

Department for Business, Energy & Industrial Strategy: Consultation on the Fuel Poverty Strategy for England

Response by Community Energy England
September 2019

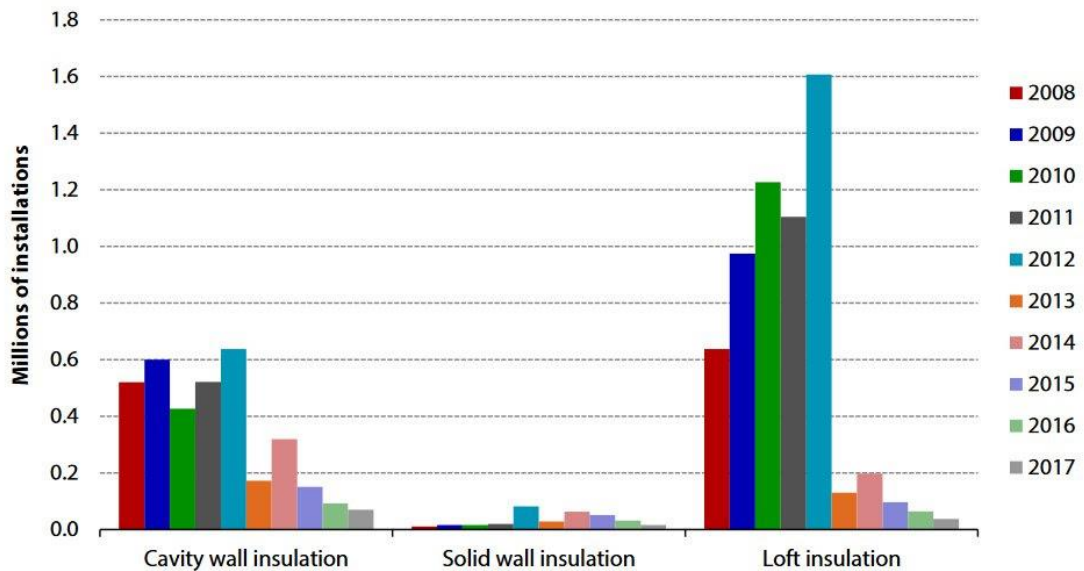
INTRODUCTION

1. This is a response by Community Energy England, the membership organisation which represents over 220 community energy groups and associated organisations across England who are involved in the delivery of community-based energy projects that range from the generation of renewable electricity and heat, to the energy efficiency retrofit of buildings, to helping households combat fuel poverty.
2. Our vision is of strong, well informed and capable communities, able to take advantage of their renewable energy resources and address their energy issues in a way that builds a more localised, democratic and sustainable energy system.
3. We ask government to work with Community Energy England to better evaluate opportunities for the community energy sector to help achieve future fuel poverty targets.
4. Community energy refers to the delivery of community-led renewable energy, energy demand reduction and energy supply projects, whether wholly owned and/or controlled by communities or through partnership with commercial or public sector partners.
5. The Community Energy State of the Sector 2019¹ report shows that, due to the removal of virtually all support for community energy, this once dynamic sector is depressed and stalled with virtually no new groups setting up and the lowest level of installations to date. However, hugely motivated by climate change as well as community benefit 92 community energy organisations across England & Wales have engaged in energy efficiency and fuel poverty projects.
6. Reducing fuel poverty is an effective way to tackle climate change in terms of use of resources and long-term efficacy. It should (along with the whole energy transition) be a primary government priority and duty and should be funded out of general taxation, not regressive levies and obligations.

