Shropshire Council

Draft Sustainable Affordable Warmth Strategy

2023-2025

Contents

Foreword

The Council sees its role as one of leadership within Shropshire, setting out the need to find genuinely sustainable ways for our population to live in healthy and comfortable homes in the face of climate change and rising fuel and living costs.

Whilst the Council is ambitious in its goals and intentions, we recognise that for our residents, as for the Council itself, we have to manage with limited resources and through times of uncertainty. Our intention is therefore to set out our principles and approach, to support those who want to invest, and challenge ourselves and others to be more ambitious on this agenda.

In doing so we will be flexible in order to identify and access new sources of funding when it becomes available, and work in partnership with our residents, social and private landlords, manufacturers and contractors, to achieve best outcomes for Shropshire.

Dean Carroll, Portfolio Holder for Growth, Regeneration and Housing

1. Introduction

1.1. A key impact on a household's health and wellbeing is being able to keep their home warm. Unaffordable fuel bills can lead to choices such as heat or eat, cold homes can both lead to and exacerbate health problems and health inequalities, and the use of fossil fuels as a form of heating results in carbon emissions which pollute the environment and cause climate change (it is estimated that housing is currently responsible for approximately 20% of UK carbon emissions). By making homes more energy efficient and by using low-carbon heating measures, then homes should be more affordable to heat, with an associated reduction in carbon emissions

1.2. The Sustainable Affordable Warmth Strategy sets out the Council's aims to tackle fuel poverty through sustainable measures to provide affordable warmth whilst increasing the energy performance of homes and reducing carbon emissions.

1.3. The vision of the **Shropshire Plan 2022-25** is: ***Shropshire living the best life***.

1.4. The Sustainable Affordable Warmth Strategy helps to deliver two of the Shropshire Plan's priorities:

Healthy People: We will tackle inequalities, including rural inequalities, and poverty in all its forms; providing early support and interventions that reduce risk and enable children, young people, adults and families to achieve their full potential and enjoy life; and

Healthy Environment: We will deliver the Council's Corporate Climate Change Strategy and Action Plan, promoting the means to tackle climate change and reduce the carbon footprint including the adoption of low carbon energy for council's assets and for communities.

1.5. Fuel poverty can be alleviated by improving a household's income (and their ability to pay bills), reducing their fuel costs, and improving the energy efficiency of their home, thus reducing the amount of energy needed to heat their home. Therefore, the ability to keep a home warm becomes affordable, this being "affordable warmth".

1.6. Ensuring affordable warmth, is about improving the energy efficiency of homes, which reduces energy consumption, whilst also ensuring costs for energy efficiency measures, for example solid wall insulation, is affordable. Moreover, reducing fuel usage, especially fossil fuels, helps to reduce carbon emissions.

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1.9. Fuel poverty relates to households who must spend a high proportion of their household income to keep their home at a reasonable temperature. It is affected by a household's income, their fuel costs, their energy consumption, and the energy efficiency of their home. Moreover, it can potentially result in a household disconnecting themselves from a fuel supply as they cannot afford the cost.

1.10. In addition to having energy efficient homes, it is also important to move towards using sustainable non-fossil fuels to provide heat and power,

1.11. The vision of the Housing Strategy 2020-25 is:

> *All homes are well designed decent homes of high quality, which will protect Shropshire's unique urban and rural environments and ensure it is a great place to live. That all Shropshire residents have access to the 'right home in the right place' to support and promote their health and wellbeing throughout their lives.*

1.12. An important objective of the Housing Strategy is to minimise the environmental impact of existing housing stock and future housing development in the interest of climate change, to maximise resource efficiencies and to ensure optimum use of sustainable construction techniques.

1.13. The Sustainable Affordable Warmth Strategy is a sub-strategy of the Housing Strategy and seeks to deliver this key objective, whilst ensuring the most vulnerable households are protected from the associated costs of the low carbon transition and that these costs do not prohibit their participation.

1.14. The Strategy also links to other housing policies, strategies and plans, for example, the Private Housing Assistance Policy, the Health Inequalities Plan, the Integrated Care Board Health Protection Strategy, the Climate Change Strategy and the Local Plan.

1.15. In May 2019 Shropshire Council declared a Climate Emergency and formally adopted a Climate Strategy in February 2021. The vision of the Climate Strategy is to, "Reduce Shropshire Council's greenhouse gas (GHG) emissions to net carbon zero by 2030".

1.16. The draft Local Plan reflects the need to promote energy efficiency and minimise carbon emissions. Proposed policies seek:

- to promote fabric first and renewable energy technologies to ensure energy efficiency for both new build and retrofit;
- for planning applications to consider design and layout to maximise energy efficiency and to minimise carbon emissions; and

- to strongly encourage development proposals to meet zero net-carbon emissions and to maximise the use of district heating and cooling systems, especially where these utilise renewable energy.

