

Report of the Director of Environment and Neighbourhoods

Report to Executive Board

Date: 13th March 2013

Subject: Tackling Fuel Poverty and Reducing CO₂ Emissions: Home Energy Conservation Act Further Report 2013

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Home Energy Conservation Act Further Report is required by government to evidence how every Council will help to deliver ambitious carbon reduction and fuel poverty alleviation targets.
2. It also provides an opportunity to reflect on past achievements and shape our domestic energy efficiency and renewable energy ambitions over the next 10 years.
3. Section 3 therefore presents an ambitious but deliverable programme of works for the next 2 years and outlines our plans for the next 8 years. These integrated carbon reduction and affordable warmth plans are broken down broadly into three categories:
 - 3.1. Improving the energy efficiency of all homes in Leeds in order to reduce home energy demand.
 - 3.2. Supporting vulnerable people in crisis, or at risk of crisis, to reduce the immediate suffering caused by fuel poverty.
 - 3.3. Reducing the cost of fuel and increase incomes in the city.
4. To enable the Council to deliver these ambitious programmes in the short-term, a tender has been issued to establish an interim Green Deal framework.

Recommendations

1. To approve this report and the associated appendices and to publish it on the Council website as the Leeds City Council Home Energy Conservation Act Further Report.
2. To award contracts to the 3 highest scoring bidders (assessed using a 50/50 price/quality split) to manage and deliver the interim Green Deal framework project.
3. To move £20,000 of the existing Wrap Up Leeds budget from 2012-3 to 2013-14 to support the Green Deal framework.
4. To delegate authority to the Director of Environment and Neighbourhoods to take operational decisions in order to ensure that the Green Deal framework operates effectively.

1 Purpose of this report

- 1.1 To update Executive Board on the new Home Energy Conservation Act (HECA) requirements.
- 1.2 To present the content of the Leeds City Council 'Further Report' for approval prior to submitting to the Secretary of State for Energy and Climate Change.

2 Background information

- 1.1 The original Home Energy Conservation Act (HECA) came into force on 1st April 1996 and was due to run for a term of 15 years up to 31st March 2011, with a target to increase the energy efficiency of the housing stock by 30%. It was a requirement of the Act that Authorities report annually on the progress made in managing and implementing measures identified in an energy efficiency plan submitted as part of HECA.
- 1.2 In 2010, although HECA reporting requirements had been dropped by Government, Leeds' equivalent "Domestic Energy Efficiency" report gave a cumulative energy efficiency improvement of 30.5%, meeting and exceeding the original HECA 15 year target set for 2011. During the 13 years covered by the full HECA reports the Authority reported a total investment in energy efficiency measures of £917 million including a Council spend of £293 million.
- 1.3 In July 2012, the Secretary of State for Energy and Climate Change (SoS) published new guidance which replaces the old HECA arrangements with a new requirement to provide a 'Further Report'.
- 1.4 Using powers under section 5(1)(b) of the Home Energy Conservation Act (1995) the SoS requires all English authorities to prepare further HECA 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. The SoS defines 'significant improvements' as ones that:
 - Take advantage of financial assistance and other benefits offered from central Government initiatives, such as the Green Deal, ECO and Renewable Heat Incentive or other initiatives; and
 - Are implemented cost-effectively 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).
- 1.5 The SoS also encourages local authorities to include details of any existing projects, including the timeframe for delivery, and details of national and local partners they propose to work with.
- 1.6 The SoS will also request progress reports at 2 yearly intervals after submission of the Further Report (by 31st March 2015, 31st March 2017, 31st March 2019 etc) up to and including 31st March 2027.

- 1.7 The Act requires all authorities to publish Further Reports and progress reports electronically on their website in a format and location that is accessible to local residents with a link to be forwarded to the Secretary of State.
- 1.8 The Climate Change Act 2008 sets specific targets for reductions in carbon emissions with the Carbon Plan, published by the Department of Energy and Climate Change in December 2011, setting out how the Government aims to achieve these reductions. Key targets, relevant to the further HECA report, include:
- to reduce greenhouse gas CO₂ emissions by 29% by 2017, 35% by 2022, and 50% by 2027 – for buildings this means a reduction between 24% and 39% lower than 2009 levels by 2027;
 - to insulate all cavities and lofts, where practical, by 2020;
 - to insulate an additional 1 – 3.7m solid walls and install 1.9 - 7.2m other energy efficiency measures by 2030;
 - to install 1.6 - 8.6m building level low carbon heat systems, such as heat pumps, by 2030 (Government modelling suggests that 21 - 45% of heat supplies to buildings will need to be low carbon); and
 - to ensure that emissions from UK buildings are “close to zero” by 2050.
- 1.9 In addition to reducing carbon emissions, Government set a target to eradicate fuel poverty in England, as far as reasonably practicable, by 2016 in the UK Fuel Poverty Strategy (2001). Although Government is currently consulting on an alternative definition for fuel poverty definition and a revised approach to measuring fuel poverty, they remain committed to reducing health inequalities by helping people who cannot afford to keep their homes warm. The Council is equally committed to tackling fuel poverty and improving resident’s health, so affordable warmth forms an important aspect of the HECA Further Report.

3 Main issues

- 3.1 Leeds City Council’s Further Report is attached as appendix 1 (and will be published on the Council’s website at a later date). It is structured to follow the requirements of the Further Report Guidance with some additional sections:
- Ambitions and targets
 - Key achievements to date
 - Short term priorities (2013-15)
 - Longer term priorities (2015-23)
 - Approach to targeting and partnerships