¹ <https://communityenergyengland.org/pages/state-of-the-sector-report-2019>

7. Area-wide retrofit is going to be integral to the achievement of future fuel poverty and wider energy efficiency programmes. Deep retrofit programmes are critical if the government is to achieve its fuel poverty and climate change targets. Local authority involvement will be key for such location based retrofit programmes to succeed.
8. That is not to say it is easy. Each house is different, as is each householder, so the problem is at least as granular as there are houses. Community energy groups will need to be a big part of these very ambitious area-based infrastructure programmes as trusted intermediaries in their local communities with an intrinsic motivation to achieve 'best value' for the energy that needs to be used in order to minimise carbon emissions, make the renewable solutions go further and benefit their communities. They can also operate at a smaller, more local level which would be uncommercial for a bigger organisation.
9. One of our members, South East London Community Energy (SELCE), has calculated that its energy retrofit projects are delivering financial returns to the householder on SELCE's investment at a ratio of 6:1. If social impact and cost savings were added in, this number is likely to at least double. This indicates the potential high value of community energy organisations' approaches to tackling fuel poverty.
10. The failure of the Green Deal and - at the present moment - the roll out of smart meters, indicates that much improvement is needed in encouraging take up and behaviour change. This is a key strength of community energy.
11. Community energy also benefits from local knowledge and a very pioneering spirit, often engaged in radical innovation projects and working with many stakeholders.
12. It is a huge missed opportunity to fail to engage with the community energy sector on fuel poverty and energy efficiency programmes
13. The need for energy efficiency retrofits of our building stock, among the worst in Europe, has been frequently reiterated.
14. Previous targets to eradicate fuel poverty in England, Scotland and Northern Ireland have all been missed. The government has cut subsidies for energy efficiency [by 58%](#). Energy efficiency installations have dropped by 94% from 2012 to 2017.

Figure 3.4. Annual insulation installation rates (2008-2017)



Source: BEIS (2018) *Household Energy Efficiency National Statistics*; previous DECC publications.

Notes: Installations under Government schemes.

15. Excess Winter Death exceeded 50,000 across the UK in 2017/18. The NEA estimates around 17,000 of those deaths were due to fuel poverty. This is the tip of the iceberg of the suffering caused in the millions of fuel poor homes that still have no or inadequate insulation.
16. The BEIS Select Committee recently said that the UK ‘stands no chance’ of achieving its 2050 net zero emissions target without urgent action on energy efficiency and called on the government to end fuel poverty.
17. The Fuel Poverty Committee warns that the government is set to miss its targets and has a huge funding short-fall.

Summary of response

18. Community Energy England supports the re-statement of the targets and metrics but urges them to be measurable, flexible and statutory. We support the principles with some caveats, including that ‘Worst First’ targets those most in need and not just the worst buildings. We also urge that Warm Homes Discount payments are not subtracted from projected energy costs; the WHD does not contribute to energy efficiency but simply helps to defray the cost of bills.
19. CEE recommends that a target be included on reducing Excess Winter Deaths.

20. CEE urges urgent action on energy efficiency which will bring benefits and returns in terms of cost savings across a wide range of policy goals, including carbon reduction and health and social care.
21. Energy efficiency should be elevated to a primary government duty and funded commensurately and sufficiently from general taxation.
22. The actions to meet the targets should include:
 - 22.1. Funding the Clean Growth Strategy commitments to 2028 and beyond - at least £2.8bn. As per the Committee on Fuel Poverty's proposal, establish a Clean Growth Fuel Poverty Challenge Fund. Some of this funding should be targeted towards community energy activity.
 - 22.2. Reforming ECO to ensure it genuinely targets the most fuel poor rather than just the worst houses.
 - 22.3. Extending the Warm Homes Discount scheme beyond 2020
 - 22.4. Reforming the WHD to increase transparency and benefits the Broader Group.
 - 22.5. Protect vulnerable consumers beyond the end of the price cap.
 - 22.6. Department for Work and Pensions should maximise benefit claiming.
 - 22.7. Improved cross-departmental working and research.
 - 22.8. Promote NICE guideline on "Excess winter deaths and morbidity and the health risks associated with cold homes".
 - 22.9. Enable better data sharing to enable better targeting of fuel poor households.
 - 22.10. Make 'energy efficiency retrofit' a National Infrastructure Priority.
 - 22.11. Create national 'energy-efficiency retrofit policy' and an independent energy efficiency delivery body: facilitate collaboration and knowledge sharing; establish a training programme, certification schemes (Trustmark).
 - 22.12. Encourage working with community energy organisations at all levels on fuel poverty and energy efficiency and open up funding opportunities more readily to community benefit societies and cooperatives.
 - 22.13. Encourage the energy network operators to be involved in delivering energy efficiency.
 - 22.14. Implement a policy to scale dealing with the hard-to-heat, hard-to-treat solid walled properties including an 'energiesprong' trial programme to bring costs down.
 - 22.15. 'Straight to C' single upgrades are likely to be cost-effective and efficient.
 - 22.16. Introduce locally led 'emergency response' or 'safety net' energy efficiency schemes.
 - 22.17. Improve energy efficiency in the private rented sector: MEES standard - EPC C by 2030, MEES cap £5,000. Improved incentives and enforcement (increasing local authority capacity)

- 22.18. Fuel poverty programmes that currently connect to the gas grid should be evaluated to see if an energy efficiency programme is not a 'better value' approach.
- 22.19. Smart meter installations should be prioritised for fuel poor households together with measures to enable them to take advantage of 'smart' savings.

