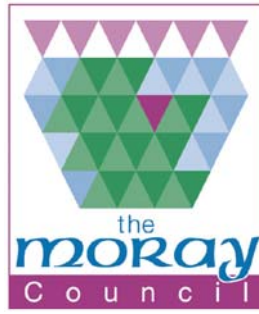


CONSULTATIVE DRAFT



The Moray Council  
Interim Local Housing Strategy  
2010 - 2013

Fuel Poverty

***'Affordable Warmth for All'***

in association with



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## Section 1

### Introduction

The Scottish Government states that a household is in fuel poverty if, in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income (including Housing Benefit and Income Support for Mortgage Interest) on all household fuel use<sup>1</sup>.

A satisfactory heating regime<sup>2</sup> means achieving, for elderly and infirm households, a temperature of 23°C in the living room and 18°C in other rooms for 16 hours in every 24; and for other households a temperature of 21°C in the living room and 18°C in other rooms for a period of 9 hours in every 24 (or 16 in 24 over the weekend) with 2 hours being in the morning and 7 hours in the evening.

The Scottish Government is committed to the target that by 2016, as far as is reasonably practicable, no-one in Scotland is living in fuel poverty. This is a key priority for Scottish Ministers.

The term 'fuel poverty' refers to the situation a household finds itself in when it has to spend a disproportionate amount of its income on fuel in order to maintain a satisfactory heating regime.

The Scottish Government's Fuel Poverty Statement, published in 2002 set **2016 as the target date to eradicate fuel poverty as far as is reasonably practicable**.

Importantly, the definition focuses on what people would need to spend, rather than what they actually spend on household fuel. This is because fuel poor households have to balance the need for fuel and other essentials, and very often don't heat their homes properly. They may also be in the home for longer periods of the day, increasing the cost of keeping warm.

### Links to other strategies

#### Single Outcome Agreement

Implementing the Fuel Poverty Strategy will help the Council to achieve the aims of the Single Outcome Agreement National Outcome 7 – We have tackled the significant inequalities in Scottish society.

#### Social Inclusion Strategy 2008 - 2011

Reducing fuel poverty contributes to the implementation of the Council's Social Inclusion Strategy 2008 – 2011. The Social Inclusion Strategy "*has to address the root causes of poverty and the reasons why some people are able to take advantage of their opportunities and others are not. This includes ... housing conditions ...*"

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<sup>1</sup> Scottish Government, Fuel Poverty Statement 2002

<sup>2</sup> Scottish Government, Guidance on Fuel Poverty consultative draft, April 2009

## Measuring fuel poverty

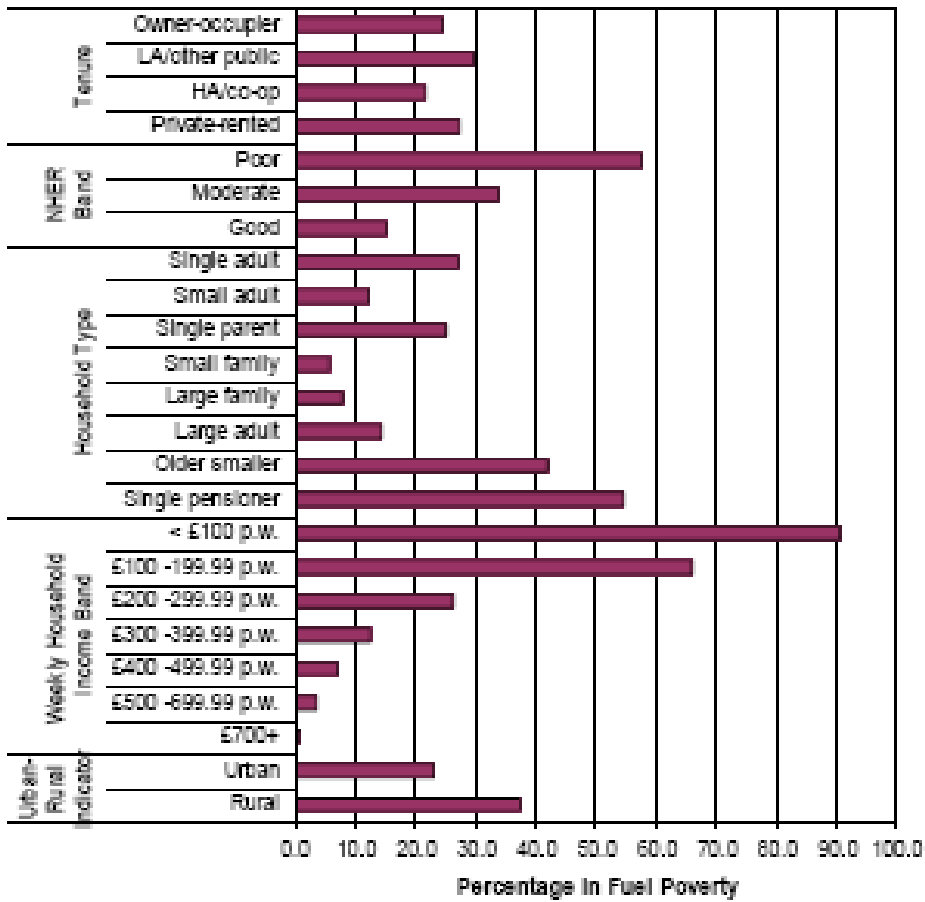
The Scottish Government uses the Scottish House Condition Survey to measure differences in fuel poverty. The Scottish House Condition Survey Key Findings 2007, has found that from 1996 to 2002 the number of fuel poor households in Scotland fell substantially from around 36% to 13%. In 2003/4, 15.4% of households (350,000) were assessed as fuel poor, and, in 2004/5, 18.2% of households (419,000) were estimated to be in fuel poverty. In 2005/6, 23.5% households (543,000) were found to be fuel poor and this figure increased to 24.6% of households (569,000 in 2007). This is not a statistically significant increase over the 2005/6 estimate. Following a fall between 1996 and 2002, the number and proportion of households in fuel poverty has subsequently increased. Changes in fuel prices were an important factor in both the reduction in numbers in fuel poverty between 1996 and 2002 and in the subsequent increase.

