

APPENDIX D - Annex 2 – Additional policy context

National policy context

There are different ways to address fuel poverty, both directly and indirectly. Most of the government policy in this area is focused on improving energy efficiency and energy performance, targeting funding to homes on the lowest incomes. Government efforts to improve energy performance are split into regulation, setting rules for individuals on the energy performance and other standards they must reach, and grant funding, providing government money to support the improvement of energy efficiency. There has been an increased focus on fuel poverty related issues recently due to the spike in energy prices, and this has meant government has provided additional funding towards things like energy bill support. Additionally, government has set several targets in this area, including targets for getting all homes to certain standards and targets for the reduction of fuel poverty and carbon emissions.

a. What are the targets and regulations?

The Warm Homes and Energy Conservation Act of 2000 made it an obligation for the Secretary of State to enact regulations that will aid fuel poor households. This saw a target date set, of 31 December 2030, to identify fuel poor households and ensure they're improved to the energy efficiency rating of at least Band C, with interim targets of Band D by 2025 and Band E by 2020.¹ By definition, fuel poor households are removed from fuel poverty when they reach Band C and thus these are targets to move towards the end of fuel poverty under the LILEE metric.



Figure 1 - Graphic demonstrating the government's fuel poverty targets for England

More broadly, there are multiple acts, standards and regulations relating to energy efficiency and fuel poverty:

- The **Decent Homes Standard** defines what is a decent home and provides guidance on how to ensure properties reach this criteria. The definition includes being in a 'reasonable state of repair', having 'reasonably modern facilities and services', and providing a 'reasonable degree of thermal comfort'². This definition was first introduced in 2006 and is currently undergoing a review to explore whether a change in the definition and criteria is required.³ In the government's 2021, Net Zero Strategy, they committed to considering

¹ Burges Salmon, (2015). *Government publishes draft regulations to tackle fuel poverty by 2030* [Online]. burges-salmon.com. Available at: <https://www.burges-salmon.com/news-and-insight/legal-updates/government-publishes-draft-regulations-to-tackle-fuel-poverty-by-2030> (Accessed: 7 June 2022).

² Department. for. Communities. And. Local. Government: London (2006) 'A Decent Home: Definition and guidance for implementation', Housing, Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf (Accessed 13 June 2022).

³ Dept. for. Levelling. Up. Housing and Communities, Ministry. of. Housing, and Communities. &. Local. Government, (2021). *Decent Homes Standard: review* [Online]. gov.uk. Available at: <https://www.gov.uk/guidance/decent-homes-standard-review> (Accessed: 13 June 2022).

introducing a long-term regulatory social housing energy performance standard, subject to consultation.

- The **Energy Act of 2011** aims to tackle barriers to investment in energy efficiency, enhance energy security and enable investment in low carbon energy supplies. Specifically on private rented homes, the Energy Act set out the Minimum Energy Efficiency Standards (MEES), which came into force in April 2020 to ensure that homes rented out in the PRS had to achieve a minimum of an EPC E. Landlords are required to spend up to £3,500 reaching this target before they can apply for an exemption. In December 2020, the government consulted on increasing this standard to EPC C, with a requirement for landlords to spend up to £10,000 reaching this target. The government has not yet published its response to this consultation. Additionally, the act made it illegal for landlords to refuse reasonable request from tenants for energy efficiency improvements when they are eligible for financial packages such as ECO.
- The **Housing Act of 2004 introduced the Housing Health and Safety Rating System (HHSRS)**. It states that ‘any residential premises should provide a safe and healthy environment for any potential occupier or visitor’. In terms of fuel poverty related hazards, it discusses damp and mould, and says homes should be warm and dry with ventilation systems beyond that of opening windows (as this causes heat loss and therefore an increased need for fuel). Adequate heating and insulation would aid the prevention of dampness and mould as well as the reduction of fuel poverty. It also discusses cold homes and states that a healthy indoor temperature is around 21°C and health risks begin once temperatures reach 19°C and below. It has observed that excess winter deaths occur more often in dwellings of low energy efficiency ratings: the properties’ thermal insulation, the fuel type and the design of the heating and ventilation systems. It states homes need adequate thermal insulation, appropriate, efficient and well-maintained heating systems adequate for the dwelling size and controls against draughts and excess ventilation.⁴
- The **Energy Security Bill** was introduced in 2022, partly in response to the energy supply crunch that resulted from the Covid pandemic and Russia’s invasion of Ukraine. It sets out a support package on energy bills, incentives to grow domestic energy production, and limited measures on energy efficiency and clean heat. The details of the support available are discussed in section 3b.
- Relatedly, through the **Climate Change Act 2008**, the government committed to setting carbon budgets; these are 5-yearly targets on the amount of carbon emissions the UK can emit. These budgets are broken down by sector, and the domestic sector is expected to reduce as part of the mission to reach Net Zero by 2050. The Climate Change Committee (CCC) provides independent advice to government on how the budgets are set and provides evidence to demonstrate the need for the reductions. The budgets mean that there will be an expectation that the carbon emissions from domestic homes will reduce, meaning energy efficiency and low carbon heating systems will become increasingly important, not just for ending fuel poverty, but also for reaching Net Zero targets.

