



Policy and Resources Committee – 11 March 2013

Home Energy Conservation Act 1995

Purpose of report

This report advises members of the recent amendment made to the Home Energy Conservation Act 1995 and asks members to approve the Action Plan to be placed on our website, as required by the Secretary of State for Energy and Climate Change.

Attachment(s)

Appendix 1 – Draft HECA Action Plan

1.0 Background

- 1.1 The Home Energy Conservation Act 1995 required local authorities to report back to government the reduction in CO₂ generated by homes in their district each year. To do this the council had to send out a large number of questionnaires to residents within the district. These questionnaires were very lengthy and quite complex and as a result the return rate was consistently low. The purpose of the survey was to collect data only, the questionnaires did not provide a field for address details and were sent to a random selection of residents, as a result there was no way of identifying whether there were any areas in the district that had particularly low energy efficiency or who were likely to be in fuel poverty and therefore enabled us to target and advise.
- 1.2 The last HECA questionnaire sent to our residents was in January 2011; following this the government put work under HECA on hold. As a result we amended our service plan targets to reflect this and devised our own questionnaire which was sent out to over 2500 residents, in order to understand the levels of energy efficiency and to enable us to properly target any funding made available through the Northants Warm Homes Group (NWH).
- 1.3 This questionnaire had a much higher return rate; it was designed to be simpler and to provide useful information to us to target any energy efficiency measures. A number of the responses that were received were then directly referred to the current energy efficiency schemes for loft and cavity insulation through the NWH project and other measures through government schemes available at the time. This survey was repeated in January 2013.

2.0 Amendments to HECA

- 2.1 In 2012 the Secretary of State for Energy Climate Change made a direction under the act for a further report to be published by local authorities onto their website detailing how they will be tackling energy efficiency and fuel poverty issues in their district. The Secretary of State recognises that local authorities are best placed to determine what their local priorities and needs are and requires the action plans to be published onto the website by 31 March 2013 and a copy submitted to the Secretary of State. Progress reports on the action plan are required to be submitted and uploaded onto our website every two years from 31 March 2015.
- 2.2 The provision of this action plan will mean that local authorities are no longer required to carry out the HECA survey. The survey sent out in January 2013 will be the last survey sent.

2.3 NWH is a county wide group that aims to improve energy efficiency and reduce fuel poverty throughout the county and the required action plan for the next two years has been drafted. The NWH group submits bids for funding each year and as a county we deliver any projects through the group it was appropriate that the main piece of work on this action plan was delivered by NWH. Some councils in the group also have additional energy efficiency officers that lead on additional council specific projects, as a result each local authority has updated the generic action plan to reflect any additional work they are undertaking.

2.4 As we no longer have any housing stock, we have contacted the Registered Providers who operate in our district to ask for their own plans on improving energy efficiency so that these can be included as appendices to the action plan. To date we have received a few from the main providers, however a number are still working on their own plans and will provide them to us when they can to be included with our action plan online. The draft action plan is attached in Appendix 1.

3.0 Important issues to consider

3.1 We are required to submit this report to the Secretary of State for Climate and Energy Change by the 31 March 2013 and have it on our website. Council websites will be randomly audited by DECC to ensure that all plans are shown online.

4.0 Equality and Diversity Implications

4.1 There are no equality and diversity implications to this report.

5.0 Legal issues

5.1 As stated above we have been formally directed by the Secretary of State to complete this report and submit it by 31 March 2013, progress reports are then required every two years from March 2015.

6.0 Financial implications

6.1 There are no current financial implications to this report. The requirements to draft and submit an action plan does not require additional funding. All projects that ENC is part of are co-ordinated through the NWH group using funding bid for on behalf of the group.

