

## ALEO South East: Autumn Forum Wednesday 12<sup>th</sup> October 2016

Kindly hosted by Kent County Council

### Attendees

Hazel Hill	Bracknell Forest Council (Acting Chair)
Chris Johnes	BRE
Sandra Woodfall	Dartford Borough Council
Dipna Pattni	Gravesham Borough Council / KEEP
Marie Jones	Hastings Borough Council
Samantha Simmons	Kent County Council
Mark Jenner	Ofgem
Robbie Marjoram	Scottish Power
Rachael Mills	SE <sup>2</sup> (Secretariat)
Charles Malissard	Smart Energy GB
Janet Hill	Swale Borough Council
Lucy Hicks	Tonbridge & Malling District Council
Justin Bailey	Wealden District Council
Andrew Herbert	YES Energy Solutions

### Apologies

Catherine Geoghan	Arun District Council
Amanda Martin	Dover District Council
William Bickers-Jones	Gosport Borough Council
Gill Daniel	Horsham District Council
Verena Boxall	Runnymede District Council
Robbie Stevenson	SGN
Alison Armstrong	Spelthorne Borough Council
Cliff Darby	Tandridge District Council
Deborah Vincent	Test Valley Borough Council
Evangeline Wood	West Berkshire Council
Phil Newton	West Berkshire Council
Tracey Hoskins	Woking Borough Council

### 1. Welcome

Hazel Hill welcomed everyone to the meeting. She reflected that it was a shame more members weren't able to join us for what is an interesting agenda.

## 2. Minutes from the last meeting and actions arising

There was only one action from the last meeting - to feedback to DECC on HECA - which has been done. The minutes were approved.

## 3. National and regional update

3.1 **Access to EPC data:** Local authorities were supposed to be getting free access to EPC data in October, but this may now not be until December. Apparently there is a delay due to data protection, even though the information is already in the public domain (the data is available to purchase).

3.2 **ECO Deemed Scores:** [Ofgem's response](#) to this consultation was published on 6<sup>th</sup> October, alongside the ECO scores and lifetimes. Unfortunately age of the dwelling has not been included. Rooms in the roof have been changed to zero insulation.

3.3 **ALEO National Conference:** This is taking place on Friday 14 October in Bournemouth, and at which the ALEO awards will be announced. The entries were of a very high standard and it was a difficult decision to make.

3.4 **Minimum EPCs for social housing:** Rumours are still going round about minimum energy savings for social housing. It has been suggested that a maximum cost of £5k to lift a home from a F to a G rating could be introduced, with an exemption if the investment would exceed this amount.

3.5 **Energy Efficiency and Retrofit Awards:** Bracknell Forest Borough Council came third in these awards, behind Peterborough and Enfield. The 2017 focus of the awards will be on the vulnerable and fuel poor: it would be great to get our region on the map.

3.6 **Finance:** Jo Faul has agreed to take over as ALEO SE Treasurer. We currently have about £7k in the bank.

## 4. Smart meter roll out: reaching vulnerable customers

Charles Malissard, Smart Energy GB (see slides)

4.1 Smart Energy GB is here to ensure that people don't miss out on the smart meter roll out. Our objectives are to grow awareness, increase confidence and help the vulnerable. We are not an energy supplier or an installer: we are just raising awareness through a communications and partnerships campaign.

4.2 The roll out as set out by government legislation is national and non-geographic, but it's not mandatory to have one installed. It's infrastructure development with 26m consents!

4.3 Residents are likely to turn to local authorities in the first instance for advice about smart meters and we anticipate a rise in demand for help. However, we know that local authorities are stretched so we are here to offer communications support: for example you can use the Smart Energy GB videos and FAQs on your own website.

4.4 Smart meters will be installed at no extra cost, including to those on pre-payment meters. There will be different billing/tariff/payment plans for each supplier and smart meters will make it easier to switch to the best deal. Moreover, depending on how frequently customers consent to have their data accessed by their supplier they will be able to benefit from new services that will help them get their gas and electricity under control.

4.5 Smart meters could open up new tariffs and will help local authorities challenge current energy suppliers: Nottingham and Leeds are already doing so by having set up their own energy company and are seeing smart meters as a key building block of their plan - special smart pre-pay tariffs for the vulnerable.