⁴ Office. of. the. Deputy. Prime. Minister: London, (2006) ‘Housing Health and Safety Rating System’, Housing, Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/15810/142631.pdf (Accessed 13 June 2022).

Our recommended path for total UK emissions
The recommended UK Sixth Carbon Budget and 2030 NDC

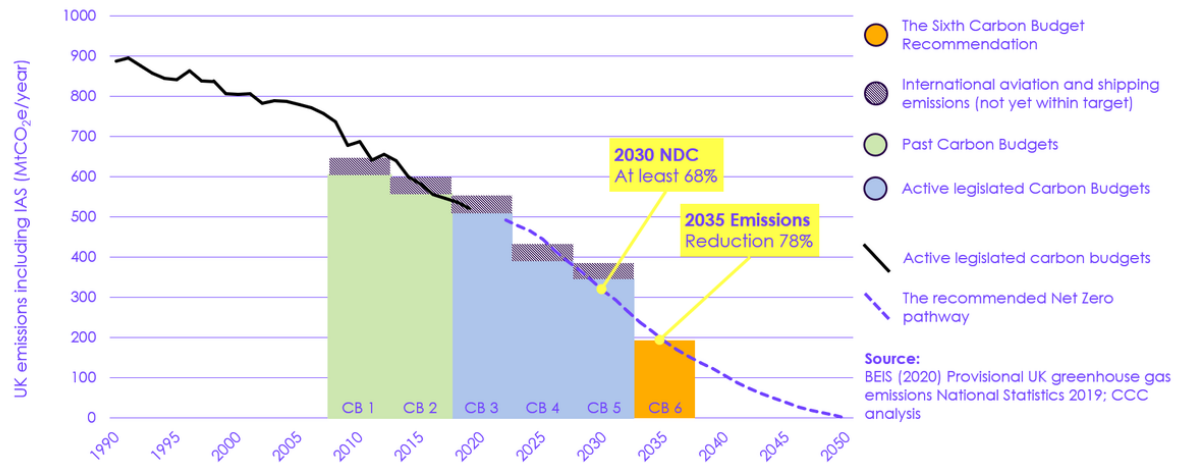


Figure 2 - Climate Change Committee's recommendations on setting carbon budgets, including historic budgets and their targets⁵

Finally, there are relevant strategies to the H&F's fuel poverty strategy. In 2021, Government published a national fuel poverty strategy, 'Sustainable Warmth: protecting vulnerable households in England'⁶, which sets out the support and regulation in place from a central government perspective. This was shortly followed by the government's Net Zero strategy, setting out the pathway to a greener UK and demonstrating the significant work needed to decarbonise buildings. In 2018, the Greater London Authority published their 'Fuel Poverty Action Plan', detailing the specific issues and support in London. The GLA's action plan targets three main interventions:

1. Boosting the **incomes** of people in fuel poverty in London by supporting benefits uptake campaigns, referral services and programmes that provide direct advice and support to the fuel poor.
2. Increasing the **energy efficiency** of London's homes so they are better insulated and use less energy.
3. Tendering for the delivery of an **energy supply company**, aiming to offer fairer energy bills to Londoners as soon as possible.

Programmes such as the GLA Warmer Homes service being implemented in H&F (see section 4) have been developed as a result. However, the third priority, on energy supply, has been deferred due to the partial failure of the energy supply market. All of the specific systems of support detailed in these strategies is summarised in section 3b and section 4.

b. What funding and support is available?

