



Cumbria Rural Forum – Rural Briefing

In January 2013, Cumbria Rural Forum, supported by ACTion with Communities in Cumbria and Cumbria County Council, hosted a conference under the title **How Communities Address Energy Costs**. The focus of the event was, where possible, to highlight practical actions that can be taken by households to reduce the cost of energy, providing delegates through a series of presentations and workshops, with the opportunity to discuss the savings potential of differing energy sources and purchasing strategies and how it could be possible to promote these in the community.

Ian Soane, Chair of Cumbria Rural Forum and **Lorraine Smyth**, Chief Executive of Action with Communities in Cumbria opened the event.

They outlined the programme for the day and highlighted the nature of the event's focus on what individuals can do to save money in the face of rising fuel costs, and encourage discussion of the issue of fuel costs in their community. This is an issue of particular concern to rural residents because of their greater reliance on more expensive, off-mains fuels.

The National Scene

Paul Cartwright of the charity National Energy Action, gave the opening presentation. He began by briefly outlining the outcome of the Hills Review of the definition of fuel poverty.

At present a household is defined as fuel poor if it spends more than 10% of its income on domestic fuel. The Hills Review proposes a new definition. To be considered fuel poor a household must:

- have required fuel costs above median level; and
- were they to spend this amount will be left with a residual income below the official poverty line (i.e. less than 60% of the national median income).

Unlike the present definition, this revised definition takes into account people's ability to pay for fuel. It is also less sensitive to changes in the price of fuel.

Paul explained that the effect of adopting this definition would be to reduce the number of households regarded as being in fuel poverty from 3,536,000 to 2,666,000 (2010 figures).

He indicated that the Department for Energy and Climate Change will continue to use the old definition and that, with rising energy bills, less provision of free insulation and high levels of unemployment, levels of fuel poverty will increase, thus making practical savings by households particularly important.

Such steps are especially important for rural communities where there are a higher proportion of hard to heat homes and less

access to lower cost fuel in the form of mains gas. In rural areas it is estimated that 24% of households are in fuel poverty, compared with 15.5% in urban areas. Such households will be particularly hard hit by recent rises in electricity costs which, together with other energy price rises averaging 7% will push an additional 30,000 households into fuel poverty.

Paul then reminded the conference that fuel poverty is far more than simply an economic problem, being one of the drivers for 24,000 excess winter deaths in 2011/12, a majority being among those aged 75 and over.

Green Deal and ECO are the future fuel poverty programmes and without examining these in detail Paul drew attention to the fairly limited nature of the "rural safeguard". This requires suppliers to deliver 15% of their overall Carbon Saving Communities Obligation to rural, low-income households in settlements with a population of less than 10,000. However, this is only 15% of the Carbon Saving Communities Obligation which has a value of £190m, not the overall Carbon Saving Obligation of £950m so the funds available through the rural safeguard amount to a modest £28.5m.

Because of this limited value DECC will focus on lower cost initiatives (loft and cavity insulation) and will not tackle the pressing problems of insulating solid walled homes nor incentivise the use of renewables in off-gas areas.

Given this context, Paul went on to highlight the value of local action to identify those most in need and make these households a focus for information about no-cost/low-cost measures and any available support.

Paul drew upon a recent project in Derbyshire, "Networking for Warmth", that had used the skill and interest of local volunteers to do this, a project in which NEA had partnered Electricity North West. This project had drawn attention to some of the issues of working with volunteers, in particular the time needed to engage with volunteers and provide them with the necessary training and support.

Paul closed by referring to the developing Energy Champions Toolkit which has been

ACT champions community and rural issues

written by NEA in association with Action with Communities in Cumbria and Calor as a part of the latter's Future Rural Energy England programme. The toolkit provides resources to help establish an energy champion's network in order to raise awareness of energy issues and promote efficiency measures.

