London Warm Zone,⁴⁸ emphasised the importance of income maximisation for older people. There is extensive evidence from schemes run by councils and third sector organisations that shows that a personalised approach to guide and support people through the whole process of claiming benefits is particularly important for older people.⁴⁹

4.14 The Warm Zone programme, which includes some London boroughs, has included successful income maximisation initiatives. Similarly, in Haringey local authority officers provide support to pensioners applying for the pension credit. As well as raising awareness, these initiatives involve home

visits and support to fill in forms and gain access to benefits.⁵⁰ Islington runs SHINE (Seasonal Health Interventions Network), a cross-referral scheme for vulnerable residents in fuel poverty, which provides a 'single access point' system for support. These examples show that cross-referrals and comprehensive support offers can be effective in increasing take-up of appropriate support.

Conclusions

- 4.15 Discounts could be much more effectively managed to increase take-up among those at risk of fuel poverty. The eligibility criteria are inconsistent and confusing, and there are limitations on the extent to which energy companies acting alone can be expected effectively to identify and target vulnerable households to provide them with discounts.
- 4.16 There is further potential for RE:NEW, in collaboration with local authorities and energy companies, to provide referrals to local authority and other programmes that can provide advice to help households maximise their incomes. This could help to generate referrals to energy companies, helping to overcome their problems in identifying those eligible for discounts.

Recommendation 6

We recommend that, in response to this report, by July 2012 the GLA should set out proposals for the RE:NEW 2 programme to provide a comprehensive referral service to other sources of support for households in fuel poverty, including advice on discounts, tariffs and income maximisation.

Recommendation 7

By July 2012, the 'Big 6' energy companies should agree a consistent set of criteria for the 'broader group' recipients of the Warm Home Discount. These criteria must encompass those most at risk of fuel poverty.

5 Conclusions: A strategic approach to tackling fuel poverty in London

- 5.1 This report seeks to support the development of a strategic approach to help eradicate fuel poverty in London by 2016. Individual households, the energy companies, government, the GLA and London's boroughs all have a part to play in reducing the risk of fuel poverty. Appendix 5 illustrates the roles different bodies play at the national, regional and local level in tackling fuel poverty. In particular, the GLA has: the strategic remit and ability to provide leadership by bringing partners together; the capacity to develop the targeting tool to inform a strategic approach; existing relationships with local authorities and government departments; an established delivery model and capacity (RE:NEW); and a role and resources in carbon emissions reductions, housing, public health and health inequalities.
- 5.2 Energy companies have obligations they must deliver, but they need support and information from the GLA and local authorities in order to meet those obligations. Some of the work they are attempting to undertake, such as identifying households that are eligible for support and promoting take-up of discount and subsidised home efficiency improvements, could be more effectively delivered through the RE:NEW programme.
- 5.3 In consulting on the Green Deal, the Government recognised the value of area-based approaches as effective delivery mechanisms and also recognised the need to assist energy suppliers in identifying households who might be eligible for support. A RE:NEW 2 programme led by the Mayor and supported by the energy companies could focus on tackling severe fuel poverty in those areas where it is likely to be concentrated.

Recommendation 8

The GLA should, by July 2012 and in consultation with the energy companies and local authorities, develop an affordable warmth strategy for London. The plan should include: agreement on the risk mapping criteria; the identification of priority areas for intervention on the basis

of risk mapping; a timeline for the programme to work in each of those areas between 2012 and 2016; and agreed measures to tackle some of the barriers to investment in London (such as parking restrictions and planning permissions for solid wall insulation).

Appendix 1 Recommendations

Recommendation 1

The Greater London Authority should work with energy companies, central government and local authorities to test and refine the prototype mapping tool we have developed. The GLA should then publish and regularly update the tool within the London Datastore, so that all delivery bodies can use it to help target the support they provide. This should be completed by May 2012.

Recommendation 2

London Carbon Action Network should establish a London Affordable Warmth and Health Forum to promote citywide action on fuel poverty. The forum should work with the support of London Councils and members should be invited from a range of partners including local authorities, Registered Social Landlords, the NHS and the GLA to discuss effective practice and working in partnership. It should be set up by July 2012 to discuss effective solutions that can be implemented in winter 2012/13.

