Briefing paper for the Health and Wellbeing Board: Fuel Poverty

Fuel Poverty

Fuel poverty and Excess Winter Deaths (EWD) remain key national priorities and are both indicators contained in the public health outcomes framework. Fuel poverty levels in Rotherham are higher than the national average. Fuel poverty occurs when a householder needs to spend more than 10% of their income to adequately heat their home. Fuel poverty is caused by the interaction of income, energy efficiency and energy prices. 16.7% of households in Rotherham live in fuel poverty; this compares to 14.6% across England and 17.7% in Yorkshire and the Humber. Fuel poverty occurs right across the borough not just in areas of high deprivation – Brampton, and Wentworth and Harley have high levels of fuel poverty. Most households are privately rented and pre-1919 properties.

Figure 1. Levels of fuel poverty across the borough.

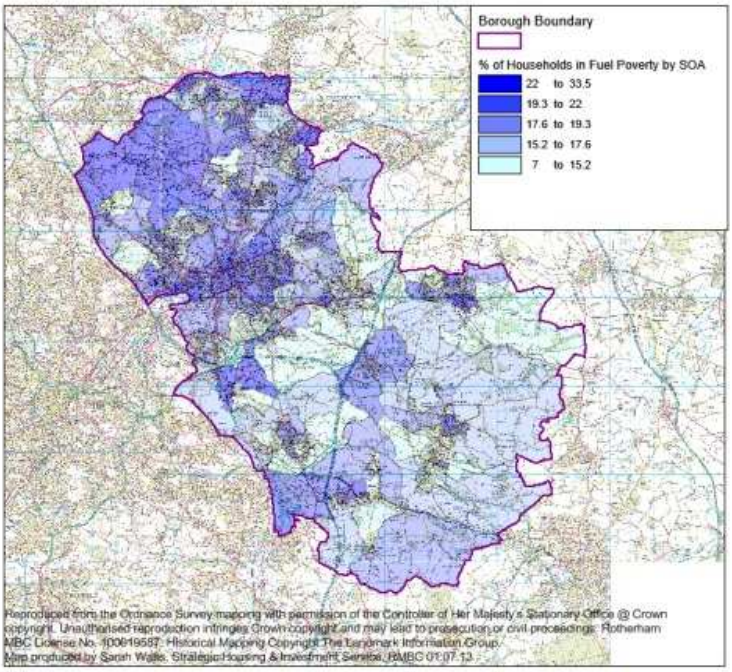
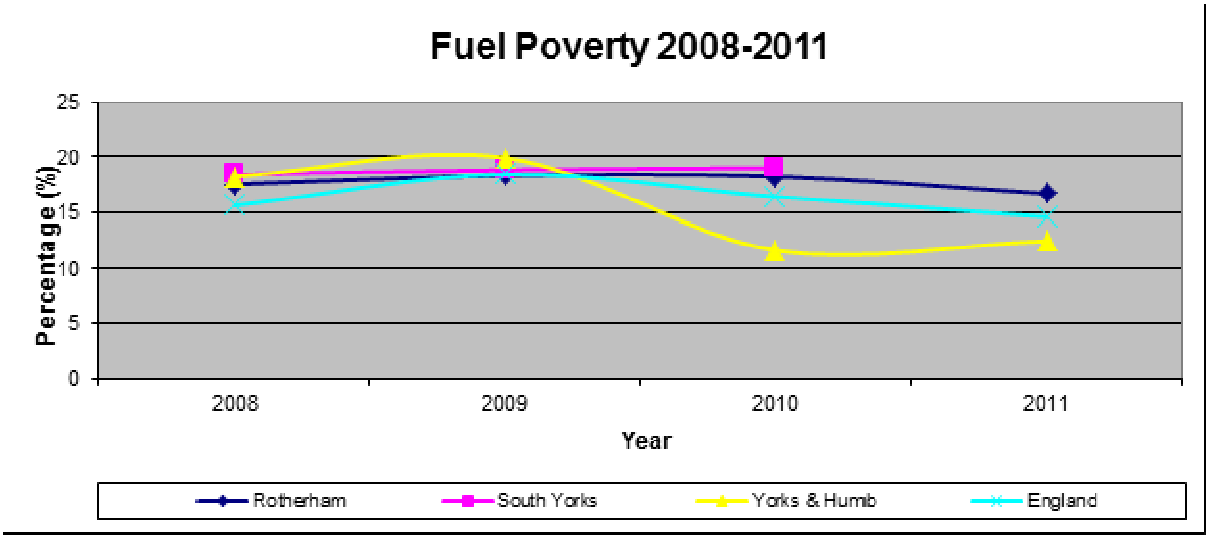
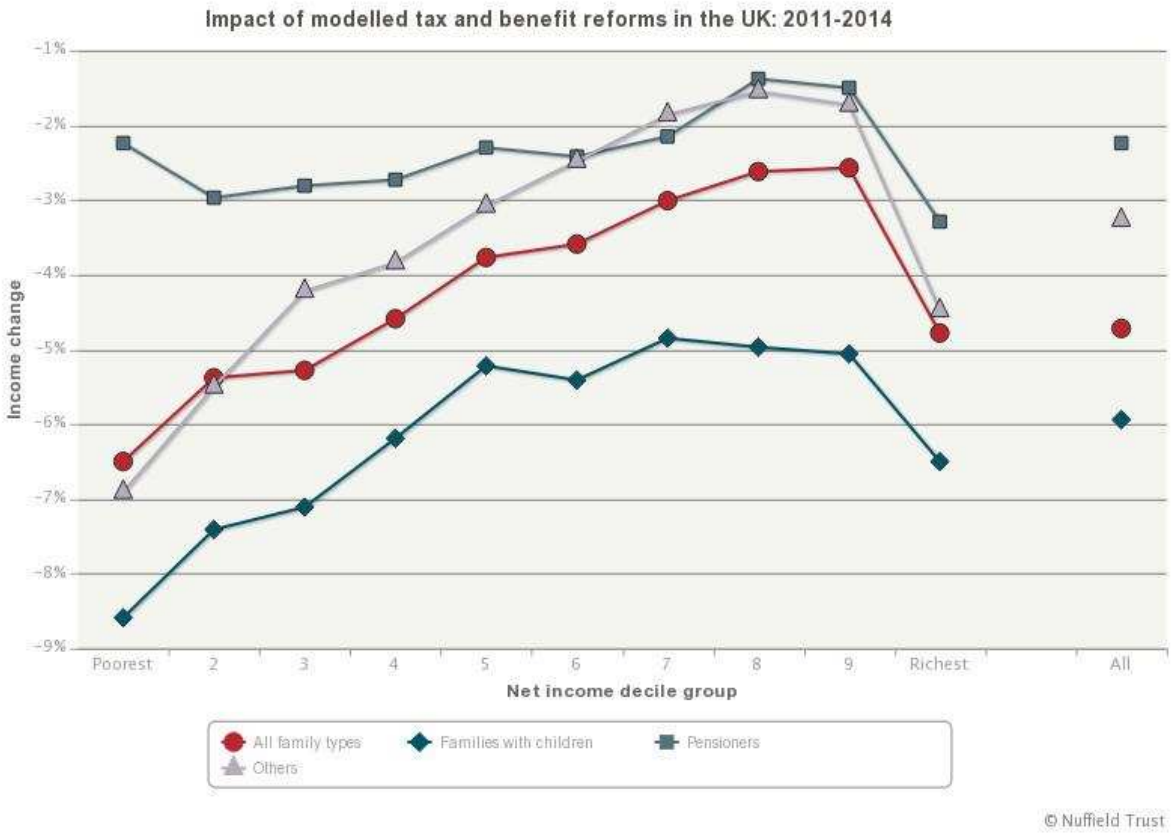


