

Report of	Meeting	Date
Director of Partnerships, Planning and Policy (Introduced by the Executive Member for Homes and Business)	Executive Cabinet	21 March 2013

HOME ENERGY CONSERVATION ACT (HECA) REPORT 2013

PURPOSE OF REPORT

1. To explain the Council's requirements in respect of the Home Energy Conservation Act (HECA), to advise on HECA-related activity carried out to date, and to set out the proposed HECA-related activity for the future.

RECOMMENDATION(S)

2. This report has been approved by the Executive Leader, Executive Member (Economic Development and Governance), effective from 23rd February 2013.
3. Therefore the report is submitted to Executive Cabinet for information.
4. The report sets out the Council's suggested HECA-related activities and priorities for the next two years.

EXECUTIVE SUMMARY OF REPORT

5. The summary of the HECA report is attached as Appendix 1, using the reporting template recommended by DECC.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

6. By accepting the HECA report the Council has ensured that it is meeting its statutory obligations to publish such a report by 31st March 2013.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. There were no alternative options to be considered in terms of providing a HECA report, because the Council has a statutory obligation to publish one.

CORPORATE PRIORITIES

8. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy communities	X	An ambitious council that does more to meet the needs of residents and the local area	X

BACKGROUND

9. Recognising the key role that local authorities have to play in improving the energy efficiency of the residential accommodation in their areas, and thereby achieving reductions in domestic carbon emissions, the Government has decided to request further reports pursuant to the provisions in the Act.
10. Using powers under section 5(1)(b) of the Act, the Secretary of State for Energy and Climate Change requires all English authorities to prepare further reports by 31st March 2013 setting out 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. See Background paper 1 below.
11. To promote transparency and accountability to local communities and partners, the Secretary of State requires all authorities to publish progress reports electronically on their website and with a link to be forwarded to the Secretary of State at two yearly intervals ie by 31st March 2015, 31st March 2017 and so on, up to and including 31st March 2027.
12. DECC issued a consultation document in September 2012 (see background paper 2 below) which highlighted that, following the Hills Review ("Getting the measure of Fuel Poverty: Final Report of the Fuel Poverty Review by John Hills) they are considering changing the method of defining Fuel Poverty. See Background paper 3 below.
13. The existing definition of Fuel Poverty is "*where a household would need to spend more than 10% of its income on energy to keep warm*". The proposed new definition would classify a household as fuel poor if:
- They have required fuel costs that are above the median level; and
 - Were they to spend that amount they would be left with a residual income below the official poverty line.
14. DECC have recommended that the Government publish a new Fuel Poverty Strategy and definition during 2013. No firm timescale has been set for this revised Strategy.
15. Rates of carbon emissions and incidence of fuel poverty within the Chorley area are as follows:
- 5.2% per capita Carbon Dioxide emissions – based on the most recent figures from 2010. This compares with a national average of 6.6% per capita (source:

DECC 2010 '*Emissions within the scope of influence of Local Authorities for 2005-2010*'.)

- 16.8% of homes (approximately 7,490 households) in the borough of Chorley are experiencing fuel poverty – based on the most recent figures from 2010. This compares with a national average of 16.4% and a regional average of 20.3% (source: DECC interactive charts and maps – see background paper 4).

PRIVATE SECTOR HOUSE CONDITION SURVEY FINDINGS (2010)

16. The Council commissioned a Private Sector House Condition survey in 2010. The findings indicated that the Standard Assessment Procedure (SAP-Energy) rating for privately owned housing in Chorley was 61, significantly better than the national average of 48 for all private housing in England.
17. Average CO2 emissions totalled 5.53 tonnes per annum which was significantly better than the national average of 7.1 tonnes for all private housing in England. See Background paper 6.
17. The survey also revealed that the highest levels of fuel poverty were identified in single parent families and households with elderly people, and also in households whose head of household was under 25 years old.
18. Within the private housing stock, rates of fuel poverty were higher in the rural areas and in the private rented sector.

WARM HOME HEALTHY PEOPLE ACTIVITY 2011-2012 AND 2012-2013

19. Older people in Chorley have had the opportunity to 'keep warm and well' during the winters of 2011-12 and 2012-13 due to the Council successfully obtaining Department of Health Funding.
20. The scheme is intended to assist people aged over 65 and who struggle to pay their heating bills.
21. The scheme is made up of three key elements:
 - For your home – warm homes checks for households including carrying out draught exclusion work and heating system service and maintenance.
 - For your health – transport to make sure people are able to keep medical appointments during the winter months.
 - For your wallet – Energy advice sessions for older people, including fuel poverty checks together with advice on energy suppliers, benefits and personal finances.
22. In 2011-12 the scheme targeted 1900 'vulnerable' households - i.e. people aged over 75 identified at risk during cold weather. The Council made direct contact with around 250 people with requests for services.
23. 71 'Warm Homes' checks / boiler services were completed by our delivery partners Preston Care & Repair. This included boiler servicing, repairs to central heating

system, and radiator maintenance. They also completed 156 household jobs – mainly draught proofing doors and windows.

24. Under this scheme, in 2011-12, 24 fuel poverty checks were completed by Citizens Advice Bureau – including energy advice, assessment of household fuel bills, advice on switching suppliers and eligibility for benefits/discounts on tariffs.

