

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Cabinet

4 October 2022

TITLE:	SMDC Response to the Energy Crisis
PORTFOLIO HOLDER:	Councillor Ross Ward - Portfolio Holder for Communities
CONTACT OFFICER:	David Smith - Head of Communities and Climate Change
WARDS INVOLVED:	All

Appendices Attached – Appendix A: Fuel Bank Foundation: Fuel Crisis Report 2022; Appendix B: Turning Down the Heat, CAB report on the effect of the cost of living crisis in North Staffordshire; Appendix C: ECO 4 Statement of Intent

1. Reason for the Report

1.1 To consider the support which the Council currently provides to residents in the face of the cost-of-living crisis, and specifically rising energy costs and the predicted future energy price increases in October 2022. To consider options for the provision of additional support to residents.

2. Recommendation

That the Cabinet:

- 2.1 Notes the action being taken to respond to the cost-of-living crisis
- 2.2 Supports the creation of a Fuel Bank for Staffordshire Moorlands to support those residents paying for their household energy via a pre-payment meter and who are experiencing fuel poverty.
- 2.3 Approves the ECO4 statement of intent and delivery of the scheme in collaboration with Beat the Cold.
- 2.4 Approves further conversations with the North Staffordshire Financial Inclusion Group about working together to develop an affordable credit model that includes Staffordshire Moorlands.

3. **Executive Summary**

- 3.1 The ONS Opinions and Lifestyle Survey (covering 16 to 27 March 2022) showed that nearly 9 in 10 (87%) reported that their cost of living had increased. The energy price cap increased by 54% in April 2022 with further increases due in October 2022 and January 2023.
- 3.2 Business organisations have also expressed concern regarding rising energy costs. The Confederation of British Industry warn that “*many viable companies face "distress" unless urgent action is taken by the government...*” It published survey data that showed 69% of firms expect energy bills to rise in the next three months, and nearly a third expect increases of more than 30%.
- 3.3 The Council funds Citizens Advice to provide general advice, homelessness prevention advice, and money and debt advice for tenants or home owners at risk of losing their home.
- 3.4 The District Council is part of the Staffordshire Warmer Homes Scheme (SWHS), which focuses on installing green heating solutions, insulating homes to make them more energy efficient and providing energy saving advice. The Council also commissions Beat The Cold directly to provide additional energy advice and support for our residents.
- 3.5 The Council has also commissioned Support Staffordshire to provide a Community Vulnerability Network to bring together voluntary and community groups in the Staffordshire Moorlands that play a key role in addressing the issues that face the most vulnerable in the community, including loneliness and isolation; food poverty; and financial exclusion. This provides an opportunity for sharing information on both current problems and potential solutions.
- 3.6 The Council is proposing to work with the Fuel Bank Foundation to introduce a Fuel Bank for the district, to work with Beat The Cold to deliver the ECO 4 Flex Scheme, and is investigating further ways of supporting people who may otherwise fall foul of illegal money lenders.

4. **How this report links to Corporate Priorities**

- 4.1 The report assists the Council to meet Aim 1 of the Corporate Plan (To help create a safer and healthier environment for our communities to live and work). Measures to support businesses links to the delivery of Aim 3 (To help create a strong economy by supporting further regeneration of towns and villages). The measures to improve the energy efficiency of homes supports delivery of Aim 4 (To protect and improve the environment and respond to the climate emergency).

5. **Alternative Options**

- 5.1 The report sets out the current position and initial steps that the Council intends to take; however, it is important that the Council adopts a flexible approach to emerging issues and opportunities.

6. **Implications**

6.1 Community Safety - (Crime and Disorder Act 1998)

The cost of living crisis can make people more vulnerable to illegal money lenders who seek to take advantage of vulnerable people. We propose to continue to work with the Illegal Money Lending Team to tackle this problem.

