

DISCRETIONARY REWARD SCHEME

FUEL POVERTY CAMPAIGN



WALES & WEST
UTILITIES

*WORKING TO KEEP
OUR CUSTOMERS SAFE*



Introduction

WWU has worked proactively with our Fuel Poor partners in 2010/11 to inform Responsible Social Landlords (RSLs) and individuals about our scheme and the package of funding they can benefit from to improve the efficiency of the home. As a result, 1738 properties have been connected funded under the scheme by WWU with another 200 properties being paid for by the RSLs but benefiting from grants towards the heating or insulation via our Fuel Poor partners.

WWU has also established working relationships with the Energy Savings Trust and British Gas who will administer the new Wales Fuel Poor schemes (Nyst/Nest) from the 1st April 2011.

We are working with the Welsh Assembly Government (WAG) who are keen to understand the availability of gas to current non gas customers and how this fits with their overall Fuel Poor strategy. We are now represented on the Fuel Poverty Cross Party Working group with WAG.

We have also raised our profile by working with National Energy Action (NEA) and Consumer Focus. We have also led the Red Point work with ENA to demonstrate the part that gas has to play in the future energy mix for the UK whilst meeting the 2050 carbon reduction targets.

Fuel Poor summary for 2010/11

Category	Number	Mains laid (km)	WWU funding of infrastructure
HEES/Warm Front	588	0	£0.51m
IES (Warm Wales)	1,150	5.116	£1.46m
Total	1,738	5.116	£1.97m

Estimate Fuel Switch Cost and Carbon Savings

Original fuel	Number	Typical Annual Fuel Saving	Total Annual Fuel Savings	Estimated lifetime CO ₂ Saving (tonnes)	Total CO ₂ saving (tonnes)
Electric	1,403	£480	£673k	50	70,150
Coal	251	£740	£186k	85	21,335
Oil	75	£170	£13k	20	1,500
LPG	9	£230	£2k	20	180
Total	1,738		£874k		93,165

Qualifying criteria summary

Customer Category	Number	IMD Top 20%	Over 70	Qualifying benefits	Fuel Poor
RSLs	772	477	147	145	3
Private individuals	966	76	140	724	26
Total	1,738	553	287	869	29



Case Studies

Swansea Valleys ARBED scheme

Wales & West Utilities Fuel Poverty Grant Scheme contributes to ARBED Phase 1 – Welsh Assembly Government Programme with a Gas and Heating Scheme at Pontardulais and Clydach, Swansea

<http://www.swansea.gov.uk/index.cfm?articleid=38299>

A major scheme to extend the mains gas network to 223 homes in the communities of Pontardulais and Clydach, Swansea has contributed to a highly successful, national programme of community energy performance investment and regeneration in Wales. The £30 million ARBED Phase 1 programme has been recognised as leading the way in Europe for its achievements in 12 months of delivery.

In March 2010, the Welsh Assembly Government launched the new programme designed to develop a more strategic co-ordinated approach to the work undertaken and investment made in improving domestic energy performance in Wales. ARBED is Welsh for 'saving' and the principle aims of the new programme focus on the eradication of fuel poverty, reducing the impact of climate change, and boosting economic development and regeneration in Wales.

Warm Wales, Wales & West Utilities' Fuel Poverty community interest partner, identified that many low income households in the communities of Pontardulais and Clydach did not have access to a mains gas service. While families living in some streets in the area had had the use of a cheaper fuel for many years, others were still using coal back boilers installed over 30 years ago and were not energy efficient. The estates were built by the local authority, City & County of Swansea, in phases dating from the 1950s to the 1970s. Over the years, where the coal boilers had failed or where tenants had bought their own homes,

some electric storage heaters, oil or LPG boilers had been installed. The two estates were located in areas selected by WAG for Strategic Regeneration programmes and ranked within the 25% most deprived areas in Wales.

