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## Report of the Director of Environment and Neighbourhoods

### Executive Board

Date: 3rd December 2008

Subject: Home Energy Conservation Act (HECA) (1995) - 12<sup>th</sup> Progress Report

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#### Electoral Wards Affected:

Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

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## EXECUTIVE SUMMARY

The 12<sup>th</sup> HECA Report identifies that steady progress is being made in improving the overall energy efficiency of the Leeds housing stock. Energy efficiency improved by 4.07%, to a twelve year cumulative total of 24.68%. There has been some solid investment monitored over the period but it will be necessary to ensure that accelerated and progressive energy efficiency growth and investment continues to take place, to maintain the improvement in performance so as to meet the 2011 30% target set by Government.

Fuel poverty in 2008 is calculated at 24%, increasing from 19% in the last reporting period. Vulnerable fuel poverty, (those households containing pensioners, long term ill, disabled or children) has increased from 15% to 20%. Such increases can be accounted for by continued increases in gas and electricity prices, outstripping increases in household income.

Continued action will be necessary to increase awareness to landlords of the benefits of improving the thermal comfort standards particularly in housing association older stock, with growth in this sector. Private rented sector dwellings, in this reporting period, show a slight improvement in the rate of energy efficiency growth by 0.36%.

Carbon dioxide emission reductions are monitored at 72,437 tonnes for the reporting period, with the average Leeds home emitting 6.3 tonnes of carbon dioxide per annum, a 1.56% improvement since the last period.

Government carried out a consultation on HECA, the outcome of which appears to favour a repeal of the Act, though a final decision is due to be taken by the end of 2008. The Fuelsavers Board will continue to facilitate action to take forward the City's HECA, Affordable Warmth Strategy objectives and new National Indicator 187 target for fuel poverty reduction.

## **1.0 Purpose Of This Report**

- 1.1 The Home Energy Conservation Act (HECA) came into force on 1 April 1996 and runs for a term of 15 years up to 31<sup>st</sup> March 2011. The Leeds Energy Efficiency Strategy, entitled 'Warm Homes, Cool Planet' sets out in 93 action points how the Authority seeks to stimulate a 30% energy efficiency improvement across the Leeds public and private sector housing stock over the HECA period. This Strategy was reviewed and updated in September 2007.
- 1.2 It is a requirement of the Act that Authorities report annually as part of and parallel to their housing investment submission on the progress made in managing and implementing measures identified in their energy efficiency plan submitted under Section 2 of HECA (1995).

## **2.0 Background Information**

- 2.1 This 12<sup>th</sup> HECA Progress Report covers the period 1 April 2007 to 31 March 2008. The report is supported by the fuel poverty strategy and the Affordable Warmth Strategy for the period 2007 to 2016.
- 2.2 The Authority was contacted by the Department for Environment, Food and Rural Affairs (Defra) in July 2008, setting out the 2007 reporting time scales and procedures with a reporting deadline of 14<sup>th</sup> November, 2008.
- 2.3 Information to provide the 12<sup>th</sup> HECA Report has involved gathering data from 81,000 direct mail contacts to Leeds households, of which more than 16,700 responded.
- 2.4 The procedures also require evidence that a 'top down' approach to HECA is fostered in the Authority, with support and commitment from senior officers and Elected Members. It is therefore a requirement that the Chief Executive of the Authority formally 'signs off' the progress Report.

## **3.0 Main Issues**

- 3.1 The 12<sup>th</sup> Report continues to highlight progress across the City, with an overall City wide improvement of 4.07%, against the 2006/07 reporting year performance of 4.17%. The new overall City running total now stands at 24.68%, against the 2011 target of 30% and a notional target for 2007/08 of 24%.
- 3.2 Investment in public sector housing, whilst £13.3 million lower than the 11<sup>th</sup> reporting period, has nonetheless seen an increase in the rate of energy efficiency improvement from 8.25% in 2006/07 to 9.21% in this reporting cycle. Further to this, the Standard Assessment Procedure (SAP) performance, measured as part of the now defunct Key Performance Indicator 63, met the City's 2007/08 target of SAP 67.0, (SAP is a domestic energy performance grade of 1 to 100+ with a score of 1 as low and 100 high). This target was supported by contractors employed by the Arms Length Management Organisations (ALMOs) finding dwellings already insulated under earlier programmes which had not previously been reported upon.
- 3.3 Energy efficiency improvement in the owner occupied housing stock has shown a slowing from 3.98% to 3.71%, mainly due to the predicted tailing off of fuel company grants due to the replacement of the Energy Efficiency Commitment (EEC) obligation with the Carbon Emission Reduction Target (CERT).
- 3.4 The private rented sector dwelling performance at 1.60% shows a slight improvement against the 1.24% achieved in the previous reporting period. This is, however, still the lowest rate of progress across all tenures and suggests this sector

requires continuing support, development and action. It is anticipated the revised Private Rented Sector Housing Strategy, which contains a large proportion of energy efficiency interventions, will help to accelerate growth in this sector.