LOCAL PLAN 2012-2016

25. Tackling climate change is a cross cutting theme of the Core Strategy. Improving the energy efficiency of new developments and encouraging renewable and low carbon energy generation in the Borough are key aims of the Core Strategy (see background paper 7).
26. The Core Strategy requires all new developments to be designed and built in a sustainable way and requires new buildings to reach specific levels of the Code for Sustainable Homes and BREEAM. Although the policies within the Core Strategy are not site specific, the potential of a site to be supplied with decentralised, renewable or low carbon energy will be taken into account when determining planning applications.

GREEN DEAL AND THE ENERGY COMPANY OBLIGATION (ECO)

27. The Green Deal will be offered by the private sector to enable homeowners and businesses to implement energy efficiency improvements at little or no upfront cost with payment recouped through customers' energy bills. See background Paper 8 for further details.
28. The Energy Company Obligation (ECO) will focus on providing energy efficiency measures to low income and vulnerable consumers and those living in 'hard to treat' properties, such as period homes. See Background paper 8.
29. The ECO will be replacing the Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP) after the introduction of the Green Deal in early 2013. See Background paper 8.
30. In the past three years, the Council has operated a successful energy efficiency scheme with contractors Rheingold Insulations which has provided low cost or no cost cavity wall insulation and loft insulation for private sector households. A total of 977 measures have been installed since the contract with Rheingold commenced in September 2010, to the end of the CERT funding in December 2012, broken down into financial years as follows:

September 2010 to March 31st 2011: 130 Loft insulation and 155 cavity walls = 285 total

April 2011 to March 31st 2012: 206 Loft insulation and 208 cavity walls = 414 total

April 2012 to December 2012: 124 Loft insulation and 154 cavity walls = 278 total
31. There are some households for whom the "**Green Deal Golden Rule**" – where monthly repayments are less than or the same as the energy bill savings that property owners make from the resulting efficiency improvements – will not apply, and ECO is designed to support these cases.

32. The ECO will focus on:

- Properties needing cost-effective measures that do not meet the Golden Rule – for example, solid wall insulation
- Lower income and vulnerable consumers

COLLECTIVE ENERGY SWITCHING SCHEME

33. The Council, alongside partner Councils across Lancashire, has secured funding from DECC to promote a collective energy switching scheme.

34. The Council has recently established a collective energy switching scheme for the Borough to enable households across Chorley to easily engage with the gas and electricity market and get the best deal for the energy they use.

35. A high profile promotional campaign is currently underway to encourage as many customers as possible to register for the collective energy switch, which is branded as 'People power'. Customers can register for free, and without obligation, via www.peoplepower.co.uk Customers without access to the internet can visit the Council's Union st offices or Help Direct offices, where staff will be able to assist them in registering.

36. An 'auction' will take place on 9th April 2013, after which customers who have registered will receive an offer from the winning energy company.

IMPLICATIONS OF REPORT

37. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	X	Customer Services	
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

38. There are no additional costs with meeting the requirements to produce the new report required by HECA. Costs will potentially be incurred in dealing with associated issues. However, these will be dealt with through the Council's normal budget cycle.

COMMENTS OF THE MONITORING OFFICER

39. There are no legal implications in adopting these recommendations although further consideration should be given at contract stage.

LESLEY-ANN FENTON
DIRECTOR OF PLANNING, PARTNERSHIPS AND POLICY

Background Papers			
Document	Date	File	Place of Inspection
1. Guidance to English Energy Conservation Authorities issued pursuant to the Home Energy Conservation Act 1995	July 2012		http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/saving-energy-co2/5992-guidance-to-english-energy-conservation-authorities.pdf
2. Fuel Poverty: changing the framework for measurement – taking forward the recommendations from the Hills Review – DECC	September 2012		http://www.decc.gov.uk/assets/decc/11/consultation/fuel%20poverty/6406-fuel-poverty-changing-the-framework-for-measurement.pdf
3. "Getting the measure of Fuel Poverty" Final Report of the Fuel Poverty Review by John Hills	March 2012		http://www.decc.gov.uk/assets/decc/11/funding-support/fuel-poverty/4662-getting-measure-fuel-pov-final-hills-rpt.pdf
4. DECC fuel poverty statistics	2012		http://www.decc.gov.uk/en/content/cms/statistics/local_auth/interactive/fuelpoverty/index.html
5. "Fair Society, Healthy Lives", The Marmot Review	February 2010		http://www.instituteofhealthequity.org/Content/FileManager/pdf/fairsocietyhealthy_lives.pdf
6. "Chorley Council Private Sector House Condition Survey 2010" by David Adamson	February 2011		Summary of survey findings available at http://democracy.chorley.gov.uk/documents/s19950/Appendix%201%20Private%20Sector%20Housing.pdf.pdf
7. Chorley Council Local Plan 2012-2016	September 2012		http://chorley.gov.uk/Documents/Chorley%20Local%20Plan%202012-2026%20publicatio

			n%20document.pdf
8. Green Deal and Energy Company Obligation guides from Department of Energy & Climate Change	January 2013		http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/green-deal/6634-the-green-deal-a-new-way-to-pay.pdf http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/green-deal/6631-get-help-to-keep-your-home-warm-the-energy-company.pdf

Report Author	Ext	Date	Doc ID
Martin Sample	5704	27/2/13	***