



Portsmouth
CITY COUNCIL

Energy and water at home

A strategy for efficiency and affordability
for every household in Portsmouth

2019 - 2025

Contents

Our vision	2
How the vision will be delivered	2
Strategic objectives	2
The challenge	4
Our ways of working	9
Leadership and participation in the strategy	10
The workstreams	10
How we are taking action now	11
The way forward	12
Milestones.....	14
Strategic fit	15
Consultation, monitoring and review	15

Our vision

To ensure all homes in Portsmouth use energy and water as efficiently as possible for an appropriate level of comfort, safety, health and dignity, so that no Portsmouth household has to worry whether they can afford their energy and water bills.

How the vision will be delivered

- ✓ The council will lead the way in helping our community to make Portsmouth's homes more energy and water efficient and low-carbon.
- ✓ Residents will be empowered to reduce their energy and water bills and increase their household income, ensuring that their home energy costs are affordable.
- ✓ Support will be offered as widely as possible, to maximise the number of people who benefit, while targeting those most at risk from cold homes, to maximise the impact.
- ✓ The council will develop national partnerships to attract investment in energy and water efficiency into the city, supporting the creation of skilled green jobs locally and driving innovation in clean energy generation to ensure the city's energy and water needs are affordable, sustainable and secure.

Working together with our residents and stakeholders in the area we will ensure that everyone understands the help that is available and can meet their energy and water needs, to make Portsmouth a fairer, healthier and more prosperous city.

2

Strategic objectives

This strategy will contribute to the council's shared aim, to make Portsmouth a place that is fairer for everyone: a city where the council works together with thriving communities to put people at the heart of everything we do.

It focuses on our five corporate priorities:

1. Make Portsmouth a city that works together, enabling communities to thrive and people to live healthy, safe and independent lives.
2. Encourage regeneration built around our city's thriving culture, making Portsmouth a great place to live, work and visit.
3. Make our city cleaner, safer and greener.
4. Make Portsmouth a great place to live, learn and play, so our children and young people are safe, healthy and positive about their futures.
5. Make sure our council is a caring, competent and collaborative organisation that puts people at the heart of everything we do.

To ensure that all households in Portsmouth have access to affordable and sustainable energy we will strive to:

Priority One

- Ensure our residents are informed, active and engaged consumers who take action to reduce energy and water costs and wastage.

Priority Two

- Ensure all homes in Portsmouth meet a minimum Energy Performance Certificate rating of D by 2025 where practicable.
- Lead the way in using new housing developments and refurbishments to reach the highest possible levels of energy and water efficiency, and reduce carbon emissions.

Priority Three

- Develop clean energy generation that contributes to reducing fuel poverty, reducing carbon dioxide and other harmful emissions.
- Reduce carbon emissions and improve air quality.

Priority Four

- Maximise household incomes to ensure every resident exceeds a minimum reasonable standard of living.

Priority Five

- Clearly communicate a comprehensive offer of assistance for residents.

This strategy will contribute to the council's action plan to achieve net zero carbon emissions in Portsmouth by 2030.

The challenge

The council has declared a climate emergency to highlight the need for urgent action to reduce greenhouse gas emissions¹. We have pledged to achieve net zero carbon emissions in Portsmouth by 2030, considering both the production and consumption of emissions.

Emissions caused by the use of energy in the home comprise 31% of total emissions in the Solent region², and therefore this strategy has a role to play in achieving net zero carbon emissions. While working to increase energy efficiency and sustainability and improve indoor and outdoor air quality, we also want to achieve fairer access to energy for all.

Fuel poverty is estimated to affect 10.9% of households in England and 12.1% in Portsmouth, which equates to over 11,000 households³ (see map on page 7). This is based on the Low Income High Costs indicator⁴, which considers a household to be fuel poor if:

- they have required fuel costs that are above average (the national median level), and
- were they to spend that amount, they would be left with a residual income below the official poverty line.

4

This measure of fuel poverty is based on the amount of energy the household should use, to achieve a reasonable standard of comfort and dignity. In reality, these households face a 'choice' between adequately heating and lighting their home or spending money on other essential outgoings. Many decide to use less energy than they need, and live in cold homes. This disproportionately affects the elderly, families with young children and those living with long-term sickness or disability.