3.2 The key actions and programmes for the next two years are summarised in the table below:

	i) LOCAL ENERGY EFFICIENCY AMBITIONS AND PRIORITIES
Action	
	<p>The key strategies and targets within Leeds are:</p> <ul style="list-style-type: none"> a) Leeds Climate Change Strategy 2012-15: 40% CO₂ reductions from all sectors from 2005-2020. b) Affordable Warmth Strategy 2007-16: increase average SAP ratings across all housing sectors to SAP 70 by 2020 and to increase the SAP ratings of all dwellings to 65 or above by 2030.
	ii) MEASURES WE ARE TAKING TO RESULT IN SIGNIFICANT ENERGY EFFICIENCY IMPROVEMENTS OF OUR RESIDENTIAL ACCOMMODATION
Action	
Green Deal and ECO	<p>Deliver the Green Deal Demonstrator, fully complete by end of October 2013:</p> <ul style="list-style-type: none"> a) Showhomes – support LATCH and Canopy to refurbish a total of 4 empty homes to very high energy efficiency standards. b) External wall insulation to c180 system built ALMO/RTB properties. c) A city wide loan offer for c170 private residents. <p>Procure an interim Green Deal/ECO framework May 2013-March 2014:</p> <ul style="list-style-type: none"> a) Joint marketing with a small framework of Green Deal Providers to secure GD/ECO in c1,000 private sector properties. b) External wall insulation led energy efficiency programmes for c500 ALMO/RTB system built properties. c) Trial external wall insulation for c50 properties in mixed-tenure Victorian terraces. d) Support the Cross Green neighbourhood renewal programme by attracting ECO funding for external/internal solid wall insulation, room in roof insulation and new efficient heating systems in c150 properties. e) Completing a programme of heating and insulation improvements to two high-rise blocks, c200 dwellings. f) Support c600 vulnerable households to access HHCRO. <p>Launch the LCR Green Deal partnership April 2014-April 2017</p> <ul style="list-style-type: none"> a) Deliver energy efficiency improvements to at least 6,000 homes over a 3 year period to April 2017.
Planning policy	LDF Core Strategy adopted by mid 2014 so that any development of 10 or more properties will be required to achieve carbon reductions 20% greater than the prevailing building regulations standards and secure 10% of its energy from low or zero carbon sources.
Minimum private sector standards	Ensure houses rated F and G on EPC certificate are not privately rented past 2016, via education on the new requirement for all landlords in Leeds, scheduled and reactive inspections of licensed properties and enforcement action as a last resort.
Bulk fuel switching	Deliver the CO2Sense led Cheaper Energy Together programme to support 3,000 households to switch, including 1,000 vulnerable households, by mid 2013. If successful, to develop this into a self-sustaining model by end 2013.
Smart meters	Work closely with utilities to support the roll-out of 3rd generation smart meters.
Feed in tariffs	Promote as part of private sector GD package and assess as part of the ALMO Asset Management Strategy.
RHI	Trial renewable heat technologies (particularly air source heat pumps) in dispersed rural ALMO stock and look to replace gas district heating/electric heating with biomass where appropriate.
EPC and energy data	We have already procured EPC data for Leeds and will continue to use this to target our interventions, as described below.
	iii) MEASURES WE PROPOSE TO COST EFFECTIVELY DELIVER ENERGY EFFICIENCY IMPROVEMENTS IN RESIDENTIAL ACCOMMODATION BY USING AREA BASED/STREET BY STREET ROLL OUT.
Action	
	We have significant experience of using our strong local dataset to target works in specific

	<p>communities, often involving local communities in this work. We will build on this experience to:</p> <ul style="list-style-type: none"> a) Deliver the Green Deal Demonstrator in Swarcliffe and three ALMO estates. 200 properties by Oct 13. b) Run an interim Green Deal Framework, provide intelligence to GD Providers to target works at priority CSC communities and provide EWI to system built ALMO/RTB properties. 500 properties c) Use evidence to support LCR GD Provider to target their interventions at priority communities.
	iv) TIME FRAME FOR DELIVERY AND NATIONAL AND LOCAL PARTNERS
Action	
	<p>We believe that partnership working is essential to harness the unique strengths that different organisations can bring, i.e. private sector finance and efficiencies and community groups for local knowledge and trust. Examples of our partnerships include:</p> <ul style="list-style-type: none"> a) We work closely with the other seven Core Cities and through them with DECC, DEFRA, CLG, BiS, Treasury and other Government departments to help pilot new initiatives. This includes the Green Deal Demonstrator as part of the Low Carbon Pioneer programme; b) We are leading a partnership of Leeds City Region authorities to establish and deliver an ambitious Green Deal programme; c) We have recently established an open and non-exclusive Energy Forum, made up of private sector companies including a number of utilities, in order to secure private sector support for a range of low carbon projects; d) We have long-established, cross-sectoral, Affordable Warmth and Climate Change partnerships which steer the strategic direction of this work within Leeds; e) We currently work with a range of local delivery partners including Yorkshire Energy Services, Care and Repair, Groundwork Leeds, the G7 group of Housing Associations, the empty homes agencies Canopy & LATCH, local CABs, Leeds Community Foundation and many others.

- 3.3 In order to deliver these ambitious programmes in the short-term, it is very important to set up a Green Deal framework of private sector delivery partners to cover the period from the end of the Green Deal Demonstrator up to the establishment of the Leeds City Region Green Deal project.
- 3.4 An options appraisal has been undertaken and the preferred option is to directly procure a framework of 3 partners, based on the documents previously used for DEEP/Green Deal Demonstrator. The partners would be allowed to advertise the partnership with us in their marketing to private sector households, in return for data returns and meeting defined quality standards. The Council would also use the framework to issue mini-bidding rounds for specific projects, particularly based on ALMO properties.
- 3.5 Initial discussions with a number of Green Deal Providers indicate that, due to the size of Leeds and advanced understanding of Green Deal /ECO, they would be interested in this approach.
- 3.6 This would result in a manageable framework of partners with the competitive nature of the tender giving confidence that the Council is only partnering with high quality, good value companies.
- 3.7 The Council has therefore issued a tender to establish an interim Green Deal framework, with an expected completion date of 8th May.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This Further Report has been based on existing priorities jointly developed by Council officers and the Affordable Warmth Partnership. As a summary of current and planned priorities, it is therefore not relevant to consult with communities at this stage. Communities will be consulted as relevant as the individual initiatives are developed.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Equality screening has been undertaken and has not identified any significant issues.
- 4.2.2 The objectives of the HECA Further Report and interim Green Deal Framework are both consistent with the Council's aim to narrow the gap between the best and worst off in society. Improving domestic energy efficiency will save everyone money now and programmes of energy efficiency can create sustainable jobs and improve skills, particularly for young people seeking a first job. Over the long term, reduced energy demand will act as a hedge against fuel price inflation and the poorest in society will stand to gain the most in percentage terms. Additionally, it is often those least able to help themselves (long-term sick, elderly and very young) who suffer the most from the effects of fuel poverty and cold-related ill-health, so by targeting part of the support at those in crisis, we can immediately improve the health of some of the most vulnerable people in Leeds.
- 4.2.3 Many of the priorities will be delivered through specific programmes of work, each of which will be equality screened as part of the design process.