- 3.5 Housing Association performance at 2.05% shows decreased gain from the 3.39% in the last reporting period. Self reporting by Registered Social Landlord (RSL) tenants shows energy efficiency improvements in the older stock is low. The dialogue with RSLs will continue to ensure this tenure's sector managers are aware of the need to support energy efficiency improvement of their existing, older solid-walled dwellings.
- 3.6 Warm Front 2 (WF2) grant take-up shows that 4,634 households received measures against the previous year of 3,297 homes. This represents a further increase of 40% in government grant delivery in the City, now superseding the previous highest reporting year of 2004/05 in which 4,162 homes were assisted. Environment and Neighbourhoods Directorate have placed much emphasis in seeking to contact all potential eligible WF2 clients in an attempt to bring them to grant support.
- 3.7 Energy efficiency improvements have brought about a carbon dioxide (CO<sub>2</sub>) reduction in the whole housing stock for the year of 72,437 tonnes, in comparison to the 88,502 tonnes 11<sup>th</sup> year saving. The average carbon dioxide emissions from a Leeds home is now 6.3 tonnes, some 1.56% lower than in 2006/07. The highest level of carbon dioxide emissions were noted in the private rented sector at 7.4 tonnes (1.09% improvement), with the lowest outputs from RSL dwellings at an average of 5.8 tonnes (1.24% improvement) due to the larger number of newer dwellings in this tenure sector.
- 3.8 The level of calculated fuel poverty in the private sector across the City in 2008 is 24%, representing an increase against the 19% reported in the previous report, but not unexpected given the continued hikes in gas and electricity prices, which have outpaced increases in household income. Moreover, such an impact is also reflected in the calculated level of fuel poverty in vulnerable households, which has increased from 15% to 20%. Furthermore, 19% of all households reported that their, or family's health is affected by cold conditions in the home. Record high energy prices may therefore also bring additional challenges as households are faced with making choices between heating and other priorities. Appendices C of the Report shows by Area Management Operational Sector and Sub-Sector the scale of fuel poverty in the City.
- 3.9 The revised new Leeds Affordable Warmth Strategy was formally launched on 23<sup>rd</sup> October 2007, and work has continued to encourage organisations to sign up to the Code of Practice (CoP) which seeks to stimulate partnership working to eradicate this form of poverty.
- 3.10 The Fuelsavers Team were successful in a bid for £142,375 funding from DEFRA's Community Energy Efficiency Fund (CEEF) to enable work to commence on a new innovative area-based door-to-door energy saving initiative, called Community Warmth, targeting all private sector properties in five Wards, with the highest incidence of fuel poverty in the City in conjunction with npower, which has aided the 12<sup>th</sup> Reporting Year outputs.

## **4.0 Implications For Council Policy And Governance**

- 4.1 The Government has carried out a consultation on HECA, the outcome of which appears to favour a repeal of the Act, though a final decision is due to be taken by the end of 2008.
- 4.2 The Fuelsavers Board will continue to facilitate action to take forward the City's HECA, Affordable Warmth Strategy objectives and new National Indicator 187 (NI187) fuel poverty reduction target, with support also provided where appropriate to new National Indicator 186 (NI186), the reduction in carbon emissions per capita.
- 4.3 The Authority continues to raise with Government the need for access to the data which is currently being captured through the new Energy Performance Certificate legislation which came into force in the private for sale sector in stages from August 2007, and more recently from 1<sup>st</sup> October 2008 for the private rented sector. This would enable carefully focused targeting of advice and support to properties with a low SAP energy rating, or where appropriate to target enforcement action in the private rented sector under the Housing Health and Safety Rating System (HHSRS) 'Excess Cold' Category One Hazard, which by proxy would be houses at 'F' or 'G' rating under SAP 35.

## **5.0 Legal And Resource Implications**

- 5.1 There are no Legal and Resource Implications.

## **6.0 Conclusions**

- 6.1 There has been steady progress in 2007/08 and whilst energy efficiency progress is slightly less than the 11<sup>th</sup> Reporting Year, overall the City is on target to achieve, if not exceed, its 15<sup>th</sup> Reporting Year objective of 30%. It must, however, be noted that growth in the improvement of older Registered Social Landlord dwellings and poor growth in the private rented sector overall will need to be addressed.

## **7.0 Recommendations**

- 7.1 That the Executive Board note the content of the 12<sup>th</sup> HECA Progress Report (Hard Copies are available upon request) or see Internet web link:

[www.leeds.gov.uk/fuelsavers](http://www.leeds.gov.uk/fuelsavers)

- 7.2 To note that the 12<sup>th</sup> HECA Report has been released to the Government Office for Yorkshire and the Humber.

## **Background Papers**

- DEFRA (1995) Home Energy Conservation Act (HECA)
- DEFRA (2007) *Community Energy Efficiency Fund – Guidance Notes for Applicants*
- DTI (2001), *The UK Fuel Poverty Strategy*
- Leeds City Council (2007) *Leeds Affordable Warmth Strategy*
- Leeds City Council (2007) *11<sup>th</sup> HECA Report*

- Leeds City Council (2007) *Npower Area Based Door-to-Door Pilot Energy Saving Initiative*, report to Environmental Health Management Team, 24<sup>th</sup> September, 2007
- Leeds City Council (2007) *Warm Homes, Cool Planet*
- Leeds City Council (2008) *12<sup>th</sup> HECA Report*
- OPSI (2000) *Warm Homes and Energy Conservation Act, 2000*
- OPSI (2004) *The Electricity and Gas (Energy Efficiency Obligations) Order*, (SI No. 3392)
- OPSI (2008) *The Electricity and Gas (Carbon Emissions Reduction) Order*, (SI No. 188)