Being unable to afford to adequately heat the home or use energy for other essential activities, such as cooking and cleaning, contributes to social isolation, poor health outcomes, an increase in hazards in the home, and impedes child development.

Every year there are around 125 more deaths in Portsmouth during the coldest four months of the year compared to the average of the rest of the year⁵. An estimated 30% of these deaths are attributable to the avoidable circumstances of living in cold homes⁶.

Cold homes are dwellings which are energy inefficient and difficult to heat; resulting in high energy bills and unnecessary carbon emissions. These properties can be

¹ <https://democracy.portsmouth.gov.uk/documents/s22583/Draft%20Council%20Mins%20March%202019.pdf>

² <https://solentlep.org.uk/media/2669/solent-lep-heat-and-power-strategy-and-action-plan-final-docx.pdf>

³ <https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2019>

⁴ <https://www.gov.uk/government/publications/fuel-poverty-statistics-methodology-handbook>

⁵ <https://fingertips.phe.org.uk/public-health-outcomes-framework#page/3/gid/1000044/pat/6/par/E12000008/ati/102/are/E06000044/iid/90641/age/1/sex/4>

⁶ <https://www.nea.org.uk/wp-content/uploads/2018/02/E3G-NEA-Cold-homes-and-excess-winter-deaths.pdf>

broadly identified as those with an Energy Performance Certificate (EPC) rating of E, F or G. In Portsmouth there are 13,500 homes rated E, F or G (around 21% of all homes with an EPC rating), with the private sector accounting for the lowest average EPC ratings. Assuming similar levels in homes without an EPC, the total number of cold homes in the city would be over 18,000.

Average annual home electricity bills rose by 5.6% in 2017, 9.1% in 2018, and are predicted to rise further, taking up an increasing proportion of household income. While home gas prices have reduced from a peak in 2014, in real terms gas prices have increased over the last 10 years⁷. The 10.3% increase in the energy price cap from April 2019 underlines why the price cap policy will not be enough to bring home energy bills down to an affordable level.

Despite high costs, many households are paying more than they need to, with 54% of consumers on a standard variable tariff (not including prepayment meter tariffs), which are usually the highest. Although regulation has driven huge improvements in the experience of consumers switching energy suppliers, only 19% of British consumers switched supplier between July 2017 and June 2018, and 61% have never switched supplier, or have only switched once⁸.

Under the English Indices of Multiple Deprivation 2019, Portsmouth was ranked 59th most deprived out of 317 local authority areas⁹. A fifth of children living in the city are growing up in poverty, but in Charles Dickens ward this rises to over two fifths of children¹⁰. About 7,100 Portsmouth residents aged over 60 live in income deprivation.

Where schemes are available to improve efficiency and make energy affordable, take-up is often low. Our residents who are most in need may be socially and digitally excluded. A history of mis-selling in the energy supplier market also appears to have contributed to a reluctance among some residents to ask for or accept support.

Although a fuel poverty strategy for England was published in 2015, there have been a number of legislative, policy and funding changes since then. This requires local authorities to be informed and flexible, with a clear local vision for sustainable business streams that are resilient to changes in the national context. The council has responded to the government's recent consultation on a new fuel poverty strategy for England.

⁷ <https://www.gov.uk/government/statistical-data-sets/annual-domestic-energy-price-statistics>

⁸ <https://www.ofgem.gov.uk/publications-and-updates/state-energy-market-2018>

⁹ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

¹⁰ <https://www.gov.uk/government/statistics/personal-tax-credits-children-in-low-income-families-local-measure-2016-snapshot-as-at-31-august-2016>

Figure 1 shows the areas of Portsmouth with the highest proportion of fuel poor households, based on the Low Income, High Costs indicator (see definition page 4).