## Risk Factors

The Scottish House Condition Survey has found that the following households are more at risk of being in fuel poverty:

- Households living in **detached houses**. A third of households in detached houses are fuel poor compared with 19% of tenement dwelling households.
- Households living in properties with 'poor' NHER scores ie. in **properties with poor fuel efficiency**.
- Households living in **older dwellings** are more likely to experience fuel poverty with around 3 in 10 households living in dwellings built before 1919 being fuel poor compared to around 1 in 10 of those living in dwellings built after 1982. This is at least in part related to the greater energy efficiency of dwellings built after 1982.
- Older smaller and single **pensioner households**
- Households where their **income** is less than £100 per week.
- Households in **rural** areas
- Those living in **private sector** dwellings are twice as likely as those in social sector dwellings to experience extreme fuel poverty
- Households with partial central heating or **no central heating**.
- Households living in properties **heated by fuels other than mains gas**.

**Households in fuel poverty by tenure, NHER band, household type, household income and urban/rural (%)**



## **Fuel Poverty in Moray**

Moray Council will seek to alleviate fuel poverty by using its resources to influence the causes within its control. Moray Council will prioritise the groups of households most at risk of fuel poverty.

## **Fuel Efficiency of housing stock**

The Scottish House Condition Survey have found that 10.34% of private sector properties have a “poor” NHER rating, much more than the Scottish average of 6.15%. Moray has a higher proportion of properties built before 1919 (27%) than the Scottish average (18%) and 34% of properties in Moray are detached, much more than the Scottish average of 21%<sup>3</sup>. The Scottish House Condition Survey has assessed both of these issues as risk factors.

Nationally, since 2006 fuel prices have increased dramatically. SCARF estimate that the average cumulative increase in gas bills between 2003 and March 2009 is 141%, 83% for electricity bills. It is likely that these increases have moved many households into fuel poverty though this has not yet been quantified. SCARF report anecdotally that, since February 2009, they have seen a significant rise in the number of enquiries they have received from householders who are finding it difficult to pay their fuel bills.

Moray has an ageing population. GRO population estimates suggest that the population of persons of pensionable age will increase by 15% from 2006 to 2016 (by 9% for all Scotland) and that persons aged 75+ will increase by 32% over the same period (21% for all Scotland)<sup>3</sup>

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<sup>3</sup> GRO, 2006-based Population Projections for Scottish Areas

## SECTION 2

### Strategic themes and objectives

The overarching aim of this strategy is to meet the Scottish Government's target of the eradication of fuel poverty as far as reasonably practical by 2016 as legislated in the Housing (Scotland) Act 2001.

Tackling Moray's fuel poverty is arranged under 4 strategic themes:

1. Ascertain the nature and extent of Fuel Poverty in Moray
2. Raise awareness of Fuel Poverty
3. Develop programmes which aim to improve the energy efficiency of all housing stock in Moray
4. Promote fuel cost options and income maximisation

The themes (along with their objectives) are detailed in the rest of the section.