The Wales & West Utilities Fuel Poverty Scheme contributed over £135,000 towards the £253,152 costs of the mains gas and service connections scheme. This was a valuable contribution towards the match funding which WAG expected its programme to obtain. In addition, heating grants worth over £480,000 were offered with the WWU Fuel Poverty Scheme (Carbon Energy Reduction Target funding and WAG/ARBED funding) to assist both the council and private home owners to install new, energy efficient gas boilers and heating systems.

The ARBED programme intended that low income households should have access to the benefits of renewable and low carbon technologies. At Pontardulais and Clydach, some homes will receive both new gas heating and photovoltaic panels to provide free, solar generated electricity during the day. Other homes will have both gas heating and compatible solar hot water equipment to further reduce their fuel costs.

Residents of Bryniago, Pontardulais

39 families in Bryniago, Pontardulais were living in one of the streets which benefits from a mains gas supply for the first time. The homes were built in the 1970s with coal central heating.

Mrs Sandra Toth

Mrs Toth was one of the original council tenants living on the estate and has had both a coal boiler and replacement oil boiler installed in her home.

She said: "My house feels much warmer in all the rooms and now the old oil boiler has

been removed, I have more space in my kitchen. I won't have to worry about the increases in the price of oil any more. It was just going up and up. The gas supply will make things much easier as well. It was an awful job for both the coal and the oil delivery men to reach my back garden to deliver. They had to squeeze past both my neighbours back gardens to get to my house. I've had solar electric panels fitted to the back roof of the house as well so I should be making quite a saving on my bills."

Miss Angharad Evans, Mr Jonathan Hire and Ronan (2 years)

Miss Evans has lived in Bryniago for five years and was using a coal back boiler to heat her home.

Miss Evans said: "The gas heating has made a big difference. It feels much warmer in the house now and the new heating is much cleaner and less trouble than the old coal heating."

Miss Kelly Babb, Mrs Jackie Maccarinelli and Miss Sharon Davies

Miss Babb, Mrs Maccarinelli and Miss Davies are all neighbours in Bryniago. The Wales & West Utilities Fuel Poverty Scheme meant that many council tenants such as Miss Babb and Miss Davies qualified for a grant and this helped to bring the gas main to the street so that home owners like Mrs Maccarinelli could afford to connect their homes as well.

Miss Davies said: "I've lived here for 14 years. We have been paying about £30 per week to buy coal for heating so I'm expecting to make a saving now that we have gas heating. The house has been much warmer in fact; it's too warm at times! Now we have really hot water whenever we need it. Before, the water was only lukewarm and we had to use the immersion heater for hot water. Otherwise, we would lose heating from half the rooms in the house while the old system heated up the water."

North Wales Councils

Warm Wales and WWU visited all of the North Wales Councils soon after the launch of our Fuel Poor scheme in November 2009 to explain the WWU fuel poor scheme and the additional grants that Warm Wales could provide towards heating and insulation costs. As a result, a number of projects and individual connections were identified by the councils. WWU worked to carry out an initial assessment of these properties' proximity to the gas network and then progress schemes for the economic projects.

Many of these projects fell with CESP (Community Energy Saving Programme) areas and hence allowed the Gas Suppliers and Councils to meet targets set them by Government.

As a result, Flintshire Council has connected 257 properties with another 78 in progress; Wrexham Council has connected 110 properties with 50 in progress. A third phase of schemes has been identified in Wrexham which will connect another 130 properties in 2011/12.

The other Councils and associated Housing Associations have connected in the region of 150 properties with programmes of work planned for 2011/12.

Devon and Cornwall

In the South West, an initial contact with Devon and Cornwall Housing has spread to pick up schemes with Plymouth Housing and Carrick Council. A number of schemes in IMD Top 20% areas of Plymouth were identified which have resulted in 200 connections in Plymouth plus 50 properties in North Devon and 85 in Falmouth, Cornwall.