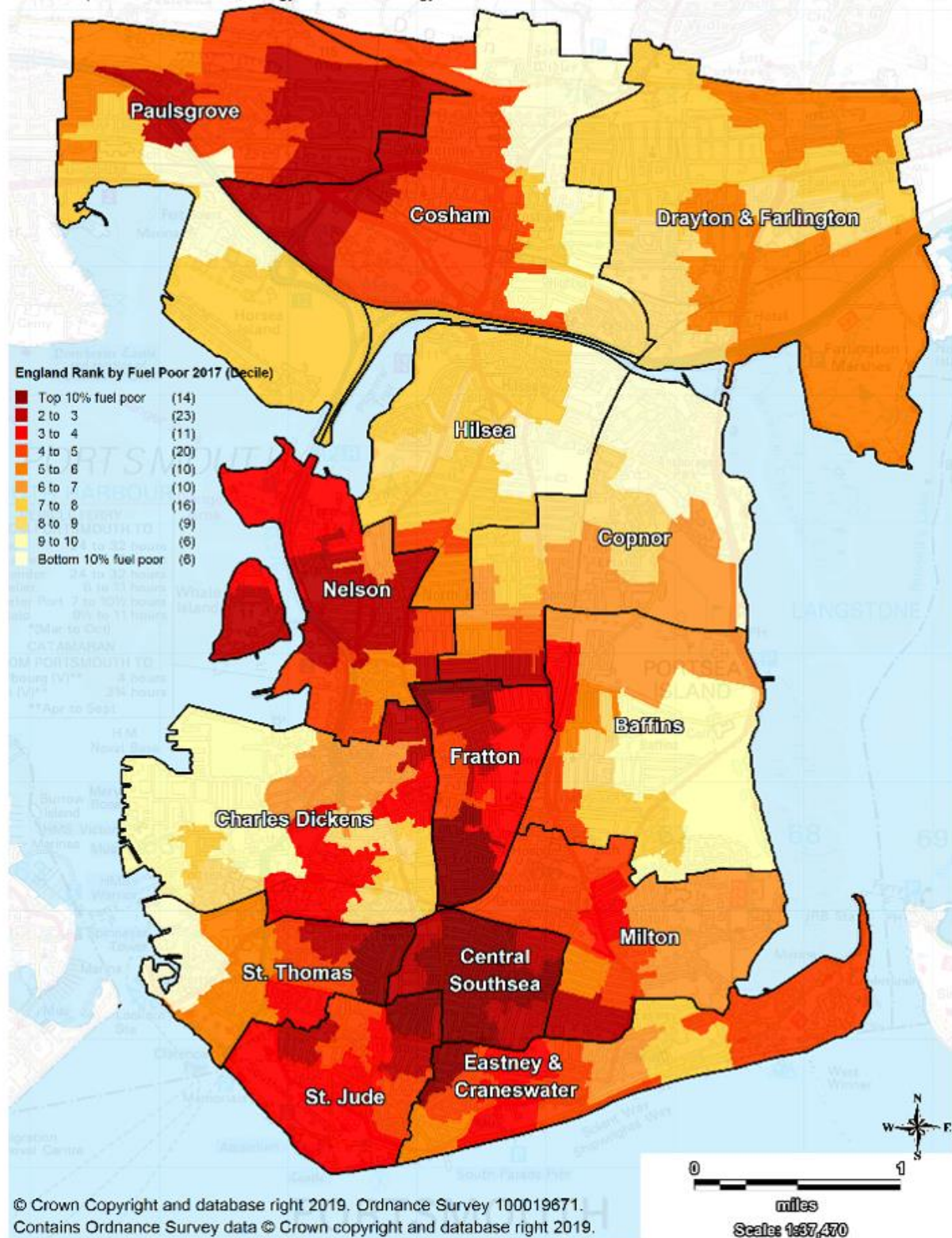
Whereas a map of the Indices of Multiple Deprivation¹¹ would show the highest concentrations of deprivation on Portsea Island around the council estate areas in Charles Dickens, Nelson and St Thomas wards, the highest prevalence of fuel poverty is in Central Southsea. This is driven by the concentration of relatively older homes in this area that are less energy efficient and may not have been maintained to the standard of many homes owned by the local authority.

¹¹ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

Figure 1 - A map of fuel poverty in Portsmouth

% of households fuel poor (low income, high costs). Portsmouth lower super outputs areas (LSOA) ranked relative to England in deciles, 2019 (2017 data). Electoral wards overlaid.