Figure 2. Fuel Poverty levels 2008-11, Rotherham, SY, Y&H, England



Whilst Fuel Poverty rates have fallen slightly over the last year Rotherham cannot afford to rest on its current achievements. Welfare reform is likely to increase levels of fuel poverty particularly in families on low incomes. Figure 3 shows the loss in income for poorer families with children. Those with below average incomes face losses of between 5% and 9% over the 3 years to 2014, with the poorest losing the most (workless families won't benefit from increased tax allowances). Families with children stand to lose between 1.5% and 2% more than the average for all households, so they are more likely to be pushed into fuel poverty or find that their existing fuel poverty is intensified by reducing income. Households living on the brink of fuel poverty face difficult trade-offs between heating their homes, feeding their families or getting into debt all of which can worsen mental or physical health problems.

Figure 3.



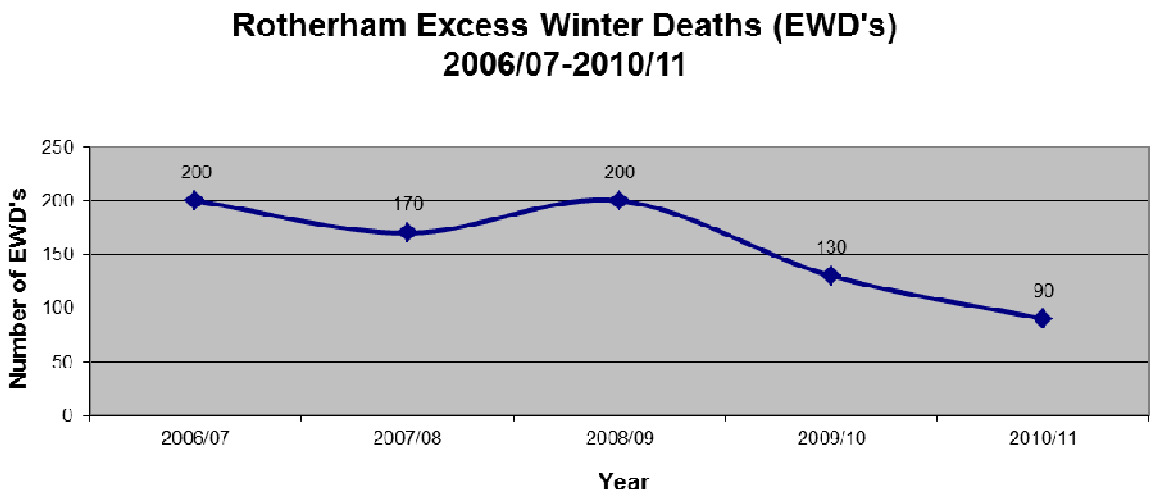
Health Impacts of Fuel Poverty

Living in a cold home has significant implications on the health and wellbeing of residents across our borough, particularly the most vulnerable. People with an existing chronic health condition or disability, the very young or older people are more at risk from the negative impacts of living in a cold home. Children living in cold homes are likely to have poorer attendance and attainment in school.

There was an average of 144 Excess Winter Deaths (EWD) per year between 1990 and 2010. The Office for National Statistics (ONS) standard method for calculating EWDs defines the winter period as December to March, and compares the number of deaths that occurred in this winter period with the average number of deaths occurring in the preceding August to November and the following

April to July. EWDs are associated with cold weather but are potentially amenable to effective intervention. These interventions could include raising awareness and knowledge of health impacts of cold homes to change individual behaviour or referral systems for access to energy efficiency schemes.

Figure 4. EWD 2006/7 – 2010/11



Ample empirical evidence exists to demonstrate the association between cold homes and premature death and a range of physical and mental illnesses. Attempts to monetise these associations have been made by a range of sources. The Chief Medical Officer estimated the annual cost to the NHS of treating winter related disease due to cold private housing to be £859million and suggested that investing £1 in keeping homes warm could save the NHS 42 pence in health costs.

Figure 5. The Private and Social Cost of Premature Death and Illness Related to Cold Homes, Rotherham, 2009/10, £ Million

	Premature Death	**Cardio Vascular Illness**	**Respiratory Illness**	**Falls at Home**	**Common Mental Disorders**	**Total Cost**
Loss of Well-Being	**£1.600**	**£1.216**	**£0.440**	**£0.636**	**£5.152**	**£9.044**
NHS Cost						
Secondary	£0.111	£0.258	£0.088	£0.133	£0.399	
Primary	£0.013	£0.021	£0.017	£0.029	£0.161	
Total NHS Cost	**£0.124**	**£0.279**	**£0.105**	**£0.162**	**£0.560**	**£1.230**
Social Care Cost	**£0.006**	**£0.012**	**£0.007**	**£0.008**	**£0.103**	**£0.136**
GDP Loss	-	-	-	-	**£0.453**	**£0.453**
Total Cost	**£1.730**	**£1.507**	**£0.552**	**£0.806**	**£6.268**	**£10.863**

Figure 5 presents estimates of personal and social costs arising from cold related premature death and a range of cold-home related illnesses. These estimates are in money terms and they are derived by multiplying per case costs by the number of cases - i.e. cost = number of cases x costs per case on a per case basis for Rotherham. They are dated 2009/10 which is the most recent year for which data for certain key variables are available. This economic model has been developed by Dr Bernard Stafford, Health Economist affiliated to the Centre for Health and Social Care Research at Sheffield Hallam University, working with the Abacus group. Sources of evidence used to generate this economic model include:

- English Housing Conditions Survey
- Housing Health and Safety Rating System
- Mental Health and Housing Conditions in England, National Centre for Housing Research 2010

This model maps cold, damp and mould to the probability of harm, and then the probability of harm is further mapped to economic and NHS cost. It is probable this is an underestimate of effect since the model assumes only one person per dwelling. The outstanding feature of the cost estimates is the dominance of costs relating to mental illness.

