

Is the final decision on the recommendations in this report to be made at this meeting?

**Yes**

## **Affordable Energy Strategy**

<b>Final Decision-Maker</b>	Community, Housing and Environment Committee
<b>Lead Director or Head of Service</b>	John Littlemore
<b>Lead Officer and Report Author</b>	Ellie Kershaw and Helen Miller
<b>Classification</b>	Non-exempt
<b>Wards affected</b>	All

**This report makes the following recommendations to the final decision-maker:**

1. To support the production of an affordable energy strategy
2. To agree which actions should be undertaken and resourced
3. To delegate authority to Head of Housing and Community Services to allocate the £50,000 in the existing capital home improvement budget to relevant funding opportunities that are aligned with this strategy as they arise

**This report relates to the following corporate priorities:**

- Keeping Maidstone Borough an attractive place for all : Reducing fuel poverty will encourage good health and wellbeing
- Securing a successful economy for Maidstone Borough: Reducing fuel poverty will ensure residents are more likely to have more money to spend in the local economy

**Timetable**

<b>Meeting</b>	<b>Date 15/09/15</b>
Policy and Resources Committee	
Council	
Other Committee	Community, Housing and Environment Committee

# Affordable Energy Strategy

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Approximately 5000 households in the borough are currently affected by fuel poverty. These households are likely to either under-heat their home or fall into debt due to high bills. Living in a cold home has a negative impact on the health of occupants and may reduce children's educational attainment so perpetuating health inequalities. The large amounts of money needed to heat an energy inefficient home could otherwise be spent in the local economy.
- 1.2 The Government released "Cutting the cost of keeping warm; A fuel poverty strategy for England" in March 2015. This has a clear expectation that local authorities will act to reduce fuel poverty. It recognises the three drivers of fuel poverty;
- Poor home energy efficiency;
  - Low household Income; and
  - High fuel costs
- and recommends ways to address them.
- 1.3 Levels of fuel poverty vary across the borough from a low of 2.2% to a high of 15.2% of households living in fuel poverty. In the urban areas, fuel poverty generally coincides with high levels of poverty but in rural areas the picture is more complex and drivers include older, less energy efficient homes and no access to the cheapest fuel: mains gas.
- 1.4 The proposed strategy and action plan attached in Appendix 1 explains the drivers and impacts of fuel poverty, the national and local strategic framework and how levels of fuel poverty vary across the borough. It lists the actions the council is already taking and provides a menu of actions it could take to reduce fuel poverty.

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## 2. INTRODUCTION AND BACKGROUND

- 2.1 The council is a member of the Kent and Medway Sustainable Energy Partnership (KMSEP) which aims to help residents improve the energy efficiency of their home and so reduce the carbon emissions and heating costs associated with heating their home using Energy Company Obligation (ECO) funding. The scheme helps residents in owner occupied or privately rented homes gain substantial funding towards installing loft and cavity wall insulation. It also provides a lower level of help with gas boilers for households on a narrow range of means tested benefits. It is a good scheme for addressing the more common needs of the more modern homes; insulating lofts and cavity walls, but provides no help for insulation of solid walls or park homes. KMSEP is active in seeking other funding streams which would also be used to improve heating and insulation in homes for a small number of households with more diverse needs.

- 2.2 Rural fuel poverty is linked to older and harder to heat homes, low income but not necessarily benefit recipient households and the use of expensive fuels like oil. These households are often ineligible for the mainstream ECO schemes or require measures like oil boilers or solid wall insulation that is not currently covered by ECO.
- 2.3 The action plan in Appendix 1 provides a menu of new actions the council can choose from. The actions are listed under the driver they aim to address: poor home energy efficiency, low household income and high fuel costs. Some, like the one stop shop service, could be useful to residents across the borough. Others could be targeted to help geographical communities where the level of fuel poverty is highest, where the energy efficiency of the homes is poorest or where the external funders' criteria allow it to be used. Some actions work better in conjunction with others. For example, the Help to Heat scheme that connects the home of a vulnerable person to the gas main will not address fuel poverty on its own. When combined with another scheme to give the occupant a gas central heating system, it provides a heating system that is cost and energy efficient and will reduce or remove fuel poverty.
- 2.4 The fuel poverty landscape moves quickly with new funding streams becoming available and dwindling regularly. The council would benefit from a flexible strategy that permitted it to adapt to changes and benefit from them.
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### **3. AVAILABLE OPTIONS**