Source: Department for Business, Energy & Industrial Strategy



Saving water

This strategy will also consider domestic water efficiency. Like electricity, gas and other fuel types; water is a natural resource consumed within homes which impacts on quality of life, household bills and carbon emissions. As with energy, measures can be taken to reduce water consumption, and tariffs can reduce household bills. Any reduction in the use of hot water will also be a reduction in energy use within the household. As hot water constitutes around 20% of a typical domestic heating bill these savings can be substantial¹². Water has an embedded carbon factor and wastewater contains nitrates; therefore any reduction in water demand contributes to lowering carbon emissions and mitigating nitrate levels in the Solent.

In homes with a water meter, water efficiency measures can be employed to reduce the water bill. Small measures include cistern retrofits and bags, and low-flow tap fittings and shower heads. Larger measures include installing new cisterns and replacing baths with showers.

As well as technical interventions, and as with energy, changing behaviour can save water. Encouraging residents to reduce toilet flushes, shower length and consumption from other household processes can be built into some of the energy outreach work done by schemes such as LEAP, as well as during other touch points with residents.

Water suppliers offer assistance with bills for vulnerable households. Portsmouth Water offers a social tariff to cap bills at £81 and Southern Water cap wastewater bills at £282 per annum. For a 3 bedroom household, this represents a saving of around £213 per year.

¹² Energy Savings Trust <https://www.energysavingtrust.org.uk/home-energy-efficiency/saving-water>

Our ways of working

Working in partnership

The council's energy services team coordinates a city-wide fuel poverty working group, bringing together partners working in housing, health, social care and the voluntary and community sector. We are the lead partner in a consortium of nine local authorities delivering the Warmer Homes scheme across the UK. We seek new opportunities to share our expertise and resources with partners to ensure we can make every contact count and achieve the best outcomes for our community.

Focussing on the most vulnerable

Working with our thriving community to help as many of our residents as we can, we put those in greatest need at the heart of what we do. We provide information, training and support to partners who can help us to reach the most vulnerable.

Maximising investment in the city

We seek new opportunities to attract funding to tackle fuel poverty. We multiply the value of investment and generate income to support our activities through clean energy generation, and drive the development of projects that provide the resources to reduce home energy costs for residents. We aim to create sustainable business models that are resilient to changes in national policy and available resources.

Excellence through innovation

Understanding the national legislative and strategic direction, and working with partners to monitor the latest developments in fuel poverty reduction, we aim to be a leader in delivering improvements for our community, innovating and adapting to quickly respond to new learning and opportunities.

Measuring our impact

By monitoring and evaluating action on fuel poverty from our customer's point of view, we learn what works for people in Portsmouth, and use this learning to ensure we do what matters. Our approach will contribute to research in this field and help to inform local and national policy.

Leadership and participation in the strategy

The council is in a unique position to lead this strategy, but the vision can only be achieved in partnership; identifying who can contribute and providing opportunities and support to enable their participation for effective collaborative working.

Residents, stakeholders and partner organisations all have a vital role to play.

What the council can offer	What partners can offer
Trusted civic leadership	Trusted local groups and organisations
Contact points for residents	Contact with residents who are not engaged with the council
Communication channels	Amplifying the message
Role as landlord	Links to residents who are not council tenants
Housing development	Private sector and social housing development
Improving private sector housing standards	Identifying residents living in poor conditions
Attracting external funding for projects	Delivering projects in partnership
Statutory and regulatory expertise	Experts by experience and community insight
Informing, coordinating and supporting action in the city	Sharing learning and providing scrutiny of the council's impact

10

The workstreams

Access to energy and water at home is not fair or sustainable when people use more energy or water than they need to, pay too much for their utilities, and don't have enough income to meet their needs. Ensuring affordable and efficient energy for all requires action across three workstreams:

- **Improving home energy and water efficiency**

The fuel type, heating system, construction and age of a dwelling, along with the efficiency of the lighting and appliances used in it, all influence the energy and water needs of the occupants.

- **Cutting energy and water bills**

Bills are determined by the amount of energy used in a home, and the unit cost and standing charge of the tariff charged to that customer by their supplier.

- **Maximising household income**

Increasing the amount of money coming in to a household, and reducing unnecessary expenditure, can maximise the income available for essential costs such as energy and water.