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By May 2012, the GLA should establish criteria for areas to be selected for the next tranche of RE:NEW funding. This extension of the programme should prioritise households likely to be in severe fuel poverty. It should explicitly target areas with a high proportion of households at risk of fuel poverty, designated as Affordable Warmth Zones, using the fuel poverty risk mapping carried out under Recommendation 1.

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Affordable Warmth funding to works on homes in Greater London, including those identified through the RE:NEW 2 programme.

Recommendation 6

We recommend that, in response to this report, by July 2012 the GLA should set out proposals for the RE:NEW 2 programme to provide a comprehensive referral service to other sources of support for households in fuel poverty, including advice on discounts, tariffs and income maximisation.

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By July 2012, the 'Big 6' energy companies should agree a consistent set of criteria for the 'broader group' recipients of the Warm Home Discount. These criteria must encompass those most at risk of fuel poverty.

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Appendix 2 Fuel poverty risk tool mapping

GREATER LONDON AUTHORITY												
<p>These ward level fuel poverty scores are a general measure of risk of fuel poverty based on 12 indicators. The England and Wales average each year is 0. Scores below 0 are more likely to be at risk from fuel poverty according to these measures. Users can adjust the weight of each indicator depending on what they consider to be the more or less important. This is done either by entering a number between 0 and 10 in the importance row or by moving the slider. The scores throughout this spreadsheet will update automatically.</p>												
Theme	Housing			Health			Older people		Workless ness	Poverty		
Indicator name	Dwellings without central heating	Cavity walls that are uninsulated	Lofts with less than 150mm insulation	Health Deprivation & Disability domain (ID2010)	Standardised Mortality Ratio	Incapacity Benefit claimant rate	People aged 60 and over	Older people claiming pension credit	Unemployment	Income Support claimant rate	Child Poverty rates	Households classified 'fuel poor'
Importance	0	10	10	10	0	10	0	10	0	10	0	10
10 = very important and 0 = not important at all	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<p>Numbers highlighted in green are wards in top 25%, and red in bottom 25%</p> <p>Overall fuel poverty indicator score (E&W = 0)</p>											<p>Average change (green significantly improving, red significantly reducing)</p>	<p>See Charts for:</p> <p>See a Map of sc</p> <p>See full data set</p> <p>See full data set</p>
Borough name	Ward name	2006	2007	2008	2009	2010						
Hounslow	Hounslow West	2	2	2	2	2						
Hounslow	Isleworth	4	4	3	2	2						
Hounslow	Osterley and Spring Grove	11	11	11	10	10						
Hounslow	Syon	1	1	2	1	1						
Hounslow	Turnham Green	6	6	6	6	6						
Islington	Barnsbury	-6	-6	-6	-5	-4						0.5
Islington	Bunhill	-7	-7	-8	-7	-7						
Islington	Caledonian	-5	-5	-5	-5	-5						
Islington	Canonbury	-9	-9	-10	-11	-11						
Islington	Clerkenwell	-6	-6	-6	-7	-7						
Islington	Finbury Park	-10	-10	-10	-11	-11						
Islington	Highbury East	-6	-6	-5	-4	-4						
Islington	Highbury West	-5	-4	-4	-4	-3						
Islington	Hillrise	-7	-7	-7	-7	-7						
Islington	Holloway	-11	-10	-10	-10	-10						
Islington	Junction	-3	-3	-3	-2	-2						
Islington	Mildmay	-11	-10	-10	-11	-11						
Islington	St George's	-8	-8	-7	-7	-7						
Islington	St Mary's	-3	-3	-3	-1	-2						
Islington	St Peter's	-7	-7	-6	-6	-5						
Islington	Tollington	-10	-10	-9	-10	-10						
Kensington and Chelsea	Abingdon	8	8	8	9	9						
Kensington and Chelsea	Brompton	9	9	9	10	10						
Kensington and Chelsea	Campden	9	9	9	11	11						
Kensington and Chelsea	Colville	-6	-6	-6	-6	-6						
Kensington and Chelsea	Courtfield	8	8	7	9	9						
Kensington and Chelsea	Cremorne	-2	-2	-3	-2	-2						
Kensington and Chelsea	Earl's Court	-2	-3	-2	-2	-3						
Kensington and Chelsea	Golborne	-14	-14	-14	-14	-13						
Kensington and Chelsea	Hans Town	6	6	5	7	7						