4.3 Council policies and City Priorities

- 4.3.1 The Vision for Leeds 2011 to 2030 acknowledges that climate change is one of the three major challenges that have emerged since the last Vision was published in 2004 and has a specific aim to ensure that "all homes are of a decent standard and everyone can afford to stay warm."
- 4.3.2 The Vision is supported by the City Priority Plan 2011 to 2015, which brings together a number of key four-year priorities that will help us deliver the 2030 Vision. It is supported by five separate action plans that address the five key themes. Of these, two contain priorities which are directly relevant to the strategy:
- Best city... for business:
 1. Support the sustainable growth of the Leeds' economy.
 2. Improve the environment through reduced carbon emissions.
 - Best city... to live:
 1. Maximise regeneration investment to increase housing choice and affordability within sustainable neighbourhoods.

2. Enable growth of the city whilst protecting the distinctive green character of the city.

3. Improve housing conditions and energy efficiency.

4.3.3 Council priority 23 covers energy efficiency and district heating.

4.4 Resources and value for money

4.4.1 Publishing the Further Report has no direct financial implication and no hard copies will be produced.

4.4.2 The priorities contained within the Further Report do have financial implications. However, they tend to fall into three categories:

- Projects which are already ongoing with existing budgets, or on the Council's and other partners list of priority projects to be delivered;
- Projects which are well developed and could be delivered cost-effectively between a partnership of public and private sector organisations;
- Projects which need additional support to develop an investment grade business case.

4.4.3 The first category has no new financial implication. The second category should be possible to develop with minimal impact on Council resources, but where new resources are required, the projects will need to go through the normal project development process. The third category does need additional funding, which we propose to access via ELENA approved at Executive Board in July 2012.

4.4.4 Additionally, there are many sources of external funding. The Further Report specifically identifies the Green Deal, ECO, RHI and FiTs as key funding streams to access to support the objectives. There are other new opportunities, such as the Energy Technologies Institute which seeks to demonstrate smart meters and low carbon heat in 2,000-10,000 properties, which will be sought where relevant to support the objectives of the Further Report.

4.4.5 The interim Green Deal Framework tender will be carried out using existing resources. The tender will seek partners with access to Green Deal finance for loans and high levels of ECO subsidy to reduce costs to Leeds householders. The only cost to the council will be administrative costs, such as CDM, for which a budget of £20,000 will be established from the existing Wrap Up Leeds budget.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The Further Report and interim Green Deal Framework have no direct legal implications and all information is openly accessible.

4.5.2 The recommended decisions are all open to Call In.

4.6 Risk Management

- 4.6.1 Corporate risk 24 is that 'Council does not meet CO₂ emissions reduction targets and improve home energy efficiency'. The Further Report provides a means to coordinate actions to mitigate this risk and the interim Green Deal Framework provides a way to deliver actions to mitigate this risk.
- 4.6.2 Each programme of work will be developed and governed using the standard project management practices and each will therefore have its own risk profile.

5 Conclusions

- 5.1 The Home Energy Conservation Act Further Report is required by government to evidence how every Council will help to deliver ambitious carbon reduction and fuel poverty alleviation targets.
- 5.2 It also provides an opportunity to reflect on past achievements and shape our domestic energy efficiency and renewable energy ambitions over the next 10 years.
- 5.3 Section 3 therefore presents an ambitious but deliverable programme of works for the next 2 years and outlines our plans for the next 8 years. These integrated carbon reduction and affordable warmth plans are broken down broadly into three categories:
- Improving the energy efficiency of all homes in Leeds in order to reduce home energy demand.
 - Supporting vulnerable people in crisis, or at risk of crisis, to reduce the immediate suffering caused by fuel poverty.
 - Reducing the cost of fuel and increase incomes in the city.
- 5.4 To enable the Council to deliver these ambitious programmes in the short-term, a tender has been issued to establish an interim Green Deal framework.

6 Recommendations

- 6.1 To approve this report and the associated appendices and to publish it on the Council website as the Leeds City Council Home Energy Conservation Act Further Report.
- 6.2 To award contracts to the 3 highest scoring bidders (assessed using a 50/50 price/quality split) to manage and deliver the interim Green Deal framework project.
- 6.3 To move £20,000 of the existing Wrap Up Leeds budget from 2012-3 to 2013-14 to support the Green Deal framework.
- 6.4 To delegate authority to the Director of Environment and Neighbourhoods to take operational decisions in order to ensure that the Green Deal framework operates effectively.

7 Background documents¹

7.1 Statistical Analysis and Mapping for HECA Further Report

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Appendix 1 – Leeds City Council Further Report

Ambitions and targets

1. The Council has developed two key strategies that guide the HECA Further Report. The Climate Change Strategy 2012-15 sets a target to reduce emissions from all sectors by 40% between 2005 and 2020. A reduction of 14.4% has been achieved in the first four years and to keep up this rate of progress the strategy contains an action to develop an overarching domestic energy efficiency and renewable energy programme, linked to the Green Deal, Energy Company Obligation, Feed in Tariffs and the Renewable Heat Incentive, to offer packages of improvements to households in Leeds. The Affordable Warmth Strategy 2007-16 sets out the approach that Leeds City Council and the Affordable Warmth Partnership are taking to improve the energy efficiency and income levels of those households currently in fuel poverty. This will improve general health and wellbeing across the city and reduce cold related ill health. The key targets are to increase average SAP ratings (a measure of the energy efficiency of a property, with 100 being the highest) across all housing sectors to SAP 70 by 2020 and to increase the SAP ratings of all dwellings to 65 or above by 2030. It contains key objectives around directing help towards households most at risk of ill health, improving hard to treat housing, maximising household income and helping third sector organisations to assist people in hard to reach communities.
2. We believe that it is essential to take an integrated approach to reducing carbon emissions and tackling fuel poverty. This approach can be broken down into three main strands.
 - To run programmes that improve the energy efficiency of all homes in Leeds in order to reduce home energy demand. This reduces carbon emissions from more affluent households and reduces the likelihood of anyone falling into fuel poverty, even if their income is reduced.
 - To target direct support to vulnerable people in crisis, or at risk of crisis, to reduce the immediate suffering caused by fuel poverty.
 - To reduce the cost of fuel and increase incomes in the city.
3. The following sections will be focussed around these three work areas.