In the domestic sector, there are various schemes available to assist those in fuel poverty or struggling with poor energy efficiency:

Table 1 - Central government support available for fuel poor residents

Type of intervention	Scheme	Eligibility			Offer	Timescale
		EPC/fuel type	Income/demographic	Tenure		

⁵ Climate Change Committee:

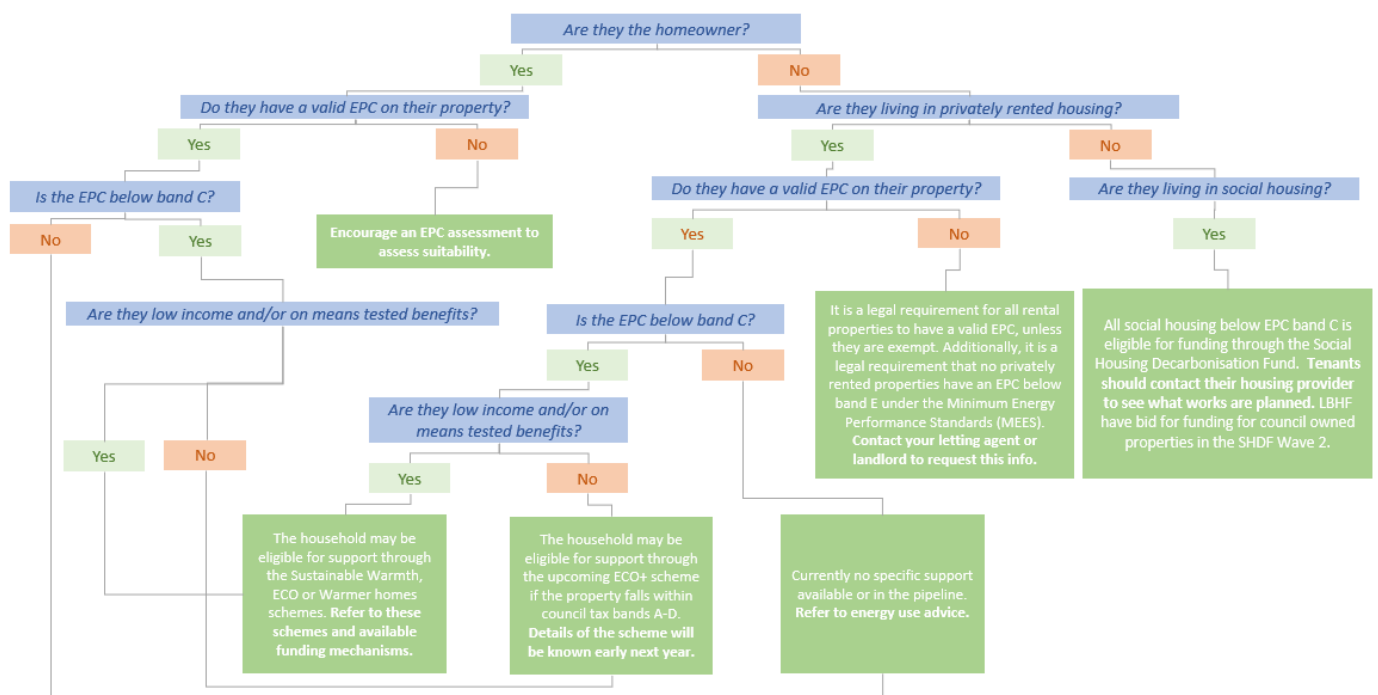
⁶ Government fuel poverty strategy: [Sustainable warmth: protecting vulnerable households in England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/sustainable-warmth-protecting-vulnerable-households-in-england)