1.17. The Sustainable Affordable Warmth Strategy has three objectives:

Objective 1: Raising awareness of the importance of tackling fuel poverty and improving energy efficiency

Objective 2: Establishing a pathway to zero-carbon housing

Objective 3: Attracting funding to deliver affordable warmth and improve energy efficiency

1.18. Each objective contains several “priorities for action”; these form an Action Plan at Appendix I which will allow monitoring and review of the Strategy. It is proposed that the Strategy is reviewed annually, to provide the opportunity to reflect changes in Government policy and funding streams.

Objective 1: Raising awareness of the importance of tackling fuel poverty and improving energy efficiency

2.1 Cold homes can have negative impacts on both mental and physical health, adding demand, thus additional cost, to the NHS and social care, and directly contributing towards excess winter deaths. Health impacts of cold homes include increased risk of heart attack or stroke, respiratory illnesses, poor diet due to "heat or eat" choices, mental ill health, and worsening or/slow recovery from existing conditions. Those most at risk of ill health from fuel poverty include children, older persons and people with disabilities.

2.2 Cold homes are linked to both an increased risk of developing and worsening a wide range of health conditions including respiratory conditions, cardiovascular diseases, poor mental health, dementia, hypothermia, as well as problems with childhood development and unintentional injury. In some circumstances, health problems may be exacerbated to a degree that they may cause death.

2.3 In 2019 it was estimated the NHS spends at least £2.5 billion per year on treating illnesses that are directly linked to cold, damp and dangerous homes. Cold homes and fuel poverty contribute to the phenomenon of excess winter deaths. England saw an estimated 63,000 excess winter deaths in 2020–21. Estimates suggest that some ten per cent of excess winter deaths are directly attributable to fuel poverty and 21.5% are attributable to cold homes.

2.4 Babies, children, older people, people with disabilities and those with pre-existing health problems are at greatest risk of health problems as a result of living in cold homes, and therefore are particularly at risk to the health consequences of fuel poverty. Households particularly at risk of fuel poverty include low-income households, households with dependent children, people living with disabilities and minority ethnic households, many of which already face many health inequalities.

2.5 High fuel costs reduce available resources for transport, particularly important in Shropshire, socialising and meeting with family and access to essential services, all of which are important social determinants of health and wellbeing. In particular, households facing fuel poverty can be priced out of having sufficient and healthy foods, and there may be further limitations in the resources available to prepare and cook nutritious meals. This will further exacerbate poorer health and health inequalities.[1].

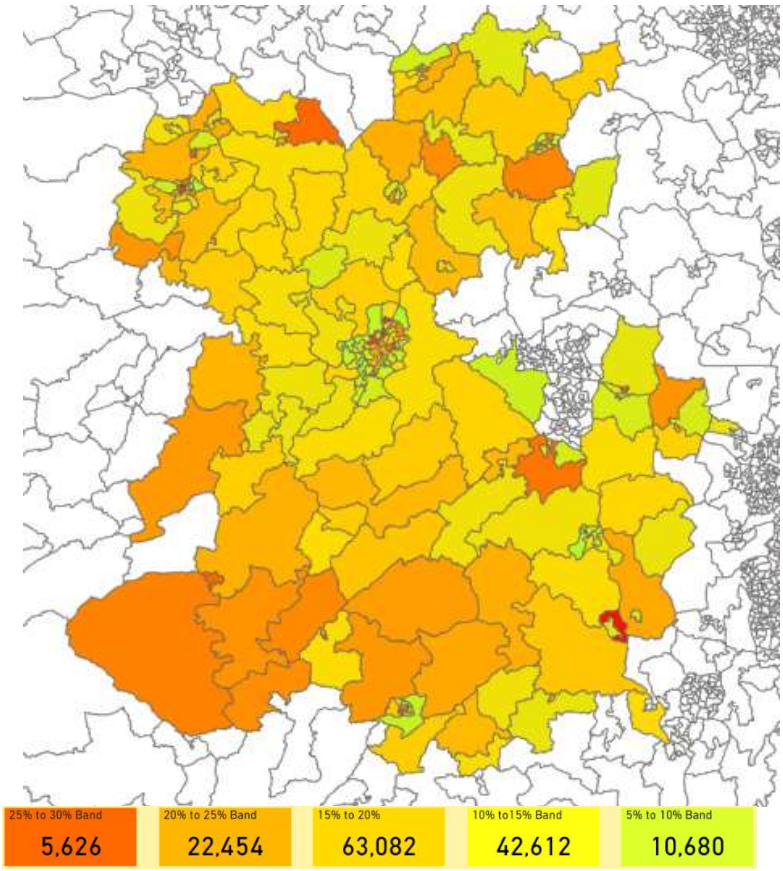
2.6 In line with NICE guidance[2] it is important that the Council and its partners identify people at risk of ill-health due to living in a cold home through the risk assessment process. Moreover, it is essential to raise awareness of how to keep warm at home and train practitioners to help people with cold homes keep warm.