6.2 Workforce

None

6.3 Equality and Diversity/Equality Impact Assessment

None

6.4 Financial Considerations

The Council is proposing to reallocate £15,000 from its Community Support budget towards establishing a Fuel Bank in the District.

6.5 Legal

None

6.6 Climate Change

Measures to improve the efficiency of homes and reduce energy bills can also have a positive effect on reducing carbon emissions.

6.7 Consultation

None

6.8 Risk Assessment

None

Neil Rodgers
Executive Director (Place)

Web Links and Background Papers

<https://www.ons.gov.uk/economy/inflationandpriceindices/articles/energypricesandtheireffectonhouseholds/2022-02-01>

<https://www.cornwall-insight.com/cornwall-insight-comments-on-the-announcement-of-the-october-price-cap/>

<https://www.cornwall-insight.com/price-cap-forecasts-for-january-rise-to-over-4200-as-wholesale-prices-surge-again-and-ofgem-revises-cap-methodology/>

<https://www.moneysavingexpert.com/utilities/what-is-the-energy-price-cap/#:~:text=As%20you%20can%20see%20from,per%20day%20to%2045.34p.>

<https://www.ofgem.gov.uk/information-consumers/energy-advice-households/check-if-energy-price-cap-affects-you>

[Who needs debt advice in 2022? | The Money and Pensions Service](#)

[Beat the blues by focusing on financial wellbeing | The Money and Pensions Service](#)

<https://foodfoundation.org.uk/news/food-prices-tracking-august-update>

<https://www.kantar.com/uki/inspiration/fmcg/2022-wp-grocery-price-inflation-hits-new-peak-as-shoppers-navigate-533-annual-increase>

<https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/>

<https://commonslibrary.parliament.uk/research-briefings/cbp-8585/>

<https://www.foodaidnetwork.org.uk/ifan-data-since-covid-19>

<https://www.centreforsocialjustice.org.uk/wp-content/uploads/2022/03/CSJ-Illegal-lending-paper.pdf>

<https://www.ofgem.gov.uk/sites/default/files/2022-06/ECO4%20Guidance%20Local%20Authority%20Administration.pdf>

<https://sben.co.uk/funded-support/lcbep/>

Contact details

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7. Detail

Energy Prices

- 7.1 The energy regulator Ofgem establishes an energy price cap that sets the maximum amount that energy suppliers can charge for their energy. The energy price cap is designed to protect consumers from short-term changes in prices and was adjusted every six months, with the next price cap change in October 2022. However, this will change to four times a year from October 2022 with subsequent changes in January, April, July and October 2023. The price cap was introduced in January 2019 followed concerns that many people, particularly those who did not switch supplier to find cheaper deals, were paying too much for their energy.
- 7.2 The energy price cap applies to those on a default energy tariff, regardless of how the bills are paid. The price cap does not apply to those:
- on a fixed-term energy tariff (i.e. a tariff with a fixed end date), or
 - on a tariff that is exempt from the price cap, for example, some green and special time of use tariffs.
- 7.3 The cap limits the amount that a supplier can charge for their default tariff. It includes:
- The standing charge (a fixed daily amount you have to pay for energy, regardless of how much energy you use).
 - The price for each unit of electricity and gas (measured in pence per kilowatt hours, or p/kWh).
- 7.4 The energy cost is based largely on wholesale energy prices and these prices have risen sharply. Ofgem announced on 26 August 2022 that the energy price cap will increase to £3,549 per year for dual fuel for an average household from 1 October 2022. Cornwall Insight currently forecasts a further increase in the energy price cap to £5,387 in early 2023. This reflects the impact of an increasingly volatile energy market, including ongoing uncertainty regarding Russian gas flows into continental Europe, driving the rise in wholesale energy prices. There is some hope that the market will stabilise and before the high wholesale prices become “baked in” to the January 2023 price cap.