Energy efficiency grants	Energy Company Obligation	EPC D or below	Means tested benefits, OR a household income below £31,000 pa, OR vulnerable occupants	All	Measures funded by energy supplier through levies	2026
Energy efficiency grants	Local Authority Delivery (LAD) scheme	EPC D or below On gas grid	Low income	Private rented and owner occupier	Up to £10,000 grants to install energy efficiency measures	2023
Energy efficiency grants	Home Upgrade Grant (HUG)	EPC D or below Off gas grid	Low income	Private rented and owner occupier	Up to £25,000 grants to install energy efficiency measures and low carbon heating systems	2025
Energy efficiency grants	Social Housing Decarbonisation Fund (SHDF)	EPC D or below	None	Social housing	Up to £32,000 grants to install energy efficiency measures and low carbon heating systems	2025
Rebates and price reduction	Energy Price Guarantee	N/A	N/A	N/A	Caps energy prices such that the average fuel bill is £2,500 for the winter of 22/23 (10.3p/KWh for gas, 34p/KWh for electricity)	Winter 2022/23 only
Rebates and price reduction	Warm Home Discount	None	Designed for residents vulnerable to a cold home, defined by certain benefits or with certain health conditions	N/A	£150 rebate	2026
Rebates and price reduction	Cold Weather Payments	None	Designed for residents vulnerable to a cold home, defined by certain benefits or with certain health conditions	N/A	£25 for each 7-day period with temperatures below a certain temperature (varies regionally)	2023
Rebates and price reduction	Winter Fuel Payments	None	Pensioners born before 26 th September 1956	N/A	£100 - £300 (depending on age and eligibility)	No end date
Rebates and price reduction	Cost of Living payment	None	Households on means tested benefits	N/A	£650	Winter 2022/23 only
Advisory services	Help for Households	None	None	N/A	Online support and advice	Ongoing

This landscape is complicated, with many different schemes operating in the same sector. A breakdown of the differences between these schemes, particularly with regard to the eligibility requirements, is provided below. To simplify this further, a decision tree of what support can be provided to resident based on key eligibility criteria is also provided.

	ECO+	ECO	LAD	HUG	SHDF
EPC	D, E, F, G	D, E, F, G for owner occupier E, F, G for private rented	D, E, F, G	D, E, F, G	D, E, F, G
Tenure	Private housing	Private housing	Private housing	Private housing	Social housing
Fuel type	All	All	On gas grid	Off gas grid	All
Low income	No income requirement for most – based on council tax bands A-D Same income requirements as main ECO scheme for low income element	Low income defined by being a recipient of means tested benefits LA flex route allows local authorities to declare suitable homes based on slightly more flexible income criteria	Low income defined as a joint household income of less than £31,000 OR a member of the household is a recipient of a means tested benefit	Low income defined as a joint household income of less than £30,000	None – living in social housing is the requirement

Decision tree for energy efficiency support



c. Gaps in provision

Whilst there is some support in place, government investment is significantly below what is needed to reach the targets it has set. The government’s own data from the English Housing Survey estimates that the cost of getting all homes to C (where possible) is over £94bn. This cost does not include the additional support that might be required in the interim before energy efficiency can be installed, such as additional bill support and a broader campaign for awareness. Meanwhile, the government’s Help for Household website states that so far, the government has only invested £12bn in energy efficiency related schemes. Additionally, the vast majority of the support available does not extend beyond immediate support during the current cost of living crisis. This means there is a lack of a forward look and long-term planning for energy efficiency and reducing fuel poverty, as is highlighted in the timescale column of Table 1. In terms of fuel poverty, all of the support currently available from the government is focused on homes below EPC C only. Whilst this aligns with the formal LILEE definition, this is a particular concern as there

are likely to be people living in homes above this level that are still struggling given current energy prices and therefore represents a large gap in the government support available.

Hammersmith and Fulham policy context

a. What are the targets?

H&F’s climate and ecology strategy sets out the route to net zero greenhouse gas emissions by 2030 for the borough. 36% of the borough’s production-based emissions come from homes, mostly from gas heating, whilst 83% of the council’s own emissions come from heating and powering the council owned housing stock. In order to reduce these emissions, homes must form a key part of the strategy, and within this there must be consideration for fuel poverty. H&F’s 2022-2026 business plan also committed to switch all council housing tenants from top-up electricity prepayment meters to smart meters and direct debit, which will support in reducing fuel debt that can increase the impact of fuel poverty.