[1] Lee et al (2022) Fuel poverty, cold homes and health inequalities, Institute of Health Equity
[2] NICE (2015) Excess winter deaths and illness and the health risks associated with cold homes, NICE

2.7 The current Government definition of fuel poverty in England is 'Low Income Low Energy Efficiency' (LILEE). A household is fuel poor if:

- they are living in a property with an energy efficiency rating of band D, E, F or G, as shown by an Energy Performance Certificate (EPC[3]); and
- their disposable income (income after housing costs and energy needs) would be below the poverty line.

Figure 1: Fuel poverty across Shropshire in 2020



2.8 In the latest year for which statistics are available (2020) an estimated 3.2 million households in England were in fuel poverty under the LILEE definition. This was 13.4% of households. In Shropshire almost 23,000 households were estimated to be in fuel poverty, this being 16.5% of households.

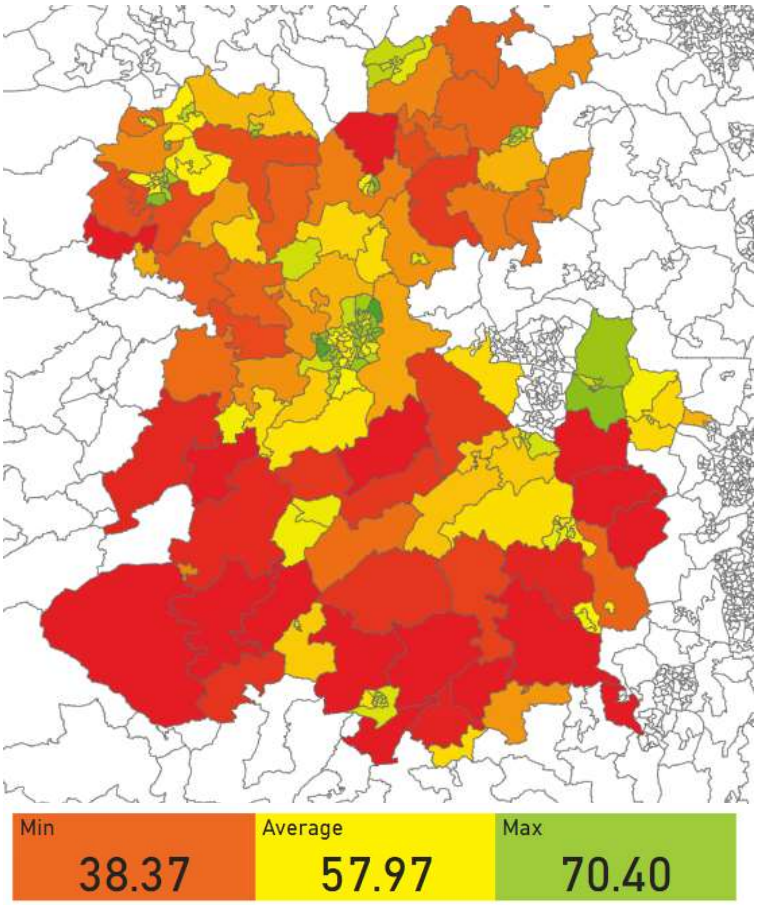
2.9 As shown by Figure 1, Fuel Poverty is a concern in both urban and rural areas of Shropshire, however, there are areas of significantly high fuel poverty in isolated rural areas. In 13 Lower Super Output Areas (LSOAs) in 2020 over 18% of all households were deemed to be in fuel poverty; eleven of these

[3] An EPC is a rating of how energy efficient a property is. The certificates are graded on a scale of A (most efficient) to G (least efficient). An EPC is a legal requirement when a property is bought, sold or rented. It should be noted the EPC methodology is skewed towards the cost of fuel, therefore, is not necessary the optimum measure of energy efficiency.

LSOAs are 'rural'. Give the energy price cap increasing numbers of households in fuel poverty are predicted to increase by over 50%.