Consultation Questions

Targets and metrics

1. **Do you agree with the Government's proposal to update the fuel poverty metric to Low Income Low Energy Efficiency? If not, which metric would you prefer and why?**
 - 1.1. We agree that the fuel poverty Low Income High Cost (LIHC) metric needs updating and simplifying. According to a recent NEA call for evidence, 82% of respondents said it was ineffective in defining and identifying households in or vulnerable to fuel poverty. Respondents felt that it is difficult to use LIHC to demonstrate fuel poverty at an individual level, risking vulnerable households being excluded from support. And it is a difficult concept to explain to the general public thus transforming it into a technical tool rather than a practical one for advisors. The metric also results in an excessive degree of 'churn' of households in and out of fuel poverty.
 - 1.2. We agree with the proposed change to the LILEE metric that recognises that energy efficiency is fundamental in addressing fuel poverty. We welcome that the metric will bring more people within the envelope of fuel poverty so that their needs can be addressed. But some 200,000 households in Band C will fall out of the metric. Some details of how these households in Band C and above will be monitored and remediated as appropriate needs to be in the Strategy. Some houses cannot be improved to Band C and details of how fuel poor households living in those houses will be assisted also needs to be in the Strategy.
 - 1.3. We agree that the energy efficiency part of the metric should be absolute, not relative.
 - 1.4. We **do not agree** with the use of FPEER, as it subtracts Warm Homes Discount (WHD) payments from projected energy costs. The WHD does not contribute to energy efficiency but simply helps defray the cost of bills. As WHD is currently constituted many of those in the Broader Group who should be eligible for the discounts do not receive them as the eligibility criteria are controlled by the energy supplier with no transparency. An EPC would be more appropriate to the stated aim of linking fuel poverty remediation with energy efficiency.
 - 1.5. The strategy must continue to state that the definition of fuel poverty remains unchanged, as in the Warm Homes and Energy Conservation Act: "Fuel poverty"

means the inability of a household living on a low income to keep warm at reasonable cost

2. **The proposed metric update – LILEE – would necessitate certain updates to the current methodology, namely as regards the high costs threshold, but the other aspects of the current LHC methodology would not necessarily need updating. Do you have views or evidence on whether Government should update those other aspects of the methodology on the introduction of LILEE, including the following:**

- 2.1. a. Household energy requirements calculation, including heating regime⁵¹
- 2.2. b. Equivalisation factors, for fuel costs and for income⁵²
- 2.3. c. Income methodology⁵³
- 2.4. d. Fuel prices methodology⁵⁴

3. **Do you agree that Government should retain the current target and interim milestones?**

- 3.1. We agree that the government should retain the target of upgrading to at least **EPC (not FPEER) Band C** and that there should be milestones to measure progress towards that achievement. Given the history of missed targets, the milestones should have the same statutory status as the 2030 target to enable sanctions and necessary changes to be imposed in the event of missed milestones. The NEA continues to advise that getting all low income households to EPC Band C by 2025 is practicable.
- 3.2. However we are dismayed that the Government should think, in this time of Climate Emergency, that a target containing the subjective clause ‘as far as reasonably practicable’ is fit for purpose or in the age of smart at all SMART - that is ‘sufficient, measureable, attainable, relevant and time-bound’. Setting time-bound ‘milestones’ on an unmeasured destination is an exercise in futility. We understand that energy efficiency retrofits are difficult and in many ways uncharted territory thus making the ‘attainability’ difficult to assess. But this should not be an excuse to avoid measurable targets, especially when the ‘relevance’ of energy efficiency to fuel poverty and achieving ‘sufficient’ carbon emissions is so evident and the recent IPCC 1.5 degree report has brought the extremely short time-frame we have to make these changes starkly to the fore.
- 3.3. We do not think the current target is fit for purpose. It must contain a quantified number of households to be brought to EPC (not FPEER) Band C by 2030 and quantified numbers to be brought to Band E and Band D by 2020 and 2025 respectively. The consultation document states that the The Clean Growth Strategy 2018 ‘reaffirmed that fuel poor households should achieve this FPEER Band C standard by 2030 **as far as reasonably practicable.**’ and that ‘In line with the CGS commitment, Government will look at a long term trajectory to improve the energy performance standards of privately rented homes, with the aim of upgrading as

many as possible to EPC Band C by 2030 **where practical, cost-effective and affordable**. Government will also look at how social housing can meet similar standards over this period.