Key achievements to date

4. The first HECA report published by Leeds in 1996 contained a commitment to reduce energy use by 30% by 2011. The fourteenth report covering 1/4/2009 – 31/3/2010 reported total energy use reductions of 30.5%.
5. Some of the key programmes that allowed us to meet this target are detailed below.

City wide energy efficiency improvement

6. **Social housing.** We have invested over a long period in the energy efficiency of our Council houses and they are now on average the most efficient homes in Leeds. The decent homes programme in ALMOs and Housing Associations has resulted in practical completion of all insulation works (loft insulation, cavity wall

insulation, double glazing and efficient UPVC doors) in 31,464 homes. Many more homes have been partially completed but still require one or more measure.

7. The Heatlease/Total Heat programmes have installed over 40,000 efficiency gas central heating systems in ALMO properties. This has been supplemented by installation of gas mains to electric ALMO estates, combined with Heatlease to ALMO properties and discounted central heating offer to private households.
8. We continue to invest in more difficult to insulate Council houses, such as system built properties, and have now externally insulated over 4,300 of the 8,800 system built low rise properties. Major programmes of work have been undertaken with CESP funding in the New Wortley and Belinda Street areas, resulting in over 800 properties of all tenures receiving external wall insulation in a year.
9. Our Council housing investment approach has traditionally been to work on ALMO stock, ignoring the right to buy properties in the same estate. However, this has changed recently with both the gas extension and external wall insulation programmes attempting to provide the same offer to all households regardless of tenure. Notably, the Council also facilitated the distribution of over 220,000 low energy light bulbs supplied by utility companies to householders of all tenures.
10. Much of the work in social housing has been part funded by utilities (most notably npower with their EEC & CERT funding for loft/cavity wall insulation, lighting and heating improvements to ALMO stock).
11. **Private sector housing.** The Council operated an Energy Efficiency Advice Centre on behalf of the Energy Saving Trust from 1992 to 2009. This provided advice (including telephone, face to face, written and at events/talks) to any household and promoted a range of private sector grant and discount schemes for loft and cavity wall insulation and heating improvements. The Council used Home Energy Check to gather information on the energy efficiency standard of housing in Leeds and used the results of these to send direct marketing to householders advertising relevant support.
12. The Council also partnered with energy companies and installers to deliver insulation and heating programmes. This included the Community Warmth scheme which led to installations in 409 private homes in the five wards with highest levels of fuel poverty and the pilot 'Heatseekers' scheme which used thermal imaging of properties used to encourage take up and resulted in installation of over 300 main insulation measures. The Council also trialled a Narrow Cavity Scheme which installed free polybead insulation in 147 households identified by desktop survey as having cavity walls which were unsuitable for standard mineral wool insulation.
13. These early schemes led to the Council investing c£300k in Wrap Up Leeds in 2012, resulting in just over 10,000 private sector lofts and cavity walls receiving insulation at zero cost to the residents. This used virtual desktop survey (combined with other datasets) to identify potentially suitable households, allowing targeted marketing to private households. Wrap Up Leeds was managed by Yorkshire Energy Services and delivered by three local small to medium sized installation companies with excellent customer satisfaction. Initial calculations show that Wrap Up Leeds has attracting over £3.3m of utility CERT

funding, will save householders almost £1.4m pa on home heating costs and will reduce CO2 emissions by over 5,600 tonnes pa.

14. **Private Rented.** We aim to ensure that people living in privately rented housing live in high quality and safe homes. The 2007 stock condition survey indicated that privately rented housing has the same SAP rating as the owner occupied sector due to the number of modern flats. However the majority of the private rented sector is found within the pre 1919 stock which has the lowest SAP rating of all homes within the city. We receive c3,000 enquiries from tenants every year and many of these are resolved immediately. In addition, 1,000 -1,500 inspections, both scheduled inspections of licensed properties and as a result of complaints, are carried out every year. These inspections will always identify any excess cold issues and will trigger action to address any issues identified. This includes offering advice on how to reach the standards, and if improvements are not made, then enforcement action is taken. This typically results in more than 400 homes receiving energy efficiency improvements each year.
15. **Neighbourhood Renewal.** As part of the Council's overall priorities, a number of neighbourhoods received the previous Government's private sector renewal grant to support community based plans and regeneration priorities. This programme involved more than just improving the existing stock: it also included the proactive targeting of privately rented properties to ensure they meet minimum legal standards, provision of help and advice to landlords, work to return empty homes back into occupation and energy efficiency improvements. Using part of the grant funding, between 2006 to 2012 over 900 properties benefited from block improvements, resulting in improved energy efficiency, significantly extended life expectancy of the properties, reduced maintenance costs and a significant contribution to the regeneration of priority areas within the city.

Support to vulnerable people

16. The Council has worked with Warmfront since its inception in 2000. This has taken many forms, including direct referrals from the Council, our referral networks and the energy advice service, targeted promotion using council tax benefits data, flu mailing campaigns with the NHS and joint events aimed at vulnerable people. As a result, over 29,000 low income households at risk of fuel poverty have received free heating, lighting and insulation improvements.
17. A key part of our affordable warmth approach has been to create referral networks comprising frontline workers with trusted relationships with their clients. We provide training to frontline workers and they then pass details of those at risk of cold-related ill health to us for support. Key programmes include:
 - The Council helped Groundwork to establish the Green Doctor scheme in Leeds and has part-funded this service since 2010. The Green Doctor provides face to face energy advice for elderly and low income residents along with small scale energy efficiency measures and referrals to energy grants.
 - We also part fund Care and Repair to operate the Warm Homes Service (formerly Health through Warmth). This runs a network of frontline referrers (including the NHS Leeds Energy Champions Programme) and supports vulnerable households, particularly those suffering from cold related illnesses, to access grants for energy efficiency improvements.