2.10 EPC data held by the Council shows that almost 108,000 dwellings (75%) have an EPC with a Band D, E, F or G. The average Standard Assessment Procedure (SAP) score across Shropshire is just under 58, which equates to an EPC Band D[4]. As can be seen in Figure 2, SAP ratings are typically worse in rural parts of Shropshire, where properties are often older and typically rely on off-gas heating fuels such as LPG and Oil.

Figure 2: Average SAP Bands per LSOAs in Shropshire



2.11 With respect to social housing stock in Shropshire which comprises just over 20,000 dwellings for rent and low-cost home ownership, it is estimated that between 40% to 50% of dwellings have a SAP Banding below C. In terms of Council owned housing stock (managed by the Council's ALMO, STAR Housing), just over 2,200 dwellings (55% of stock) have an EPC Banding below C.

2.12 The Home Energy Conservation Act 1995 (HECA) requires all local authorities in England to submit reports to central Government setting out the energy conservation measures they have implemented to improve the energy efficiency of owner-occupied, private rented and affordable housing. Currently

[4] EPC Band D = 55 – 68 SAP points

these reports are required to be submitted on a two-yearly cycle; the most recent submission was in 2021 and the next will be made in 2023.

2.13 The Warm Homes and Energy Conservation Act 2000 defined fuel poverty as a household living on a lower income in a home which cannot be kept warm at reasonable cost. The Act placed an obligation on central Government to make Regulations which set a target to reduce fuel poverty. Subsequently the UK Fuel Poverty Strategy was launched in November 2001. This committed to eradicating fuel poverty for vulnerable households in England by 2010 and for all households by 2016.

2.14 In 2000 central Government set out a target to ensure all social housing met standards of decency by 2010. The Decent Homes Standard requires all social housing providers to ensure their stock meets the current statutory minimum standard for housing; is in a reasonable state of repair; has reasonably modern facilities; and provides a reasonable degree of thermal comfort. Although all rented social housing stock[5] is required to meet the Decent Homes Standard, there will be a small number of dwellings that do not meet this. The usual reason for not all dwellings meeting the Decent Homes Standard is because the tenant has refused works, which they are entitled to do. Subsequently these works will be undertaken when the property becomes empty.

2.15 The Regulatory Reform (Housing Assistance) Order 2002 introduced a general power for local authorities to provide financial assistance to deal with poor conditions in private sector housing. Local authorities are also expected to identify external sources of funding and assistance, including working in partnership with other authorities and organisations, to improve energy efficiency and tackle fuel poverty.

2.16 The Housing Act 2004 introduced the Housing health and safety rating system (HHSRS). The HHSRS stresses the need for a warm and healthy home and for excess cold to be reduced through measures, for example, the provision of a heating system or insulation. Local authorities have the power to act where the condition of a dwelling could pose a threat to the health and wellbeing of the household. This includes requiring landlords to improve standards by installing heating or insulation to improve thermal comfort. Moreover, local authorities can impose civil penalties of up to £30,000 per offence and can carry out works to improve heating in default.

2.17 The Fuel Poverty (England) Regulations 2014 set out a fuel poverty target to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency standard of Band C by 2030. This was reiterated in central Government's 2015 fuel poverty strategy, 'Cutting the cost of keeping warm', set out a statutory fuel poverty target to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band C, by 2030.

[5] Including housing owned by the Council, there are almost 19,000 social rented dwellings in Shropshire.

2.18 The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 set new standards for energy efficiency in rented homes. The legislation required that from as of 1 October 2016, domestic private rented property, must have a minimum level of energy performance certificate band E and that if the property is below the minimum energy efficiency requirements, a landlord of a domestic private rented property must not grant a new tenancy of the property after 1st April 2018, and must not continue to let the property after 1st April 2020. The Minimum Energy Efficiency Standards (MEES) came into effect in 2018 making it unlawful to grant new tenancies to dwellings with an F or G Energy Performance Certificate (EPC) rating. Local authorities can impose civil financial penalties of up to £5,000. Following a recent consultation exercise by central Government it is possible that the minimum standard of those dwellings which can be lawfully let may be increased.

2.19 The 2017 Clean Growth Strategy set out an ambition to upgrade social housing to at least EPC Band C by 2030 and included a broader target of upgrading all rented homes to EPC Band C by 2035, where practical, cost-effective and affordable.

2.20 In September 2020, central Government published a consultation on proposals to improve the energy performance of privately rented homes. The Government committed to upgrade as many private rented sector homes as possible to EPC Band C by 2030, where practical, cost-effective and affordable.

2.21 In February 2021 Central government published a policy paper, 'Sustainable Warmth; protecting vulnerable households in England' which set out a plan to meet fuel poverty targets, whilst decarbonising housing. This reiterated the policy approach to continue to: invest in retrofitting social housing; require larger domestic energy suppliers to install heating, insultation or other energy efficiency measures in the homes of people who are on low incomes and vulnerable or fuel poor; and to invest in energy efficiency of homes.