Cumbria Soundings

Tom Barlow, Cumbria Affordable Warmth Officer, provided a very useful roundup of current support available under various programmes to promote energy efficiency measures and tackle fuel poverty. These include:

- Free loft, loft top-up, cavity wall and tank and pipe insulation for owner occupied and private rented properties (subject to survey)
- Funding support for organisations providing help, advice and support to fuel poor households
- Assistance with essential heating repairs for people with health related issues.

However, Tom stressed that, from April 2013, the introduction of the Energy Company Obligation would see significant changes. The Obligation draws funding from a levy on everyone's fuel bills but local action will be needed to make sure that Cumbria draws down its share of the resulting funds. Under the new system:

- Each district council will be working to identify households eligible for efficiency measures at an individual household level
- Work will be undertaken to identify hard to reach households
- Eligible households will be advised of the help available.

In addition, local authorities have the opportunity to take on an active role under Green Deal as providers, partners or promoters.

In this changing context there is a key role for communities and community-based organisations in:

- Encouraging households to take free measures while they are available
- Raising awareness in the local community of the changes
- Distributing contact details to encourage access to the funding
- Considering the potential to deliver local projects with ECO funding
- Helping eligible individuals to claim Affordable Warmth Grants.

Making a Difference

Hellen Aitken, ACTion with Communities in Cumbria, gave a presentation which examined some of the practical actions that communities and individuals might take to address the problems faced by rural households from a combination of high fuel costs, low incomes and energy inefficient homes.

Hellen identified two broad groups of actions:

Community activity

- Sharing basic energy efficiency information
- Promoting local and national initiatives
- Signposting to advice and support
- Encouraging greater discussion locally

Reducing Bills

- Insulation and draught-proofing
- Using energy efficient light bulbs and appliances
- Using appliances efficiently (e.g. cooler washes, only boiling the water that you need)
- Understanding and using heating controls
- Installing energy efficient heating and hot water systems
- Monitoring energy use
- Changing behaviour (switching lights off, closing curtains at night, showering)
- Considering the option to switch tariff or supplier
- Considering energy purchase schemes
- Seeking fuel debt advice
- Registering for Priority Services (if eligible e.g. pensionable, disabled, chronically sick, hearing or visually impaired)

She stressed that reducing energy costs should appeal to everyone in the community, not just those affected by fuel poverty. Some of the most effective actions involved little or no cost, for example taking the time to understand the controls available on an existing heating system and using these more effectively or draught proofing doors and windows.

Hellen provided information about some of the providers of advice and support available that might be promoted at community level and concluded by suggesting further actions that communities could take, including:

- Forming a community oil buying group
- Offering advice, support and signposting locally
- Helping the elderly to clear lofts for the installation of insulation
- Promoting best practice through Village Hall energy efficiency and renewable energy projects

Workshops

Delegates participated in three workshops and in each of these two separate topics were introduced by expert speakers and then discussed, each delegate was therefore able to consider all six topics. The following notes summarise the expert input and the key points from subsequent discussion.

Workshop 1 – Wind and Wood

Derek Elsworth of Validation and Process Solutions Limited framed his input around the critical value of taking personal responsibility for energy use. In this context he stressed the need to understand your own home with regard to energy/utilities:

- Electricity – examine every socket
 - Appliances left on stand by
 - Boiling too much water
 - Switch off lights
 - Use low energy bulbs
 - If replacing appliances, select energy efficient items
- Gas – examine every thermostat
 - Reduce boiler times
 - Turn down thermostats
 - Replace old boilers with high efficiency ones
- Water - check for leaks
 - If hot tank is a long way from taps, save the cold that you run off to flush the toilet or water plants
- Monitor your usage – This is the nub
 - Check your meters regularly
 - See how they change over time
 - Take action to save energy and observe the change in your energy usage
- Finances – use dual fuel Direct Debit if you can

Neville Elstone, Cumbria Woodlands, explained the role of his organisation, a not for profit NGO, in providing advice on woodland management, training, support for woodfuel businesses and community woodland support. It undertakes these activities because woodland has the potential to be used more effectively and because managed woodlands are more robust and bio-diverse.