- Leeds City Council works closely with the West Yorkshire Hotspots scheme to provide a way for partners who support vulnerable people (including third sector organisations) to refer households easily and quickly to energy advice and measures. We promote the scheme and provide training to organisations across the city.
18. In 2011/12 the Council secured £232k from the Department of Health to run a series of winter warmth programmes. This allowed us to extend the Green Doctor and Warm Homes Service to provide direct support for emergency heating, boiler repairs and energy efficiency improvements for vulnerable residents in crisis, and to support 25 community projects through the Leeds Community Foundation. In 2012/13 this programme secured well over £0.5m from the NHS, Department of Health and DECC to extended last years' programme to include income maximisation support from Leeds and Chapeltown Citizens Advice Bureaux (CAB), a homelessness project in partnership with St George's Crypt and additional funding for low income households through Wrap Up Leeds +.
19. As part of its Home Improvement Assistance, the Council offers both equity release and unsecured loans to vulnerable home owners who cannot access high street lending. Both loan schemes allow owners to consider energy efficiency works as part of the eligible works. This is to be kept under review with the introduction of Green Deal to determine how this can add to the scope of works available to this client group.

Fuel costs and income

20. **Job creation.** One of the most important factors to alleviating fuel poverty is to make sure that working age people are employed. People with regular incomes living in energy efficient houses should very rarely be in fuel poverty. The Wrap Up Leeds programme was managed and delivered by companies all based within the city region, creating or supporting an estimated 130 jobs during 2012. Our City Deal with Government focuses on reducing NEETs in order to make sure that people have good job prospects to reduce the likelihood of falling into fuel poverty.
21. **Income Maximisation Advice.** The Affordable Warmth Partnership includes organisations such as the CAB, the Pensions Service and welfare rights team of Leeds City Council who together provide access to income maximisation advice alongside energy advice. The Pensions Service and welfare rights team both assist clients of the West Yorkshire Hotspots scheme and Warm Homes Service whilst Leeds and Chapeltown CAB have been involved in a pilot project to provide energy/fuel bill and income maximisation advice as described above.

Short Term Priorities (2013-2015)

22. The first HECA period was characterised by a focus on the easier measures (loft, cavity wall insulation, gas boilers and heating controls) and particularly on public sector stock, which is now by far the most efficient in the city. The challenges now are to move from easy measures to much more expensive measures and to change from CERT/CESP to ECO and the Green Deal. In the short term, our priority is to fully establish a Green Deal offer in Leeds, insulate system built properties which we believe will receive high levels of ECO subsidy and trial

different approaches to the very hard to treat properties, such as Victorian terraces and multi storey blocks.

City wide energy efficiency improvement

23. **Green Deal Demonstrator.** In October 2012 Leeds City Region successfully bid for £2.6m from DECC for a Green Deal Demonstrator, £1.3m of which is for Leeds. This aims to find out how various aspects of the Green Deal will work in practice. For example, the level of demand for loans, to understand issues with solid wall insulation and research the levels of ECO subsidy currently available.

24. Leeds led a joint procurement for three of the five participating authorities (Leeds, Kirklees and Calderdale) which secured very high levels of ECO subsidy and has been a useful learning experience for the longer term LCR Green Deal project. The Leeds Green Deal Demonstrator provides:

- Grant funding to LATCH and Canopy to refurbish a total of 4 empty homes to very high energy efficiency standards to use as showhomes;
- External wall insulation to c180 system built properties. These are predominantly ALMO properties but the offer is also available to right to buy households; and
- A city wide loan offer for c170 private residents. The marketing campaign is focusing on right to buys in the Swarcliffe PFI area and hard to treat narrow cavities.

25. These projects will help develop an area based approach for Leeds, support supply chain development and ensure that people will continue to be employed in insulation work in the Leeds area after the cessation of CESP schemes.

26. **Green Deal and ECO 2013/14.** Following the Green Deal Demonstrator and prior to the launch of the LCR Green Deal scheme in early 2014, we aim to run a number of ECO based projects to continue to deliver carbon reductions whilst learning more about the Green Deal. Our key projects will include:

- A framework of 3-5 Green Deal Provider partners to jointly market a private sector Green Deal/ECO offer in return for regular data provision and meeting defined standards.
- External wall insulation led energy efficiency programmes for some ALMO system built estates. These will include energy efficiency and heating improvements as required and will be available for all tenures.
- A series of trials for external wall insulation on mixed-tenure Victorian terraces, to fully understand what finishes will be considered to be sufficiently similar in appearance to qualify for permitted development rights. We aim to work with social landlords to identify streets where there is a high proportion of social housing to increase the likelihood of creating a consistent finish.
- Supporting the Cross Green neighbourhood renewal programme by attracting ECO funding for external/internal solid wall insulation, room in roof insulation and new efficient heating systems.
- Build on the current Highways external insulation pilot project (cladding three-storey blocks with external wall insulation) by completing a programme of heating and insulation improvements to two high-rise blocks.

