



Report of the Director of Environment and Neighbourhoods

Executive Board

Date: 12th February 2010

Subject: Home Energy Conservation Act (HECA) (1995) - 13th Progress Report

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)

EXECUTIVE SUMMARY

The 13th HECA Report identifies that steady progress is being made to improve the overall energy efficiency of the Leeds housing stock. Energy efficiency improved by 4.46%, to a thirteenth year cumulative total of 28.04%. The report identifies significant energy efficiency investment over the period, particularly in the owner occupier sector. However, in order to meet the 2011 30% target set by Government and to contribute to new CO₂ reduction targets, energy efficiency investment will need to continue from all sectors.

Fuel poverty in 2009 is calculated at 22%, decreasing from 24% in the last reporting period. Vulnerable fuel poverty (those households containing pensioners, long term ill, disabled or children) has decreased from 20% to 18%. Whilst fuel poverty levels are roughly the same as for the previous year, they are highly dependant on volatile fuel prices, with each 1% change in fuel costs approximately affecting fuel poverty by 0.4%.

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 similar growth in this sector to the previous year. Private rented sector dwellings, in this reporting period, show a decrease in the rate of energy efficiency improvement by 0.9.

Carbon dioxide emission reductions are monitored at 70,524 tonnes for the reporting period, with the average Leeds home emitting 6.2 tonnes of carbon dioxide per annum, a 1.59% improvement since the last period.

NI 187 targets have been met, with 38.10% of benefit recipients living in a property with SAP \geq 65 compared with the 08/09 target of 37.44%, equivalent to an improvement of 7,195 properties and 5.44% of benefit recipients living in a property with SAP $<$ 35 compared with the 08/09 target of 5.86%, equivalent to an improvement in 614 properties.

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 31st 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 13th HECA Progress Report covers the period 1 April 2008 to 31 March 2009.
- 2.2 To produce the report, we have gathered data from more than 13,700 Leeds households and from our partners including Warm Front, social landlords, utilities and the Energy Saving Trust.
- 2.3 The HECA procedures also require evidence of 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 Performance

- 3.1 The 13th Report continues to highlight progress across the city, with an overall city wide improvement of 4.46%, against the 2007/08 reporting year performance of 4.07%. The overall city running total now stands at 28.04%, against the 2011 target of 30% and a notional target for 2008/09 of 26%.
- 3.2 Investment in public sector housing, is £4.9 million lower than the 12th reporting period and the improvement in energy efficiency has fallen from 9.21% in 2007/08 to 2.99% in this reporting cycle as the investment in the decency programme comes to a close. Further to this, the Standard Assessment Procedure (SAP) performance didn't meet the City's 2008/09 target of SAP 69.0, (SAP is a domestic energy performance grade from 1, low, to 100+, high). The reduced improvement is due to the ending of capital programs.
- 3.3 Energy efficiency improvement in the owner occupied housing stock has shown an increase in performance from 3.71% to 5.39%, mainly due to the widening of the priority group eligible for free measures under Carbon Emission Reduction Target (CERT) but also due to the increase in fuel costs and larger subsidies under CERT driving up demand in the able to pay sector.
- 3.4 The private rented sector dwelling performance improved by 0.9% against the 1.60% improvement achieved in the previous reporting period. This is the lowest rate of progress across all tenures and suggests this sector requires continuing support, development and action. The revised Private Rented Sector Housing Strategy, which contains a large number of energy efficiency interventions, is designed to improve performance in this sector.

- 3.5 Housing Association improvement at 2.04% is virtually identical to the 2.05% improvement 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 that managers are aware of the need to support energy efficiency improvement of their older solid-walled dwellings.
- 3.6 Warm Front 2 (WF2) grant take-up shows that 4,201 households received measures against the previous year of 4,634 homes. Whilst this is a decrease on the previous report, it is still the second highest number of homes assisted annually on WF2 and the grant draw down has increased from £4.7m to £6.0m. 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 (CO₂) reduction in the whole housing stock for the year of 70,524 tonnes, in comparison to the 72,437 tonnes 12th year saving. The average carbon dioxide emissions from a Leeds home is now 6.2 tonnes, some 1.59% lower than in 2008/09. The highest level of carbon dioxide emissions were noted in the private rented sector at 7.4 tonnes (0.82% improvement), with the lowest outputs from LA dwellings at an average of 3.5 tonnes (3% improvement). Owner occupier properties emit on average 6.8 tonnes (5% improvement) and RSL average 5.7 tonnes (1.3% improvement).
- 3.8 The level of calculated fuel poverty in the private sector across the city in 2009 is 22%, representing an improvement against the 24% reported in the previous report. The calculated level of fuel poverty in vulnerable households, has decreased from 20% to 18%. Furthermore, 20% of all households reported that their, or family's health is affected by cold conditions in the home. Whilst fuel poverty levels are roughly the same as for the previous year, they are highly dependant on volatile fuel prices, with each 1% change in fuel costs approximately affecting fuel poverty by 0.4%. Appendices C of the Report shows by Area Management Operational Sector and Sub-Sector the scale of fuel poverty in the city.
- 3.9 In 2008/09, the principal Fuelsavers activities that contributed to this strong performance were:
- Provision of bespoke advice and awareness raising to the public;
 - Coordination of the Community Warmth and Health Through Warmth schemes and referrals to Warm Front and utility grants to improve private sector energy efficiency;
 - Provision of EPCs (Energy Performance Certificate) to ALMOs in order to target investment appropriately.
- 3.10 Additionally, investment from ALMOs, RSLs, owner occupiers and private landlords continue to make significant improvements to energy efficiency in Leeds.
- 3.11 Between 2009-2011 Fuelsavers' key additional initiatives are:
- An enhanced Area Based Initiative promoting energy efficiency to approximately 71,000 households;
 - A trial non-means-tested grant scheme in three of the most deprived LLSOAs;
 - A thermal over flight of Leeds and a thermal drive by in one ward to visually highlight heat loss from homes;

- Targeted letter to circa 11,000 Warm Front eligible benefits recipients, who have not already received a grant.

3.12 It should be noted that this may be subject to change following the current review of the Fuelsavers service area.

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 which was due to be taken by the end of 2008, has not been announced. No request for a HECA return has yet been received this year.

4.2 The Fuelsavers Board will continue to facilitate action to take forward the city's HECA, Affordable Warmth Strategy objectives and National Indicator 187 (NI187) fuel poverty reduction target and increasingly focus on 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 Energy Performance Certificate legislation which came into force in the private for sale sector in stages from August 2007, and from 1st 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 arising from this report.

6.0 Conclusions

6.1 There has been steady progress in 2008/09 and whilst energy efficiency progress in the LA and private rented sectors is less than the 12th Reporting Year, this has been more than made up for by increased improvement in the owner occupier sector, which makes up the bulk of the Leeds housing stock. Overall the City is on target to achieve its 15th Reporting Year objective of 30%.

7.0 Recommendations

7.1 That the Executive Board note and approve the content of the 13th HECA Progress Report (hard copies are available upon request) or see:

www.leeds.gov.uk/fuelsavers

7.2 To note that the 13th HECA Report will be released to the Government Office for Yorkshire and the Humber, upon request.

7.3 To request that an annual report continues to be made to the Executive Board.

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*
- LCC (2007) *Leeds Affordable Warmth Strategy*
- LCC (2007) *12th HECA Report*
- LCC (2007) *Warm Homes, Cool Planet*
- 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)*