



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Fuel Stamps Scheme
Date:	8 th May 2009
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Relevant Background Information

The officer group facilitating the All Party Reference Group on older people has developed an action plan around the delivery of council services to older people. The plan is designed to facilitate a one council approach by both building on existing services and, where possible, identifying new or innovative ways of meeting the needs of older people.

One of the principal areas of concern is around fuel poverty and the impact that it has on older people in particular, which is obviously made more likely by the current economic downturn. A household is in fuel poverty if, in order to maintain an acceptable level of temperature throughout the home, the occupants would have to spend more than 10% of their income on all household fuel use.

The officer group therefore suggested that the Council could operate a savings scheme for fuel oil similar to ones that were already operating in certain other district councils. The principle of such a scheme is a relatively simple procedure whereby members of the public are given a card, on request, by a participating retailer or other outlet and they can buy stamps, at £5 each, which they then place on the card and are able to build up credit that will be accepted by specific participating oil companies towards their fuel bills.

It was recognised however that a fuel stamps scheme operating across the whole of the Belfast City Council area would be of significantly greater magnitude than any of the existing council schemes. In order therefore to measure its feasibility and the potential resource implications of a comprehensive scheme it was suggested that it should be piloted, in the first instance, in a defined area of the city.

At its meeting of 24th October 2008 the Strategic Policy and Resources Committee recommended "...the piloting of a 'Fuel Stamps' scheme by the Council, in partnership

with NEA, with a view to rolling it out across the city and that it approves expenditure on this project under section 115 of the Local Government Act (Northern Ireland) 1972”.

The Committee also noted that a review of the pilot scheme would be undertaken after the winter period.

A pilot scheme has now been operating in an area of North Belfast since 8th January 2009. A small team continues to project manage the scheme and has carried out an evaluation of the first 3 months from January to March 2009.

The evaluation report is now available and provides detail on the delivery of the project, operational issues, stakeholder surveys and resources. This is attached as Appendix 1.

Key Issues

It is estimated that over 38% of households in Belfast are currently in fuel poverty. To help people, particularly older people, budget for expensive winter oil bills, a pilot fuel stamps scheme has been operating successfully in North Belfast since 8th January 2009.

An evaluation of the pilot scheme over the first three months of its operation shows that:

- £5,845 worth of stamps were sold to the public in the pilot area between January and March 2009;
- There is a high level of support for the scheme, particularly amongst the users;
- More promotion of the scheme is required;
- Credit unions had most success in terms of sales of stamps;
- £5 stamps appear to be appropriate;
- The Council now has the processes, technical guidance and skills to operate a citywide scheme.
- The scheme has been organised and project managed by a small number of Council staff but a city wide scheme would require a significant increase in resource.

An amount £60,000 has been included as part of the proposed Corporate Plan Thematic Budget for the roll out of the fuel stamps scheme. A report on the corporate plan and thematic budgets is to be presented to the Committee on 22nd May. In addition, to ensure that the Council has the vires to deliver such a scheme, the expenditure needs to be approved under section 115 of the Local Government Act (Northern Ireland) 1972.

The Minister for Social Development has commissioned a report on existing fuel stamps schemes across Northern Ireland. The outcome of this review will be reported back to the Committee and any necessary adjustments to the citywide scheme made.

Resource Implications

Financial

Costs incurred for the pilot up to 31st March 2009

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| • 20,000 Fuel Stamps (R.W.Pierce, Secure Printers) | £5,436 |
| • Other operating Supplies | £1,349.26 |
| • Total | £6,785.26 |

The initial cost for stamps included the set-up costs. Future orders however would be in or around £4,020 for 20,000 stamps

Costs for Citywide Scheme for 09/10 (approximate)

Employment of a Co-ordinator	£25,000
Cost of support officer for first 6 months	£10,000
Cost of Stamps	£10,000
Cost of Promotion (area highlighted in survey as needing more work)	£10,000
Cost stationery	£5,000

Human Resources

The pilot has been delivered by a small team of officers who have accepted this responsibility in addition to their other full-time duties. The redeployment of these officers however cannot be sustained indefinitely and this level of resource would fall short of what is required to deliver a city wide scheme.

It would therefore be essential that to run a citywide scheme, a full time co-ordinator would need to be recruited and in addition, as the initial phase of the scheme involves a significant amount of frontline operational engagement, an additional support officer would be required for up to six months.

Recommendations

The Committee is asked to approve the roll out of a saving stamps scheme for fuel oil across the Belfast City Council area, subject to:

- Approval of this element of the corporate plan thematic budget (report to be presented to Committee on 22nd May);
- Appropriate adjustments being made if required following the report commissioned by the Minister for Social Development; and
- A review of the scheme being carried out in 2010.

In addition, subject to approval being granted in respect of this element of the corporate plan thematic budget, the Committee is asked to grant authority under Section 115 of the Local Government Act (Northern Ireland) 1972 to incur this expenditure, it being the opinion of the Committee that the expenditure would be in the interest of, and would bring direct benefit to, the District and the inhabitants of the District, with the Committee being satisfied that the direct benefit so accruing would be commensurate with the payment to be made.

Decision Tracking

The Director of Improvement will present a report on the corporate plan and thematic budgets to the Committee on 22dn May 2009.

The Head of Environmental Health will bring a further report to the Strategic Policy and Resources Committee in March 2010 regarding the progress of the scheme.

Key to Abbreviations

- NEA - National Energy Action

Documents Attached

Appendix 1 Evaluation Report on the Fuel Stamps Saving Scheme Pilot