Appendix 3 Eligibility for the Warm Home Discount

General category	Row no.	Specific criteria	Warm Homes Discount Scheme - Broader Group eligibility				Existing energy efficiency schemes - eligibility				
			British Gas (must have 3-4, or 8-10 with 5, 20 or 24-25; or 11; or 15)	EDF Energy (must have one of no.s 8-10 and one of 16-19, 24)	E.on (must have one of no.s 3-4 or 25; or one of 8-10 AND one of 5, 20, 24-26)	npower (must have one of no.s 8-10 and one of 20, 21, 24-26)	Scottish Power	SSE	CERT 'Priority Group'	CERT Super Priority Group (expected to be eligible for the ECO Affordable Warmth Target) Source: Ofgem	CESP
Pensioners	3	Savings element of Pension Credit scheme	Y		Y		Information unavailable as Scottish Power scheme is closed for 2011-12	Information unavailable as SSE scheme is closed for 2011-12	Y	Y	
	4	Guarantee and savings element of Pension Credit scheme	Y		Y				Y	Y	
	5	Pensioner Premium (for CERT: or enhanced pensioner premium or higher pensioner premium)	Y		Y					Y	
	6	Over 70 years old							Y (sole criterion)		
	7	Attendance allowance							Y		
	8	- Income related employment and support allowance	Y	Y	Y	Y			Y	Y	
	9	- Income based JobSeeker's Allowance	Y	Y	Y	Y			Y	Y	
Means-tested eligible benefits	10	- Income Support	Y	Y	Y	Y			Y		
Income and vulnerability	11	Annual income of less than £16,190 [^] and the account holder is living with a mental or physical disability or illness, or there is an element of vulnerability in the home, e.g. - Households with children aged 5 years or under, or - Account holder (or partner) aged 60 or over	Y								
	12	Council tax benefit							Y		
	13	Housing benefit					Y				
	14	Working tax credit (where the consumer's relevant income is £16,040 or less)					Y				
Income and fuel poverty	15	Customer household has an annual income of less than £16,190 [^] and spends 10% or more of their household annual income on fuel for adequate heating	Y								
Disability	16	Long Term Incapacity Benefit		Y							
	17	Severe Disablement Allowance		Y							
	18	Disability Living Allowance (DLA) for yourself		Y				Y			
	19	Disability Living Allowance (DLA) for a child living with you		Y							
	20	Disability or severe disability premium	Y	Y (effectively included if eligible for 8-10)	Y	Y		Y			
	21	Enhanced disability premium				Y		Y			
	22	Disablement pension which includes an attendance allowance						Y			
23	War disablement pension which includes a mobility supplement or a constant attendance allowance										
Children	24	Have a child who was under 5 on the 1st of April 2011 living with you (born on or after 1 April 2006)		Y	Y	Y		Y			
	25	Child tax credit (where the relevant income is £16,190 or less), including disability or severe disability elements	Y		Y	Y		Y			
	26	Disabled child premium		Y (effectively included if eligible for 8-10)	Y	Y		Y			
Tenure	27	Private sector housing						Y (additional for ECO)			
Deprivation	28	Must be in area ranked in the lowest 10 per cent in England or 15 per cent in Wales and Scotland using the Income Domain of the Indices of Multiple Deprivation							Y		

Appendix 4 Mapping indicators – rationale

This note explains the risk factors and indicators selected for the prototype risk mapping tool, the rationale supporting their inclusion and their source.

The indicators in this tool have been selected because they have a close relationship to fuel poverty. High scores for indicators such those relating to health, age, worklessness and poverty are associated with areas likely to be at higher risk of fuel poverty. High scores on the housing indicators, on the other hand, represent opportunities to improve energy efficiency in dwellings in order to reduce the likelihood of fuel poverty.

Housing

- **Dwellings without central heating (Source: Census 2001):** central heating installations are recognised as one of the most effective ways to reduce the costs of heating and improve the energy efficiency of dwellings.⁵¹
- **Cavity walls that are un-insulated (Source: Energy Saving Trust 2010):** cavity wall insulation is recognised as one of the most effective ways to improve the energy efficiency of dwellings, reducing an average household's consumption by 16%.⁵²
- **Lofts with less than 150mm insulation (Source: Energy Saving Trust 2010):** loft insulation (or top-up insulation) has been shown to reduce household energy consumption by 10 per cent.⁵³