#### 1. Ascertain the Nature and Extent of Fuel Poverty in Moray

Effective approaches to tackling fuel poverty need to be based on accurate information. In 2006 the Council commissioned the development of a Fuel Poverty Indicator based on Census 2001 data. The Fuel Poverty Indicator provides an estimate of how likely a household is to be in fuel poverty at a data zone level. Data zones have populations of between 500 and 1,000 household residents<sup>4</sup>. The Moray Council and SCARF will use the Fuel Poverty Indicator to target fuel efficiency campaigning and public information to the localities where households are most likely to be living in fuel poverty.

The Moray Council is committed to implementing its Equality Strategy and will carry out an Equality Impact Assessment on this Fuel Poverty Strategy. This will involve consultation with the Access Panel as part of public consultation on this document.

**Outcome: Moray Council will have accurate intelligence to base strategic decisions on**

#### 2. Raise Awareness of Fuel Poverty

Issues associated with the consequences of climate change and fluctuations in energy prices are often covered in the media. However there is little advice in the media on what people should do if they are cold in their home, or if it is expensive to heat their home so they feel adequately warm.

We recognise that it is particularly difficult for the Council to reach individual homeowners and those living in the private rented sector with this information.

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<sup>4</sup> Scottish National Statistics - [www.sns.gov.uk](http://www.sns.gov.uk)

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However, even once they are aware of fuel poverty issues and the assistance that is available, knowing where to get help is often complex and confusing.

Households can move in and out of fuel poverty as their circumstances change. The impact of the credit crunch may result in more households seeking advice on reducing their fuel bills.

In Moray's first Fuel Poverty Strategy, we established a partnership with SCARF<sup>5</sup> for the provision of independent information and advice to Moray's citizens.

SCARF have done a lot of work over the last 5 years to raise awareness of fuel poverty in Moray by:

- providing tailored advice to individuals by phone and on home visits
- providing advice leaflets via their website
- giving advice at public events e.g. the annual Moray Tenants Conference
- running its Cosy Homes projects each year
- providing access to benefits checks to maximise household incomes
- providing fuel poverty awareness training to other professionals who carry out home visits as part of their duties e.g. housing officers.

We plan to continue this partnership throughout the term of this Fuel Poverty Strategy.

The strategy also identifies the need to initiate and refresh appropriate training and presentations at various levels within the community. Basic energy efficiency awareness courses are available from SCARF at City and Guilds level and there are short modular courses on specific topics of energy efficiency in the home including, all funding sources for energy efficiency improvement measures.

**Outcome: All householders in Moray will have access to free, confidential, accurate and impartial advice on fuel poverty issues.**

### **3. Develop programmes which aim to improve the energy efficiency of all housing stock in Moray**

Improving the energy efficiency of domestic properties is crucial to tackling fuel poverty. It is also one of the areas where Moray Council is able to effect most influence. There is little point in taking other measures to address fuel poverty e.g. fitting renewable energy generation, without ensuring adequate insulation to the property first<sup>6</sup>.

#### **Scottish Housing Quality Standard**

Social rented housing must meet the Scottish Housing Quality Standard (SHQS) by 2015 and Moray Council already had 69.3% of its own properties up to this standard, as at 31 March 2009. Through continuing investment this target should be met for

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<sup>5</sup> Save Cash And Reduce Fuel (SCARF) [www.scarf.org.uk](http://www.scarf.org.uk)

<sup>6</sup> Scottish Government, Fuel Poverty Guidance 2009

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Council housing by 2012. In addition the Council has a Moray Housing Standard<sup>7</sup> which requires higher levels of insulation and fuel efficiency for Council housing than required by the SHQS and we are working towards meeting this standard. We also support local Registered Social Landlords to bring their properties up to the SHQS.

Moray Council will develop a programme of fitting over-bath showers to its properties. There will be a prioritisation method, which is yet to be finalised, but shower fitting will commence during 2010/11.

The Scottish House Condition Survey has found that households living in properties in rural areas and properties using fuels other than mains gas are at risk of fuel poverty. During the term of the previous Fuel Poverty Strategy, Moray Council has investigated the potential to extend gas mains in some areas, but the cost of these works has proved to be prohibitive. During this time, technological advances in renewable energy sources have enabled Moray Council to implement a programme of heating upgrades from electric storage heating/coal fired heating to air source heat pumps in Rothes as a means of increasing the energy efficiency of homes located "off gas". Moray Council plans to extend installation of air source heat pumps to Council stock in other areas. RSLs are also planning to build affordable housing in Moray heated by air source heat pumps.