- 3.4. The Clean Growth Strategy actually says 'We want all fuel poor homes to be upgraded to Energy Performance Certificate (EPC) Band C by 2030 and our aspiration is for as many homes as possible to be EPC Band C by 2035 where practical, cost-effective and affordable'. The 'where practical, cost-effective and affordable' sub-clause does not apply to the fuel poor homes clause. **So 'all fuel poor homes' should be the number**. Based on the last known statistics² using the previous 10% definition, 4.5m households across the UK were in fuel poverty in 2015. The Committee on Climate Change estimates another 2 million households could be in fuel poverty by 2030. Provision must be made to update the target number as circumstances change.
- 3.5. The flaccid 'reasonably practical' cannot be allowed to stand in the government's Fuel Poverty Strategy. In line with tightening the metric to increase measurability the target must be a number against which success or failure can be measured. That number must be ambitious, 'sufficient' to stated policy aims and need for decarbonisation and to ensure long-term liveability in the worst of the UK's inefficient housing stock ie the 4.5 million fuel poor households.
- 3.6. The target should aim to reduce average Excess Winter Deaths to compare with the best in Europe in the same time frame.
- 3.7. The recent Scaling up Retrofit 2050 report³ - aimed at meeting 80% carbon reduction targets in the Climate Change Act - recommended minimum condition for achieving sufficient retrofit: Having a clear policy lead; Having a long-term strategy; Public sector subsidy, or access to low-cost finance.

Guiding principles

4. **Do you have views or evidence on our proposal to add more detail on, and clarify, the meaning of the 'Worst First' principle, including the considerations raised above?**
 - 4.1. In line with the prioritisation of fuel poor homes in the Clean Growth Strategy and the law of diminishing returns we support the Worst First principle with the caveat that there may be vulnerability factors that mean a person living in a Band D house should be prioritised over someone less vulnerable living in a Band F.
 - 4.2. We note from feedback from our members that the Minimum Energy Efficiency Standards (MEES) for the Private Rented Sector is having limited effect on the most fuel poor who often live in the poorest housing least likely to be advertised formally or through an agent. Some landlords will not want to lose income or, often, invest

² Annual Fuel Poverty Statistics Report, 2015, Department of Energy and Climate Change (DECC), May 2015.

³ <https://www.theiet.org/impact-society/factfiles/built-environment-factfiles/retrofit-2050/>

in their properties and may shop around until they get an assessor willing to give an EPC E certification. Or some may relet through informal channels to avoid enforcement. We welcome the proposed extension of ECO3 to landlords to supplement and encourage them to invest the £3,500. This could help landlords install ‘multiple measures in one visit,’ and where possible this should be used to enable a ‘straight to C’ approach (see comments in 4.4 below).

- 4.3. The consultation document says: *‘We think it is important to recognise that those in Band D households may be fuel poor; however, our policies would initially still be targeted at those in the least efficient homes.’* We note, also from feedback from our members, that prioritising the **worse homes first** does not always target those most suffering from fuel poverty. They note that ECO fails to provide a route out of fuel poverty. The amount of ECO funding available for each measure depends on resultant carbon emissions reductions: it therefore favours those living in large properties with a larger number of external walls. Those on lower incomes tend not to live in these kinds of properties. Where a measure is not fully funded, a customer contribution is required: people living in fuel poverty tend not to be able to afford a customer contribution. There is very little overlap between those most in need of ECO funding and those living in the kinds of properties that can benefit from fully funded measures, or between those most in need of ECO funding and those able to afford a large customer contribution towards measures. We urge that some additional measures and scrutiny will be put in place to rectify this policy failure.
- 4.4. We agree that an opportunity to assess how best to improve energy efficiency of different types of property is a long overdue and welcome policy piece. The suggestion that ‘those in the most severe fuel poverty should receive multiple measures in one visit, to bring them out of fuel poverty sooner and minimise disruption to the household’ will be valid in many cases and may be more cost-effective. A ‘straight to C’ approach would undoubtedly improve the lives of those in severe fuel poverty. The earlier and the better the remediation, the longer the household will be saving more money for and enjoying other well-being and health benefits which will likely have social cost savings benefits to add to the cost-effectiveness.
- 4.5. That said there are many community energy projects which do very effective light-touch, low-cost, high-impact measures which have been sometimes gathered under the label of ‘draught-busting’ and which include secondary glazing and radiator panels. These can make a huge difference for very little investment and disruption, saving up to 60% on bills, paying off the cost in around 3 years, improving liveability especially in windy periods in the winter when draughts suck warmth from homes.
- 4.6. The lamentable lack of any government policy or financial support for this level of intervention means that many community energy practitioners that have tried to

