

Environmental *Change* Institute

# Fuel poverty – some British insights into practical policy. And Brexit



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# Some givens

- Reducing fuel poverty is about capital investment
  - Short-term help = more income and fuel switching
- Fuel poverty will get worse if incomes fall, fuel prices rise and housing deteriorates
- Fuel poor are hard to find
  - requires both detailed income assessment and energy audit of the home
  - many lead chaotic lives or hide
- Include all energy uses in the home to an adequate standard

# Monitoring vs delivery

- Two very different tasks
- Monitoring = academic, uses sophisticated national data, probably useless on the doorstep
- For energy efficiency improvements, start with delivery – have to visit the home
- Who knocks on the door and what questions do they ask?
- 20 seconds before the door is shut

# Ideal approach

- Area-based to incorporate the hidden and chaotic, no stigma, systematic
- First focus on where energy poverty concentrated
- Each property and each household is individual – need flexible, sensitive solutions
- Lot of mentoring and hand-holding = be an advocate
- High calibre, reliable, local installers – good quality work that meets householders needs

# Who delivers?

- The most-trusted agency = local authority
  - Takes responsibility for delivery
  - Manages installers
  - Works with community groups
  - Provides single point of contact for housing and health: one stop shop
- So, give each local authority the duty to reduce fuel poverty and the funds

# Northern Ireland fuel poverty policy

- Data analysis at census output area (125 households)
- Rank COA for fuel poverty, by local authority
- All local authorities participate
- Local authority knocks on doors to determine eligibility
- £20,000 household income threshold, specialists confirm
- £10,000-worth of energy efficiency measures
- Government money
- Landlords pay 50%
- Household chooses installer

# Why do people say 'No'?

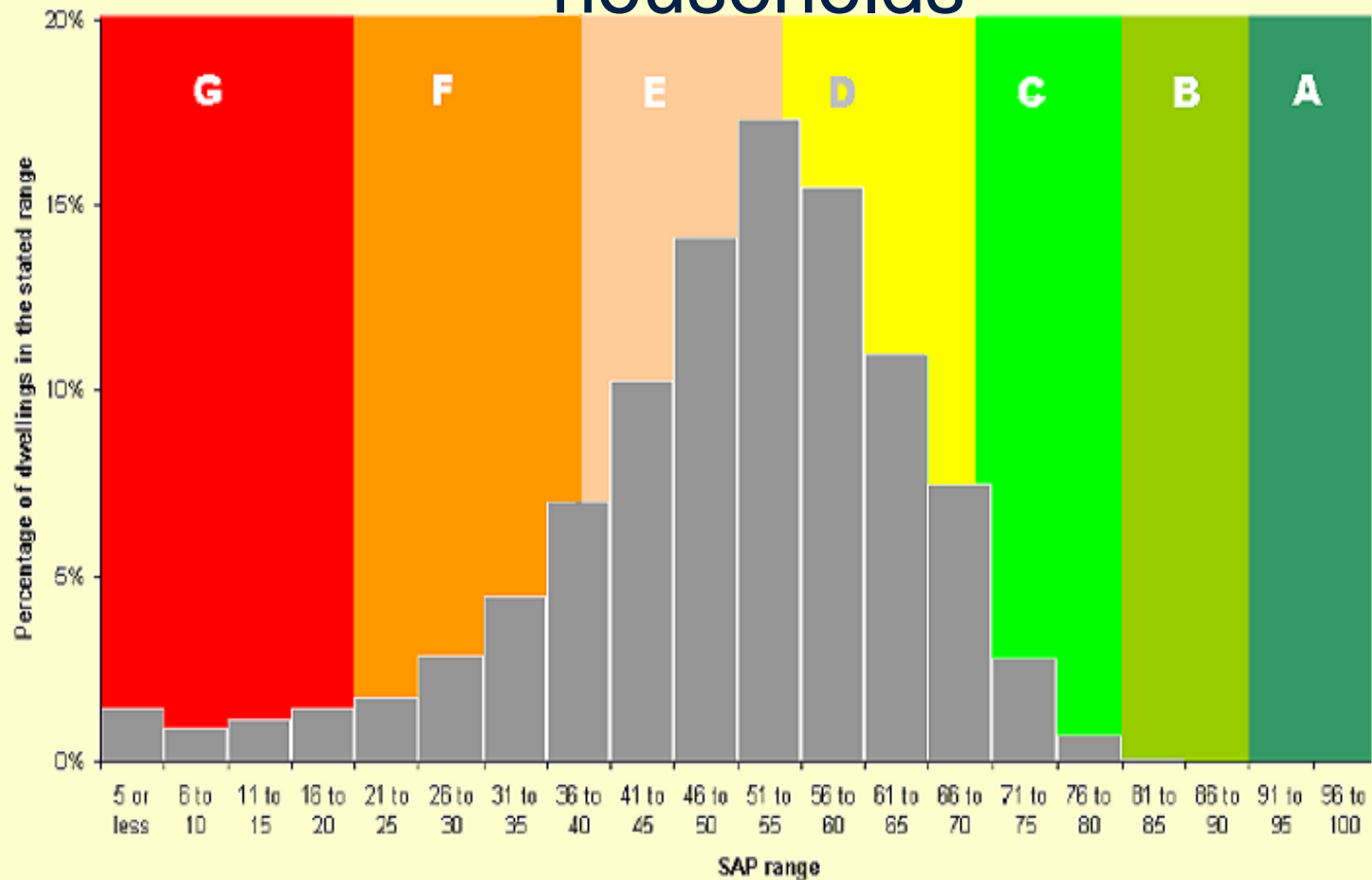
- Take-up rate:
  - First visit = 15-50%
  - Over time = 95% (several years)
- Just not the right moment - could be later
- Fear and worry: will be worse than before
- Hate intrusion, people in the home, disruption
- Has to be a long-term programme, go back
- Build community confidence – word-of-mouth referrals

# What energy efficiency standard?

- Measures vs standards
- Regulators like measures
- Standards require trusted installers, to cope with the conditions of each property and householder's wishes
- Average of A by 2050 for climate change policy
- What action on electricity for lights and appliances?