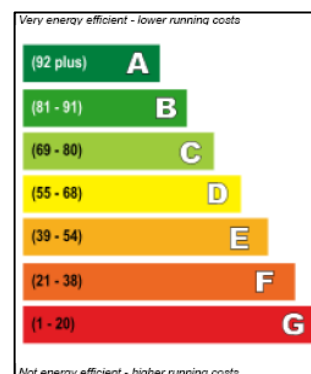
In May 2009 Moray Council accepted a tender to build 48 new Council houses in Elgin, following a successful bid for funding from the Scottish Government. These properties have been designed with enhanced insulation performance and will be fitted with air source heat pumps. These measures will minimise the risk of future tenants living in fuel poverty and will achieve a carbon emission rate that will be 27% below that required by 2007 Building Regulations.

The Council will support a pilot project that will see the first affordable housing built in Moray using straw bale construction. These properties will be insulated to a very high standard and use locally sourced straw, reducing the carbon footprint of the construction.

SCARF provides advice and information, including potential for grant funding, to anyone considering installation of insulation to their home.

However, the Scottish House Condition Survey has found that energy efficiency is worst in private sector housing<sup>8</sup>. Private owners and private landlords are currently under no obligation to bring their properties up to a standard that meets the SHQS.

From January 2009 the Scottish Government introduced the Energy Performance Certificate (EPC) to promote the improvement of energy efficiency of buildings. Dwellings will be given an energy efficiency rating (EER) on a scale from 'A' to 'G', with 'A' being the most and 'G' the least energy efficient. This is similar to the energy ratings given to white goods. **Every dwelling bought and sold or re-let must have an EPC.** The Scottish Government uses information



<sup>7</sup> available at <http://www.moray.gov.uk/downloads/file44469.pdf>

<sup>8</sup> <http://www.scotland.gov.uk/Resource/Doc/933/0079066.pdf>

from EPCs to measure progress on energy efficiency, carbon emission reduction targets and fuel poverty targets.

As part of the implementation of the Housing (Scotland) Act 2006, The Moray Council is developing a Scheme of Assistance<sup>9</sup> which will set out the help the Council can provide to owner occupiers and private tenants who need to upgrade their homes.

**Outcome: Moray citizens live in well-insulated homes, fitted with fuel efficient heating systems.**

#### **4. Promote fuel cost options and income maximisation**

Moray's Social Inclusion Strategy 2008 – 2011 states that *“The workforce is, on national average comparisons, low paid. Moray has a low wage economy, there is a shortage of affordable housing and research has shown that fuel poverty is a problem for many people.”* Implementing this Strategy forms part of the Social Inclusion Strategy Action Plan.

The Scottish Government has provided the Energy Assistance Package. It was introduced on 1 April 2009 and provides staged assistance to all households via its **helpline number 0800 512 012**. It is a holistic package managed by the Energy Saving Trust, to help maximise incomes, reduce fuel bills and improve the energy efficiency of homes. It replaces the Central Heating and Warm Deal programmes.

Where households cannot access help with energy efficiency measures through the Energy Assistance Package (Stage 4), the Council may be able to help with a Private Sector Housing Grant. Further details of this are available in the Council's Scheme of Assistance<sup>7</sup>.

The Council has a Money/Debt Advice Service<sup>10</sup> that aims to help clients deal with their debt problems and promote the availability of free independent money advice in Moray.

The Council has a well-established Welfare Benefits team<sup>11</sup>. Pressures of work prevent the team from providing a benefits check service, and this service is provided free through SCARF or through the Energy Assistance Package. However, the Welfare Benefits Team does provide an advocacy service for claimants who have been refused benefits and will provide representation at dispute hearings.

**Outcome: All households in Moray will have access to free, confidential, accurate and impartial advice on income and fuel cost issues.**

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<sup>9</sup> **LINK TO MORAY COUNCIL'S SCHEME OF ASSISTANCE**

<sup>10</sup> Money/Debt Advice Service available at [http://www.moray.gov.uk/moray\\_standard/page\\_1571.html](http://www.moray.gov.uk/moray_standard/page_1571.html)

<sup>11</sup> Welfare Benefits Service available at [http://www.moray.gov.uk/moray\\_standard/page\\_1736.html](http://www.moray.gov.uk/moray_standard/page_1736.html)