2.22 There are also requirements for energy efficiency in new buildings enforced through building regulations. The Future Homes and Buildings Standard introduces changes to building regulations from June 2022 for new levels of energy efficiency from 2025.

Priorities for action

- Undertake quantitative and qualitative research at a Shropshire level to evidence the positive impact on health and wellbeing of warm homes.
- Staff awareness training to ensure incidences of fuel poverty are reported and excess cold hazards are acted upon by providing advice on how people can keep warm at home and referring for specific advice and support as appropriate.
- Ensure all relevant domestic private rented properties meet the minimum energy efficiency standard (MEES).

- Encourage housing developers to build to the Future Homes and Building Standard prior to it becoming mandatory.
- Work with partners to develop stronger messaging and support for self-funded householders to encourage them to invest in their homes for affordable warmth and carbon reduction.

Objective 2: Establishing a pathway to zero-carbon housing

3.1 The Climate Change Act 2008 set legally binding targets to reach net zero carbon emissions by 2050.

3.2 In England 90% of households use fossil fuels for heating, cooking and hot water and 86% of dwellings are connected to the gas network. In Shropshire only 63% of households are connected to the gas network.

3.3 In October 2021 central Government published its 'Net Zero Strategy: Build Back Greener' and a 'Heat and Buildings Strategy'. The latter sets out how it plans to achieve net zero heating, in line with the 2017 Clean Growth Strategy and the ambitions of 'Ten Point Plan for a Green Industrial Revolution' published in November 2020:

- The aim to phase out the installation of new natural gas boilers by 2035.
- Ambition for industry to reduce the costs of installing a heat pump by at least 25-50% by 2025 and to ensure heat pumps are no more expensive to buy and run than gas boilers by 2030.
- Improving heat pump appeal by continuing to invest in research and innovation.
- Ensuring affordability by providing financial support to households to purchase heat pumps (Boiler Upgrade Scheme).
- Growing the supply chain for heat pumps and developing a skilled workforce.
- By 2025 ensuring all new homes are fitted with low-carbon heating and are highly energy efficient so that they do not have to be retrofitted in the future.
- Phasing out the installation of fossil fuel heating systems to off-gas dwellings from 2026.
- Scaling up UK production of heat pumps.
- Ensuring the electricity system can accommodate the increased demand.
- Developing hydrogen as an option for heating homes.
- Improving the energy performance of existing homes.
- Supporting social housing, low income and fuel poor households to switch to low-carbon heating and improve the energy efficiency of their homes.
- Accelerating the growth of the low-carbon heat network market (district heating).
- Increasing the proportion of biomethane from anaerobic digestion injected into the gas grid.

3.4 In April 2022 the Government published its Energy Security Strategy. This set out plans to increase offshore wind and nuclear power generation and accelerate hydrogen utilisation. However, the Strategy did still recognise the need to continue to use domestic oil and gas in the short term. In May 2022

the Government published the draft Energy Security Bill, which aimed to "build a sustainable homegrown energy system" by delivering the commitments in the Energy Security Bill and the Ten Point Plan for a Green Industrial Revolution.

3.5 The Council has modelled the energy efficiency for the housing stock across the local authority and estimates the total cost of reaching net zero to be in excess of £4 billion. This equates to an average investment per home of just over £29,000. The data suggests only 64 properties in Shropshire will require less than £5,000 investment to reach the net zero target. The modelling shows that in reaching net zero, and a target heat demand figure of 80 kWh/m2/per annum, the average SAP rating in Shropshire would be 82.9; resulting in a final average fuel bill improvement (at August 2022 prices) of £1,161.

3.6 From research undertaken by STAR Housing and two housing associations with high numbers of stock in Shropshire, it is estimated that the average cost to decarbonise a social housing dwelling in the local authority is almost £24,000. This suggests that it could cost around £477 million to decarbonise all social housing in Shropshire.

3.7 Moreover, in order to meet the 2017 Clean Growth Strategy aim for all social housing dwellings reach EPC Band C, it is estimated to cost around £35 million. However, research undertaken by the National Housing Federation, estimates that if all social rented homes we[6]re upgraded to EPC Band A, B or C, then this results in an average annual saving of £567 per household.