Health

- **Health deprivation and disability domain (CLG, Indices of Multiple Deprivation 2010):** A report by the Marmot Review Team, *The Health Impacts of Cold Homes and Fuel Poverty* (2011), identifies links between fuel poverty and poor health outcomes, including respiratory problems, circulatory diseases and poor mental health. The ID2010 Health Deprivation and Disability domain measures four separate indicators: 1) Years of Potential Life Lost, 2) Comparative Illness and Disability Ratio, 3) Measures of acute morbidity, 4) Proportion of adults under 60 suffering from mood or anxiety disorders.
- **Standardised mortality ratio (Source: ONS and GLA 2010):** The Marmot Review report on cold homes finds a clear link between fuel poverty and high mortality rates.⁵⁴ Standardised Mortality Ratio (SMR) measures deaths in the resident population.

This takes into account the age of the population, ie an older population would expect to have more deaths.

- **Incapacity benefit claimant rate (Source: DWP and GLA 2010):** Warm homes are essential for households where occupants may spend longer in the home (for example due to incapacity or disablement).⁵⁵

Older people

- **People aged 60 and over (Source: GLA 2010):** London households where the eldest resident is aged 60 or over represent 34% of all fuel poor households.
- **Older people claiming pension credit (Source: DWP and GLA):** Pension credit recipients are in the 'Core Group' of customers eligible for the Government's mandated Warm Home Discount which is paid annually. Pension Credit is an income-related benefit which helps provide a minimum guaranteed income for those aged 60 and over.

Worklessness

- **Unemployment (Source: DWP and GLA 2010):** This indicator is used in the tool as an indicator of low income, and it may include residents who are likely to spend more time in their homes and which therefore have a higher heating requirement. This measure is the percentage of working-age residents claiming Jobseeker's Allowance (JSA) or National Insurance Credits. (Note, this is not an official measure of unemployment but is the only statistic available for smaller areas than local authorities).

Poverty

- **Income support claimant rate (Source: DWP and GLA 2010):** 70% of all London households in fuel poverty are in the bottom two income deciles, and almost 88% of households in the lowest income decile are fuel poor.⁵⁶ Income Support (IS) is a non-contributory benefit paid to people who have low incomes and who are not required to be available for employment.
- **Child poverty rates (Source: HMRC 2009):** Households containing children are included in the Department for Energy and Climate Change's definition of households 'vulnerable' to fuel poverty. The indicator used in this tool (children in 'poverty') is the proportion of children living in families in receipt of out of work benefits or tax credits where their reported income is less than 60% median equivalised income for the UK before housing costs.