7.0 Corporate Outcomes

7.1 This report relates to the following outcomes:

- Good Quality of Life – *The action plan delivered through the NWH partnership improves the quality of life for residents who are in fuel poverty and aims to improve energy efficiency of properties.*
- Effective Partnership Working – *The action plan will be delivered through the NWH partnership, a countywide partnership that aims to improve energy efficiency across the county*
- Good Reputation – *The submission of the action plan is a requirement made by the Secretary of State and therefore ensures the good reputation of the council.*

8.0 Recommendation

8.1 The committee is recommended to

- (1) To approve the Action Plan in Appendix A to be submitted to the Secretary of State for Energy and Climate Change and a copy on our website

Legal	Power: Home Energy and Conservation Act 1995				
	Other considerations:				
Background Papers:					
Person Originating Report: Jenny Walker, Environmental Protection Manager					
Date: 21st January 2013					
CFO		MO		CX	

(Committee Report Normal Rev. 22)



East
Northamptonshire
Council

Northants Warm Homes HECA Report



Northamptonshire councils
working together

1. An introduction to Northants Warm Homes

Northants Warm Homes is a collaboration between the seven Northamptonshire district and borough councils and aims to help residents of Northamptonshire to reduce their energy bills and lower their carbon emissions.

The 1995 Home Energy Conservation Act (HECA) required local councils to report annually on the activities they were undertaking to improve the energy efficiency of housing within their areas.

Northamptonshire councils decided to work together to make these improvements and formed the Northamptonshire Home Energy Efficiency Partnership (NHEEP). This has now been renamed as Northants Warm Homes.

The group has worked together on many projects aimed at improving the energy efficiency of housing across the county:

- **Boiler Magic** (a much copied scheme) was the first scheme the group established. It offered high efficiency boilers (not at that time a Building Regs requirement) at the same price as standard boilers. Over 3500 boilers were installed, attracting over a £1m of subsidy.
- **Healthy Homes** sought to work with healthcare providers to identify householders at risk from living in cold damp homes.
- **Hot Properties** focused on offering a range of incentives to landlords to improve their properties.

The NHEEP also established a scheme to promote the use of renewable technologies, principally solar panels. **Solar Plan**, which was funded by the Energy Saving Trust under its Innovation Fund, offered systems at discounted prices on top of the Low Carbon Buildings Programme grant.

More recently, NHEEP used regional Decent Homes funding to offer free renewable energy installations to vulnerable householders across the county.

By far and away the most successful scheme to date has been **CHILLout**, now re-branded as the Northants Warm Homes Insulation Scheme. This is an insulation scheme, run through a managing agent and using CERT funding. To date over 15,000 lofts and 12,000 cavities have been filled at a total cost of nearly £10M, £5.8M of which has been provided in the form of grants to the householders.

Northamptonshire Warm Homes is now identifying future funding options to continue its work and to position its member local authorities for the incoming Green Deal. With an established, strong and leading energy efficiency partnership of local authorities Northants Warm Homes is in a good position to work with utility providers to meet carbon saving targets. The group is open to novel approaches and collaborative projects that reduce carbon emissions and energy costs for Northamptonshire residents.



2. Why do we produce a HECA Report and what is it?

There are two drivers for action by central and local government to improve the energy efficiency of residential accommodation across the country: reducing fuel poverty and lowering carbon emissions.

i) National Fuel Poverty Targets

The Warm Homes and Energy Conservation Act 2000 led to the publication of the UK Fuel Poverty Strategy in 2001 and set the target for the Government to eradicate fuel poverty in England, as far as reasonably practicable, by 2016. A review of the strategy was conducted in 2011 and this has led to a revised definition for fuel poverty.

ii) National Carbon Emissions Targets

The Climate Change Act 2008 sets specific targets for reductions in carbon emissions and the Carbon Plan 2011 sets out how the Government aims to achieve these reductions:

- reduce carbon dioxide (CO₂) emissions by 29% by 2017, 35% by 2022, and 50% by 2027 (from 1990 levels)
- insulate all cavities and lofts, where practical, by 2020;
- by 2030, between 1 – 3.7m additional solid wall installations and between 1.9 - 7.2m other energy efficiency installations;
- by 2030, 1.6 - 8.6m building level low carbon heat installations such as heat pumps (Government modelling suggests that 21 - 45% of heat supplies to buildings will need to be low carbon); and
- by 2050 emissions from UK buildings to be “close to zero”.