The work to built relationships in this area is continuing with Exeter Council currently progressing connections for 200 individual properties and well as the feasibility of supplying gas to a 10-storey block of flats in conjunction with an exterior wall insulation scheme.

Individual Customers

Whilst the work with the RSLs has been successful in making connections in 2011/12 and establishing a programme of work for 2012/13, connections to individual customers have still represented 53% of the workload.

The following examples were provided by EAGA to demonstrate how we have transformed the lives of vulnerable people.

Mr D, 82 years old, Gwynedd

Mr D applied for a HEES grant in February 2010. On assessment, he qualified for the Whole House Assessment Scheme as he was over 80 years old, and was identified as requiring a new central heating system and external wall insulation. Due to the fuel poor discount voucher, a gas connection to the mains was achievable, and Mr D received a new gas connection in April 2010, and a new gas central heating system a short time later. Mr D wrote to HEES Scheme Manager, EAGA, to express his 'delight' at the improvements to his home and new central heating system. Mr D could save over £600 a year on fuel bills having changed from electric to gas central heating.

Mr B, 88 years old, Vale of Glamorgan

Mr B received a HEES assessment in July 2010, qualifying for the Scheme because of his age. Mr B had an existing oil-fuelled central heating system that was broken and couldn't be repaired, but due to its proximity to the gas mains and the Fuel Poor discount voucher, he was able to receive a new gas central heating system. The work was completed in October 2010, and Mr B wrote to EAGA to say the system was 'wonderful' and he had been very impressed with the service received during his application. Mr B could save over £200 a year on his fuel bills having swapped from oil to gas central heating.

Understanding the potential impact of gas on fuel poverty

Working with the WAG Climate Change division, a GIS mapping exercise has been undertaken for Wales. This overlays data of the WWU gas network with XoServe data to identify properties without a live MPRN, Lower Super Output Areas and political boundaries.

This is allowing WAG to generate statistical data on the proximity of non gas properties to the gas network (to be banded: up to 50m, 50-200m, 200m to 1km and greater than 1km).

	Wales volumes	South West volumes (est.)
Domestic premises	1,280,000	1,987,828
Using gas	1,079,111	1,340,000
Not on gas	200,889	534,664
Penetration	84%	73%

The exercise will also identify a number of key areas which WAG want to trial. WWU is involving its Fuel Poor partners and British Gas to carry out a feasibility study of these areas and to progress gas schemes which are seen as offering the least whole life costs to the households.

A partner is being sought in the South West to carry out a similar exercise. In the meantime, IMD Top 20% areas are being assessed to identify opportunities. There are only 86 IMD Top 20% areas in England in our network (out of 6,500 IMD Top 20% areas in England as a whole). However analysis shows scope for high levels of connections in Swindon, Bristol, North Somerset and Gloucester Areas and meetings are arranged with the Councils and RSLs in these areas.

Summary

The WWU Fuel poor scheme has become embedded into our business as usual processes in 2010/11. However, in order to support the proactive role that WWU plays in alleviating fuel poverty, a small team has been formed as of the 1st April 2011 to handle the initial enquiries from third parties and to filter out the economic schemes. In addition, this team proactively identifies opportunities for connecting clusters of properties through face-to-face meetings and desktop exercises.

We have listened to feedback from the DRS panel and sought to engage with relevant third parties to better understand the fuel poverty issues in the UK and the regional strategies that exist to tackle the issue. We have aligned our partners to be able to capture and report data which shows the full benefits of our scheme including fuel cost savings and reduction in carbon emissions as well as the funding from our scheme.

Current indications from work in progress and schemes in development suggest we will connect another 1,500 customers in 2011/12. This will however be challenging with the change in focus of the Welsh scheme and reductions in funding for the Warm Front programme.

We also recognise the increasing role of renewable technologies in the UK energy market. We aim to provide information to customers on the options open to them and direct them to independent parties to ensure they receive the least whole life cost option for their circumstances.