27. This pipeline of projects aims to maximise the amount of ECO funding attracted into Leeds while rates are advantageous and continue to provide long term employment before the establishment of the LCR Green Deal.
28. **Green Deal Research.** Leeds Metropolitan University (LMU) have attracted funding from DECC to carry out energy monitoring and behavioural studies as part of the Green Deal Demonstrator project. This will include detailed before and after energy and air tightness assessments of a traditional through terrace, a back to back home and a system built property. Energy monitoring will also take place in 100 homes to verify the expected energy savings and ensure that damp does not appear. Behavioural studies will be undertaken with 40 volunteers to find out how people use the heating in their newly insulated homes. This combined research is critical to ensure that we can provide confidence to Leeds residents that predicted energy savings will actually be realised.
29. **Leeds City Region Green Deal and ECO.** Leeds has led development of a business case which recommends that Leeds City Region authorities form a long-term partnership with one or more Green Deal Provider(s). Executive Board has agreed that Leeds City Council should act as the anchor authority to lead procurement and provide a commitment to include at least 6,000 properties over a three year period. This will give a large-enough potential housing stock to ensure bidders are interested and deliver economies of scale which can offset procurement costs. Working with a Green Deal Provider will give the Council reassurance that we can recommend the Green Deal to our residents knowing the contractors are audited and providing the best service possible. Subject to LCR Leaders' endorsement and approval from individual authorities' Executive Boards, partners will be procured during 2013 in time to start early in 2014.
30. **Private Rented.** Our aim is to ensure that houses rated F and G on EPC certificates are not privately rented past 2016. The main focus now is raising awareness of this requirement for all landlords in Leeds. The Council has a private rented sector working group, which is examining this issue. Members of the accredited landlords scheme already get newsletters and other information on the latest position, best practice and any grants available. All landlords of houses in multiple occupation (HMO) and in the selective licensing area of Cross Green have to be licensed and are inspected. It is a requirement of the licence that houses with F or G ratings have to be improved before 2016.
31. The Green Deal Demonstrator show homes have been advertised to private sector landlords to illustrate what can be achieved in a void property. We now plan to deliver solid wall insulation trials within streets where there is a high concentration of rented properties (such as the University areas) to work through the complexities of an area based approach to the Green Deal for landlords, tenants and owner occupiers in mixed residential areas.
32. **Neighbourhood Renewal.** There are limited funds available to undertake block improvements within certain areas of the city. These improvements will focus on maintaining and improving the life of the stock, but will attempt to incorporate energy efficiency works supported by the Green Deal and ECO.
33. **Planning policy.** On 16th January 2013 the Council adopted the Natural Resources and Waste Local Plan, which is the first development plan document in the Council's Local Development Framework. The Plan contains targets for

grid connected renewable energy to 2021 allocates sites for Strategic Waste purposes, including energy from waste, and therefore creates the potential for new district heating networks.

34. If the proposed Leeds Core Strategy is adopted, any development of 10 or more properties in Leeds will be required to achieve carbon reductions 20% greater than the prevailing building regulations standards and secure 10% of its energy from low or zero carbon sources. These targets are currently in the Sustainable Design and Construction Development Plan Document but do not have statutory weight until the Core Strategy is adopted. Additionally, the Aire Valley Area Action Plan will encourage exemplar environmental standards for all development in the area.
35. External wall insulation that is 'similar in appearance' has recently been granted permitted development rights. However, the definition of 'similar in appearance' is still unclear and the extent of external insulation that is considered suitable will vary across the city. We will work with planning colleagues to develop examples of the different treatments and technologies for brick effect external wall insulation that are considered suitable for different house types and areas in Leeds and use these to produce a guide for Leeds residents. These examples will involve a mixture of through terraces and back to backs and will initially focus on the Cross Green area, a carbon saving community area with a high level of privately rented houses whose tenants are often in fuel poverty.
36. **Renewables.** Although the FIT rates for PV have dropped dramatically and the RHI rates and timetables are yet to be fully announced, we believe that renewables will have a role to play in the short term. Specifically, we will look to trial renewable heat technologies (particularly air source heat pumps) in dispersed rural ALMO stock and look to replace gas district heating with biomass where appropriate. We also plan to work with industry partners to build business cases to remove gas pipes and on-peak electric heating from all of our tower blocks. We will announce specific programmes of work in more detail when the timetable for implementation is clearer from DECC.
37. **Smart meters.** The Council is a strong advocate of the potential carbon savings that can be achieved with a smart cities approach to energy, transport, infrastructure and services. The city submitted a strong proposal (jointly with Bradford) to the TSB Future Cities competition, has included a strand within the developing ELENA proposal and is working with the Energy Technologies Institute to develop a strong proposal for their Smart Systems and Heat programme.
38. In the period to 2015, regardless of the outcome of these proposals, the Council will work closely with utilities to support the roll-out of 3rd generation smart meters as part of all the energy efficiency programmes that we develop.
39. **Council Housing Asset Management Strategy.** The Council will be developing a Council Housing Asset Management Strategy in 2013 which will outline its priorities for investment in Council housing stock over the next 5-10 years. The strategy will outline future priorities for investment in existing and new stock since decent homes standard was achieved in 2010. The strategy will outline how investment will be prioritised in order to support the Council in achieving carbon emission reduction, fuel poverty alleviation and energy efficiency targets. In

particular the strategy will outline the Council's plans to improve the thermal efficiency of multi storey flats, non-traditional housing and all electric properties.

Support to vulnerable people

40. We will continue to support the Warm Homes Service and the Green Doctor to directly assist vulnerable households at risk of fuel poverty and ensure that they have support to access grant funding. We will also to continue to promote outreach and referral schemes such as West Yorkshire Hotspots and the NHS Leeds Energy Champions scheme which help vulnerable people in their own homes and hard to reach communities.
41. **ECO.** A critical change for vulnerable people is the change from the government funded Warmfront scheme to the utility funded Home Heating Cost Reduction Obligation (HHCRO). This is a market mechanism and it is possible that there will be several competing offers available for qualifying residents in Leeds, making choosing the best deal very difficult, particularly given the vulnerability of the target audience. We therefore aim to work with our partners to support clients to access the most suitable HHCRO deal for their situation.
42. The new Carbon Saving Community Obligation (CSCO) means that additional support will be available for any household in the most deprived 15% of LLSOAs. In Leeds, there are 118 eligible communities, comprising over 87,300 homes. We are in the process of assessing these areas to identify priorities that we want to support and will use this intelligence to attract partners to work on a street by street basis in these areas.
43. **Public Health.** The integration of the Public health function within the Council offers both opportunities and challenges. There will be much closer relationships between Public Health and social care but it is possible that the hospitals, CCGs and other clinicians will be more distant. Therefore a focus will be to continue engaging with the whole of the health system, including CCGs and hospitals, to identify and protect vulnerable people from the cold through implementation of the cold weather plan.
44. The implementation of the Department of Health 'Cold Weather Plan' for England 2012 will be a priority for Public Health in the short and longer term. It is a public health plan which aims to prepare for, alert people to and prevent the major avoidable effects on health during periods of severe cold in England. The plan will be underpinned by a system of cold weather alerts developed with the Met Office. The Cold Weather Alert has been updated and now comprises five main levels; each alert level should trigger a series of actions.
45. In 2010/11 there were 23,700 more deaths in England between the months of December and March 2011 than were observed over the rest of the year. Similar numbers are observed most years. In Leeds there is a 3 year average of 320 excess winter deaths. The priority aim of the Leeds Cold Weather Plan (2012 - 15) will be to improve health and wellbeing of Leeds residents during winter. Other objectives include:
 - To ensure vulnerable people are targeted with measures to keep warm and enable them to live safely in their homes;