Average price cap unit rates Customer with typical usage, paying by direct debit*

	Last price cap period (1 Apr – 30 Sept 2022)	Current Price Cap Period (1 Oct – 31 Dec 2022)
Electricity	£0.28 per kWh	£0.52 per kWh
	Daily standing charge: £0.45	Daily standing charge: £0.46

Gas	£0.07 per kWh	£0.15 per kWh
	Daily standing charge: £0.27	Daily standing charge: £0.28

*Rates are averages and will vary by region, payment method and meter type. Source: Ofgen website

Cornwall Insight's default tariff cap forecasts, £ per year including VAT (dual fuel, direct debit customer, national average figures)

QUARTERLY	Q1 2023 CI Forecast	Q2 2023 CI Forecast	Q3 2023 CI Forecast	Q4 2023 CI Forecast
Electricity	£2,505.14	£2,834.19	£2,445.11	£2,464.99
Gas	£2,881.57	£3,782.19	£3,452.01	£3,422.32
TOTAL	£5,386.71	£6,616.37	£5,891.12	£5,887.31

Source: Cornwall Insight (26 August 2022).

- 7.5 The table below summarises the average impact of the price cap for people on dual-fuel who pay by direct debit. The predictions become less certain over time but currently show that the price cap will continually to rise until the middle of 2023. It is important to recognise that the prepay price cap is about 2% higher, and 7% higher for those who pay each month after getting a bill. This differential is expected to continue.

Price Cap Period	Impact (dual-fuel direct-debit cap)
1 Oct 2021 – 31 March 2022	12% increase: someone on typical use paid £1,277 per year
1 Apr 2022 to 30 September 2022	54% increase: £1,971 per year on typical use
1 October 2022 to 31 December 2022	80% increase: £3,549 on typical use
1 January 2023 to 31 March 2023 <i>Prediction</i>	52% increase: £5,387 on typical use
1 April 2023 to 30 June 2023 <i>Prediction</i>	23% increase: £6,616 on typical use
1 July 2023 to 30 September 2023 <i>Prediction</i>	DOWN 11%: £5,897 per year on typical use

Source: www.moneysavingexpert.com/utilities/what-is-the-energy-price-cap

8 Social Impacts

National

8.1 The ONS Opinions and Lifestyle Survey (covering 16 to 27 March 2022) showed that:

- nearly 9 in 10 (87%) reported that their cost of living had increased;
- among these adults, the most common reasons reported were an increase in the price of food (88%), an increase in gas or electricity bills (83%) and an increase in the price of fuel (77%)
- among those who pay energy bills, 4 in 10 (43%) said they found it very or somewhat difficult to pay their bills
- among those who said they have gas or electricity supplied to their home, 6% reported they were behind on their gas or electricity bills.

8.2 These data were collected between 16 and 27 March 2022, prior to the increase in the domestic energy tariff cap on 1 April 2022, and it should be recognised that there are strong seasonal spending patterns relating to gas and electricity.

8.3 While rising energy prices will affect most households across the country, they are more likely to disproportionately affect those on the lowest incomes. In the financial year ending in 2020:

- the poorest 10% of households spent more than half (54%) of their average weekly expenditure (£298.90) on essentials such as housing (including electricity and gas), food and transport
- those in the richest 10%, in comparison, spend 42% of their average weekly spend of £1,073.20 on the same essentials.

8.4 Spending on gas and electricity is also higher as a proportion of disposable income for those in the poorest 10% of households (7%) compared to those in the richest 10% of households (2%). As a result, an increase in energy prices disproportionately impacts low-income households.