make this their livelihood have had to give it up after a few years as there is currently simply no sustainable business model. There are few grants, any many that do exist are not open to community benefit societies or co-operatives, and no incentives to reduce the seasonality of the work.

- 5. Do you have views or evidence on our proposal to add more detail on, and clarify, the meaning of the cost-effectiveness principle, including the considerations raised above?**
- 5.1. There needs to be robust work done on the social benefits and cost savings of fuel poverty work as well as the benefits accruing from energy bill savings from early energy efficiency retrofits - money that is often prioritised for rent and council tax bill that would otherwise not be paid.
- 5.2. Additional to that there needs to be strong cross-departmental work to identify where social costs (e.g. health costs) are saved by energy efficiency work so that budgets and can be adjusted and those departments contribute if appropriate.
- 5.3. Please note comments at 9 in the introduction related to the experience of financial returns to the householder on energy efficiency investment of 6:1 over 2 years. Adding social impact and social cost savings and this is likely at least to double.
- 5.4. A report prepared for DECC in 2014 found that: *“community projects installed offer between 12-13 times as much community value re-invested back into local areas as would be achieved through 100% commercial models. The estimate is based purely on an assessment of economic value, when full social and wider environmental returns are factored in the benefits will be substantially higher.”*⁴
- 5.5. So community energy and energy efficiency are undeniably cost-effective. Facilitating them together would ensure far greater impact.
- 6. Do you have views or evidence on our proposal to add more detail on, and clarify, the meaning of the vulnerability principle and, in particular, on our proposed changes to the meaning of the principle?**
- 6.1. We support the vulnerability principle especially as it would result in measure to address the issues mentioned in 4.1 and 4.3 above. We support aligning it with the NICE NG6 guidelines.
- 7. Do you agree with our proposal to create a fourth principle on aligning fuel poverty strategy with current and future Government priorities? Do you have views or evidence that may be useful in creating this principle?**
- 7.1. We support this principle especially if it encourages joined up policy making which puts energy efficiency as a high priority, including for instance in health policy.

⁴ Community Renewable Electricity Generation: Potential Sector Growth to 2020, Report to DECC, Peter Capener, 2014

- 7.2. Some current fuel poverty programmes such as the Fuel Poor Network Extension Scheme (FPNES) or the First Time Central Heating (FTCH) will lock fuel poor households into long-term dependency on fossil fuels in the name of cheaper energy. Extending the gas grid should be avoided if at all possible.
- 7.3. Ofgem should revisit its decision to include FPNES as part of the next gas distribution price control, RII0-GD2, starting in April 2021, in the light of the urgent need to decarbonise.
- 7.4. The costs of connecting to the gas grid and installing gas central heating, the 'voucher value', together with an allowance for environmental and social costs of burning the gas, must be compared with the price of installing insulating and heat-pumps with perhaps smart storage heater back up. The kWh price of current off-peak electricity is still more than double that of gas. So the energy saving measures must be of a standard to more than halve the kWh heat demand to maintain the cost savings of otherwise connecting to gas.
- 7.5. Investing in energy efficiency and insulation will permanently reduce energy demand (and carbon emissions) in those households and make electric heating (heat pumps and smart storage heaters) more affordable and practicable now.
- 7.6. Professor Goran Strbac of Imperial College has shown that the future energy system must be treated holistically across heat and power (and energy saving). The ability to move heat demand by introducing heat storage into the system can remove the need for large amounts of reinforcement to meet peak demands that would otherwise occur.
- 7.7. The insulation should where possible be external and/or cavity wall to keep the thermal mass of the walls available as a heat (and summer cooling) storage buffer.
- 7.8. It should be noted that many fuel poor people are currently making what are to them 'smart' choices by self-disconnecting or rationing in a way that seriously impacts health and well-being. If the roll-out of smart meters can genuinely help people save money then it should be prioritised for those for whom money is critically scarce. Smart devices to interact with the meter to deliver savings will be unaffordable to fuel poor houses. Affordable solutions must be developed to enable fuel poor households to benefit from 'smart' savings (such as stand-alone switching units for existing appliances).

