
Meeting: Social Care Health and Housing Overview and Scrutiny Committee
Date: 4 March 2013
Subject: Home Energy Conservation Act – Report to Government
Report of: Cllr Carole Hegley , Executive Member for Social Care Health and Housing
Summary: The report outlines the approach to be taken for Central Bedfordshire Council to meet the new requirements of the Home Energy Conservation Act 1995.

Advising Officer: Julie Ogley, Director of Social Care Health and Housing
Contact Officer: Nick Costin, Head of Private Sector Housing
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

1.
 - Enhancing Central Bedfordshire – creating jobs, managing growth, protecting our countryside and enabling businesses to grow.
 - Improved educational attainment.
 - Promote health and wellbeing and protecting the vulnerable.

Financial:

2. The Home Energy Conservation Act (HECA) Further Report will provide direction as to how external funding should be targeted and promoted in Central Bedfordshire. There will be no financial impact to the Council of the proposed approach but potentially a positive impact on residents who can reduce fuel bills. There is no intention to alter the Council's Renewal Policy, which was approved by Executive in July 2012.
3. The new HECA duties require the Council to provide a Progress Report to Government every two years, following the initial Further Report provided in March 2013. The assessment of progress is likely to require the commissioning of updated data and analysis of the energy performance of housing in Central Bedfordshire. The cost of that work in 2013 is approximately £6,500 but has been met from external funding sources. The intention is that the cost of Progress Reports will met from external funding in the future. The Council may have to plan a budget in the event that external funding is not available.

Legal:

4. The Home Energy Conservation Act 1995 (HECA) was not repealed by Government. Instead, Government have refreshed the local authority duties within the Act and provided guidance on how local authorities must meet these duties in a Department of Energy and Climate Change guidance report in July 2012.

Risk Management:

5. The main risk is the short timescale for meeting the HECA requirements. The Council does not have the benefit of an original HECA strategy and has had to commission research, data, and support to produce the report by 31 March 2013. The data was received on 7 February 2013. The risk will be minimised by prioritising report preparation within a partnership approach to ensure that wider community and corporate aims are captured.

Other risks identified include:

- Failing to deliver the Council's priorities
- Failing to discharge statutory responsibilities.

Staffing (including Trades Unions):

6. Not Applicable.

Equalities/Human Rights:

7. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
8. An Equality Impact Assessment is in development and will be further informed by a Stakeholder Workshop on 20 February 2013.
9. The promotion and targeting of external funding to tackle fuel poverty will have regard to the data and information indicating where there are higher incidences of fuel poverty. These are often in areas with higher proportions of lower income households.

Public Health

10. Improving energy efficiency in the areas with poor housing stock will help to contribute to a reduction in health inequalities, particularly where there is risk of fuel poverty. Cold, damp homes increase risk to health, particularly for older people, and such homes are a contributory factor towards excess winter deaths. Research has indicated that children in cold damp homes are less likely to complete home studies, which could impact upon their educational development. improving

Community Safety:

11. The Council has a statutory duty under Section 17 of the Crime and Disorder Act to do all that it reasonably can do to reduce crime and disorder in its area. All staff and partners that work with the Council to promote energy saving initiatives, will be required to show identification to minimise risk fraudulent activity and distraction burglary.

Sustainability:

12. Improving the energy efficiency of housing directly contributes to the Council's Climate Change strategy and reduces carbon emissions. Installing energy saving measures helps improve the sustainability of homes as well as improving comfort and warmth for residents.