8.5 Fuel poverty in England is measured using the Low Income Low Energy Efficiency (LILEE) indicator. Under this indicator, a household is considered to be fuel poor if:

- they are living in a property with a fuel poverty energy efficiency rating of band D or below

and

- when they spend the required amount to heat their home, they are left with a residual income below the official poverty line

- 8.6 There are 3 important elements in determining whether a household is fuel poor:
- household income
 - household energy requirements
 - fuel prices
- 8.7 The 2020 fuel poverty dataset and the associated English Housing Survey (EHS) data behind the statistics will be available on the UK data archive later in 2022. (www.gov.uk/government/collections/fuel-poverty-statistics).
- 8.8 National figures from the Money and Pensions Service (MaPS) showed that in August-September 2021, 16% (around 8.5 million) of the UK adult population needed debt advice. A further 20% (around 10.6 million) were considered to be 'at risk' and required support so that their situation does not worsen. People who need debt advice are more likely to be aged under 35 and have children. People from ethnic minority communities are more likely to need debt advice.
- 8.9 The MaPS Financial Wellbeing Survey confirms that people who have 'high financial wellbeing' (feel secure and in control of their money) are amongst the most content in society. However, the survey found that across the UK 16 million adults (31%) have low financial wellbeing, and more than a third (36%) admit to feeling worried when thinking about money matters. The research shows that raising financial wellbeing has a positive impact on mental health and has wider economic benefits for society as a whole. This is reflected in local figures which show that 88% of Fuel Bank clients (below) reported an improvement in their mental well-being after receiving support and 87% reported improvements in their physical health.
- 8.10 The Council has identified a risk of increased rent arrears in both the social and private sectors leading to homelessness and added pressures on the local authorities. This is reflected in a report produced by the CAB on the impact of the cost of living crisis in North Staffordshire (Appendix B).
- 8.11 The Food Standards Agency, with Ipsos Mori and Bright Harbour, carried out research in England, Wales and Northern Ireland to monitor the experience and behaviours of consumers when it comes to key food risks during the pandemic. The COVID-19 consumer tracker ran for 19 months (19 waves) from April 2020 to October 2021, resulting in three reports (waves 1-5, 1-12 and 1-19). The research showed that:
- From April 2020 to October 2021, the proportion of respondents skipping meals or cutting the size of meals because they did not have enough money to buy food had significantly increased
 - Significantly more respondents reported using food banks at the end of the tracker compared to the start.
 - In October 2021, 24% of participants reported having a concern about the food they eat. By the end of the tracker, 1 in 5 respondents expressed a food related concern with 'the healthiness of food in my

diet', 'the price of food' and 'food waste' being the top three concerns in October 2021. Younger age groups, households with children, and larger households were significantly more likely to report concerns about the food they eat.

- Participants from larger households (4+), those in younger age groups (16-24), and households with a child present were more likely to be 'food insecure' across all these measures of food insecurity.

- 8.12 Prices of food and non-alcoholic beverages continue to rapidly increase, with inflation in this category reaching 12.7% in the past 12 months according to the Food Foundation. This is a 2.3% increase in August compared to the previous month, which is the highest monthly increase in over 20 years. Prices in all food categories tracked by the ONS have risen over the last year, with the highest rise seen in oils and fat, milk, cheese, egg and meats. Kantar estimates the average annual food shop is set to rise by £533.
- 8.13 In May 2022, the Independent Food Aid Network (IFAN) surveyed 101 of its organisations representing 194 independent food banks across 94 local authorities in England, Scotland and Wales. 93% of organisations reported an increase or significant increase in the need for their services since the start of 2022. 95% of organisations reporting increases said it was due to the cost-of-living crisis.
- 8.14 Between 1 April 2021 and 31 March 2022, food banks in the Trussell Trust's UK wide network distributed over 2.1 million emergency food parcels to people in crisis. This is an increase of 14% compared to the same period in 2019/2020. 832,000 of these parcels went to children. The Trussell Trust reports an 81% increase in demand over a 5-year period.
- 8.15 Polling conducted by Opinium for the Centre of Social Justice (CSJ) published in March 2022 suggests that almost 17 million people – that is, almost a third of the UK adult population – say that they are very worried about the cost of living crisis, rising to 42 per cent of those on the lowest incomes. The CSJ suggests that the combination of pressures on household budgets, low financial resilience and increasingly limited credit options is liable to create a perfect storm in which people are driven towards exploitation by illegal money lenders (loan sharks).
- 8.16 The CSJ estimates that there could be as many as 1.08 million people borrowing from an illegal money lender, which is over 700,000 more individuals than those identified in the last official study in 2010. Victims borrow from loan sharks as a last resort after trying other sources
- 80 per cent of victims who attempted to borrow from legal sources first are refused
 - 44 per cent of victims who try to borrow try a bank
 - 27 per cent of victims who try to borrow try a high-cost-short-term credit provider