To support the ambitions in the Carbon Plan there are several drivers for action in the residential sector:

- the Green Deal and the new Energy Company Obligation will provide new sources of finance;
- ongoing support under the Feed in Tariffs scheme;
- ongoing support through the existing Renewable Heat Premium Payment and the domestic Renewable Heat Incentive from summer 2013;
- requirements for all new homes to be built to a zero carbon standard from 2016;
- Energy Performance Certificates (‘EPC’), required on the sale, rent or construction of a building, which provide an assessment of the energy efficiency of the building and recommendations on how to improve this;
- minimum energy efficiency standard for private rented sector housing from 2018;
- smart meters to be installed in every home by late 2019.

iii) What is a HECA report?

During the last few years, most local authorities have reported on energy efficiency improvements through the National Performance Indicators, rather than completing a HECA report. The indicators were removed in 2011 and the Government has now decided to request further HECA reports, with the next report due on 31st March 2013. The report should set 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. Further reports should be produced at two-yearly intervals.

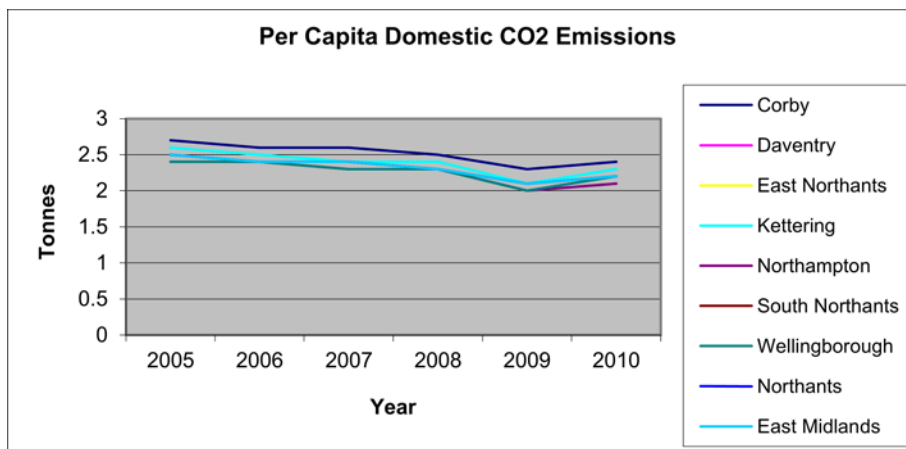
The member councils of Northants Warm Homes have decided to produce a joint report, setting out the group’s plans for the next two years and beyond. More detailed plans for each member council are included as appendices to this report.

3. How are we currently performing?

Each year the Department of Energy and Climate Change (DECC) publishes a variety of data sets relating to fuel consumption, carbon dioxide emissions (CO₂), fuel poverty and the uptake of energy efficiency measures. For the purposes of the HECA report, we are particularly interested in the figures relating to (CO₂) emissions from housing that are deemed to be within the influence of the local authority, the fuel poverty figures and energy efficiency data. Some of the data sets have a two-year time lag, so the latest figures we have are for 2010.

i) Carbon Dioxide (CO₂) Emissions

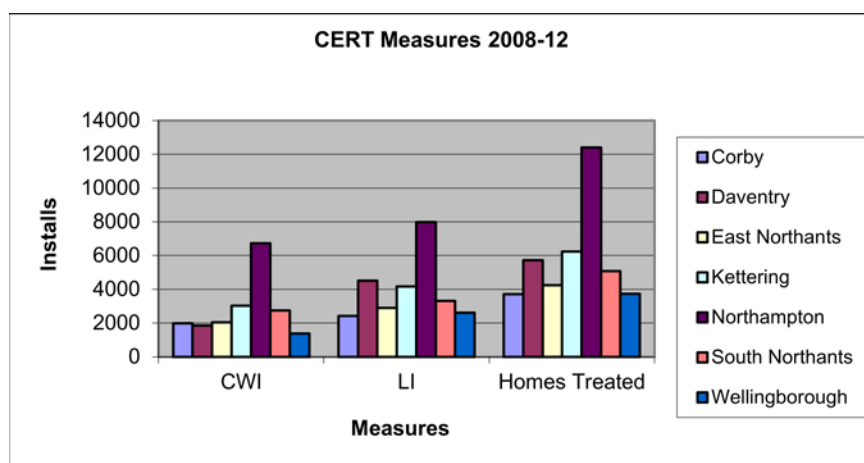
From 2005 to 2010, CO₂ emissions per person from housing fell by 12% in Northamptonshire. This is in line with the decrease for the East Midlands as a whole. There was a slight increase in emissions from 2009-2010, but this is probably explained by the very harsh winter that year.