Procurement:

13. Commissioning of the data to inform the report complied with the Council's procurement policy.

RECOMMENDATION(S):**The Committee is asked to:-**

1. **Consider the general approach taken to inform and complete the HECA Further Report**
2. **Provide comment to the approach and data findings**

Introduction

14. The Home Energy Conservation Act 1995 (HECA) introduced new duties upon local housing authorities in 1996. The Act required every local housing authority to produce and publish a strategy to significantly reduce the energy consumption of dwellings in the area over a period of up to fifteen years. The strategy had to be approved by Government in 1996 and each year thereafter the local authority had to report progress against the action plan within the strategy. Government stated that "significant" improvement meant a 30% improvement on a 1996 baseline of domestic energy consumption. The strategy included all tenures of housing.
15. In 2009 Government indicated that after 13 years, local authorities did not have to continue providing "progress reports" and suggested that HECA might be repealed. HECA was not repealed and in 2012 Department of Energy and Climate Change (DECC) indicated that HECA would be used to introduce new responsibilities on local authorities.
16. DECC guidance advised local authorities that a new, "Further Report" would need to be submitted before the end of March 2013. DECC issued a number of requirements for the Further Report, which for Central Bedfordshire Council would effectively be the first report on plans to save domestic energy in the area.

Context and requirements of new report

17. Appendix A is a summary of the new requirements placed on local authorities under the refreshed HECA. In particular the Council must prepare and submit a report by 31 March 2013 detailing the energy conservation measures that the authority considers practicable, cost-effective and likely to result in significant improvement in the energy efficiency of residential accommodation in its area. In order to meet this requirement, the Council needs to understand the current baseline energy characteristics of all housing in Central Bedfordshire.
18. The majority of housing in Central Bedfordshire is private sector, mainly owner occupied, but with over 12,000 private rented homes. Whilst the Council has good information about its own housing stock, and Housing Associations will have good knowledge of their stock, the level of information about the private sector is less well known. Consequently, as this sector forms the majority of housing in Central Bedfordshire, the Council needed to improve its understanding of the private sector to determine what cost effective and practicable measures will result in significant improvement.
19. To meet this requirement, the Council has utilised external funding to procure data for domestic energy efficiency characteristics of housing in Central Bedfordshire held by external organisations.
20. The Government has recently introduced a new financial framework of funding for domestic energy efficiency improvements with the Energy Act. The new framework is called the Green Deal, which provides households with loan funding to improve their homes, which is then repaid through the household electricity bills. Green Deal was launched on 28 January 2013, so it is too early to determine how successful the initiative will be.
21. Alongside Green Deal is grant funding called Energy Company Obligation (ECO), which is specifically aimed at tackling fuel poverty. ECO funding has to be bid for by accredited contractors, and bids have to indicate how contractors are working with local authorities and communities to target funding where most needed. A summary of the various strands of ECO funding is attached in appendix B.
22. The Council will have to work with ECO providers to ensure that funding is obtained for Central Bedfordshire residents. Data mentioned in 19. above will help indicate the geographical and demographic areas where residents eligible for ECO funding are most likely to be living.

Approach to producing Government Report for Central Bedfordshire

23. A further Government requirement is that local authorities work in partnership with national and local partners, and make links with other strategic priorities such as economic regeneration, physical regeneration, supporting local businesses, creating local jobs, fuel poverty alleviation, carbon reduction, health and poverty. To ensure that these broad aims are met, the Council is holding a stakeholder workshop on 20 February 2013, facilitated by an Energy Advice Agency, who is working with the Council to obtain the required data mentioned above. The workshop will review the data and explore what priorities and actions the Council should include in the Further Report.

