



Fuel poverty strategy for England consultation

CIEH submission

September 2019

About the Chartered Institute of Environmental Health (CIEH):

CIEH is the professional voice for environmental health representing over 8,000 members working in the public, private and non-profit sectors. It ensures the highest standards of professional competence in its members, in the belief that through environmental health action people's health can be improved.

Environmental health has an important and unique contribution to make to improving public health and reducing health inequalities. CIEH campaigns to ensure that government policy addresses the needs of communities and business in achieving and maintaining improvements to health and health protection.

For more information visit www.cieh.org and follow CIEH on Twitter @The_CIEH.

Any enquiries about this response should be directed to:

Tamara Sandoul
Policy Manager
Chartered Institute of Environmental Health
Chadwick Court, 15 Hatfields, London SE1 8DJ
Email: t.sandoul@cieh.org



Key messages in this submission:

- We welcome this consultation and the renewed focus that a refreshed strategy could bring to reducing the high levels of fuel poverty in England.
- We very much welcome a better alignment between different Government Strategies, including the *Clean Growth Strategy* and the *Industrial Strategy*. We would, however, also like to see a better link to the *Advancing our health: Prevention in the 2020s* strategy.
- In order to make significant progress in alleviating fuel poverty and in improving energy efficiency of our housing stock as a whole, significant funding will be required. Assessments by the Committee on Fuel Poverty and by the Select Committee for BEIS suggest that funding from Energy Company Contribution (ECO) and landlord contribution from the Minimum Energy Efficiency Standards (MEES) will not be enough, without additional central Government contribution and financial incentives.
- We agree with the change to the metric but would like to see an additional metric on cold-related health effects to show the real progress being made to reduce the impact of cold homes on health and the number of deaths due to cold homes. A measure of saving made to the NHS as a result of health impacts could also be a good measure. We would also like to see better links to health and excess winter deaths within the strategy document itself.
- Whilst we agree with many of the proposals individually, this strategy should provide more detail on how the different proposals would interact with one another, especially in situations where difficult decisions will need to be made in the context of limited financial resources.
- A clearer definition is required for cost effectiveness and its implications, including a statement on solid wall insulation measures and renewable heating and energy installations. Examples of how these measures might work together with the cost effectiveness principle would be useful to encourage more of these to be installed.
- We very much welcome interim targets and milestones to ensure that progress is made throughout the life of this strategy rather than only at the end, thus delaying the benefits for many fuel poor households. However, the milestones need to be more clearly defined, specifying how many households will be brought up to Band D or C by 2025 and 2030. For some tenures, firm legally binding targets may be required to ensure progress is made.
- It would be useful to have more information on the proposals covering the private rented sector and the future trajectory of the MEES, so these could be considered alongside this strategy.
- Alongside this consultation, we would like a careful review of Energy Performance Certificates (EPCs) themselves to ensure they are as



accurate and up to date as they can be. Plans will also need to be made to take account of the many properties without any EPCs and how these will be identified and targeted with fuel poverty measures.

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?

We agree. Tying the new metric to energy efficiency is a positive development as this will better connect the new fuel poverty strategy to the Government's *Industrial Strategy* and *Clean Growth Strategy*. Using Band C as the cut off for the definition of fuel poverty seems reasonable, as long as all the elements in the dwelling remain in good repair. A new metric, which is able to show progress made to alleviate fuel poverty as a result of the investment in energy efficiency of domestic dwellings could help to increase political will for more action and central Government funding in this area.

Substantial investment is needed to improve the energy efficiency of some of the most inefficient homes and to improve overall housing stock in England. The proposals in this strategy are ambitious but also absolutely necessary, given the scale of the problem, with over 2.5m people living in fuel poverty¹ and over 50,000 excess winter deaths recorded in England last year.² Both the Committee on Fuel Poverty and the Business Energy and Industrial Strategy Select Committee have highlighted gaps in funding required to meet the challenge of fuel poverty and energy efficiency. We would like to see a substantial investment from central Government in addition to Energy Company Obligation funding and the landlord contributions as part of Minimum Energy Efficiency Standards.

However, we would like to see an additional health-related metric being used to measure the success of this strategy. We see some merit in the Scottish measurement of fuel poverty, which focusses on the attainment of safe temperatures in the home for the required number of hours. This should be 21°C in the living room and 18°C in other rooms.³ The ability to heat a home to a safe and healthy temperature is key to avoiding cold-related deaths and other health effects attributable to long term-exposure to excess cold. There were over 50,000 excess winter deaths in 2017-2018 in England⁴, alongside many more avoidable hospital admissions. A supplementary metric, which is more closely related to health outcomes due to cold homes would therefore be a good measure of progress when assessing the savings made to the NHS and society as a whole as a result of a reduction in excess winter deaths and avoidable

¹ Committee on fuel poverty annual report, 2018.