- To ensure that frontline services have robust systems in place to be able to respond rapidly and appropriately to Met Office cold weather alerts as per the Cold Weather Plan (DOH);
 - To raise awareness of the health impacts of the cold and top tips for staying warm over winter;
 - To generate funding and lever in resources to ensure sustainability of locally based grants schemes;
 - To ensure implementation of the Green Deal and ECO supports vulnerable groups;
 - To develop intelligence on health and housing data to inform commissioning and priority activity.
46. A key priority will be to seek funding to continue the winter warmth programmes started in 2011/12. We will look for funding locally and nationally to continue this in the short term, but longer term will seek to develop a strong business case for energy efficiency investments to reduce the health impacts of cold and fuel poverty, focussing on energy efficiency investment that can reduce costs to the health service as per the priorities outlined in the Cold Weather Plan. We will aim to complete this business case, which will also encompass a better understanding the impact of fuel poverty on mental health and physical wellbeing, by 2015.

Fuel costs and income

47. **Job Creation.** A key aim of the LCR Green Deal programme is to attract a Green Deal Provider partner that is committed to using local labour and to invest in longer-term skills development programmes. Our initial research indicates that the initial 3 year programme will create or sustain over 650 FTEs and over the planned 25 year lifetime could rise to 24,000 jobs. A key aim is to ensure that the procurement process secures a partner with a commitment to make the most of this opportunity.
48. **Income Maximisation.** We will continue to work with partners such as Leeds Benefits Service, Citizens Advice Bureau and the Pensions Service to ensure that vulnerable people have access to fuel bill and income advice along with energy efficiency improvements,
49. **Reducing Fuel Costs.** We have secured £280k from Government (in partnership with 5 other local authorities, CO2Sense and Which) to run a collective fuel switching scheme, which aims to reduce fuel bills by c10%. We will jointly promote this during the first half of 2013 and aim to help over 3,000 households (including 1,000 vulnerable households) to switch to cheaper tariffs. Longer term, we aim to develop a self-sustaining offer, using referral fees to provide added value benefits to households through energy advice as well as cheaper fuel tariffs.

Longer Term Priorities (2015-2023)

50. In the longer term, the city will need to significantly increase the rate of installation of more expensive measures, particularly solid wall insulation and renewable energy systems. At the same time, the city will have the opportunity to embrace smart systems to better control our energy use, linking between sectors

and giving us access to intelligence that will help us to plan future energy efficiency and renewables investments.

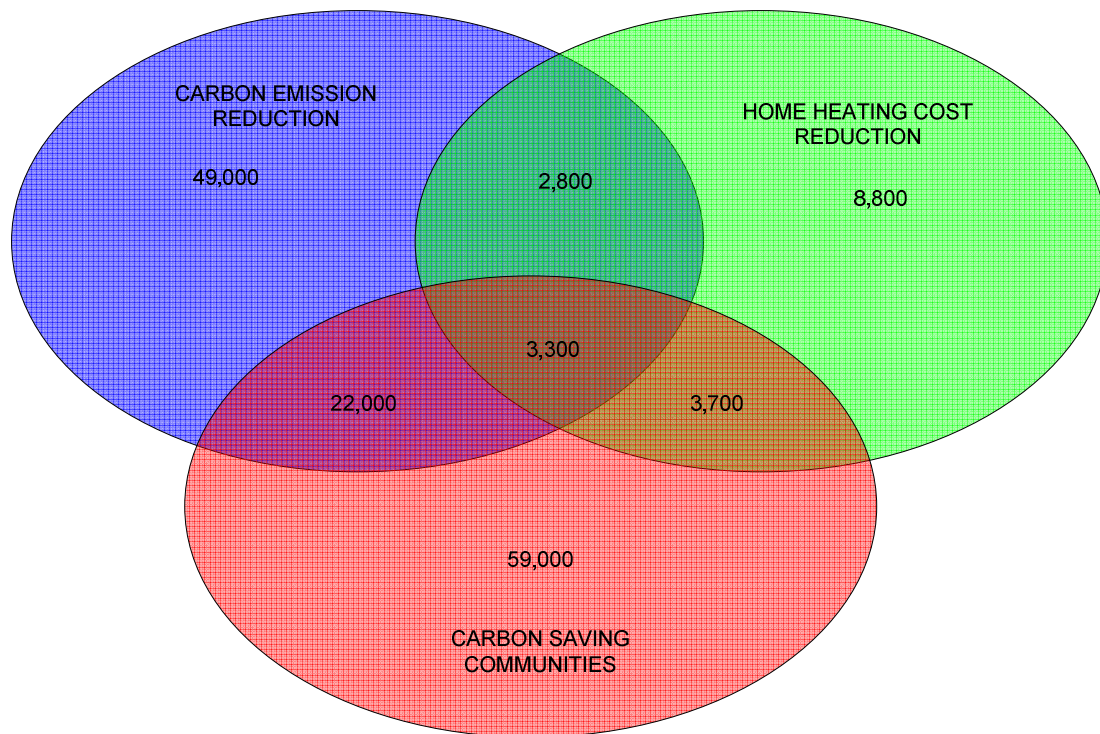
51. The changing nature of government incentives and policies always makes predicting activities beyond a couple of years very difficult, but in order to meet our longer term priorities our key programmes to 2023 will include:
52. **Simple Energy Efficiency.** Use of tenure blind area based programmes and incentive schemes linked to the Green Deal and ECO to ensure practical completion of all loft insulation, cavity wall insulation (including non-standard cavities) and system built low rise properties. Where possible, the approach will be to encourage whole house retrofit of all suitable energy efficiency measures and to encourage the use of suitable renewable energy systems.
53. **ALMO tower blocks.** Although many of the 115 ALMO tower blocks have been fully or partially insulated, there are still significant opportunities to reduce heating costs and carbon emissions, as the majority of multi-storey blocks are electrically heated. We will use the results of the current option appraisal on all tower blocks examining insulation, renewables and heating options to guide our Asset Management Strategy. The options report gives a life cycle costs for remediation and maintenance over the next 30 years, allowing a comprehensive programme of remedial and insulation works to be planned, costed and budgeted for. We anticipate that by 2023, the majority of the tower blocks which will remain in the Leeds estate for the long-term will be fully insulated and predominantly heated by group heating systems from renewable sources. This will be confirmed by the options appraisal in 2013.
54. **Victorian Terraces.** Leeds has around 70,000 Victorian terraced homes (including c20,000 back-to-back homes) which form 25% of the total housing stock and have an average SAP rating of 48. A small number of these are in conservation areas, which means that external wall insulation is not an option but internal wall insulation, loft/room in roof insulation, A+ rated doors and windows and efficient heating lights and appliances can be used to significantly reduce energy demand. The vast majority of properties are not listed or in conservation areas, so well designed and well managed external wall insulation programmes can be added to these options.
55. **District Heating and Renewables.** We agree with DECC forecasts that the cost of gas will continue to rise over the long-term, so by 2023 individual gas boilers in homes will no longer be the cheapest option. We believe that the RHI if supported over the long-term by government will reduce the costs of heat pump technology so that these are competitive to gas boilers. Additionally, we believe that area based district heating schemes (powered primarily by renewable heat) will be the technology of choice for major new developments and for retrofitting in high density housing, such as tower blocks. We will aim to use our estate (both corporate and housing) as the anchor tenants for district heating schemes that serve a mixture of homes and businesses. We will also support and coordinate programmes of individual renewable heat installations for lower density housing. Additionally, we will continue to promote renewable electricity systems as appropriate.
56. **Smart Cities.** We aim to establish an ambitious smart cities programme across all sectors so will fully support utilities to install domestic smart meters to all