24. Following acquisition of the data and feedback from a range of stakeholders, the Energy Advice Agency will work with the Council to form a report that will meet Government requirements. The exact content of the Further Report will be finalised following feedback from the stakeholder workshop and Members of Overview and Scrutiny Committee.
25. The energy characteristic data provided to the Council on 7 February 2013 provided some key findings to influence the Further Report approach. These are included below;
- (a) Central Bedfordshire's population is ageing faster than the national average, with about 24% of the population projected to be over 65 years by 2035. Older people are at most risk of cold damp homes, and tend to suffer more when fuel costs rise.
 - (b) There is still considerable potential for installations of cavity and, in particular, loft insulation. Both measures are very cost effective and in many circumstances are likely to be funded by ECO or Green Deal. A significant number of households don't know whether their home has this type of insulation.
 - (c) The proportion of residents that have capitalised on financial support for installing renewable technology is higher than the national average. This might indicate that the Council's focus should be on those less likely to be able to afford more costly energy savings technologies.
 - (d) Levels of fuel poverty in Central Bedfordshire are lower than the national average but have increased faster than England during 2006 to 2010.
 - (e) "Hard to treat" properties are typically those with solid walls in areas not connected to the gas network. The data indicates areas with higher proportions of both solid walled homes and off gas, including Ampthill, Woburn and Aspley, Linslade, Silsoe and Shillington, Toddington, Biggleswade, and Arlesey. These areas should form the focus of potentially attractive ECO funding for solid wall insulation (see appendix B).
26. The research report has mapped data to illustrate the energy characteristics in Central Bedfordshire. These maps can help in planning promotional activities and can be useful when overlaying information, for example areas with both high proportions of homes with solid walls and off the gas connection. A summary table of areas with particular characteristics is included in appendix C. Due to publishing restrictions, the full data report cannot be appended to this Committee report but is available from the contact officer above.

Conclusion and Next Steps

27. The summary data above suggests that the Council's approach to forming local energy ambitions and priorities within the Further Report should include the following;
- (a) A renewed focus on insulation measures in the housing stock with a special focus on solid wall insulation and measures targeted at homes using electricity for heating. The data also shows a large number of lofts remain un-insulated.

- (b) Extra emphasis on tackling fuel poverty given the projected ageing population, the recent increase in fuel poverty, the relatively large number of poorly insulated properties and the relatively high domestic energy consumption particularly in some wards.
 - (c) If the Council wishes to influence a reduction in domestic CO2 emissions, it needs to focus on reducing heating fuel consumption, as this is where the majority of the district's domestic CO2 emissions arise from. A key element of this focus will be the targeted insulation of solid walls and other hard to treat properties. A second element will be to improve heating system efficiency primarily in gas heated properties and to facilitate where practical a move to biomass or heat pump technology. There could be links here with targeting properties as mentioned in point (a) above.
 - (d) Take up of renewable technologies in the area has been high as the area is relatively affluent. Future success here will depend upon the cost of new technologies and to some extent the attractiveness of incentives and the cost of traditional alternative fuels.
 - (e) The lack of understanding of householders concerning insulation in their homes indicates a need to continue to provide information and advice to residents.
28. Having regard to points (a), (b), and (c) in 27 above, the Council should focus on directing ECO funding into areas where residents are most likely to benefit. The use of the data will help encourage potential installers to bid for funding for targeted areas of Central Bedfordshire. The approach to working with accredited installers is included in appendix B. This approach will meet the Council's procurement policy and good practice.
29. The Green Deal scheme loan funding is not generally aimed at households in fuel poverty. Whilst Green Deal provides opportunities for some households to install measures through loans set against electricity bills, interest is charged and households have to consider their own best financial options. The Council should provide general advice and information about Green Deal but also advise households to explore all finance options available in order to undertake desired improvements.
30. These general conclusions will be incorporated into the stakeholder workshop on 20 February 2013, for consideration and review. Stakeholders from the Warm Homes Healthy People partnership, community groups, and internal Council colleagues are attending to review the data and research findings. Feedback will be considered and incorporated in the draft Further Report for submission to Government.
31. Following presentation of this approach to Overview and Scrutiny Committee Members, any further views and comments will be considered and incorporated into the final version Further Report, which will be signed off by Director of Social Care Health and Housing prior to the end of March deadline.

Appendices:

- Appendix A – Summary of Home Energy Conservation Act (HECA) 1995 new requirements
- Appendix B – Guide to Energy Company Obligation (ECO)
- Appendix C – Overall Assessment of Mapped data

Background papers and their location: (open to public inspection)