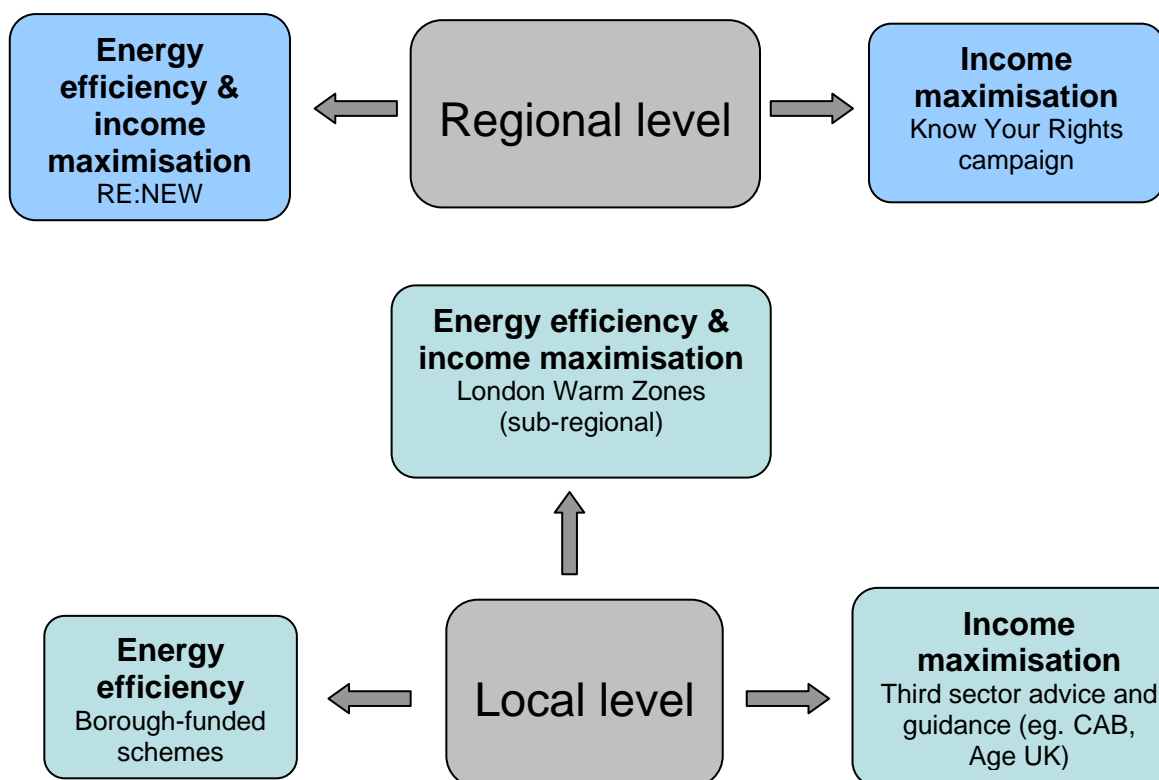
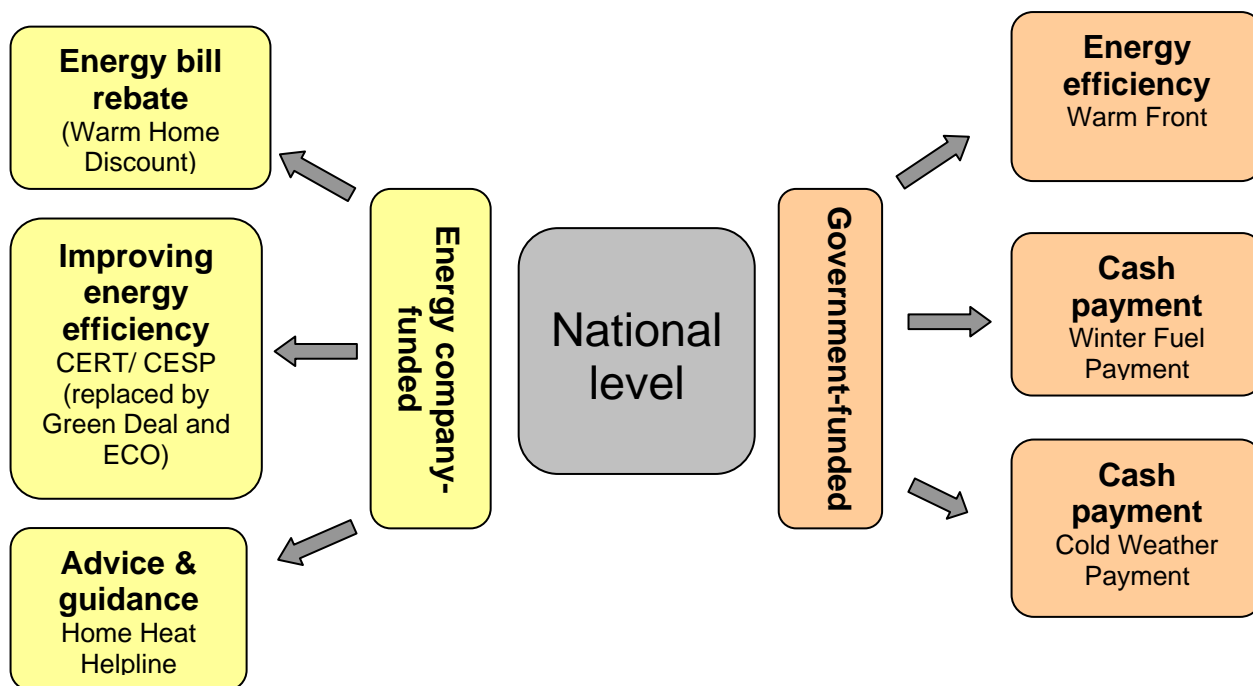
- **Households classified 'fuel poor' (Source: DECC 2009):** This is DECC's official indicator of fuel poverty, based on the full income measure. The mapping tool uses the full income measure rather than basic income, as the basic income measure is not available at ward level.

Missing indicators

There are a number of indicators that would be useful for identifying households at risk of fuel poverty, which are not publicly available: For example:

- **Cold-related ill health and excess winter deaths:** a high incidence of respiratory illnesses and excess winter deaths are linked to fuel poverty.⁵⁷ These data are not currently being made available to local authorities, although there have been some pilot trials.