- 8.17 Figures from the England Illegal Money Lending Team show that of those who have been exploited by loan sharks:
- Over a third had considered suicide
 - 59% reported having a health condition
 - 30% use a food bank
 - 52% borrowed for everyday household bills and costs, over half of these specifically stated food and fuel as the reason for the loan. (Jan-Jun 2022).
- 8.18 Business organisations have also expressed concern regarding rising energy costs. The Confederation of British Industry warn that “many viable companies face “distress” unless urgent action is taken by the government...” It published survey data that showed 69% of firms expect energy bills to rise in the next three months, and nearly a third expect increases of more than 30%.
- 8.19 Staffordshire Chamber of Commerce (SCC) state “this squeeze on businesses’ operating costs is also reflected in the latest Producer Price Inflation figures which show a 22.6% rise in the year to July 2022.”
- 8.20 The latest quarterly Federation of Small Business (FSB) Small Business Index (SBI) “reports from members of four- or five-fold – or even higher – increases in their energy bills are coming in thick and fast, with relief on this front also desperately needed...Fuel (cited by 64.2%) and utilities (63.5%) were the most-mentioned causes of this increase in costs, both up notably from the first quarter (60.1% and 58.0% respectively).”
- 8.21 A recent National Farmers Union (NFU) survey found that over the next two years, dairy farmers were most concerned about prices of feed (93%), fuel (91%), energy (89%) and fertiliser (88%).
- 8.22 The Chamber of Commerce note that the difference between input and output inflation illustrates that “many firms are absorbing as much of these additional costs as they can. However, there is a limit to how much additional cost firms can absorb, and it is also limiting growth and investment.”
- 8.23 Businesses are also passing on additional costs to consumers fuelling price inflation.
- 8.24 The consequence of businesses continuing to absorb cost increases is that it will “stymie investment plans” (SCC): “Nearly one in three businesses canvassed by the organisation also said soaring gas prices are likely to hamper investment in transitioning to net zero emissions.” (CBI). These rising costs are denting farmers’ confidence to invest (NFU).

9. Current Available Support

General Support

9.1 The Council funds Citizens Advice (CA) (Cheadle, Leek and Staffordshire North) to provide:

(i) general advice services:

- provide an advice and support service (including money and debt advice) to people experiencing problems
- work towards improving accessibility, and to encourage close liaison with local groups for money advice provision
- sustain and improve the ability to prevent poverty through casework services, and to influence and encourage social policy legislation to protect those from debt.
- in addition to debt advice and support, to provide an advice and support service throughout the district to people relating to housing, welfare benefits, legal matters, employment, relationship issues and support for carers, and any other issue thereafter at the discretion of the CA.

(ii) homelessness prevention advice' and

(iii) money and debt advice for tenants or home owners at risk of losing their home:

- A holistic service covering all categories of social welfare law covered by CA in an effort to minimise the impact of the client's situation.
- Categories of advice include; housing; homelessness; debt; maximising income and relationship issues, the results of which could have a direct bearing on the clients' housing circumstances.
- Types of assistance that help a client retain accommodation can include; completion of benefit applications and other income raising measures; liaising with third parties where accommodation is at risk i.e. Council departments, lenders, landlords and others.