ii) Uptake of energy efficiency measures

Feed-in-Tariff scheme (FITs) – The FITs scheme was launched in April 2010 and up until June 2012, 2880 solar PV systems have been installed on properties across the county.

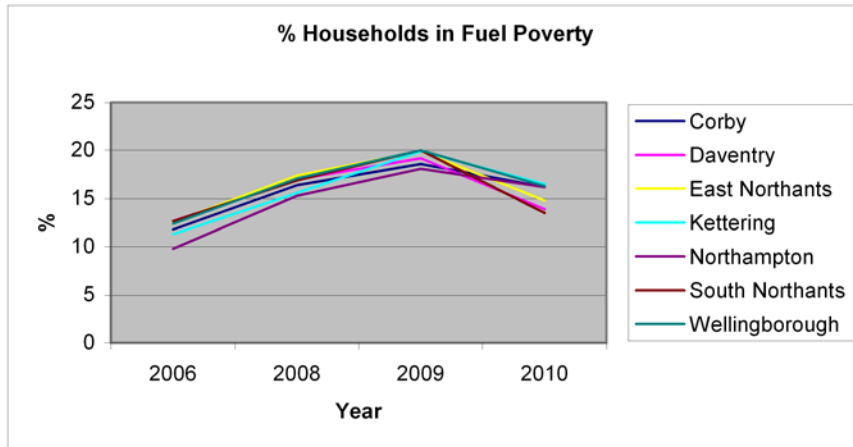
CERT-funded insulation – In 2008 a new obligation was placed on fuel companies to reduce their carbon emissions, replacing the previous targets. As with previous schemes, the CERT scheme enabled householders to install loft and cavity wall insulation with grants from the fuel companies. To March 2012, over 41,000 homes in Northamptonshire have received insulation under this scheme, representing 14% of properties in the county. This is slightly lower than the figure of 15.2% for the East Midlands as a whole, but might be explained by the fact that many homes in Northamptonshire had already been insulated prior to 2008 under the CHILLout insulation scheme.



iii) Fuel Poverty

Despite the efforts of NHEEP to improve the energy efficiency of homes across the county, 15% of households in Northamptonshire were living in fuel poverty in 2010, an increase of 30% from 2006. This is below the figure for the East Midlands, which was 18.2% in 2010.

The increase in levels of fuel poverty is probably largely explained by the significant increases in fuel bills over the past few years, although the figure did reduce between 2009-10.



4. Plans for the future

i) Ambition

CO2 emissions from the housing sector fell by 12% across Northamptonshire between the period 2005-10. Northamptonshire is therefore making good progress towards meeting the national target of a 29% reduction on 1990 levels by 2017. Northants Warm Homes aims to continue this reduction by a further 12% by 2015.

Despite the national target to raise all households out of fuel poverty by 2016, levels have increased in most local authority areas due to steep increases in fuel prices and a number of harsh winters. The number of households in fuel poverty in Northamptonshire stood at 15% in 2010, an increase of 30% since 2005. It is likely that, following a review into how fuel poverty is calculated undertaken by Professor John Hills early in 2012, the formula for calculating fuel poverty will be changed.

It is therefore difficult to state a target for the future, but Northants Warm Homes will continue to tackle the issue and aims to reduce the numbers of households in fuel poverty significantly by 2015.

East Northamptonshire Council

East Northamptonshire is one of seven districts within the county of Northamptonshire. The district is predominantly rural with differing characteristics in the North and South. The North is made up of a network of small villages, served by larger settlements, and the market towns of Oundle and Thrapston. The South is more 'urban' with the larger towns of Rushden, Higham Ferrers, Raunds and Irthlingborough.

