

**REPORT TO:** Executive Board  
**DATE:** 28<sup>th</sup> March 2013  
**REPORTING OFFICER:** Strategic Director, Communities  
**PORTFOLIO:** Environmental Sustainability  
**SUBJECT:** Home Energy Conservation Act (HECA) report 2013  
**WARD(S)** Borough-wide

**1.0 PURPOSE OF THE REPORT**

**1.1 The purpose of the report is to seek Executive Board's endorsement of the draft Home Energy Conservation report attached as Appendix A.**

**2.0 RECOMMENDATION: That Members endorse the attached report for onward submission to the Department of Energy and Climate Change.**

**3.0 SUPPORTING INFORMATION**

**3.1 Background**

**3.1.1** The Home Energy Conservation Act 1995 placed a duty on local authorities to prepare and publish a report 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.”

**3.1.2** The first HECA report was submitted in 1996 and annual reports were thereafter submitted setting out the progress that the local authority had made in meeting the target set out in the (then) Department of the Environment's circular 2/96 to reduce carbon emissions by 30% over the next 10 to 15 years.

**3.1.3** The requirement to produce annual reports ceased in 2008 while the Government carried out a review of the Act. However, in July 2012 the Department of Energy and Climate Change published guidance to local authorities pursuant to the Act which effectively reinstated HECA.

**3.1.4** The new guidance places a duty on local authorities to prepare and publish a HECA report (referred to by DECC as a “further” report) by

the end of March 2013 and to follow this up with progress reports every two years from March 2015 to March 2027.

- 3.1.5 The initial (or “further”) report should again 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 and should cover:
- i. Local ambitions and priorities;
  - ii. The measures that take advantage of financial assistance and other benefits offered from Central Government initiatives, such as the Green Deal, Energy Company Obligation and Renewable Heat Incentive or any other initiatives to help result in significant energy efficiency improvements of residential accommodation;
  - iii. The measures which an authority has developed to implement energy efficiency improvements cost effectively in residential accommodation by using area based/street by street roll out involving local communities and partnerships (e.g. social housing partners, voluntary organisations and town/parish councils.)
  - iv. A timeframe for delivery and national and local partners.

## 3.2 **The draft report**

3.2.1 A copy of the draft report is attached at Appendix A. By way of context it sets out information relating to Halton and the housing stock in the area, baseline data on energy efficiency and fuel poverty taken from the Halton private sector stock condition survey and DECC statistics and an analysis of how improving the energy efficiency of the housing stock can contribute to health priorities. The following paragraphs summarise the specific areas that the guidance states should be covered in the report.

### 3.2.2 Local ambitions and priorities

In December 2012 the Executive Board endorsed that the Council sign up to three climate change commitments which set out our ambitions in relation to energy efficiency, as follows:

- The European Union (EU) Covenant of Mayors;
- The Liverpool City Region Sustainable Energy Action Plan;
- The Local Government Association’s Climate Local.

These commit the authority to develop and publish locally determined targets, commitments and actions to reduce carbon emissions which support the target set out in the EU Covenant of Mayors to go beyond the EU commitment to reduce carbon emissions by 20% by 2020. We must also produce a Halton Sustainable Energy Action Plan and Baseline Inventory Report within one year outlining how our objectives will be reached. The

Assistant to the Chief Executive is leading on the delivery of these commitments.

3.2.3 Measures that take advantage of financial assistance and other benefits offered from Central Government initiatives

The Green Deal and Energy Company Obligation (ECO) were introduced in late 2012/early 2013 as the Government's new frameworks for funding energy efficiency measures in homes and businesses. Green Deal involves the homeowner taking out an interest bearing loan to fund works which is paid back through savings on their energy bills while ECO places a statutory carbon saving target on energy companies to deliver energy efficiency measures to households in receipt of certain benefits or living in the top 15% most deprived LSOAs and to supplement the Green Deal where it is not viable e.g. with hard to treat properties.