Appendix 5 Responsibility for tackling fuel poverty



Appendix 6 Orders and translations

How to order

For further information on this report or to order a copy, please contact Jo Sloman, Assistant Scrutiny Manager, on 020 7983 4942 or email: jo.sloman@london.gov.uk

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Chinese

如您需要这份文件的简介的翻译本，
请电话联系我们或按上面所提供的邮寄地址或
Email 与我们联系。

Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

Greek

Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.

Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Hindi

यदि आपको इस दस्तावेज़ का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে যোগাযোগ করুন অথবা উল্লিখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করুন।

Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا مذکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

Arabic

الحرص على ملخص لهذا المبرتن بل غتك،
فراجع الاتصال برقم الهاتف أو الاتصال على
العنوان البريدي العادي أو عنوان البريد
الإلكتروني أعلاه.

Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોડતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઈ-મેઇલ સરનામા પર અમારો સંપર્ક કરો.

¹ This definition is based on estimates produced by GLA Economics, provided in Annex A. The official definition used by the Department for Energy and Climate Change (DECC) estimated 13.3% of London households were fuel poor in 2009; research commissioned by the GLA in 2008 used a residual income measure, estimating that 24% of London households were fuel poor. Fuel poverty figures are published two years in arrears.

² <http://www.london.gov.uk/sites/default/files/dmag/Update%2027-2010%20CLG%202008-based%20Household%20Projections.pdf>

³ Dr Jessica Allen, Marmot Review Team, HPS Committee 22 June 2011 meeting transcript, p. 2. The Marmot Review Team, led by Sir Michael Marmot, was asked by government to conduct a Strategic Review of Health Inequalities in England Post 2010. The Marmot Review published its report, *Fair Society, Healthy Lives*, in February 2010. Following the Strategic Review, the Marmot Review Team was commissioned by Friends of the Earth to review evidence on the direct and indirect health impacts of fuel poverty and cold homes. This report, *The Health Impacts of Cold Homes and Fuel Poverty*, was published in May 2011.

⁴ Rebecca Jones, NEA, HPS Committee 22 June 2011 meeting transcript, p. 7

⁵ DH (2010) *2009 Annual Report of the Chief Medical Officer*, p. 35; transcript of Health and Public services Committee meeting, 232 June 2011, p. 8

⁶ Building Research Establishment (2011), *The Health Costs of Cold Dwellings*, p. 16

⁷ John Mathers, LB Haringey, HPS Committee 22 June 2011 meeting transcript, p. 3

⁸ Transcript of Health and Public Services committee meeting, 22 June 2011, p. 26

⁹ Transcript of Health and Public Services committee meeting, 22 June 2011, p. 26

¹⁰ The Warm Homes and Energy Conservation Act 2000 (WHECA) established national targets to eradicate fuel poverty in vulnerable households by 2010 and in all households by 2016. The Mayor's commitment to help London meet this target is set out in his climate change mitigation and energy strategy.

¹¹ Research produced by GLA Economics for the Health and Public Services Committee; see Annex A, page 5, and HPS Committee 22 June 2011 meeting transcript, p. 6

¹² The GLA Economics Fuel Poverty Report shows that there are large numbers of households that fall just below the threshold for fuel poverty and severe fuel poverty (p. 35)

¹³ Letter from the Secretary of State for Energy and Climate Change to the London Assembly Environment Committee, 2 February 2012

¹⁴ See the Environment Committee's report *Lagging Behind*, 2008 at <http://www.london.gov.uk/archive/assembly/reports/environment/lagging-behind.pdf>

¹⁵ GLA Economics, 2011

¹⁶ Vulnerable households are those including older people, young children, people who are disabled or have long-term serious illnesses

¹⁷ For example, the GLA Economics Report on fuel poverty in London, November 2011

¹⁸ <http://www.energysavingtrust.org.uk/In-your-home/Roofs-floors-walls-and-windows/Draught-proofing>

¹⁹ London Southbank University (December 2009) *Monitoring the London Plan Energy Policies – Phase 3, Part 1 Report*, p. 4

