

Consultation on potential change to the Fuel Poor Network Extension Scheme

This consultation response is on behalf of the Sustainable Energy and Climate Change Team of Leeds City Council. We are responsible for developing policy and commissioning projects to reduce carbon emissions and alleviate fuel poverty across the city of Leeds across all tenures of domestic housing. We work closely with private and social sector housing providers, including Housing Leeds, who are responsible for the upkeep and day to day management of council owned housing stock in Leeds.

We lead on work towards the implementation of the council's Cutting Carbon and Improving Air Quality breakthrough project, and we coordinated the development of Leeds' Affordable Warmth Strategy 2017-2030. We also manage Leeds' Affordable Warmth Partnership which brings together partners both from within and outside of Leeds City Council who are concerned with improving affordable warmth across the city.

Our colleagues in Housing Leeds have long worked to bring gas mains to non-connected areas of the City using the FPNES, and we have worked alongside them using both the FPNES and other schemes such as Warm Front, the central heating fund, and in the near future the warm homes fund to ensure that low income residents who are in, or at risk of fuel poverty, have the opportunity to benefit from central heating.

We therefore believe that we have a considerable interest in the continued effective operation of the Fuel Poor Network Extension Scheme for residents of all tenures across the City and can bring a wealth of experience from successful delivery.

Question 1, Do you agree with our proposed approach to the FPNES ? Please state why or why not.

We strongly disagree with the proposal to remove the IMD criterion from the FPNES scheme. As a Council, we have undertaken a number of gas mains extension schemes which by their nature tend to be area based, and the proposed removal of the IMD criteria could jeopardise further projects in the future.

Leeds has a relatively high proportion of housing that was built without access to a gas main. These were typically Council estates in low income areas (a large proportion of which are low IMD areas in respect of the scheme) which were built when electricity was expected to be cheaper. Typically a third of properties in these areas are privately owned or rented, with the remainder owned by the Council. For it to be viable to extend the gas main into these areas requires the vast majority of homes to be eligible for a gas connection and this is much more likely where whole areas are deemed eligible. We have found through previous schemes such as the central heating fund that it is much easier to match whatever grant funding is available for central heating installation to the IMD criteria, meaning that network extension schemes are more likely to be viable in these areas.

We believe that relying solely on the personal circumstance of the householder is too rigid and does not take account of the fact that residents living in low IMD areas without central heating are by their nature likely to be struggling with low incomes, higher than average heating costs and obsolete and difficult to control heating systems. For private sector properties, a householder would need to meet the eligibility criteria for grant assistance towards the installation of a central heating system anyway, therefore for a lower income household which just missed out on eligibility for heating, having access to a grant towards the gas connection, which might otherwise cost in the region of £2,000, could mean the difference between central heating being affordable or not. In such circumstances where a household is just outside the fuel poverty eligibility criteria, the installation of modern heating can help to futureproof those households against fuel poverty, which is particularly

important in the current economic climate in which people's circumstances can change rapidly due to zero hour contracts etc. This can also make it difficult to identify whether a household is in fuel poverty by normal methods, due to fluctuating income levels for example.

The IMD eligibility criteria also helps to reduce our costs associated with proving whether individual households are fuel poor, which are resources we would prefer to spend on solving the problem of inadequate heating in our most deprived areas.

Question 2: Are there any consequences that we have not appropriately considered in our proposal ?

We believe that you have not adequately considered the consequences of the proposed changes to network extension schemes which rely on an aggregate proportion of properties being eligible for a connection under the FPNES. Bearing in mind that these are by their nature areas of high multiple deprivation, if too many households find themselves marginally outside of the fuel poverty criteria, this could jeopardise the viability of the network extension and prevent residents who meet the fuel poverty criteria from receiving adequate heating.

Question 3: Is there any other evidence we should consider in making our decision? If so, please provide it

In your letter, you acknowledge that "the incidence of fuel poverty among those not connected to the gas grid is likely to be higher, but we are not aware of any statistics that allow us to estimate the magnitude of this". We do not consider this to be an adequate basis on which to remove the IMD eligibility criteria.

Within Leeds City Council's own housing stock, we have modelled that 86% of homes which are off the gas network, are EPC band D-G as opposed to 52% of LCC homes as a whole. This represents a much greater heating requirement overall and consequently a greater risk of fuel poverty which is not accounted for in your proposal at all.

Question 4: Do you consider 1 April 2018 to be an achievable timescale for the eligibility criteria to change?

We do not consider 1 April 2018 to be an appropriate date for the removal of the low IMD criteria. From the 2011 census data, the Government estimates that there are approximately 16,000 households (5%) in Leeds that are off-gas properties. As many of these are agglomerated more than 25m away from a gas main, such a change to the eligibility criteria could seriously impede our ability to provide central heating in those households who are fuel poor.

It should also be noted that successful bidders for the Warm Homes Fund have recently been announced and this programme is planned to run over the next three years. A 1st April 2018 deadline will not be appropriate where projects have been planned on the basis of using the IMD criteria over that longer period.

Question 5: Do you consider a transition period to be appropriate ? If so, do you agree with our proposed timescale.

We do not agree with the change in policy, therefore we do not consider a transition period to be appropriate.

Question 6: Are there any other transition elements we should consider ?

If OGEM is determined to amend the IMD eligibility element of the scheme, we believe it would be less damaging to restrict the eligibility criteria to the lowest 15% IMD areas for example, rather than removing the criteria altogether. This way we would at least be able to continue gas mains extension schemes in the most deprived areas.