- 4.6 Smart power grids including smart meters, smarter energy management and reduced generation infrastructure could save £8bn/year by 2030. Savings on individual bills are estimated by government to be around 2 or 3% but will also depend on behaviour change: the in-home display (IHD) gives a visual prompt (we are also working with the RNIB to develop a voice IHD for the visually impaired). Smart Energy GB's report '[Smart Route to Change](#)' provides behavioural science research to shows how nudges, incentives, etc can work.
- 4.7 About 4m smart meters have been installed already and as the main phase of the rollout start next year, one could expect this to rise to 10-12m by the end of 2017. We are expecting the Data Communications Company (DCC) to go live by the end of the year.
- 4.8 90% of the population have heard of smart meters, and of those 30% know about them in great deal. However, we face challenges: 1m people don't speak English; a third rent; 17% are off gas; 11m are over 65; and 13% fuel poverty. In the south east, 29% aware of smart meters, of which 69% are actively interested in having one fitted
- 4.9 [Smart Energy GB in Communities](#) offers grants of up £10k-£25k to help raise awareness: local authorities can bid as a network partner. Wealden District Council were successful in securing £22k to help target the 80% of their residents who are off the gas grid. A list of other [large grant winners](#) and [small grant winners](#) are also available: both funds will reopen in early 2017.

**Comment:** One member reported their funding application was turned down because of "lack of clarity on our planning events to local groups, but it's difficult to determine dates without knowing grant outcomes. Those that were successful are now facing a very short delivery window as the funding announcements were delayed but the project delivery deadline has not been extended.

- 4.10 For further information and to be kept up to date of the roll out, members are encouraged to visit the Smart Energy GB website and also sign up to their newsletter.

**Q:** IHDs are good at beginning but their impact reduces after about 3 weeks. Householders need continuous engagement

**A:** We shouldn't generalise about consumers. The smart meter initiates a process by which people will become aware of energy. They also open up other options (e.g. Megawatts). Our research has shown that 80% of people with a smart meter would recommend one to a friend and the more they have had it for the more likely they are to take energy saving measures.

**Q:** We have concerns smart meters will make fuel poverty worse. IHDs will give a constant reminder of the cost of energy which will cause anxiety and could force some households to switch off. It's vital for health reasons that living temperatures are at least 18°: householders currently put their health first but IHDs will make the cost of energy a higher priority. It's difficult to solve, but it could increase the number of excess winter deaths.

**A:** There is already some visibility as to the cost of energy with key meters (though this is retrospective rather than current). We're partnering with trusted organisations to provide information and fuel poverty support - e.g. Paypoint (information on every receipt), Post Office (leaflets), Citizens Advice (training), and the National Housing Federation (social housing)

**Q:** Can we get alerts if vulnerable people are self-disconnecting?

**A:** This depends on the final contract the DCC agrees on with regard to data sharing. In principle, local authorities should be able to sign up to the DCC as third party users to access data under very strict conditions.

**Action:** Consider lobbying the DCC as ALEO SE or National to have access to this data

**Q:** Why aren't water meters being installed at the same time?

**A:** It's a government decision. Water is a very different business to energy.

**Q:** What's being done to address data privacy concerns? Will smart meters be able to be hacked?

A: Data protection is being taken very seriously. The UK rollout has been designed with a very thorough regulatory framework, perhaps the most advanced in the world. Paradoxically, it is in part because of the focus on protecting privacy and ensuring system resilience that it is taking more time for the DCC to go live.

## 5. Park Homes Case Studies

Andrew Herbert, YES Energy Services (see slides)

5.1 Park homes are a forgotten group: they may not even get smart meters as they are often sub-metered. They are a fuel poverty hotspot and historically have had very little funding or grants as they are not classified as "permanent home" and until last year were not a category in RdSAP.

5.2 Through the NEA Technical Innovation Fund, YES Energy Services secured funding for 2 park homes projects: an insulation project in North Lincolnshire and an air-to-air heat pump project in Basingstoke & Deane.