² Excess winter mortality in England and Wales: 2017 to 2018 (provisional) and 2016 to 2017 (final), ONS, published Nov 2018.

³ CIEH Excess Cold Enforcement Guidance, CIEH, 2011 (soon to be updated and re-published)

⁴ [Excess winter mortality in England and Wales: 2017 to 2018](#), Office of National Statistics, Nov 2018.



hospital admissions associated with cold homes. This should be recognised as a key and explicit aim of the fuel poverty strategy.

In order to be used as an indicator of success in the new proposed metric, it is vital that EPCs are carefully reviewed by the Department for Business, Energy and Industrial Strategy (BEIS) to ensure that these are an accurate measure of energy efficiency in a residential dwelling. We believe that a validity of 10 years is too long to ensure that an EPC accurately reflects the actual energy efficiency of a dwelling for this length of time. Disrepair to energy efficiency measures can impact significantly on the cost of heating a home – for example, double glazed windows may be old and no longer effective. The age and repair of energy efficiency elements are not currently taken into account during an EPC assessment, which is an oversight. We have also heard from environmental health professionals working in housing enforcement that there are many inaccurate and sometimes falsified EPC assessments being done. The simplification of certain elements in the EPC also distorts the actual energy efficiency, such as the thickness and composition of solid walls, which can affect the heating costs for dwelling. Most importantly, a significant proportion of properties simply do not have an EPC certificate. A plan should be included within the strategy as to how these types of homes will be identified and targeted for intervention.

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 LIHC 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:

- a. Household energy requirements calculation, including heating regime**
- b. Equivalisation factors, for fuel costs and for income**
- c. Income methodology**
- d. Fuel prices methodology**

We have no comments to add.

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

We strongly support the use of interim milestones rather than one end goal in 2030. In theory, this is likely to ensure that progress is made more quickly rather than being left until the last couple of years before 2030. However, in their present form, the milestones lack clarity to be a meaningful measure of progress. We would like to see milestones that include a specific percentage of housing stock that would reach an EPC grade by a certain date. It should be



possible to estimate what proportion of housing stock is able to be upgraded in a feasible and affordable way so that this figure could be used as the basis of setting a measure of success.

For some sectors, legal minimums may need to be set around the milestones to ensure progress is made in a timely way. This is the case for Minimum Energy Efficiency Standards in the private rented sector. We would like minimum standards to be raised in the private rented sector (PRS) in line with the milestones in the fuel poverty strategy, to ensure that people privately renting their home are not left behind. The private rented sector often has some of the oldest and least energy efficient properties, which compounds the tenants' difficulties in achieving minimum room temperatures to avoid health effects. Further clarity is also required as to how the original cost cap will work with higher minimum standards in the PRS.

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?

We strongly agree that households living in the most inefficient homes and those with the biggest fuel poverty gaps should be assisted first to reduce the health impacts resulting from living in a cold home. We are keen to have more detail as to how a 'whole house retrofit approach' or a bigger jump in SAP to Band C could be incentivised. Would ECO schemes have an incentive to take a house straight to Band C or will there be bigger incentive to keep progress piecemeal, especially with the cost-effectiveness principle and interim milestones in place? In order to reach Band C, more properties will need to benefit from solid wall insulation. Due to the high cost of this measure, cost effectiveness is likely to be lower for this intervention than for other energy efficiency interventions.

A significant problem with this principle could be identifying the worst homes in the first place, since not all homes will have a valid EPC. The provision of funding to carry out EPC assessments on all properties that do not have any record of an EPC might be useful to ensure that the strategy is able to target the most fuel poor and least energy efficient homes. We have heard that funding for an in-house energy assessor working for a local authority can be an extremely valuable resource, which also helps the housing enforcement team to take prosecutions on any EPCs, which are suspected of being erroneous or falsified. This is an approach already adopted in places like Nottingham City Council, where a proactive housing enforcement approach is in place, but is not routinely funded in most LAs. A source of funding for this kind of post, even if it is shared between several areas, would be useful to ensuring that all cold and energy inefficient homes are targeted and improved.



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?

Whilst cost effectiveness and return on investment with regards to energy efficiency are important considerations, we do not believe the cost-effectiveness principle is clearly enough defined within this consultation document.