The population of the district is approximately 81,000, with Rushden the largest town of around 28,000 residents. There is some traditional industry in the south of the district -consisting of light engineering and footwear manufacturing – and warehousing/distribution industry close to the trunk roads.

There is good access to road links, in particular the A14 which provides links to the M1 and A1 as well as a good network of other main roads. A major rail line is accessible at Kettering and Wellingborough, which provides a fast service to London.

There are approximately 37500 homes in East Northamptonshire. 13% of these are owned by Housing Associations and 13% privately rented. East Northamptonshire Council transferred its housing stock in 2001 to East Northamptonshire Housing, now called Spire Homes. Other housing associations such as Rockingham Forrest, Orbit and Viridian also have a large presence in East Northamptonshire. As part of this report all Housing Associations with properties in East Northamptonshire were contacted and asked to provide information regarding energy efficiency targets and ambitions. The information provided has been added to the appendices.

Even before NHEEP was formed East Northamptonshire Council had a very active energy efficiency policy, providing fully funded insulation measures since 1978. We have also run solid wall insulation projects on a number of occasions to target hard to treat properties.

As part of our yearly corporate performance targets Fuel Poverty questionnaires have been sent out to over 8000 residents over the last three years to try and improve energy efficiency and reduce fuel poverty. This has been very successful in identifying properties requiring loft and cavity wall insulation, which we have referred to the Northants Warm Homes CERT-funded insulation scheme.



ii) East Northamptonshire Council in partnership with Northants Warm Homes Action Plan.

SCHEME	ACTION	TIMEFRAME
GREEN DEAL AND ENERGY COMPANY OBLIGATION (ECO)	We will use available data to identify homes that may be eligible for ECO funding	By June 2013
	We will seek to work with Green Deal Providers to offer ECO funding to eligible households	In place by June 2013
	Where appropriate, we will seek to work with Green Deal Providers to offer ECO funding on an area-based approach	From June 2013
	We will signpost householders seeking to install energy efficiency measures to the Green Deal	From January 2012
	We will work with local social housing providers to ensure their tenants can also benefit from ECO and the Green Deal where appropriate	Ongoing
COLLECTIVE PURCHASING	We will investigate the possibility of establishing a NWH collective switching scheme to help residents to reduce their fuel bills	April 2013
FEED-IN-TARIFF (FITs) SCHEME	We continue to promote the uptake of FITs through our NWH and council websites	Ongoing
	See Appendices for FITs schemes planned by LAs with their own housing stock	
RENEWABLE HEAT INCENTIVE	We will promote the Renewable Heat Incentive when it is launched in the domestic sector	Autumn 2013
CLIMATE FRIENDLY COMMUNITIES	We will continue to encourage communities to work together to reduce their carbon footprint	Ongoing

Green Deal	A new government initiative that is designed to help business and home owners to employ more green technologies in their properties. A person can install new green technology into their property with no up front costs. They then pay back the costs through their energy bill over a period of time.
Energy Company Obligation (ECO)	Heavily linked to the Green Deal and will particularly support the poorest and most vulnerable people and those in hard to treat properties detailed information on this and the funding allocated to it is not presently known
Carbon Emissions Reduction Target (CERT)	A legal obligation on the six largest energy suppliers to achieve reductions in carbon dioxide emissions homes in Great Britain. It began in 2008 and ended January 2013. Energy Company Obligation will replace this.
Feed in Tariff (FIT)	A scheme that pays people for creating their own "green electricity" by installing solar panels or a wind turbine for example
Renewable Heat Incentive (RHI)	The Renewable Heat Incentive (RHI) is a government long-term financial support programme for renewable heat. Launched in November 2011 with a scheme for the non-domestic sector that provides payments to industry, businesses and public sector organisations with a domestic scheme to follow
Collective Switching	When consumers get together to negotiate a group deal with their gas and electricity suppliers. This can be facilitated by a third party such as a local authority.