9.2 In spring 2022, the Council approached Support Staffordshire for assistance to develop a Community Vulnerability Network for Staffordshire Moorlands, which built upon the foundation provided by the voluntary sector response to the pandemic. The first meeting was held in May 2022 to bring together voluntary and community groups in the Staffordshire Moorlands which play a key role in addressing the issues that face the most vulnerable in the community, including loneliness and isolation; food poverty; and financial exclusion each quarter to:

- Share information and good practice – local, regional and national;

- Develop opportunities for joint action and collaboration;
 - Report current trends being experienced by the most vulnerable people in the Staffordshire Moorlands;
 - Act as a sounding board for policies and plans from Staffordshire Moorlands District Council that may impact on the most vulnerable in the community
- 9.3 The Network brings together representatives from SMDC, Support Staffordshire, Beat the Cold, Biddulph Citizens Advice (Staffordshire North and Stoke Citizens Advice), Biddulph Food Bank, Biddulph Youth and Community Zone, Cheadle Citizens Advice, Cheadle Food Bank, Haregate Community Centre, Leek Citizens Advice, Leek Food Bank and Moorlands Home Link.
- 9.4 The England Illegal Money Lending Team promotes awareness of illegal money lending, encourages reporting by victims, and prosecutes loan sharks where possible.
- 9.5 Credit Unions can be seen as an alternative to illegal money lending, but this option has not been available within the district since the closure of the North Staffordshire Credit Union. This reflects a contraction of the credit union more generally across the UK. Credit unions are required to submit returns to the Prudential Regulatory Authority and the number of returns submitted has reduced from 188 in England in 2017 to 153 in 2021.

Fuel Poverty

- 9.6 The Government has announced a series of support measures that they are offering which includes: a £400 energy bill support scheme to every household in England; a Council Tax Rebate of £150 to every household in council tax band A-D; a one-off tax free payment of £650 to all those households receiving one of the seven main working age benefits and tax credits; and a one-off payment of £150 for those households receiving one of the seven main disability benefits.
- 9.7 The District Council is part of the Staffordshire Warmer Homes Scheme (SWHS), which is run by Staffordshire County Council in partnership with the County's district and borough councils. This scheme focuses on installing green heating solutions, insulating homes to make them more energy efficient and providing energy saving advice. Funding comes from several different sources including:
- The Warm Homes Fund - Funded by Affordable Warmth Solution
 - Cadent – Fuel Poor Network Extension Scheme
 - E.ON's Energy Company Obligation (ECO)
 - Communitas Energy
 - OFGEM's RHI Initiative
 - Warm Homes Discount Initiative
 - E.ON
 - Green Home Grants – Department of Business, Energy and Industrial Strategy.

9.8 The Council augments its membership of the SWHS by commissioning additional support from Beat The Cold. The Council entered into a new 3-year service level agreement with BTC in April 2022, which replaced previous annual arrangements, to give certainty of delivery and to provide:

- **An energy advice service**, which is accessible via a freephone advice line (0800 389 2258), a website (www.beatcold.org.uk/) and e-mail (www.beatcold.org.uk/contact-us/). This includes advice on home upgrades (affordable warmth measures and renewable technologies) and behaviour change (advice on fuel bills/deals, advice on resolving fuel debt, making best use of heating systems, and preventing crisis).
- **Extra advice and support to vulnerable residents; ensuring information and advice is easily accessible.** Up to 30 home visits, by appointment, to vulnerable households.
- **Promotion of services and work with partners.** This includes making sure that front-line staff, especially staff in health, social care and community voluntary settings have an increased awareness of the service and can assist with targeted campaigns and engaging with the most disadvantaged households.
- **Incorporate the affordable warmth programme as a mechanism for improving the health of residents across the district.** BTC work closely with home care practitioners, other caring agencies and primary health care professionals to support these organisations in their visits to the homes of vulnerable residents. BTC also seek to work with hospital discharge staff to ensure that patients are not discharged to a cold home which could increase the possibility of re-admission.
- **Identify and advise on possible ECO (Energy Company Obligation) or similar projects and lead on delivery.**

9.9 The District Council is a member of the Nottinghamshire and Derbyshire Local Authorities' Energy Partnership, through its alliance with High Peak Borough Council, and benefits from support, information and communication services and collaborate on carbon reduction, affordable warmth and sustainable energy projects, sharing expertise and best practice.