3.2.4 As the schemes are relatively new our approach as to how we intend to engage with them is not yet fully developed. At the time of writing we are working with Registered Providers of social housing through the newly formed Halton Green Deal/ECO Co-ordination group to explore potential models and approaches to maximise the opportunities offered by ECO in some of the Borough's most deprived areas. We are also considering potential models to maximise ECO/Green Deal investment in the private sector stock (owner occupied and private rented) in the most deprived areas.

3.2.5 Area based/street by street approaches

The report acknowledges that previous energy efficiency initiatives in the private sector have by and large been targeted at specific client groups rather than on a geographical basis but that the measures offered by the Green Deal and ECO e.g. external wall insulation are more practical and offer economies of scale when undertaken area by area.

3.2.6 Initially it is proposed that our approach will be led by whether an area sits within one of the top 15% most deprived LSOAs (these have been targeted for ECO funding) and on other statistics e.g. levels of fuel poverty and proportion of private rented stock in the area. However the authority has secured funding from DECC to purchase a property specific database which will enable detailed energy information from energy performance certificates and other sources to be collected and which will be used to develop and prioritise programmes of works more effectively.

3.2.7 A timeframe for delivery and national and local partners

The report contains a summary of our approach as an appendix which sets out the timeframe for various projects and indicates our current delivery partners.

3.2.8 The report also sets out other measures that the local authority is

taking to contribute to an improvement in residential energy efficiency and reduction in fuel poverty, including:

- Locally funded and/or developed grant schemes such as Health through Warmth and the DECC funded Healthy Homes Grants;
- The development of a Halton Healthy Homes Network to raise awareness of the financial assistance that is available;
- Halton's participation in a potential collective switching scheme to help residents reduce their energy bills;
- Planning policy relating to the delivery of minimum energy standards on new developments.

#### 4.0 **POLICY IMPLICATIONS**

4.1 The HECA report is consistent with the authority's Affordable Warmth Strategy and draft Housing Strategy 2013-18.

#### 5.0 **OTHER/FINANCIAL IMPLICATIONS**

5.1 The approach to ECO and Green Deal outlined in the report has the potential to attract significant investment in the Borough's housing stock primarily through funding from energy companies as part of their carbon reduction obligations. Other than staff time to develop and support such schemes there are no direct resource implications for the local authority anticipated at this time.

#### 6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### 6.1 **Children & Young People in Halton**

Research shows that living in a cold home can have an adverse effect on children's health, wellbeing and educational attainment.

##### 6.2 **Employment, Learning & Skills in Halton**

The anticipated increased investment arising from the Energy Company Obligation and Green Deal has the potential to stimulate local job creation and improve the skills levels of the Borough through development of the local supply chain.

##### 6.3 **A Healthy Halton**

Living in a cold home can lead to and exacerbate cardiovascular and respiratory conditions and contribute to excess winter deaths. Research also shows a link between living in a cold home and poor mental health.

##### 6.4 **A Safer Halton**

None directly.

##### 6.5 **Halton's Urban Renewal**

One of the key measures provided by the Energy Company Obligation is external wall insulation which can significantly

transform the external appearance of properties and therefore the visual appeal of neighbourhoods. Improving the energy efficiency of housing also has a positive impact on climate change through the reduction in carbon emissions.

## 7.0 **RISK ANALYSIS**

7.1 Local authorities have a statutory duty to publish a HECA report by the 31<sup>st</sup> March 2013. It is not clear what sanctions could result from not publishing a report, however, there is a risk that not doing so could put the Council at a disadvantage in terms of attracting funding from energy companies under the Energy Company Obligation.

## 8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 The Energy Company Obligation is targeted at those households living in the most deprived areas of the Borough, households on certain qualifying benefits or living in “hard to treat” homes e.g. homes with solid walls.

## 9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
DECC “Guidance to English Local Authorities issued Pursuant to the Home Energy Conservation Act 1995”	2 <sup>nd</sup> floor Runcorn Town Hall	Joanne Sutton