Furthermore, it is not clear whether the cost effectiveness principle related only to the savings made to energy bills or also to carbon reductions and health benefits achieved. In our opinion, achieving the necessary carbon emissions reductions as well as the health and well-being gains should underpin the aims of this revised strategy and the long-term cost savings should be included in cost-effectiveness calculations. This strategy has the potential to deliver three major policy aims. This therefore needs to be factored into the financial calculations and the central Government funding allocated to this strategy.

Secondly, we would like clarification on the status of properties, which are not deemed to be cost effective to improve. For instance, the Minimum Energy Efficiency Standard for the private rented sector is expected to result in around half of all Band F and G properties not being brought up to Band E because the improvements needed exceed the cost cap set for landlords. However, these are still very cold and energy inefficient properties, which often house fuel poor occupiers. Furthermore, if MEES were to be raised to Band D by 2025, in line with the overall fuel poverty strategy trajectory, how would this affect those properties which never met the original Band E standard? It is vital that the worst properties are not left behind and are also improved as part of this strategy. The principles of worst first and cost effectiveness seem to be contradictory.

Cost effectiveness will also need to be clarified with regards with solid wall insulation, which is one of the costliest interventions for properties with solid walls. With the typical cost solid wall insulation being between £7,400 to £13,000,⁵ and the current cost cap for landlords being £3,500 to bring properties up to a Band E, it is clear that if the minimum standard were to be raised to Band D or C, the cost cap would have to be substantially higher in order to improve properties with solid walls.

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?

We agree with the vulnerability principle and the need for persons vulnerable to the cold, due to their health and age, to be able to access help regardless of whether they are classed as fuel poor by the new metric. This is important if we

⁵ <https://www.energysavingtrust.org.uk/home-insulation/solid-wall>



are to make progress on reducing the unnecessary health burdens associated with living in a cold home, and the resulting additional costs to the NHS.

As well as hospital admissions costs and the impact on vulnerable groups such as the disabled and those living with long-term illness, the long-term effects on children should also be acknowledged. It is well evidenced that children growing up in cold homes have greater prevalence to asthma and respiratory diseases. Chronic cold conditions also impair child cognitive development and educational attainment, and there is more likelihood of long-term mental health impacts for such children in adulthood. This has been a key driver for the recent Scottish Parliament *Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019*.

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?

We strongly support the decarbonisation of heating in the UK and better alignment of the fuel poverty strategy with other government strategies, however significant investment will be needed to achieve this. At present, gas central heating remains one of the cheapest forms of heating in many properties, with the typical alternative being electric-powered heating, which is much more costly to run. Simply moving away from gas central heating systems is not a viable option, without a credible plan as to what will replace this. Government investment in renewable energy and heating sources, as well as heating networks and infrastructure would be needed to ensure that non-carbon heating sources are available widely and become an affordable alternative. The installation of typical domestic solar panel system is around £6,200 and is a very cheap source of heating for the occupier. Clarification as to whether this would be considered a cost-effective option, according to the fuel poverty strategy, could help in increasing the number of installations being funded by ECO and for those living in fuel poverty.

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

We are concerned by the lack of direct mention within the fuel poverty strategy consultation document of excess winter deaths. These are closely linked to fuel poverty and to living in a cold home. We would therefore like to see a guiding strategic principle around reducing excess winter deaths and hospital admissions for cold-related conditions. This would work well together with the health outcomes metric which we proposed in an earlier answer.

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?



As mentioned earlier in our response, we would like to see the most energy inefficient properties improved to a minimum standard so that the housing stock as a whole gets brought up to a higher standard. We would not like to see any difficult to treat properties to be left behind, with the exception of some listed or protected types of historical housing.

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?

Value Added Tax (VAT) exemptions would help some householders to prioritise energy efficiency measures to be installed in their homes. This would provide significant discount to high cost interventions, such as solid wall insulation, which will be needed to create a jump up on the average energy efficiency of a home in England. Obviously, public information and awareness raising of such a policy is essential to its success.

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?

No comment.

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?

Links between staff working for the NHS, social care and local authority housing enforcement teams need strengthening through government policy, guidance and financial commitments, so that action can be directed where it is needed. This is the critical organisation interface for preventing the revolving door of hospital admissions due to cold home environments. These relationships do exist but are now patchy following resource pressures within local authorities and NHS. Some practical guidance and training to foster and rejuvenate better local relationships and joint strategies would contribute to targeting ECO funding where it can make the best impacts for individuals, their communities, and the public purse.

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?

Local knowledge and action is the most effective tool in identifying the properties and people most at risk. The multi-disciplinary teams - NHS, social care and housing enforcement teams - mentioned above, are of proven worth when properly constituted, supported and financed to deliver on a number of cross-organisational objectives.



