

# A holistic approach towards energy cost reduction

Improving living standards and reducing energy poverty in Newcastle

A Covenant of Mayors 2016 Case Study

## In a nutshell

From housing refit to collective switching schemes, benefits and energy advice, Newcastle City Council is strongly committed to supporting residents in reducing their energy bills.

### Newcastle in numbers

Number of inhabitants: 289,835

Metropolitan area: 1.6 million inhabitants

CO<sub>2</sub> reduction target: 20% by 2020 (baseline 2005) and 100% clean energy by 2050

Covenant of Mayor Signatories in the country: 35

## Background

The city of Newcastle is home for 289,835 inhabitants, with a metropolitan population of more than 1.6 million inhabitants ranking as the 8th most populated area of England. There are approximately 122,000 domestic properties in Newcastle which contribute 34% of the CO<sub>2</sub> generated by the city. In 2010, by signing up to the Covenant of Mayors, Newcastle committed to reduce carbon emissions of 20% by 2020 comparing to the baseline of 2005. Through its Sustainable Energy Action Plan (SEAP), the city has reduced its carbon footprint by almost 90%, improving living standards of citizens and at the same time, helping to reduce fuel poverty and improving the physical condition of the property.

## Newcastle City Council services for vulnerable families

Around 13.3% of households in Newcastle are living in energy poverty. Due to high domestic energy prices poor energy efficiency and low income, households are experiencing difficulties in paying their energy bills or properly heating their home. Newcastle City Council offers different services to residents who are experiencing those issues:

- o **Newcastle's Big Community Switch** is a Council run collective switching scheme that helps residents find better energy deals. Collective switching is a way of gathering together a large number of people who would like to find a better energy deal. In this way, suppliers can offer more competitive deals. Energy companies are invited to bid against each other and the one who makes the lowest offer wins the custom. Newcastle City Council has teamed up with iChoosr, a free collective switching service, to help residents get cheaper bills for their gas and electricity through group buying power. Overall, the Big Community Switch has helped over 600 people register for a cheaper energy offer, with average annual savings of £244 per person across the two-year programme. Collectively, this has delivered savings of £59,500 for residents.



Residents receive their offer from the winning energy supplier after the auction has closed. On behalf of the council, iChoosr negotiates with the energy companies and ensures a safe and hassle-free switch for the citizens choosing to accept the offer

o **Newcastle City Council's Energy Services** provide energy saving advice to residents, including fuel debt casework. In 2015-2016 the case work service achieved £77,112 of energy bill reductions and write-offs by correcting billing errors, applying to energy trust funds, and accessing the Warm Home Discount scheme, which gives eligible residents with low income a discount of £140 on their electricity bill.



### Project numbers

**£59,500** collective saving thanks to the Big Community Switch since May 2014

**£77,112** of energy bill reductions and write-offs achieved by the case work service

### A successful story: Newcastle Warm Zone

Newcastle commitment in tackling fuel poverty is not new. It has a long history of being at the forefront of improving domestic sector energy which has included supporting district heating schemes and establishment of Newcastle Warm Zone. Newcastle Warm Zone (NWZ) started in April 2004, with the aims of significantly reducing fuel poverty and improving energy efficiency across all of the city's households, by offering free or discounted insulation and heating measures together with an integrated package of benefits assistance and energy efficiency advice. Up to 2012:

- 82,950 home energy assessments were completed
- 54,357 insulation measures installed (in 42,400 homes)
- 315,248 low energy light bulb provided
- £9.72 million in new benefits income secured p.a.
- 400 homes with heating improvements (incl. NWZ & Health Through Warmth delivery)

### Warm up North: a Nordic partnership fighting energy poverty

Warm Up North is a partnership of nine local authorities in the North East of England working to improve the energy efficiency of domestic and non-domestic properties to improve the quality of life for residents.

Through the Government's Energy Company Obligation (ECO), Warm Up North can install funded or partly funded energy improvement measures into the homes of customers who meet set eligibility criteria. Delivered to all tenures of homes and publicly owned non-domestic properties over 5 years, the scheme aims to retrofit at least 10,000 to 15,000 houses across the region with measures to reduce carbon emissions and energy bills.

The initial upfront cost of the assessment is credited towards the cost of installing energy efficiency measures if householders decide to have the installation of measures completed by Warm Up North. The project has been financed by Mobilizing Local Energy Investments (MLEI), providing over €4million, while the technical assistance for the set-up cost has been covered by the European Commission. The project is a "pathfinder" learning programme. Up to June 2016, more than 4,000 homes have been improved, 25,000 tonnes of CO<sub>2</sub> is being saved annually and €21 million has been invested. Considering the success of the Warm Up North, further €20 million are currently in the pipeline, positioning the scheme as an essential opportunity to cut carbon emissions, lower energy bills, and thus reduce energy poverty.



### Warm up North numbers

**4000** homes have been improved

**25,000** tonnes of CO<sub>2</sub> saved

**€21 million** has been invested

For more information on the project, please contact:

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[www.newcastle.gov.uk/environment-and-waste/climate-change-and-energy-saving](http://www.newcastle.gov.uk/environment-and-waste/climate-change-and-energy-saving)

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