3.8 Independent research[7] undertaken in 2021 for the STAR Housing found that in order to decarbonise the Council's housing stock of just over 4,000 dwellings by 2030 there was a need to invest almost £125 million. This equates to an average investment of almost £31,000 per dwelling. In real terms this is a funding gap of £116.5 million (an average of almost £29,000 per dwelling). Even in order to reach EPC rating C by 2030 (as required by the Clean Growth Strategy) it is estimated that there is a need to invest at least £10 million, with high inflation likely to keep increasing this cost. STAR Housing is developing a strategy to achieve this target, a key component of which is to upgrade dwellings on void and to persuade tenants as to the benefits of installing energy efficiency measures over and above the Decent Homes Standard.

3.9 STAR Housing's Environmental Sustainability Strategy sets out how the organisation seeks to manage the impact of its activities on the environment, including reducing carbon emissions and promoting sustainability. This includes an investment programme to install Air Source Heat Pumps in existing stock (over 350 have been installed to date). In addition, with respect to new build delivery, gas is no longer used as a heating or cooking fuel but instead Air Source Heat Pumps are installed.

[6] National Housing Federation (2022) How much would social housing residents save if their homes were made energy efficient

[7] Bratch Consultancy Services Ltd (2021) A strategic approach for delivering zero carbon emission within the housing stock

3.10 When delivering new build housing STAR Housing aims to achieve the highest energy efficiency rating possible, whilst ensuring that the scheme is financially viable. As stated above, there is a huge pressure to ensure the existing housing stock meets EPC rating C by 2030 and is decarbonised by as soon as reasonably practicable. Therefore, this means that a balance needs to be achieved in terms of ensuring investment is made into existing dwellings where tenants may be in fuel poverty and in new build homes. Hence, when procuring work costs, instead of the works specification containing a set energy efficiency requirement (other than no longer using gas), prices are sought for both building regulations compliant works cost; and works cost to deliver a scheme with high energy efficiency levels exceeding building regulations minimum.

3.11 Wherever financially viable STAR Housing will deliver sustainable housing schemes with high energy efficiency levels which exceed the building regulations minimum compliant level, however, increasing works costs are resulting in this becoming more of a challenge. STAR Housing not only uses a fabric first approach, but also fits air source heat pumps to all new build housing, irrespective of the opportunity to connect to the gas network. As a pilot, STAR Housing is to deliver two Passivhaus dwellings on one of its schemes.

3.12 Housing associations in Shropshire are also facing similar challenges relating to being required to improve existing dwellings to have a EPC Band of C or above and decarbonising the housing stock, yet are faced with increasing costs and limited subsidy. In some instances where it is not considered financially viable to invest in dwellings with very low SAP ratings (in particular “hard to treat” dwellings with EPC Bands F and G), the decision may be taken to dispose of a dwelling when it becomes vacant, as it more cost effective to use the receipt to fund replacement dwellings elsewhere.

3.13 The Council’s housing development company, Cornovii Developments Ltd (CDL) currently develops housing to meet the Future Homes and Building Standard. Moreover, CDL intends to deliver a number of net zero carbon homes for open market sale within a wider development of new build low carbon and Self/Custom Build Homes. Although the model for delivering open market housing differs from that of social housing providers, in a sense it is simpler as it is only financially viable to build if the total scheme cost, including a viable profit margin, is below the open market value. In reality this means that higher energy efficient homes which exceed building regulations will only be sold to people who decide to pay a premium for a home which will have lower running costs and lead to less carbon emissions.

3.14 In terms of retrofitting homes in the private sector, by March 2023 the Council will have facilitated the installation of over 150 heat pumps and a range of insulation measures to over 300 homes. This is part of a rolling programme of works that will run to 2030, gradually increasing in scale over time. Furthermore, the Council is keen to facilitate other measures to retrofit homes and is investigating how funding can be sourced which ensures these measures can be deployed and remain affordable to residents. This includes

the provision of a revolving loan scheme for homeowners and the introduction of an approved contractors list.

3.15 In addition, the Council recognises that in promoting and facilitating retrofitting and the use of new clean technologies, it must work to develop the local supply chain, which includes having a skilled local workforce with the capacity to deliver the activity that is needed. The Council is using the procurement process to establish models of retrofit delivery that engage and upskill the local supply chain. Moreover, it is essential to understand the impacts of retrofitting and using new technologies and the Council is committed to monitoring and evaluating retrofit works to ensure intended outcomes are realised.

Priorities for action

- All council owned housing stock to aim to have a minimum EPC of Band C by 2030.
- All housing association rented stock to aim to have a minimum EPC of Band C by 2030 and, where this is not financially viable, 2035.
- Work with STAR Housing and housing association partners to develop a good practice guide for reducing carbon emissions in new build affordable housing.
- Assess the impact of STAR Passivhaus pilot.
- Attract resources and develop a loans scheme to enable private households to undertake retrofit measures,
- Establish an approved contractors' scheme.
- Develop the local supply chain.
- Introduce a monitoring and quality control system to establish the actual impact of retrofitting and new build technologies across all tenures.
- Delivery of the London Road Innovation Low Carbon Development by 2025.