8. Would you suggest any other guiding strategic principles? Do you have any other views or evidence on the guiding principles?

- 8.1. Fuel poverty alleviation through energy efficiency, as an essential route to achieving net zero, should be a prime duty of government and funded as such from general taxation, not regressive levies and obligations.
- 8.2. No modification of government policy, for instance, climate change policy should adversely affect fuel poor households.

Policies and commitments to meet the targets.

9. Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to improve energy efficiency for households in fuel poverty?

- 9.1. A well resourced and comprehensive policy plan for energy efficiency retrofit across all building types in the UK which would set out the benefits across the economy and society, would encourage investment, innovation and people to retrain.
- 9.2. Create an energy efficiency knowledge-base, training programme, a domestic insulation industry, a 'chartered institute of insulators' with proper standards and certification.
- 9.3. For instance the Energiesprong industry believes that a government commitment to supporting 5,000 retrofits (approximately £120m) would drive economies of scale, enabling market actors to finance further retrofits to drive full house retrofits down towards a £35,000 target at which point it could be provided subsidy free.
- 9.4. To work closely with energy network operators on funding, facilitating and delivering energy efficiency measures.
- 9.5. See comment from Scaling Retrofit report at 3.7 above.

10. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to improve energy efficiency for households in fuel poverty?

- 10.1. BEIS must, as a minimum, keep to the commitments made in the Clean Growth Strategy on ECO and the private rented sector.
- 10.2. The government must commit to action and funding that will enable, as a minimum, the Clean Growth Strategy ambition to be achieved for 'all fuel poor homes to be upgraded to Energy Performance Certificate (EPC) Band C by 2030'. That is currently 4.5m fuel poor homes but may rise.
- 10.3. BEIS Committee Inquiry on Energy Efficiency and the Committee on Fuel Poverty stated that there is a £15.1bn gap in funding to deliver the government's own statutory duty. The Committee on Climate Change estimates another 2.4 million households could be in fuel poverty by 2030, necessitating increased funding. A long-term commitment must be made to provide adequate funds, from general taxation. This investment can justified in part energy efficiency meeting many other policy goals and by resultant savings from other budgets.
- 10.4. The Committee on Fuel Poverty recommend that the government must commit at least £2.8bn in capital spending on energy efficiency to stand any chance of meeting its 2020 and 2025 milestones.
- 10.5. We support their proposal for a Clean Growth Fuel Poverty Challenge Fund operating from 2019-2025. Some of this funding should be targeted to community

- energy activity.
- 10.6. Recommendation 15 of the Committee on Fuel Poverty's 2018 Annual Report is "We recommend that local community groups and charities are supported financially where appropriate, in their efforts to provide detailed, personal and relevant energy advice on behaviour changes, potential energy efficiency improvements and access to support from energy companies or their agents." We strongly support this recommendation.
 - 10.7. The establishment of an independent energy efficiency delivery body with reintroduction of renovation advice provision alongside full adoption of the independent Each Home Counts review's recommendations.
 - 10.8. In relation to the private rented sector the MEES standard should be raised to EPC by 2030 alongside measures to encourage and incentivise private investment.
 - 10.9. The MEES cap should be raised from £3,500 to £5,000 in line with recommendations made by the Committee on Fuel Poverty.
 - 10.10. Measures to bring Homes of Multiple Occupancy within MEES remit are urgently needed.
 - 10.11. For the able-to-pay sector targeted incentives must be re-established as recommended by the Green Finance Taskforce. These could include zero-interest loans, Stamp Duty incentives and an equity release scheme.

11. Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to improve partnership and learning on fuel poverty?

- 11.1. In line with proposals at 9.1 and 9.2 above, a national 'energy-efficiency retrofit' policy is needed alongside an improved knowledge-base, training programme and certification, enabling and funding collaborative working and knowledge-sharing by NEA and other organisations such as the Association of Environment Conscious Building and including community energy organisations to share and publicise best practice.

12. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to improve partnership and learning on fuel poverty?

- 12.1. Ensure funding for energy efficiency is available to and accessible by community energy groups to work on energy efficiency and fuel poverty.
- 12.2. Encourage and incentivise close working with community energy groups who in many cases have experience on the ground delivering fuel poverty work.
- 12.3. Encourage working with and support organisations like RetrofitWorks⁵ who have pioneered a model for delivering local certified energy efficiency retrofit using local

⁵ <http://retrofitworks.co.uk/>

- traders.
- 12.4. Update commitments and spending plans to meet the aims in the government's Clean Growth Strategy.
 - 12.5. Developing capacity within local authorities in England and Wales to share and replicate good practices to enforce better conditions in the private rented sector.
 - 12.6. Promote NICE guideline on "Excess winter deaths and morbidity and the health risks associated with cold homes".
 - 12.7. Increase cross department working on fuel-poverty
 - 12.8. Authorising the sharing of patient level health data.
 - 12.9. Gas Distribution Networks must be given access to certain DWP data (like suppliers) through the Digital Economy Act to ensure that they can better target support.
 - 12.10. Increase the annual budget for industry initiatives under the WHD as resulting energy efficiency projects can provide better long term value than simply rebates.
13. **Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to improve targeting for households in fuel poverty?**
- 13.1. Refine the 'worst first' principle as it outputs through ECO to mean targeting the worst cases of fuel poverty not just the worst houses. This will necessitate adjusting the way requirement for a customer contribution is calculated to take account of ability to pay rather than simply the largest uplift in energy/carbon performance.
 - 13.2. Standardise the eligibility criteria of the Warm Homes discount as it applies to the Broader Group of eligible consumers and enforce transparency among energy suppliers so that consumers can judge which deal will actually deliver the most savings for them, including whether they will get the WHD.
 - 13.3. Improve enforcement of the Minimum Energy Efficiency Standards to spot-check EPC certificates, to catch land-lords who are reletting through informal channels.
 - 13.4. Increase awareness among tenants in the private rented sector of the requirement for the EPC E standard. This could be done by requiring online and paper and agency advertising of rental properties to remind the tenant to require the certification when viewing.
 - 13.5. Requiring EPC rating to be included in all rental advertisements.
14. **What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to improve targeting for households in fuel poverty?**
15. **Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to support households in fuel poverty in high cost homes?**
- 15.1. High cost homes are often the solid walled hard to heat, hard to treat homes which

make up some 52% of existing housing. These have been neglected by ECO's targeting of least cost measures like cavity wall and loft insulation. Well in excess of 90% of these properties are still to be insulated.

- 15.2. A policy of how best to insulate these properties is required. Innovation and a commitment to scale is needed to bring down unit costs.
 - 15.3. The Dutch have pioneered the Energiesprong system of external insulation. This is effectively summarised with relevant financial information and a plan for how it would work in the UK is contained in the Green Alliance's recent short report Reinventing Retrofit - How to scale up home energy efficiency in the UK⁶.
 - 15.4. Some solution of how to fund this retrofit at scale. Some understanding across other government departments of the benefits - including cost saving - that energy efficiency will bring to their remit may encourage contributions from other budgets.
 - 15.5. Some solution for Heritage properties, either listed or in Conservation Areas is vital.
 - 15.6. Some architectural solution to external insulation of period housing that is as or more attractive than what it replaces.
- 16. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to support households in fuel poverty in high cost homes?**
- 16.1. To retrofit all solid walled (social as a minimum) housing which meets fuel poverty criteria by 2025.
 - 16.2. Programme to deal with the hard-to-heat, hard-to-treat solid walled homes.
 - 16.3. Pilot projects such as the Energiesprong programme mentioned at 9.3.
- 17. Keeping in mind the strategy's guiding principles, what policies might be included in a policy plan to improve support for low income households who are most at risk for adverse health outcomes from living in a cold home?**
- 17.1. Enable ECO Flex to be easier to access for local and community energy groups.
- 18. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to improve support for low income households who are most at risk for adverse health outcomes from living in a cold home?**
- 18.1. The WHD currently ends at the end of 2020. It must continue past 2021 and the scheme should be reformed so that it reaches more households (see previous comments on how it currently fails above).