Food Poverty

9.10 The district is fortunate that hard-working volunteers have established food banks and similar schemes across the district to provide support to residents who are in need of additional support. This includes food banks in Leek, Cheadle and Biddulph. The Council held regular meetings with Support Staffordshire, the Council and the three 'anchor' organisations: Homelink, Biddulph Youth and Community Zone, and Haregate Community Centre as part of its community response to the Covid pandemic. The Council also provided additional funding to these anchor organisations to help them undertake their community support role during a time when their usual source of income had been lost. Ensuring access to food – particularly by those who

were required to shield – was a key aspect of the pandemic response, and the Community Vulnerability Network seeks to build upon this approach.

Businesses

9.11 Business organisations are calling for national government support or national government levers such as reductions in VAT to address the cost of energy issue. The CBI also recommend the following steps to assist businesses:

- Adopt and implement energy efficiency measures
- Educate employees on the importance of energy efficiency
- Review the structure and timing of energy contracting strategies
- Explore demand management options
- Make the most of your data
- Think about your physical space
- Build an energy-resilient business fit for the future
- Make use of support to manage costs

9.12 With regard to business support at county and district level, the focus has been on improving environmental performance. The Staffordshire Business Environment Network (SBEN) European funded Low Carbon Business Evolution Programme provides free energy audits and support for SMEs across Staffordshire and grant funding of between £2,000-£20,000 to implement identified solutions. Further details are available at: <https://sben.co.uk/funded-support/lcbep/>.

9.13 LCBEP will close mid-2023, and applications for a free Energy Efficiency Review must be made by 1 December 2022. As a European Funded project however this project cannot assist retail businesses and it is High Street businesses such as cafés which may be affected locally by rising energy costs.

9.14 NFU Energy supports its members in finding the best renewable energy solutions.

9.15 Replacement funding for European funding is the UK Shared Prosperity Fund. An investment plan has been submitted to government for approval which contains £490,538 over three years to potentially fund “*community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change*”. The outcomes for this are “*increased take up of energy efficiency measures*” and “*number of people reached*”. There are no specific funding proposals to address business energy costs.

10 Next Steps

10.1 The Council recognises the importance of working in partnership to monitor the local impacts of the energy crisis and to respond to emerging problems and opportunities. An initial set of actions is outlined below but the Council's approach will develop over time.

Fuel Bank Foundation

10.2 The energy supplier npower developed Fuel Bank to identify and support those in fuel crisis (Appendix A). In 2017, the Fuel Bank Foundation became an independent registered charity and focuses on the challenges of people living in fuel crisis. The Foundation provides emergency financial support for those who cannot afford to pre-pay for their fuel or energy, and who have no heating or means to cook hot food when their money runs out.

10.3 The Council has started discussions with the Fuel Bank Foundation to see how a Staffordshire Moorlands Fuel Bank Scheme may be funded and operated. The Foundation suggest a four stage model:

- Local community-based experts identify families in fuel crisis, that is, living without (or shortly to do so) energy.
- Online referral to Fuel Bank, where additional verification of need is completed to tease out any erroneous or excessive requests.
- Crisis top up of electricity and / or gas meter (the Foundation responds to over 96% of such requests the same day)
- Wrapped in simple and easy to access energy advice and onward referral where possible to reduce dependency.

10.4 Initial modelling by the Foundation suggests that they would be able to support around 680 people at a cost of £15,000.