homes in Leeds by 2019. We will work with academics, government and business to take advantage of the opportunities that smart technologies have to reduce energy use in the home and to integrate services more intelligently to reduce carbon.

57. **Supporting Vulnerable People.** With the rising costs of fuel and aging population, affordable warmth programmes will continue to be very important. Our approach to 2023 will be to run the programmes outlined above to significantly improve the energy efficiency of all housing in Leeds. This will be supplemented by targeted support packages (access to grants and advice) for vulnerable people in crisis.

Approach to targeting and partnerships

58. We recognise that some past energy efficiency programmes have taken a scattergun approach, resulting in inefficient delivery. We now need to ensure that we take a more strategic approach. The experience we have gained from Wrap Up Leeds and several CESP projects indicates that a very targeted street by street approach, working closely with the local community, is most efficient way to deliver. We will therefore use tenure blind area based initiatives as the principal way to deliver energy efficiency schemes in future. However, this approach will not be the only one. We must also provide services to residents who are motivated to take up energy efficiency or who have reached key decision points such as moving house or undertaking major renovation works. And we must have crisis affordable warmth provision available anywhere in the city.
59. **Leeds energy database.** A virtual desktop survey was completed of all 33 wards in 2012, using GIS and internet based aerial and street views, to support the targeting of Wrap Up Leeds. This data is now being improved and expanded for the Green Deal, using the ALMO dataset of system build type and other asset management data to include information on wall type and age band at a property level. All properties eligible for the CSCO element of ECO (in the most deprived 15% LLSOAs) have been mapped and approx 65% of non CSCO ALMO system build and 40% of non-CSCO Solid Wall properties have so far been mapped. We plan to improve this further by adding in the property type, derived using automated analysis of the GIS building polygon & property data points.
60. To provide a quick estimate of the number of ECO eligible properties, the domestic Energy Performance Certificate (EPC) dataset has been used, along with the 2007 Stock Condition Survey, ALMO asset data, known Warmfront properties and Council administered benefit households. The EPC data was weighted to match private / public sector profile at LSOA level and summed to give city wide estimates of the household numbers eligible for each ECO component.
61. A property may be eligible for more than one component of ECO, depending on the property type, location and occupant benefit status:-



62. For further information and more detailed breakdown please see the background papers.

63. A comparison of solid wall by LSOA area using the EPC method and the virtual desktop survey has showed good correlation. There is however some concern over the accuracy of some of the EPC data, particularly with the identification of system built properties, and where possible the virtual desktop survey will be used in preference, to focus on the areas to be considered for targeted activity. The GIS / virtual desktop approach also allows us to distinguish between different system build types, some of which are easier to insulate; to combine data (e.g. deprivation / health / conservation areas / gas network etc); and to provide both a top level analysis and generate address level lists.

64. All of this analysis will be used to work with our partners to target interventions.

65. **Partnerships.** Leeds has always worked in partnership with the private, public and voluntary sector to deliver energy efficiency improvements. Key partnerships that we will establish or maintain to deliver the aims in the Further Report include:

66. **Affordable Warmth Partnership.** This strategic group shares information between key players in Leeds, provides strategic guidance and supports the development of new practical programmes.

67. **Fuel Poverty Referral Networks.** These networks of frontline workers provide crisis referrals to both Groundwork and Care and Repair and are an essential safety net to reduce the suffering caused by fuel poverty.

68. **Green Deal/ECO Delivery Partnerships.** The Council has worked in partnership with a broad range of utilities, installation companies and managing agents in the recent past to facilitate energy efficiency and renewable installations in ALMO properties and the private sector. Moving forwards, we aim to create long-term relationships with a small number of strategic partners to

attract ECO and deliver a targeted Green Deal and ECO programme across the city.

69. **ALMO/Housing Associations.** Social housing can provide the anchor for tenure blind street by street insulation programmes and is particularly important to create the critical mass for external wall insulation and district heating.

70. **Academic.** The Council has strong relationships with both the University of Leeds and Leeds Met and will continue to develop our preferred approach of using Leeds as a test bed for cutting edge research. Broadly, Leeds Met has research expertise in building performance and human behaviour and the University of Leeds has expertise in policy and strategic development.