Objective 3: Attracting funding to deliver affordable warmth and improve energy efficiency

Energy advice

4.1 Keep Shropshire Warm is an energy advice service owned by Shropshire Council and currently run by Marches Energy Agency (MEA). The service also offers free home visits and low-cost measures to help residents improve their situation. In the financial year 2021-22 the service directly supported 1,500 residents. The service offers advice on:

- heating and hot water;
- insulation and heating grants;
- pre-payment meters; and
- energy bills, tariffs and suppliers and tips for keeping warm at home.

4.2 The service can help residents access a range of energy efficiency grants:

- for loft, cavity and solid wall insulation;
- park home insulation;
- to improve floor and roof insulation;
- to help install air source heat pumps, as first-time central heating or to replace old or broken LPG, oil or solid fuel heating systems;
- To install modern high heat retention electric storage heating;
- For first-time double glazing and external door upgrades;
- Solar PV panels and battery storage technology; and
- To replace broken gas boilers.

HeatSavers Scheme

4.3 The Council's HeatSavers scheme enables front line workers from partner organisations to refer low-income, vulnerable households who find themselves in a 'no-heat' situation due to a breakdown of heating. Qualifying households are then referred for works to restore heating and hot water.

Household Support Fund

4.4 The Council has been using elements of the Government's Household Support Fund (HSF) to help tackle fuel poverty. Funding has been used to enable the Keep Shropshire Warm service to provide additional support to fuel poor households across the local authority, particularly those struggling with costs as a result of the ongoing 'energy crisis'. In addition, funding has been used to help enable larger energy efficiency measures, by funding additional works required that are preventing the installation of measures. Examples include assistance for vulnerable residents to help clear hoarding in properties to enable the installation of insulation or new central heating systems.

Accessing the Energy Company Obligation funded measures

4.5 The Energy Company Obligation (ECO) scheme requires obligated energy suppliers to install energy efficiency measures such as insulation and boiler replacements in eligible homes (those of low income, fuel poor, and vulnerable households). The scheme is paid for by a levy on all consumers bills though recipients may need to contribute to the cost of their installation which may not be fully covered by their energy supplier. It is for obligated suppliers to decide where to provide assistance, and permission from the property owner is required to have such work done. The latest iteration of the scheme, ECO4, will run from April 2022 to March 2026. The scheme is expected to deliver works across the UK to the value of £4bn.

4.6 ECO flexible eligibility is available to owner-occupiers, private tenants and their landlords who meet Government guidance for assistance. The scheme widens the pool of eligible households who can benefit from funding through ECO, and particularly focusses on those who have not qualified for help under previous schemes. The Council published its ECO4 flexible eligibility statement of intent in July 2022. The Council's Keep Shropshire Warm service acts as a delivery vehicle for ECO flexible eligibility in Shropshire. Almost 700 households in Shropshire have been assisted to date.

Social Housing Decarbonisation Fund

4.7 In February 2022 a bid led by the Council was awarded £2.7m of central government funding under Wave 1 of the Social Housing Decarbonisation Fund. The funding is for the Council's housing and for four partner housing associations (who have housing stock not only in Shropshire, but also in the neighbouring local authorities of Telford and Wrekin and Herefordshire) to use a fabric first approach to improve dwellings currently at SAP rating D, E and F to a minimum SAP rating of C and a 90 kWh/m2/ pa heat demand target. It is anticipated that 26 Council and up to 86 housing association dwellings in Shropshire will receive energy efficiency improvement works. All works are required to be completed by the end of March 2023.

Sustainable Warmth Competition: Local Authority Delivery (LAD) Phase 3

4.8 The LAD phase 3 scheme is delivered by local authorities and provides grants to improve the energy efficiency, of eligible on-gas households, using a fabric-first approach. This helps residents by improving the warmth and comfort of their homes, whilst reducing energy bills, carbon emissions and levels of fuel poverty. The scheme is open to private owner occupiers and landlords of private rented properties (this includes housing associations). Landlords are required to contribute at least a third of the costs. The scheme is part of the Government's Sustainable Warmth Competition.