ECO4

10.5 Staffordshire Moorlands residents benefitted from the ECO (Energy Company Obligation), which is an obligation placed on the largest energy suppliers in Great Britain and is focused on the least energy efficient homes occupied by low income and vulnerable households. Draft guidance on the latest round – ECO4 – has recently been announced: the scheme is worth £1bn per annum and will run from 2022 to 2026. It adopts a “fabric first approach” and homes will be required to be improved by 2 SAP (Standard Assessment Procedure) bands F&G properties to a D and D&E properties to SAP Band C.

10.6 Households may be eligible through receiving means tested benefits, living in the least energy efficient social housing or through ECO4 Flexible Eligibility (the ‘flex’ mechanism). The ‘flex’ mechanism was first introduced in 2017 to better target and support low income households. The four ECO4 Flex routes are:

Route 1) Household income: Households with a combined gross income under £31,000.

Route 2) Proxy targeting: SAP bands E-G households that meet a combination of specified proxy indicators

Route 3) NHS referrals: Households can be referred by either an NHS Trust, an NHS foundation trust, a general medical practitioner provider, a Health Board, or a Local Health Board where a person is at risk, and suffering from a severe and/or long-term health condition that falls under one of the four umbrella conditions: Cardiovascular, Respiratory, Immunosuppressed or Limited Mobility and could be severely impacted by living in a cold home

Route 4) Bespoke targeting: Suppliers and local authorities can submit an application to BEIS¹ where they have identified a new mechanism which identifies low income and vulnerable households who are not already eligible under the existing routes.

10.7 Local Authorities can sign up to participate in ECO4 Flex to identify eligible households. To participate the Council will need to publish a new Statement of Intent (Sol) which outlines its intention to participate in the scheme and follow the scheme rules. A proposed Sol, which adopts the template provided by Ofgem, is provided at Appendix C (the Council could only deviate from the draft Sol if it intended to seek permission from BEIS to establish a bespoke targeting scheme (Route 4), which would be time-consuming and offer no obvious benefits to our local residents). Local Authorities are responsible for determining whether households are eligible and will also need to produce declarations for all households they identify. In Staffordshire Moorlands, it is proposed that the Council continues to work with Beat The Cold to deliver the scheme for the benefit of our residents.

Advice

10.8 As noted above, the Council commissions advice for residents through Citizens Advice and Beat the Cold. In addition, the Council will communicate appropriate messages via its website and social media.

10.9 It is also important that individuals from the statutory and voluntary sectors have a good understanding of what support is available and how that support can be accessed. In response, the Council is working with our partners to collate a list of key services and contacts.

Loan sharks

10.10 The District Council has a long track record of working with the Illegal Money Lending Team (IMLT) through the Moorlands Together Community Safety Partnership. We will continue to work with the IMLT to help raise awareness of loan sharks by offering the following:

¹ Department for Business, Energy & Industrial Strategy

- Posters and flyers – to display in communities
- Videos – for websites and social media
- Website resources – to upload to partners’ websites
- Social media resources – for Facebook and Twitter
- Encourage reporting of loan sharks
- Promoting the help and support available to loan shark victims (hotline open 24/7 over festive period)
- Training to agencies working direct with the public during the “bite back” week, which takes place annually in November. The training sessions inform staff of the key signs to look out for when dealing with vulnerable individuals who may be in the grip of a loan shark.
- We target specific areas and locations, during the “bite back” week, with leaflets and pop up information stands - in how to spot the signs and where to report, so the public is given the information first hand.

10.11 The North Staffordshire Financial Inclusion Group (FIG) has been investigating alternative, perhaps multi-faceted, approaches to credit unions given problems with the viability of the credit union model. This could involve measures such as Community Development Financial Institutions Fund, No Interest Loan Schemes, Salary Finance Schemes, and support for those who have previously entered in to Individual Voluntary Arrangements (IVAs). We propose to work with the FIG to investigate options; however, it should be recognised that many of these options would take several years to develop and do not provide short-term solutions to the current crisis.