He stressed the importance of having woodburning stoves correctly and professionally installed for safety and efficiency reasons. Such stoves do offer some potential to reduce energy costs but this varies considerably on a case by case basis with pay-back periods varying from 18 months to never. Overall, and depending on the price paid for woodfuel, costs would equate

to those of mains gas.

Workshop 2 – Oil and Switching

Anne Burgess, the Village Agent Coordinator for the Northern Fells Group introduced delegates to the Oil Syndicates that have been developed in their area. Driven by the lack of mains gas and a consequent reliance on fuel oil for energy, syndicates had developed as an excellent way of saving money when buying oil. In a syndicate, groups of households negotiate jointly with the oil supplier, the bulk order saving both on the purchase price (1p – 3p per litre) and, with a common delivery date, supply costs. Email is used to contact residents and the supplier, saving time. Oil is ordered through the syndicate every three months but there is no obligation to have a delivery and residents can order a top up in between deliveries if necessary. Payments are made directly between the resident and the supplier so syndicate coordinators do not get involved with financial issues.

Different syndicates in the county act in different ways.

Cllr Clare Feeney-Johnson of South Lakeland District Council introduced delegates to the Council's "Power Up Your Community" scheme, the first local authority run collective energy switching scheme in the country.

Participants are invited to register for the scheme without obligation, providing details of their energy usage when doing so. The Council then holds an auction at which energy companies bid for the custom of those registered, the contract going to the company offering the lowest price. Those registered then have the opportunity to switch to that supplier at the auction price or to stay with their existing provider.

The Council receives a switching fee which is used solely to combat fuel poverty in the district while participants can make significant savings on their fuel bills.

The scheme is currently in its second round of registration, this closing on 26th February 2013. During the first round 1,669 householders registered with 517 actually switching following the auction.

While this is a South Lakeland scheme it is essential to note that it is open to householders anywhere in the country and offers a genuine opportunity to make significant savings.

Workshop 3 – Pre-Payment and Solar Panels

Pat Godwin of Eden Credit Union explained the ways in which credit unions across Cumbria

might be able to help households in financial difficulty to reduce their energy costs. Many such households are required by their supplier to use a pre-payment meter with a number of consequent disadvantages:

- Higher costs for gas and electricity
- No access to lower priced tariffs
- The need to top-up keys or smart-cards

Low income households have the opportunity to switch from a pre-payment to a credit meter if they are no more than £500 in debt to the energy company. An example of the way in which credit unions can help households make this change is the Energy Best Deal scheme launched last November under which Whitehaven and Egremont Credit Union makes small loans of up to £250 to households in order to reduce/pay-off their energy debt and thereby qualify to switch to a credit meter. Such loans attract very low interest rates and are available for small amounts.

Similarly, in rural areas where the cost of filling an oil or gas tank may be prohibitive, a credit union loan could enable households to buy when fuel costs are lower, which is often in the summer, and to spread the cost of filling up.

Peter Clarke, a trustee of Cumbria Action for Sustainability outlined the whys and wherefores of installing domestic photovoltaics (PVs) which generate electricity from sunlight.

A typical domestic installation would be of 18 panels with the capacity to generate up to 4kW, depending upon the orientation, latitude, angle of slope of the panels. Such an installation costs around £6,000 and is the maximum permitted on a domestic property.

While installing such panels is beneficial to the environment by reducing energy needs and carbon emissions there is also a powerful financial incentive for those households with the necessary capital. Peter set out the following example which comprises several elements:

- Feed In Tariff payments of 15.44p per kWh for 20 years tax free
- Payment of 4.5p per kWh for power supplied to the grid (Peter's supplier assumes that he uses 50% of energy generated with 50% going to the grid)

This results in a payment of 17.69p per kWh generated or £530.70 per annum (assuming 3000kWh). In addition there is the saving on energy not purchased for which 15p per kWh would be paid, amounting to a further £225.00 making a total return of £755.70pa. This represents a return on investment of 12.6% and a payback period of 8 years followed by a 12

year period when the income generated is pure profit.