In addition, diverse ethnic groups find accessing help and information more complex. English is often a second language, and citizens can have difficulty in articulating their problems. An element of the strategy needs to address this important issue, which may need specific additional set of actions.

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?

No comment.

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?

Whilst energy bill rebates are useful for relieving short term debt and during cold spells, it might be best to take a long-term view of investment in more energy efficiency measures, even if this is for high cost homes or interventions. Some of the hard to treat homes are in danger of being left behind in Bands F and E as other homes get improved, due to not being deemed cost effective by the strategy or being too expensive for the MEES cost cap. However, improvements to these homes can also help to reduce energy bills substantially, helping to cut carbon usage, and improve health outcomes. Investing in housing stock is likely to bring very long-term benefits, not just for the current occupant of a property but for future occupants as well. As a result, even for hard to treat homes, such a payback time scale makes it an affordable and sensible investment for the future generations of families who may occupy those homes and benefit from those permanent energy efficient improvements.

More generally, we believe that further clarity and guidance around the cost effectiveness of solid wall insulation might be beneficial to target resources at measures which are quite costly but also have a large benefit to households struggling to heat their homes. Further guidance on the cost effectiveness of renewable energy sources, such as solar water heating would also be helpful.

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?

As above.

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?

We agree with the proposal to remove the exclusion of households who are not in receipt of means tested benefits. This will allow many more households who



are struggling to heat their homes to benefit from measures in the fuel poverty strategy. These might be people who are pensioners, long term disabled, those in in-work poverty or persons on zero-hour contracts.

The new vulnerability principle should also help. However, it is not clear from the proposals how two competing principles would be handled in the case of limited resources and funding. For example, will ECO money be used to help fuel poor households or those deemed as vulnerable, but not fuel poor according to the new definition?

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?

No comment.

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?

Much more investment is needed in green infrastructure and clean energy generation to reduce energy bills in the long term. At the moment, gas central heating is still one of the cheapest ways for most households to heat their home, whilst electrical panel heaters are often more expensive. This needs to be reversed or alternative cheaper sources of energy made available.

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?

No comment.

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?

No comment.

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?

No comment.

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?



We believe that a supplementary metric using some of the health outcomes of fuel poverty and cold homes would be a useful source of evidence on the progress being made by the new fuel poverty strategy. This would provide some way of assessing the impact that the strategy is making on the health and wellbeing of the people affected as well as the estimated cost savings to the NHS.

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?

No comment.

25. Are existing arrangements sufficient to meet our commitments to review and scrutinise Government action on fuel poverty?

No comment.

26. Do you have any further views or evidence on how the 2015 fuel poverty strategy should be updated?

In order to make significant progress towards achieving the ambitious goal of bringing the vast majority of homes to Band C by 2030, significant investment will be needed from central Government. The Business Energy and Industrial strategy Select Committee report⁶ concluded that *"ECO... has become the Government's key mechanism for alleviating fuel poverty through energy efficiency... ECO's lack of funding, its focus on low cost rather than need, and the requirement for top-up funds from recipients, make it unsuitable as the Government's only fuel poverty scheme. Following the example of the devolved nations, we recommend three tiers of funding consisting of ECO, centrally funded local authority schemes, and a further national funding safety net, to provide a comprehensive strategy for energy efficiency for fuel poor households."*

ECO, even in amended form, is not enough on its own to be able to achieve the ambitions of this strategy quickly enough. We believe that following the models in the devolved nations would be a step in the right direction. As well as providing safety to individuals and lifting them out of fuel poverty this strategy has the potential to make major inroad towards reducing our carbon emissions. Given the unprecedented threat and urgency of a changing climate and the pressing need to cut carbon emissions quickly, progress on this strategy should be one of the Government's top priorities.

The Committee on Fuel Poverty also highlighted that in order to achieve the 2020/2025 milestones, £2.8bn of additional Treasury funded schemes will be required. Wales and Scotland have Government funded schemes, which run alongside ECO funding from industry – we believe that something similar is needed in England to ensure that no homes fall through the cracks and so that everyone who needs help does receive it.

⁶ <https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/1730/1730.pdf>



Whilst we agree that most of the individual proposals within this consultation are a step in the right direction, there are no overarching priorities, which would help to decide on where limited resources should go and how one objective should be prioritised against another. Will the worst properties be improved first or will the most cost-effective measures be chosen? Will fuel poor occupants get priority or vulnerable groups living with health conditions? What will be the mechanism to enable and incentivise funding to be channelled into bigger impact but higher cost measures?