### 5.3 Insulation

- Targeted vulnerable park homes residents in Scunthorpe who are using LPG.
- Two external wall systems were trialled for product and ease of installation
- As this [video](#) shows, the customers were very satisfied and reported other benefits too such as sound proofing and appearance
- The average price was £5k (for sides and underfloor) but the size of park homes - and therefore the cost - varies enormously.
- Insulating roofs is very tricky and YES was not convinced by the systems they saw. Underfloor insulation also proved problematic.
- Monitoring has just started but savings are expected to be high as some people were spending £80/fortnight just on gas bottles. SAP ratings have increased from D to C.

### 5.4 Air-to-air heat pumps

- The heat pumps are not currently MCS certified as they also provide air conditioning
- The park homes are right in the centre of Basingstoke but off gas: it would cost £120k for mains gas to go on-site for 69 properties as the main is simply not scaled for this capacity.
- Unfortunately, we didn't insulate at the same time but we are still looking for funding to do this.
- Residents can revert back if they're not happy with the heat pump but early indications are good (although one person has asked for it to be removed as the louvres broke twice.) There have been no complaints made about noise: we had a demonstration model running at an engagement event so residents could see and hear what it would be like.
- The heat pumps are not pre-emptive with regard to outdoor air temperature.
- Planning permission was sought, but not sure this is really necessary.

5.5 The engagement process for both projects has been interactive. We co-branded information with the local authorities and NEA. Community events were held in advance.

5.6 Monitoring is only at an early stage: we need a winter to properly assess the projects. One of our key learnings so far has been the social benefits of the projects, such as getting people talking and helping them feel supported: this is almost as much value to the residents as the energy savings. We spent lots of time briefing the contractors: these are people's homes.

5.7 Match funding was provided by the local authorities and YES, and the manufacturers and installers also offered discounts. With the demise of 100% funding, blended funding is the future but it is more difficult to negotiate.

5.8 We'll share our final report as widely as possible. We are also seeking further funding opportunities: NEA may have some money available through underspends on other projects.

- Q:** How much resource did engagement take?  
**A:** For example in Basingstoke and Deane, for the community event, which about 12 residents attended, two staff from the local authority team, 2 staff from YES and an NEA energy advisor as well as a vehicle from Worcester Bosch to demonstrate the heat pump. We also did lots of engagement onsite: the NEA and council were closely involved in Basingstoke and in Scunthorpe the YES manager was onsite every week.

## 6 Housing Health Cost Calculator and Excess Cold Calculator

Chris Johnes, BRE (see slides)

### 6.1 [Housing Health Cost Calculator \(HHCC\)](#)

- Our starting point was an identified need put a value on avoiding the 29 HHSRS hazards: the link between falls on stairs and excessively cold homes is very significant. 15% of English Homes have a Category 1 hazard (2011 data). NHS costs have increased significantly over the last four years, even though housing has improved: there's fewer hazards but they represent an increased cost burden - £1.4bn in 2011 for Category 2 hazards but £2bn if Category 2 hazards and sub-standard housing is included. Local authorities wanted to be able to calculate the savings to the NHS and society at an individual hazard level.
- HHCC is free to sign up to, but to get the calculations you have to subscribe (see below for costs). Housing teams will already have HHSRS data which can be bulk uploaded. There's no address look-up though and there's no link to EPC data (data protection issues with linking to Landmark and concerns over the quality of data). You can order the results by rank, hazard or savings and also get a breakdown of savings by calendar year

**Comment:** One member has used the research and rationale behind the tool to help secure £300k of public health funding (**Action:** share as case study with BRE)

### 6.2 [Excess Cold Calculator \(XCC\)](#)

- BRE was approached by CIEH as their members were finding it very difficult to assess excess cold.
- XCC has been designed to have the minimum input for a reliable output.
- There is a hard-copy data form so you can fill out onsite. Some of the information required is a bit tricky (eg. floor area and volume) but it's worth it if you've got a tricky house you don't know what to do with.
- The outputs have been used to help evidence heating affordability. BRE are looking at including energy tariffs into the tool to help with comparisons, and would welcome any feedback.
- XCC has address and footprint look up (through a time-limited free trial with Ordnance Survey which allows 5 uses per local authority) but it's worth double-checking it's a very contentious case
- See below for costs: this is a separate licence to the HHCC.