All figures quoted are based on January 2013 data.

There are a few caveats:

- Your house must meet certain insulation standards in order to qualify for FIT
- If you borrow funds to pay for the installation the payback period will be longer
- Actual energy output will vary from site to site
- Production of an installation drops over time, e.g. after 10 years panels will produce only about 90% of their original output falling to 80% after 25 years.

Key Learning Points

From the presentations and workshops delegates recorded a great number of discussion points of which the following are only a selection:

- Conserve energy first, using simple steps, insulation and draught proofing, making better use of heating controls
- Turn off stand-by appliances
- 500 jobs would be created if Cumbria's woodland were to be properly managed
- Wood burning stoves need correct installation
- Wood burning stoves have running costs similar to mains gas
- There are low cost and free sources of wood but for efficiency moisture levels need to be low so timber may need to be stored before use
- There is scope to promote energy efficiency and the bulk purchasing of wood and oil at community level
- Community (oil) buying schemes take some time to establish but are simple to maintain
- In the Northern Fells project the good personal relationship with the supplier is important and participants prioritise maintaining the local relationship over maximising discount on costs
- Over 80% of homes have never switched
- In most cases switching will save money
- SLDC's switching scheme is open to all
- 90% of households are not aware that pre-payment meters attract a higher than normal tariff
- Getting a pre-payment meter removed can be difficult
- If you have a debt of over £500 the energy company will not fit a normal meter
- Low cost loans from credit unions may help

with the removal of pre-payment meters or the bulk purchasing of oil/LPG

- 4kW is the maximum for domestic solar PV installations but not for commercial
- Solar works well when combined with other renewable solutions such as heat pumps
- Properties need the right orientation for PV to work effectively

The activities where a community contribution was identified as being particularly valuable were:

- Raising awareness
- Distributing information through events, newsletters, shops, pubs, notice boards, etc
- Exploring bulk purchasing opportunities
- Signposting to expert sources of advice and funding

Delegates also considered the support needed for effective action with the following suggestions:

- Help with effective communication through web, email, twitter, etc
- Simple and easy to distribute fact sheets on e.g. bulk buying, shareholder initiatives, etc
- Materials to use in signposting to expert sources of advice and support
- Access to speakers and information for events
- Contacts for advice on specific issues

Next Steps

In their feedback on the conference many delegates indicated an intention to take action in response to the evidence and information that had been shared. Examples include:

- Sharing information on volunteering activities and community buying groups
- Taking more account of fuel poverty when visiting homes
- Highlighting issues of energy costs and fuel poverty with colleagues
- Investigating data on fuel poverty
- Distributing information to communities
- Including relevant actions in corporate plans
- Organising community events

The Cumbria Rural Forum Business Group will review the event and discuss with partners the opportunity for further action.

Taking the Brrr out of Cumbria

David Prentice of Cumbria Rural Enterprise Centre launched "Taking the Brrr out of Cumbria". This is a new and comprehensive booklet providing a range of useful practical advice together with key contacts for more detailed information, sources of practical help and financial assistance.

The booklet is available on line from Cumbria County Council www.cumbria.gov and CREA www.crea.co.uk

Conference Speakers were:

- Paul Cartwright, National Energy Action
- Tom Barlow, Cumbria Affordable Warmth Officer
- Hellen Aitken, ACTion with Communities in Cumbria
- Derek Elsworth, Validation and Process Solutions Limited
- Neville Elstone, Cumbria Woodlands
- Anne Burgess, Northern Fells Group
- Cllr Clare Feeney-Johnson, South Lakeland District Council
- Pat Godwin, Eden Credit Union
- Peter Clarke, Cumbria Action for Sustainability

You can contact the speakers through **ACT** and their presentations are available on our website www.cumbriaaction.org.uk

For further details about the Cumbria Rural Forum, contact Dani Hudson at ACT

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