



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Fuel Stamps Scheme
Date:	5 th March 2010
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Relevant Background Information

At its meeting of 8th May 2009 the Strategic Policy and Resources Committee considered a report on the Fuel Stamps scheme that had been operating as a pilot in an area of North Belfast since 8th January 2009. The scheme forms part of the Action Plan developed by the officer group that facilitates the All Party Reference Group on Older People. Whilst the focus of the fuel stamps scheme is primarily on older people it is, in fact, available to all. It is designed to be of particular benefit to those who are in, or who are close to, fuel poverty. 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. In 2006 38% of households in Belfast were in fuel poverty (2006 HCS), however, increasing fuel costs and continuing economic difficulties would suggest that this figure is now significantly higher.

The principle of the 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.

An evaluation of the pilot was presented to the Committee in May 2009 and it was duly recommended that the scheme should be rolled out across the city and that the Head of Environmental Health should bring a further report to the Strategic Policy and Resources Committee once the scheme had been operating for a number of months.

The subsequent development of the scheme has involved engaging with potential outlets throughout the city, encouraging buy-in from both retailers and oil companies and facilitating the administrative arrangements for its effective delivery. Also, a project officer was appointed on a temporary basis in November 2009 to lead in the delivery of the scheme. Already there are 48 separate outlets across the city supplying stamps. Most of these are retailers and credit unions but council premises, such as leisure

centres, the Cecil Ward Building and the Bobbin restaurant, also sell the stamps. In addition, 22 oil companies have signed up to the scheme. At the end of January 2010 a total of 10,551 stamps had been sold amounting to £51,250 worth of stamps. To date there has been £30,235 worth of stamps redeemed by members of the public averaging £121 per card. Users of the scheme have provided very positive feedback. Comments have included the following:-

"It allows me to save for my oil before I have to order my next delivery".

"I think the scheme is fantastic, I have been saying for years that people should be able to save for their heating with stamps. I have already redeemed one card and I continue to buy the stamps".

"It's fantastic I would be lost without the stamps. It's the only way I can save for oil heating. I hope the council continue to sell the stamps".

Retailers and participating oil companies have also expressed support. The manager of one of the Credit Unions stated:-

"To be honest the success of the scheme within our Credit Union hasn't necessarily been down to us pro-actively promoting the oil stamps. We have found that our customers have found out about the scheme through the City Matters magazine and posters in our premises. We just happen to be in the right place where there seems to be a real demand for the stamps".

This scheme is different to any 'top-up' schemes operated by individual oil companies, as it still enables consumers to shop around and obtain the best price when ordering their fuel. One oil company indicated that it was very popular with young parents and older people. Another oil company stated:-

"We love the scheme here, we have signed up to similar schemes with other councils but we have found Belfast City Council are the fastest at processing the cards and getting payment to us. We have had a great response to the oil stamps from our customers we have found people of all ages are saving for oil heating in this way".

The positive reaction from the various stakeholders suggests that this type of scheme is a very attractive savings option for people of limited means who wish to spread their heating costs across the year.

The scheme has been funded this year out of the thematic budget for People and Communities and it will require commitment from the Council to ensure it is expanded in 2010-2011.

Key Issues

- The scheme demonstrates that the Council is prepared to take a leading role in seeking to help those people, particularly the elderly, who are likely to suffer the consequences of being fuel poor.
- According to the 2006 House Condition Survey (HCS), 38% of households in Belfast are in fuel poverty but, with rising fuel costs and continuing economic problems, the 2009 figure, due in the summer or autumn of this year, is likely to be significantly higher.

- 70% of homes in Northern Ireland use fuel oil as their heating energy source.
- The fuel stamps scheme allows people to plan ahead and save to help meet their heating costs through a simple and effective year round budgeting arrangement.
- During the recent cold weather in January of this year when temperatures dropped to as low as -11°C the average price of 900 litres of oil rose by around £25. This demonstrates how exposed vulnerable people are to oil price fluctuations and how important it is that they are able to maintain a continuity of supply during periods of high usage. The fuel stamps scheme gives these people a vehicle to manage their fuel costs and heat their homes during these periods of extreme cold.
- The fuel stamps scheme is particularly targeted at older people but is available to anyone.
- The scheme has been very well received by the users, the oil companies and the retail outlets.
- £51,250 worth of stamps have been sold to the public between January 2009 and January 2010. However, it must be noted that the citywide roll out of the scheme only began in November 2009 so it is expected that the annual sales figure will increase significantly.
- The sales have increased each month since the scheme was rolled out across the city. The highest monthly sales figure was in January 2010 at £11,445. If that rate of sales was to continue throughout the year, an estimated £132,000 of stamps would be sold annually.
- The average amount of money redeemed per card is £121.
- The scheme is self targeting in that people who feel they will benefit from it are the ones who will use it.
- A total of £45,000 is required to fund the scheme from the Corporate Strategy Thematic Budget for People and Communities to continue the scheme in 2010-2011 as part of the Council's thematic approach to improving the health and wellbeing of older people. The Strategic Policy and Resources Committee has already approved the thematic budget for 2010 / 2011, with a total of £82,000 being allocated to work on older people's projects.
- The option of a national Fuel Stamps Scheme will be included as a proposal for consideration in a DSD public consultation on the current Fuel Poverty strategy due out in the spring of this year. This will provide the Council with an opportunity to inform the debate from a position of continuing experience of this approach to managing fuel poverty. A further report will be brought back to the Committee at this time as this approach will obviously impact on the Belfast scheme.
- Expenditure for the scheme must be approved under section 115 of the Local Government Act (Northern Ireland) 1972
- The costs of the scheme will reduce over time as the systems and procedures become bedded in.

Resource Implications

Financial

Projected costs for 2010 -2011

- Salary costs £35,000

• Promotional Costs	£5,000
• Running costs	£5,000
• Total	£45,000

Human Resources

The scheme is managed within the Public Health Unit of the Environmental Health Service. It is delivered on the ground by a full time project officer and the administrative functions are incorporated into the work of the Health and Environmental Services Department's Directorate Support. A steering group of officers, chaired by the Environmental Health Manager (Public Health), meet monthly to review progress and to provide direction for the project.

As the project develops and the outlets become established the work of the project officer will focus more on managing the delivery of the scheme and less on the expansion of the scheme across the city. The consolidation of the scheme will therefore provide an opportunity to review the priorities of the project with a view to rationalising the operational and administrative functions.

Recommendations

It is recommended that the Committee:

- Approves the continuation of the city wide oil fuel stamps saving scheme for a further year;
- Agrees to support a project officer post for the continuation of the scheme for a further year;
- Agrees to allocate £45,000 from the thematic budget for older people to the fuel stamps scheme using its authority under Section 115 of the Local Government Act (Northern Ireland) 1972.

Decision Tracking

- The Head of Environmental Health will keep the Strategic Policy and Resources Committee apprised of developments in respect of a national scheme and will bring a further report to the Strategic Policy and Resources Committee in March 2011 regarding the progress of the Belfast scheme.

Key to Abbreviations

- HCS - House Condition Survey
- DSD - Department for Social Development