### 6.3 Costs:

Type of subscription	Small	Medium	Large
Total number of private dwellings in LA area	<40,000	40,000-90,000	>90,000
Annual subscription	£500	£1000	£1500
Users	Unlimited	Unlimited	Unlimited

- Q:** Are these tools available on a tablet?  
**A:** Not currently as we felt many local authorities don't have them (although you could use them to access the website). The tools need to be backwards compatible with local authority software. We have an in-house team that could develop an app, but we need to be able to justify the investment.

## 7 Sponsor Update

Robert Marjoram, Scottish Power (see slides)

### 7.1 Scottish Power are getting ready for the transition year that will take us into the post 2018 supplier obligation:

- Scottish Power are getting ready for the transition year that will take us into the post 2018 supplier obligation:
- They are looking to early delivery of the affordable warmth minimum, with HHCRO becoming 70% of spend (then up to 100% from 2018 onwards).
- They are using current guidance to deliver this, but are reducing the volume of qualifying gas replacement boilers: first time central heating and replacement of broken/inefficient non-gas boilers will become more viable.
- From 1st April, the ECO scores will be calculated on deemed scores.
- Local authority flexibility will help us to identify the fuel poor not necessarily on passport benefits. Suppliers can't deliver new obligation on their own: we need to work with local authorities, especially for targeting key groups - do get in touch if you have any ideas!

## 8 Ofgem Update

Mark Jenner, Ofgem (see slides)

### 8.1 Switching

- Energy customer switches have risen by 30%. In the first 6 months of 2016, 1.6m people switched their gas supply and 2.2m their electricity, 1m more than for the same period the previous year
- There's more choice but people still aren't getting the best deals: most could save around £300/year by shopping around
- Ofgem is taking forward the CMA recommendations and has [launched a strategy](#). Today sees the launch of the CMA's [consultation on a pre-payment meter cap](#).
- As per the CMA recommendation, Ofgem is developing: 1) a secure database of disengaged customers and 2) an ongoing research programme on how to better engage with customers, both of which will help to put increased competitive pressure on suppliers

**Q:** There is a growing problem of switching sites only showing results from energy suppliers they are getting referrals fees from. What's Ofgem doing about this?

**A:** The CMA proposed to remove the Whole of Market requirement - this is an aspect of the Confidence Code which requires price comparison websites to include price comparisons for all domestic tariffs. In August Ofgem launched a [consultation](#) on changes to the Confidence Code which outlined our view that we should not move straight to consulting on full removal of the Whole of Market requirement at this stage. The consultation instead proposed a phased approach to the removal of the Whole of Market requirement; Ofgem will make a determination as to the next steps following reviewing all responses to its consultation.

### 8.2 Warm Homes Discount (WHD)

- More suppliers have joined WHD: some as their customer base grew and they reached the obligation threshold (eg Extra Energy) and others who are voluntarily signing up to the core payment (eg Our Power and Bristol Energy)
- The WHD is worth £320m/year to 2021-22. 90% is currently delivered through a rebate on electricity bills and up to c£30m can be spent on other schemes (eg industry initiatives) Industry initiatives allow suppliers to support vulnerable consumers beyond the provision of rebates (such as referrals and advice projects as well as measures). These are not compulsory and are usually developed by third party organisations in partnership with the supplier. It was noted that the use of WHD to write off fuel debts is being capped which possibly means more resource for these other projects. Ofgem also outlined the introduction of Specified Activities and noted that BEIS were due to issue guidance on this in due course.

- E-serve is facilitating multi-agency events between suppliers and other players (including local authorities: follow @ofgem\_eserve on Twitter for forthcoming events. (**Action:** please let Ofgem know via Rachael Mills if you would like to be involved)

### 8.3 Park Homes Pilot

- A park homes pilot ran during 2015-16, initially offering 1000 rebates to park home residents who met the core group eligibility criteria. The rebate was provided as a cheque rather than a rebate through the bill as many customers are sub-metered.
- Ofgem provided an overview of the delivery under the pilot and noted more detail would be contained in the WHD annual report (due for publication in November).
- Initial discussions with BEIS/stakeholders to repeat this project have been positive but nothing is yet confirmed.