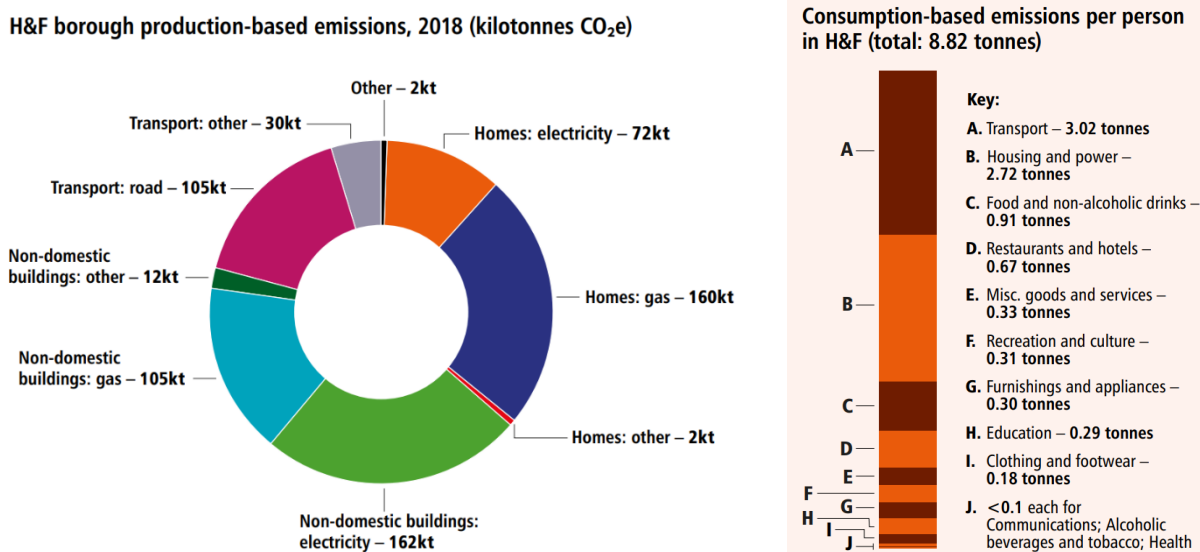


Figure 3 - Left: H&F borough production-based emissions. Right: Consumption-based emissions per person. As reported in the H&F Climate and Ecology strategy

b. What funding and support is available in H&F?

Historically, H&F has sought central government funding to support investment in energy efficiency within the borough. H&F has previously been involved in all phases of the Local Authority Delivery (LAD) Scheme, the first phase of the Home Upgrade Grant (HUG), and the Social Housing Decarbonisation Fund demonstrator project. Additionally, the council has recently promoted the Greater London Authority’s Warmer Homes scheme, a version of the HUG and LAD schemes. All of these schemes have delivered measures to residents to support them making their homes warmer and cheaper to heat. H&F intends to continue tapping into government support where available.

Table 2 - Local support available for fuel poor residents

Type of intervention	Scheme	Eligibility			Offer	Timescale
		EPC/fuel type	Income/demographic	Tenure		
Advisory services	Green Doctors	None	Long term health conditions or disabilities OR Aged 65 and over OR Households with	None	Free phone consultations and homes visits to eligible people, offering advice on	Ongoing

			children under 5		changing behaviours, basic energy efficiency measures and referrals to other relevant support	
Rebates and price reduction	Fuel vouchers	Pre-payment meter residents	Cut off or likely to be cut off within 48 hours, or unable to pay alongside food bills	None	£30 top-up vouchers in a 6-month period. Vouchers are increased to £49 during colder months.	Ongoing
Energy efficiency grants	Social Housing Decarbonisation Fund (SHDF), Wave 2	EPC D or below	None	Social housing	Funding of up to £32,000 grants to install energy efficiency measures and low carbon heating systems	2025

c. Gaps in provision

As discussed earlier, the government provision of support is not sufficient to meet the scale of the challenges presented by fuel poverty and energy efficiency. This makes it difficult for local councils as there is a funding gap to make up. In particular, the support provided by the government is very short term in nature, which makes it difficult to effectively plan. Additionally, mirroring the situation nationally, there is an absence of support for those struggling with fuel poverty in homes with an EPC C or higher, where these groups may be seeing significant bill increases due to current energy prices. In H&F, greater awareness of the issues surrounding fuel poverty is needed, and the actions of this strategy will reflect efforts to scale this up. **Additionally, the council will work to secure government funding across different energy efficiency schemes, as there are areas where the council has not yet fully capitalised on what is on offer.**