How we are taking action now

Improving home energy and water efficiency

- The council currently offers to eligible households:
 - Free small measures such as draft-proofing, low energy lightbulbs and low-flow shower heads, provided through our Local Energy Advice Partnership home visits¹³
 - Warmer Homes project - free gas central heating systems¹⁴
 - Free broken gas boiler replacements during the winter period for owner occupiers¹⁵
 - ECO funding for larger energy saving measures such as loft and cavity wall insulation
 - Home improvement grants and loans
- Requiring new homes to exceed national planning policy standards
- Insulating council homes to a higher standard than current building regulations

Cutting energy and water bills

- Switch Portsmouth¹⁶ launched in 2017
- Energy saving and switching advice provided through our Local Energy Advice Partnership home visits
- Promoting social tariffs for water
- Energy efficiency advice service run by the energy services team
- Debt advice to reduce energy and water debt repayments to an affordable level
- Installation of solar PV systems to reduce our tenants' electricity bills

11

Maximising household income

- Portsmouth's Tackling Poverty Strategy 2015-20¹⁷ outlines the priorities for action to reduce poverty in the city
- Money advice provided by Advice Portsmouth, our area housing office teams and other partners helps residents by:
 - Ensuring they receive all the benefits and other income they are entitled to
 - Prioritising expenditure and reducing unnecessary costs
 - Finding solutions for unmanageable debt
- Telephone advice to help people maximise their income offered with our Local Energy Advice Partnership home visits
- Funding from Portsmouth Switch and Portsmouth City Community Fund providing small grants to help people in acute fuel poverty
- Helping residents to increase their functional skills and soft skills, to increase their employability and opportunities for pay progression

¹³ www.applyforleap.org.uk

¹⁴ www.warmerhomes.org.uk

¹⁵ <https://www.portsmouth.gov.uk/ext/news/portsmouth-residents-can-now-benefit-from-free-emergency-boiler-initiative>

¹⁶ <https://www.ukpower.co.uk/wl/portsmouth>

¹⁷ <https://www.portsmouth.gov.uk/ext/documents-external/cou-tackling-poverty-strategy.pdf>

The way forward

Risks

- The national legislative and policy framework does not currently support local authorities to take radical and sustained action to address domestic energy issues.
- External funding streams are often short term and complex.
- The council has limited powers to improve privately rented and owner occupied homes, where energy efficiency is often lowest.
- There are barriers to reaching and engaging with the most vulnerable residents in the city, and in supporting them to make changes to their energy and water needs and usage.

Opportunities

We have identified a number of areas where there are opportunities to increase access to affordable and sustainable energy and water for everyone. This strategy provides the basis for a robust action plan with multiple workstreams and activities. The section below outlines some of the activities to be included within this action plan.

Opportunities that can be achieved by April 2021 are identified as short term, while longer term measures should be achieved by December 2025. The evolving policy and funding landscape will continue to create potential opportunities; this strategy will ensure that the council can work in partnership to utilise future opportunities for the benefit of our residents.

12

Improving home energy and water efficiency

Short term

- Seek access to Innovation funding for smart technologies to improve home energy efficiency
- Target households most in need of improvements using the database of Energy Performance Certificates, innovative data mapping tools and property data on the most energy inefficient homes in the city including systems-built and park homes
- Increase referrals into the existing energy efficiency schemes
- Give a renewed purpose and increased scope to fuel poverty working group to ensure that every potential opportunity is fully utilised
- Trial innovative technologies, for example to reduce carbon emissions, improve heating controllability and reduce damp and mould issues in social housing
- Develop a programme of water saving measures and behavioural advice for vulnerable residents
- Report carbon savings from home energy efficiency interventions into the Portsmouth Climate Change Board and ensure both programmes are aligned
- Utilise academic research support to measure and validate interventions

Longer term

- Use the Minimum Energy Efficiency Standards regulations to drive support and enforcement to improve efficiency of private rented sector homes
- Develop strategies for engaging owner occupiers to make energy and water efficiency improvements to their homes; seeking delivery of works through external grants where available
- Develop partnerships with healthcare providers in order to deliver home improvements to people who are vulnerable due to health conditions
- Develop domestic solar PV and battery storage models in housing and explore other decentralised energy generation
- Develop business models to support the delivery of low carbon, low cost energy for domestic properties
- Develop near zero carbon and highly water efficient new housing within the city
- Trial near zero carbon retrofit projects within the PCC housing portfolio