²⁰ Question to the Mayor 2414 / 2011

²¹ Mayor of London, *The London Plan 2011*, Policy 5.2

²² Mayor of London, *The London Plan 2011*, Table 3.1, p. 83

²³ Based on 3,318,270 London homes in 2011; Department for Communities and Local Government Table 100 Dwelling stock: Number of Dwellings by Tenure and district: England; 2011

²⁴ DECC (June 2011) *National Energy Efficiency Data-Framework*, Chapter 5

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- ²⁵ Marmot Review Team (May 2011) *The Health Impacts of Cold Homes and Fuel Poverty*, p. 25
- ²⁶ Energy Saving Trust Insulation targeting report - Greater London (October 2011) p. 5; this data will be made available on the London Datastore
- ²⁷ Homes Energy Efficiency Database, CERT Summary Report, Quarter 12 (September 2011). Other insulation activity, including the precursor scheme to CERT (Energy Efficiency Commitment which ran from 2005-2008), borough-led schemes, and self-funded measures will have contributed to increasing insulation levels across London, however composite figures bringing together all such activity are not currently available
- ²⁸ Transcript of Committee meeting, 13 September 2011, p. 16-7
- ²⁹ The Green Deal and Energy Company Obligation Consultation Document, DECC, November 2011, p. 196
- ³⁰ Based on London's share of 14.9% of households in England; GLA Economics
- ³¹ Transcript of Committee meeting, 13 September 2011, p. 26
- ³² Mayor's press release 10th February 2012
- ³³ Mayor's press release 7th March 2012
- ³⁴ Question to the Mayor 157/ 2012 (As of 23rd January 2012, 1744 dwellings in Heath Ward in Barking and Dagenham had been treated out of a total of 4241 dwellings)
- ³⁵ Budget and Performance Committee, Final Response to the Mayor's Budget 2012/13, p. 4
- ³⁶ Calculations based on wards selected for RE:NEW and DECC fuel poverty statistics ward ranking (2009)
- ³⁷ See DECC (November 2011) *Green Deal and Energy Company Obligation Consultation Document*, Chapter 9.3
- ³⁸ Some energy companies already sponsor area-based schemes, such as the partnership between EDF Energy and Warm Zones (written submission from EDF Energy)
- ³⁹ This is corroborated by a recent report by the Committee on Climate Change that price rises are largely attributable to increased costs on gas wholesale markets. Committee on Climate Change (December 2011) *Household Energy Bills – impacts of meeting carbon budgets*
- ⁴⁰ The Assembly motion on fuel poverty was passed unanimously at its meeting on 9th November 2011, asking energy companies to deliver a fairer deal for London. The full text of the motion is available at www.london.gov.uk/who-runs-london/assembly
- ⁴¹ In the three years prior to winter 2011/12, the Winter Fuel Payment was worth £250 to those over 60 years old and £400 to those over 80 years old (<http://www.bbc.co.uk/news/business-12846318>)
- ⁴² Specifically, those receiving pension credit, income support, income-based Job-seeker's Allowance, income-related Employment and Support Allowance; www.direct.gov.uk
- ⁴³ HPS Committee 13 September 2011 meeting transcript, p. 4
- ⁴⁴ Transcript of Health and Public Services Committee meeting, 13 September 2011, p. 5
- ⁴⁵ See DECC (November 2011) *Green Deal and Energy Company Obligation Consultation Document*, Chapter 5.2
- ⁴⁶ <http://www.homeheathelpline.org.uk/>
- ⁴⁷ <http://www.energysavingtrust.org.uk/About-us/Press-releases/29-February-2012>
- ⁴⁸ London Warm Zone works in partnership with local authorities, national Government and EDF Energy to provide area-based energy efficiency improvements
- ⁴⁹ For example, information fairs, LB Haringey – transcript, 13 July 2011, p. 19
- ⁵⁰ Transcript of committee meeting, 13 July 2011, p. 17
- ⁵¹ Faculty of Public Health (May 2006), Fuel Poverty & Health: briefing statement
- ⁵² DECC (June 2011), National Energy Efficiency Data-Framework, p.36
- ⁵³ DECC (June 2011), National Energy Efficiency Data-Framework, p.44
- ⁵⁴ See report by the Marmot Review Team, p. 23
- ⁵⁵ See report by the Marmot Review Team, p. 26
- ⁵⁶ GLAE report
- ⁵⁷ See the Marmot Review (at Endnote 3) for further information on the health conditions affected or exacerbated by fuel poverty

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