Policy and Interventions to Reduce Fuel Poverty

Green Deal is a new Government energy efficiency scheme which launched in January 2013. The Green Deal is envisaged as a 'pay-as-you-save' mechanism. Under the scheme customers are able to make their homes and businesses more energy efficient at no upfront cost. Repayments are made over a period of time via the customer's fuel bill.

How the Green Deal works: The level of the instalments can't be higher than the expected saving for the customer as a result of the improvements. If that Green Deal customer leaves a property, the next occupant will be responsible for continuing to make the Green Deal payments. This means that no customer should pay more for the energy efficiency improvements than the savings that will result from these improvements. This is called the Golden Rule.
In summary the two key elements of the scheme are:

a) **the 'golden rule'** which states that only properties where the projected savings on energy bills – as judged by an accredited assessor – are greater than the cost of the energy efficiency measures are eligible

b) **the repayments**, which are attached to the property rather than the individual. If the person who signed up for the scheme moves house, responsibility for payment will pass to the next person named on the electricity bill.

The Energy Company Obligation **(**ECO) will replace the existing Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP). It requires major energy suppliers to fund energy efficiency measures for vulnerable households and those living in hard-to-treat properties.

ECO is expected to represent about £1.3 billion per year of funding for energy efficiency measures. However, because the energy suppliers are expected to recover this money from their customer base via increased fuel bills, their targets are expressed as an annual reduction in carbon emissions (the carbon saving target) and an aggregate reduction in the fuel bills of supported households (the affordable warmth target). This incentivises the suppliers to achieve their obligations as cost effectively as possible.

As two major funding mechanisms for reducing carbon emissions, tackling fuel poverty and improving the local housing stock, the Green Deal and ECO are of obvious interest to local authorities. The fact that the schemes work at household level, and the obvious potential for a co-ordinated, area-based approach to delivery suggests a key role for local authorities in their delivery. Indeed, the Government's Green Deal and ECO consultation states that: 'the role of local authorities and other local partners is likely to be crucial in ensuring intensive and effective delivery of the Green Deal.'

The Green Deal working group is planning to set up a partnering framework to deliver the Green Deal initiative in Rotherham. Through this partnership framework a number of contractors will be procured who will each focus on a designated geographical area ensuring that Rotherham accesses a substantial amount of the £1.3 billion ECO funding available nationally. The group are also preparing an application to the Green Deal Communities Fund, an additional pot of money from Department of energy and Climate Change (DECC) to enhance the Green Deal offer to privately funding residents not qualifying for ECO.

Case Study

This case study is a reflection of work taking place under the Rotherham Warmer Homes strategy. The example comes from Yorkshire Housing and was funded through the Warm Homes Healthy People fund 2012/13.

Frozen and not wanting to leave the house a customer called to see if Yorkshire Housing knew any Gas Safe engineer to look at her boiler. Yorkshire Housing sent an approved contractor to the home who established that the boiler was over 40 years old. Yorkshire Housing staff revisited and found that client had cancer in its second stages with a diagnosis of only 6 months to a year to live. The home was extremely cold, and was causing the client to get depressed. The cold was impacting on her personal hygiene and her bathing habits so that once in a warm bath she just wanted to go to bed. This meant she was becoming increasingly socially isolated. Her character had changed dramatically and her husband was worrying.

Through the Warm Homes Healthy People funding Yorkshire Housing arranged for the installation of a new boiler, which was installed within two weeks of the initial visit. The couple stated the difference was unbelievable and they feels the woman's last months would be worry free and she wanted to go out again.

Resources

The 'Keeping Warm in Later Life projecT' (KWILLT), developed and conducted in Rotherham, aimed to identify factors influencing older people's decision making regarding keeping warm at home in winter and their barriers to accessing help. KWILLT Pen Portraits, e-learning and films are available at www.kwillt.org and www.winterwarmthengland.co.uk.

www.winterwarmthengland.co.uk The WWE toolkit was developed in Rotherham for Yorkshire and the Humber and is being utilised across England. It provides a range of resources and communications materials that staff from all organisations can use to spread messages about keeping warm at home to the public and their colleagues.

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