### 8.4 ECO

- To the end of July, 1.93m measures have been installed, primarily CWI, LI and boilers. 9% of these measures (138,785 or 37.8 measures/1000 households) have been installed in the south east (to the end of June). This is quite low compared to other regions and it would be interesting to compare to measures installed under CERT: possible reasons include that it's becoming more difficult to identify the fuel poor in the region, that the supply chain is stronger in the north east and north west, and that blended funding is being used in Scotland and Wales.
- As ECO evolves, there will be a reduced overall budget which will therefore have a reduced impact on household bills. There will also be an increased focus on the fuel poor.
- BEIS published their ECO: Help to Heat consultation earlier this year, and their response is expected in late 2016. Legislation must be laid in early 2017, which gives only a very limited amount of time for everything to be set up by 1<sup>st</sup> April.
- In recognition of this, Ofgem are publishing phased consultations on how they intend to run the scheme: [part 1 is published today](#) on how the scheme will be administered (including the local authority flexibility element) alongside a draft guidance document. Part 2 will be published next year based on the actual Regulation from BEIS.
- The flexibility eligibility element will allow suppliers to promote HHCRO measures to households where they are listed in a declaration from a local authority to say that they are in fuel poverty or on a low income and vulnerable to the effects of a cold home. This is for private tenures only: social housing is excluded. The flexibility element will be limited to 10-20% of the ECO total but there is potential to marry this up with WHS industry initiative funding.
- Ofgem have been working on deemed scores with BRE, with the objective of making them simple, accurate and checkable. 73 responses were received to the consultation, with the [decision published last week](#) (though this is still subject to government approval). The results have been broadly welcomed by stakeholders, although there are still strong views on the wider deemed scores policy.

**Q:** Why were age bands not included as a variable for working out the deemed scores?

**A:** The age of a property is not a defining factor for the size and shape of a dwelling. A split of the scores by age would assume key characteristics about the property, such as ceiling height and floor area, which can differ significantly between properties of any age and which have a big impact on savings. Therefore relying on age alone would lead to situations where the scores are highly inaccurate.

## 9 Members Roundtable Update

9.1 **Kent County Council** are keen to understand the changes to ECO and the impact this will have on the Kent and Medway Sustainable Energy Partnership's Warm Homes Scheme. They are able to provide a stopgap heating offer over the winter but are keen to find alternative funding

9.1 One suggestion was to seek CCG funding through public health colleagues: they can also access Section 106 funding. Use the NICE Guidance on excess winter deaths to help make your case and add pressure.

Kent are also hoping to host a facilitated workshop towards the end of November to launch and discuss their fuel poverty strategy.

9.2 **East Sussex** is developing fuel poverty policy/guidance, using the Kent fuel poverty strategy as a model. They are also targeting 600 homes with a Winter Home Check Service with advice, switching and small measures, funded through a blend of ECO, NEA and CCG monies.

9.3 **Wealden District Council** has funding from Smart Energy GB to promote smart meters. They are also involved in collective switching: savings on fuel bills collectively totals £55k so far. This is being promoted through Council Tax Bills and hopefully in the future through benefit e-bills. It is hoped the project will be self-sustaining through the referral fees.

9.4 **Dover District Council (written submission)**: 'Delivering Affordable Warmth - A Fuel Poverty Strategy for Kent' has been finalised. An action plan workshop will be held on 30 November 2016: representatives of organisations/agencies across Kent have been invited to get a better understanding of the activity already happening in Kent and how we can enhance/contribute/link up to ensure we reach and assist vulnerable residents and tackle the wider inequalities of health and deliver a healthier county

## 10 AOB

10.1 SE<sup>2</sup> is involved in an EAGA Charitable Trust-funding project with Lewisham Council into the cost effectiveness of referral routes and are still keen to receive responses to their survey of fuel poverty scheme providers ([www.surveymonkey.co.uk/r/5K87ZHM](http://www.surveymonkey.co.uk/r/5K87ZHM)). They are building up a great picture of fuel poverty schemes across the country to help them understand more about cost effectiveness and success factors. They would also like to hear from organisations who make referrals into schemes (eg, charities, GPs) using the survey at [www.surveymonkey.co.uk/r/WT25D3Q](http://www.surveymonkey.co.uk/r/WT25D3Q). Please circulate this survey link to your referral network if possible.

10.2 Future meetings:

- The next meeting will take place on Thursday 2<sup>nd</sup> February at Basingstoke and Deane Borough Council
- The subsequent meeting (and AGM) will take place on Wednesday 26<sup>th</sup> April at Eastbourne Town Hall.