# Energy efficiency distribution of households



# Space heating

- Severely fuel poor 400 kWh/m<sup>2</sup> pa
- UK housing stock, 2016 150 kWh/m<sup>2</sup> pa
- Enerphit (retrofit) 25 kWh/m<sup>2</sup> pa
- Passivhaus (new build) 15 kWh/m<sup>2</sup> pa

# Trend towards more space

- Slow turnover of building stock
- Demographic changes faster
- Household size (pph) decreasing
- Space per person (m<sup>2</sup>) increasing
- Each household occupying more space per person
- Build for single person households

# Government and housing policy

- Clear targets for the energy efficiency of whole housing stock
- Average home to be A-rated by 2050
- Super energy-efficient + renewable energy
- Responsibilities and targets for each local authority and each household
- Regulatory framework and/ or financial incentives

# Which policies: regulation or money?

- Regulate – mandatory minimum standards, all tenures, over time
- Requires strong public support
- Or grants for those with no money
  - Are you giving grants to poor people, even when they have rich landlords?
  - Or are you making the rich landlord improve the property?

# Who pays?

Dual aims:

Release the equity in the building

Make energy-efficient buildings more valuable

- Building owner's responsibility
- Financial incentives at purchase – tax rebates
- Only a few poor get a grant or subsidy
- Lifetime mortgages for poor owner occupiers, at zero interest

# Raising the money for grants

- Is this from general taxation, via The Treasury?
  - Progressive, as poor often pay no tax
- Or is it being funded by the utilities, via all customers?
  - Regressive, as energy poor have to contribute, whether or not they benefit
- How quickly will you upgrade all energy poor homes?
- To what standard?
- So, what is the budget? May not be much public money

# Timescale

- Improve each fuel poor home by 2030?
- Take each fuel poor home out of fuel poverty at first visit?
- Get each fuel poor home to 2050 standard at first visit?
- Maximum of two visits per home to get to A band?
- Incremental improvements become less cost-effective
- Snowball effect – more and more homes to be treated in fewer and fewer years



# Value of other benefits

- Warmer, happier people
- Less physical and mental ill health among fuel poor
- Cost of refurbishing a cold home recovered through reduced health costs in 7 years
- Children have better school attendance
- Less debts with utilities and housing providers

# The utility's role

- Ensuring customers do not get into debt
  - Offering prepayment systems for those at risk of debt
  - No disconnections for debt
  - Offering a range of tariffs, eg reduced costs for small users
  - Identifying the vulnerable for special assistance eg during heat-waves, outages, floods, severe winters
- = Dedicated, central support system

# Résumé

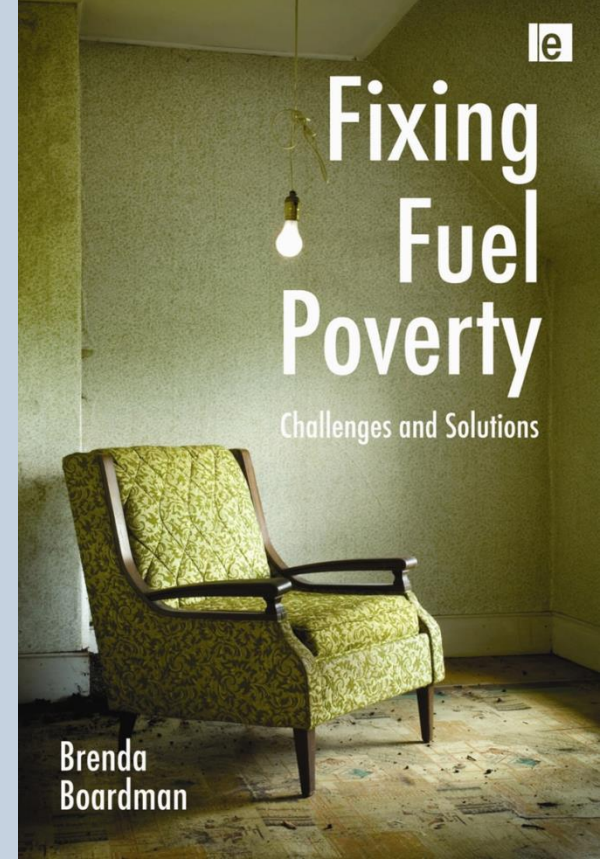
- Cold homes expensive for health providers and society
- Need comprehensive policy on energy-efficiency of housing, all tenures, all energy, over time
- Grants for energy poor, only
- Focus on delivery not monitoring
- Good for fuel poverty and climate change

# Brexit

- Immediately, no policy time for fuel poverty
- Reduced national wealth = less money for fuel poor
- Product policy – UK same as EU?
- Unilateral action by UK, eg on phasing out halogen lights



Thank you



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