Sustainable Warmth Competition: Home Upgrade Grant (HUG) Scheme

4.9 The HUG scheme is delivered by local authorities. It aims to provide energy efficiency upgrades and low-carbon heating to low-income households living in the least energy-efficient off-gas homes, tackling fuel poverty and helping property and residents on the path to net zero. Upgrades made through HUG will include fabric first measures (insulation and draught-proofing) in combination with low carbon heating installations to make homes thermally efficient and suitable for our net zero future. Eligible owner-occupier households will receive a 100% grant for the cost of eligible upgrades. Landlords of eligible tenants will however need to make a financial contribution to the cost of upgrades of at least one third, with the remaining costs provided by HUG.

Priorities for action

- Ensure the income maximisation of fuel poor households.
- Continue to promote the take up and support the delivery of energy efficiency measures.
- Ensure the Council and its partners bid for available funding for measures to reduce fuel poverty and reduce carbon emissions.

Appendix 1: Action Plan

Priority for action	Timescale	Outcome	Responsible service / organisation
Objective 1: Raising awareness of the importance of tackling fuel poverty and improving energy efficiency			
Undertake quantitative and qualitative research at a Shropshire level to evidence the positive impact on health and wellbeing of warm homes.	2023	Evidence base setting out how energy efficiency measures improve health and wellbeing, financially quantified where possible.	Housing Strategy and Development Affordable Warmth and Energy Efficiency
Staff awareness training to ensure incidences of fuel poverty are reported and excess cold hazards are acted upon by providing advice on how people can keep warm at home and referring for specific advice and support as appropriate.	Ongoing	Council and other public sector workers recognise instances of fuel poverty and know how to provide advice and refer as appropriate.	Affordable Warmth and Energy Efficiency
Ensure all relevant domestic private rented properties meet the minimum energy efficiency standard (MEES).	Ongoing	Private rented dwellings all are SAP Banding E or above.	Housing Enforcement
Encourage housing developers to build to the Future Homes and Building Standard prior to it becoming mandatory.	Ongoing	New homes produce 75% to 80% less carbon emissions as compared to those built under the current regulations.	Development Management
Work with partners to develop stronger messaging and support for self-funded householders to encourage them to invest in their homes for affordable warmth and carbon reduction.	Ongoing	Greater number of owner-occupiers invest in their homes to improve energy efficiency and reduce carbon emissions.	Affordable Warmth and Energy Efficiency Climate Change

Objective 2: Establishing a pathway to zero-carbon housing			
All council owned housing stock to aim to have a minimum EPC of Band C by 2030.	2030	Improved energy efficiency of Council housing stock, resulting in reduced fuel bills and carbon emissions.	STAR Housing
All housing association rented stock to aim to have a minimum EPC of Band C by 2030 and, where this is not financially viable, 2035.	2030 (2035)	Improved energy efficiency of housing association stock, resulting in reduced fuel bills and carbon emissions.	Private Registered Providers
Work with STAR Housing and housing association partners to develop a good practice guide for reducing carbon emissions in new build affordable housing.	2024	A good practice guide based on developing energy efficient and low carbon affordable housing in Shropshire.	Planning Policy Housing Strategy and Development
Assess the impact of STAR Passivhaus pilot.	2024	Appraisal providing a full cost / benefit analysis.	STAR Housing
Attract resources and develop a loans scheme to enable private households to undertake retrofit measures.	2024	Scheme in place which provides loans for private households to retrofit their homes in order to reduce carbon emissions.	Affordable Warmth and Energy Efficiency Climate Change
Establish an approved contractors' scheme.	2024	List of approved contractors in place	Building Control
Develop the local supply chain.	2023 and ongoing	Sufficient suppliers, manufacturers and trained installers of energy efficiency measures in Shropshire.	Affordable Warmth and Energy Efficiency Climate Change
Introduce a monitoring and quality control system to establish the actual impact of retrofitting and new build technologies across all tenures.	2023	Monitoring and quality control system in place which measures performance of retrofitting and new build technologies, ensuring quality installation of measures.	Affordable Warmth and Energy Efficiency

Delivery of the London Road Innovation Low Carbon Development by 2025.	2025	Development of low carbon open market homes in Shrewsbury.	Cornovii Developments Ltd
Objective 3: Attracting funding to deliver affordable warmth and improve energy efficiency			
Ensure the income maximisation of fuel poor households.	Ongoing	Fuel poor households offered advice and assistance, signposted to other agencies where required.	Affordable Warmth and Energy Efficiency
Continue to promote the take up and support the delivery of energy efficiency measures.	Ongoing	Promotion of the importance of installing energy efficiency measures – to reduce fuel bills and carbon emissions.	Affordable Warmth and Energy Efficiency
Ensure the Council and its partners bid for available funding for measures to reduce fuel poverty and reduce carbon emissions.	Ongoing	Maximising the level of central Government subsidy available for affordable warmth and low carbon initiatives.	Affordable Warmth and Energy Efficiency