- 3.1 The council has no legal obligation to increase its activity to reduce fuel poverty. It could continue with its current participation in the KMSEP partnership and activities outlined in the Home Energy Conservation Act 1995 (HECA) report submitted in March 2015. This would enable the council to implement the actions outlined in the HECA report and take limited actions to reduce fuel poverty in the borough. For information, the council is not legally bound to carry out the proposals contained in the HECA report.
- 3.2 The council could support the production of an Affordable Energy Strategy and identify additional actions to take that can be carried out within existing staffing and budget levels. This approach would enable the council to fully implement the actions in the HECA report and the flexibility to undertake additional targeted action to reduce fuel poverty for the groups of people, locations or types of homes selected. Authority could be delegated to the Head of Housing and Community Services to allocate the £50,000 resource, already allocated to address fuel poverty, to opportunities aligned to this programme as they arise.
- 3.3 The council could support the production of an Affordable Energy Strategy and assign additional resources to carry out a wider range of activities to reduce fuel poverty. This approach would allow the council to reduce the fuel poverty of a larger number of households.
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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The preferred option is for the council to support the production of an Affordable Energy Strategy and to allow greater flexibility on the actions taken to reduce fuel poverty whilst working within existing resources. This will allow the strategy to be drafted with an action plan, for the council to respond to changes in external funding streams, for partners to be consulted on it and a targeted approach to be taken. Authority could be delegated to the Head of Housing and Community Services to allocate the £50,000 resource, already allocated to address fuel poverty, to opportunities aligned to this programme as they arise.
- 4.2 The benefit of this strategy and approach to resources is to enable the council to take a strategic approach to addressing fuel poverty within the borough.

## 5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The HECA report was accepted by Cabinet Member for Environment and Housing on 12<sup>th</sup> March 2015. No consultation has taken place for the proposed Affordable Energy Strategy and action plan. Should the production of the proposed Affordable Energy Strategy be supported, partners in community groups, health and social care, internal departments and rural parish councils with high levels of fuel poverty would be consulted.

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## 6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Consultation would be carried out with internal and external partners and further revisions made as needed. The council would then work with partners to enact the action plan.

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## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	none	[Head of Service or Manager]
<b>Risk Management</b>	none	[Head of Service or Manager]
<b>Financial</b>	possible depending on which actions from the action plan are agreed	[Section 151 Officer & Finance Team]
<b>Staffing</b>	possible depending on which actions from the action plan are agreed	[Head of Service]
<b>Legal</b>	None	[Legal Team]
<b>Equality Impact Needs</b>	Stage 1 carried out Policy and Information	[Policy &

<b>Assessment</b>	Manager agreed stage 2 not needed	Information Manager]
<b>Environmental/Sustainable Development</b>	If adopted the strategy would improve the energy efficiency of a small number of residents' homes.	[Head of Service or Manager]
<b>Community Safety</b>	None	[Head of Service or Manager]
<b>Human Rights Act</b>	none	[Head of Service or Manager]
<b>Procurement</b>	Depending on actions chosen the council may wish to procure contractors to install heating systems in residents homes to a total value of £65,000.00	[Head of Service & Section 151 Officer]
<b>Asset Management</b>	none	[Head of Service & Manager]

## 8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: The draft Affordable Energy Strategy and draft Action Plan
  - Appendix 2: Background documents to the Affordable Energy Strategy
  - Appendix 3: Equality Impact Assessment stage 1
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