⁶ https://www.green-alliance.org.uk/reinventing_retrofit.php

- 18.2. Vulnerable consumers must continue to be protected after the end of the price cap in 2020.
19. **Keeping in mind the strategy’s guiding principles, what policies might be included in a policy plan to decrease the financial burden of energy bills for households in fuel poverty?**
- 19.1. Underclaiming benefits is widespread. The Department of Work and Pensions should help vulnerable households maximise income by proactively checking benefit eligibility and helping them claim.
- 19.2. For households in fuel poverty a fuel bill is an immediate problem which WHD, Winter Fuel Payment, etc. helps to address reactively, whilst failing proactively to solve the cause which is often inefficient housing. The only way to do that is to urgently to retrofit as many fuel poor homes as possible. Often measures costing no more than the WHD £140 would permanently increase comfort and well-being as well as reducing bills potentially even to affordable levels.
- 19.3. The government should create an ‘emergency response’ or ‘safety net’ programme as described in the NEA/E3G report *Cold Homes and Excess Winter Deaths : a coordinated programme of locally-led, area-based schemes supporting low income households with home energy performance improvements in every local authority area – alongside a UK-wide referrals network to nationally available ‘safety net’ grant support for households who miss out on, or cannot wait for, area-based schemes to reach them.*⁷
- 19.4. Local authorities should be encouraged and incentivised to work with community energy groups who are truly ‘locally-led’ and often delivering this work on the ground already.
- 19.5. Funding for this work should address the seasonality and inadequate support problems mentioned in 4.6 above and enable organisations engaging in this work to stay in business.
20. **What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to decrease the financial burden of energy bills for households in fuel poverty?**

⁷ https://www.e3g.org/docs/E3G_NEA_Cold_homes_and_excess_winter_deaths_2018.02.pdf

- 21. Keeping in mind the strategy’s guiding principles, what policies might be included in a policy plan to create a fairer energy market for households in fuel poverty?**
- 21.1. In many cases people in fuel poverty do not have the financial or other resources or ability to initiate energy efficiency measures meaning they are left behind paying for the ongoing inefficiency of their homes.
- 21.2. Introduce a programme to ensure the advantages of smart meters are also available to vulnerable households, including retrofit smart switching to enable older devices to respond to instructions from the smart meter.
- 22. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to create a fairer energy market for households in fuel poverty?**
- 22.1. Standardise WHD eligibility criteria and introduce transparency among suppliers so that householders choosing to switch can be sure that they will be eligible for WHD with a new supplier. Make sure smaller suppliers who do not have to offer WHD make this clear in their offer (which may be cheaper but actually lose customers the £140 discount).
- 22.2. Ensure that customer service ratings (often an indicator of how a company will treat vulnerable customers) are made clearer on switching websites.
- 23. Keeping in mind the strategy’s guiding principles, what policies might be included in a policy plan to improve the evidence base on fuel poverty?**
- 24. What commitments, whether new or retained from the 2015 strategy, might supplement the policy plan in the updated strategy to improve the evidence base on fuel poverty?**
- 24.1. Conduct more research on the cost implications of fuel poverty and energy inefficient homes generally across the economy and society, particularly on health, to argue better for paying from general taxation for early intervention on fuel poverty for the extraordinary returns on investment that are available.
- 25. Are existing arrangements sufficient to meet our commitments to review and scrutinise Government action on fuel poverty?**
- 26. Do you have any further views or evidence on how the 2015 fuel poverty strategy should be updated?**

Contacts

Emma Bridge, Chief Executive, Community Energy England

Email: emma.bridge@communityenergyengland.org Tel: 0114 312 2248

Duncan Law, Policy & Advocacy Manager, Community Energy England

Email: d.law@communityenergyengland.org

Further Information

Community Energy England (CEE) was established in 2014 to provide a voice for the community energy sector, primarily in England. Membership totals over 200 organisations. The majority of the member organisations are community energy groups, but membership extends across a wide range of organisations that work with and support the community energy sector.

www.communityenergyengland.org