Cutting energy and water bills

Short term

- Increase the participation, scope and scale of work undertaken with partners in the multi-agency fuel poverty working group
- Increase the level of engagement with frontline services within the city to enable them to make best use of home energy efficiency services
- Understand what matters to residents to continue to shape the offer available for households within the city
- Monitor schemes to understand when and why people choose not to take up some of the help available, and whether other support is needed; shape schemes to offer a greater level of support to a wider audience
- Improve and extend communication and engagement with residents to help them cut their energy bills
- Encourage the uptake of social water tariffs by vulnerable households and provide water saving advice to residents
- Create a website to act as a centralised online platform through which advice and support can be given, and referrals made

Longer term

- Monitor changes in the energy market and regulatory framework to identify opportunities to reduce energy bills
- Ensure all residents have access to smart meters and other technology to increase energy awareness and reduce wasted energy
- Explore options to provide sustainable low cost energy to Portsmouth residents
- Take advantage of time-of-use tariffs and storage technologies to protect residents from increasing electricity costs

Maximising household income

Short term

- Improve communication and engagement with residents to help them maximise their income
- Improve budgeting support provision for people claiming Universal Credit
- Encourage people to access money advice at an earlier stage to avoid missing out on income
- Improve uptake of income maximisation support following each LEAP home visit
- Ensure partner agencies and residents in the city understand where help is available to maximise income and reduce barriers to access

Longer term

- Help adults to develop their skills, maximising the potential of apprenticeships, to increase residents' earning potential
- Ensure that the council's regeneration and economic development agenda encourages employability and pay progression at all levels
- Support the creation of green energy jobs for local residents
- Ensure all services working with residents at risk of poverty can help people to engage with employability support to find work or better paid work
- Continue to provide advice and support via foodbanks and other services working with people in financial crisis to address the underlying causes

14

Milestones

In order to measure the success of this strategy, a detailed action plan will be developed, that will be led by the council but will focus on working in partnership to deliver the short term and longer term opportunities identified in the strategy. The plan will include measures to assess progress and drive improvement in achieving our strategic objectives.

The action plan will outline in detail what we want to achieve and over what period of time, but the following milestones have already been identified in developing this strategy:

Short term - by April 2021

£2.5 million of external funding to be secured for measures delivered to vulnerable households in Portsmouth.

2,000 households living in properties with the lowest EPC rated homes to be contacted with specific support and **500** of these homes improved through funding enabled by this strategy.

A range of communication channels employed to engage every Portsmouth household with information and advice on saving energy and water.

1,500 referrals to be made into person-centred individual support, resulting in at least **£2,000,000** of lifetime savings and additional income.

Household carbon emissions reduced by an additional **500 tonnes** each year as a result of home energy efficiency improvements.

1,500 individual water saving measures to be installed for vulnerable households.

Longer term - by December 2025

The longer term metrics against which the success of this strategy can be assessed include:

- An improvement in EPC ratings for all tenure types to at least D rating where practicable.
- A reduction in household expenditure and emissions through the development of a domestic solar PV and storage programme.
- Data and learning achieved from trials of innovative technologies to improve home energy efficiency.
- Access to new funding streams likely to become available on the termination of the Energy Company Obligation.
- Greater energy awareness and engagement among Portsmouth's residents.

Strategic fit

The aims of this strategy and the action that will be taken to deliver it are aligned with other strategic priorities for the city:

- The council's pledge to achieve net zero carbon emissions by 2030
- Economic development and regeneration strategy 2019-36
- The Portsmouth plan
- Tackling poverty strategy 2015-20
- Health and wellbeing strategy 2018-21
- Air quality strategy 2017-27
- Portsmouth air quality local plan
- Nitrate neutrality mitigation measures

Consultation, monitoring and review

Consultation on this draft strategy will seek input from the community, our partners and other stakeholders, to ensure our vision, strategic objectives and ways of working deliver what matters to the people we serve, and that the way forward provides clear direction to reach our vision.

An action plan will be developed in partnership, which will include key performance indicators in order to measure the success of delivery.

Progress against the strategy will be monitored by Portsmouth's fuel poverty working group, led by the council's energy services team, who will review the actions underway and identify future priorities to meet our objectives.

We will continue to work with universities, strategic partners and government agencies to ensure that activity and outcomes are externally reviewed and validated.

DRAFT