

# Home Energy Conservation Act 2013

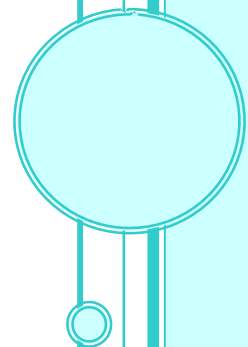
## Making a difference

This report outlines the committed approach Hinckley and Bosworth Borough Council is taking to help tackle home energy conservation. This includes approaching the ever growing issue of fuel poverty to carbon reduction.



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*



# HECA Report 2013

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## 1. Introduction.

Over the last two decades the Government has set a series of different national targets for local authorities to reduce the number of households in fuel poverty and the amount of carbon emissions generated from residential accommodation in their areas.

Using the Home Energy Conservation Act 1995, the Government now requires all Energy Conservation Authorities to prepare a bi-annual report indicating how they will achieve significant improvements in the energy efficiency of the residential accommodation in their areas.



## 2. The background.

Between 1985 and 2008 The Home Energy Conservation Act 1985 (HECA) required all Energy Conservation Authorities to measure improvements to the energy efficiency of the residential housing stock in their areas.

The Act was designed to drive local action, by placing a statutory requirement on each Authority to develop an energy efficiency plan and to measure and report progress against this plan each year.

National Indicator 187 (NI187) replaced HECA between 2008 and 2011. It measured the percentage of households containing someone receiving a means tested benefit who occupied a dwelling with a Standard Assessment Procedure (SAP) energy rating of less than 35 (low level of energy efficiency) and greater than 65 (higher level of energy efficiency). The indicator was intended to ensure local authorities reduce year on year the number of households living in dwellings with low level energy efficiency whilst increasing the number living in properties with the higher level.

Using powers under the HECA, the Secretary of State for Energy and Climate Change has now reinstated the requirement for local authorities to produce a HECA Report on a bi-annual basis from March 2013. The report should outline the Council's policy and intended actions to reduce energy usage and the amount of CO2 emissions from housing within the Borough. It should detail how the authority will promote energy saving schemes including the new national scheme known as Green Deal (GD).

### 3. The legislation and national context.

#### 3.1 Reducing emissions.

The Climate Change Act 2008 required central and local governments to significantly improve the energy efficiency of residential accommodation across the country. The National Carbon Plan published December 2011, set out the following carbon reduction targets:

1. To reduce greenhouse gas carbon dioxide (CO<sub>2</sub>) emissions by 29% by 2017, 35% by 2022, and 50% by 2027. In relation to buildings this requires a reduction between 24% and 39% lower than 2009 levels by 2027;
2. To insulate where practical all cavities and lofts by 2020;
3. Install a further 1 - 3.7m solid wall insulation measures and 1.9 - 7.2m other energy efficiency measures;
4. Complete 1.6 - 8.6m low carbon heat installations such as heat pumps (Government modeling suggests that 21 - 45% of heat supplies to buildings will need to be low carbon); and
5. By 2050 emissions from UK buildings to be “close to zero”.

#### 3.2. Reducing fuel poverty.

The Warm Homes and Energy Conservation Act 2000 defines a fuel poor household as one that is living on a lower income in a home which cannot be kept warm at a reasonable cost. The Act also requires central Government to publish a strategy, setting out how it will eradicate fuel poverty in England, as far as reasonably practicable.

The UK Fuel Poverty Strategy published in 2001 defines the reasonable cost component of the definition of fuel poverty as a household which needs to spend more than 10% of its income on home energy (including heating the home to 21°C for the main living area, and 18°C for other occupied rooms). It committed the Government to eradicate fuel poverty in England, as far as reasonably practicable, by 2016.

Estimated number of households in England fuel poverty (millions)  
Source Department of Energy & Climate Change (DECC) 2010

2003	2004	2005	2006	2007	2008	2009	2010
1.2	1.2	1.5	2.4	2.8	3.3	4.0	3.5

In March 2011, the Government commissioned an independent review of fuel poverty. The review considered, if fuel poverty is a separate problem to income poverty and how well the current definition reflects the problems involved, and the effectiveness of current policies to counter it. The findings were published on the 15th March 2012. The Secretary of State for Energy and Climate Change was due to announce the new approach to measuring fuel poverty by the end of 2012. However an announcement hadn't been made by the time this report was prepared.

### 3.3. HECA Report.

The Government recognises that local authorities have a key role in improving the energy efficiency of residential accommodation in their areas and to achieve the required reductions in domestic carbon emissions.

The Secretary of State for Energy and Climate Change now requires all English local authorities to prepare a HECA report by 31 March 2013 and subsequently at 2 yearly intervals until 31 March 2027.

When considering the efficiency of improvements that could be installed, authorities should have regard to:

- Measures that take advantage of financial assistance and other benefits offered from Central Government initiatives such as the Green Deal (GD) etc, which result in significant energy efficiency improvements.
- Measures which the Council has developed to implement area based initiatives to install cost-effective energy efficiency improvements in residential accommodation including involvement of local communities and partnerships.

## 4. The local context.

### 4.1 The Borough.

Hinckley and Bosworth Borough Council is a District Council located in the south west of Leicestershire.

The population of 105,000 (2010 Census) lives mainly in the urban settlements of Hinckley, Burbage, Barwell and Earl Shilton along with the larger villages of Market Bosworth, Markfield, Groby and Ratby.

The total housing stock in the Borough is 46,055. The Council has retained its housing stock of 3390 dwellings including 11 sheltered housing complexes.

### 4.2 Our current commitments.

Nottingham Declaration on Climate Change.

The Nottingham Declaration on Climate Change requires local authorities to work with the community to tackle climate change at a local level. The Council signed the Declaration in 2004 and reaffirmed its commitment on the 28th November 2006 by signing the Nottingham Declaration 2 which required the Authority to prepare a Climate Change Action Plan (CCAP) which commits the Council to reducing its own carbon emissions and helping others to do the same.

### 4.3 Fuel Poverty.

Research has shown that households in fuel poverty are:

- More likely to suffer from ill health (particularly associated with the exasperation of underlying health conditions)
- Have an increased risk of winter death
- Have higher levels of household debt.

Improving the energy efficiency of these households is perhaps the most effective way that we can tackle fuel poverty. It also has a secondary benefit as the energy efficiency work will also reduce the carbon emissions from these properties.

Households in fuel poverty 2010



Source DECC 2010

Area	No. household in fuel poverty	Percentage households in fuel poverty
Hinckley & Bosworth	6,929	15.4
Leicestershire	66,525	17.3
East Midlands	341,390	18.2

Data produced by Housing Intelligence for the East Midlands (Hi4em) suggests that 75% of households in fuel poverty are single people.

#### 4.4 Fuel use and emissions.

In 2012 DECC estimated that 32% of greenhouse gases produced in the United Kingdom result from the use of gas and electricity to provide heat, light and power in homes.

Between 2005 and 2010 DECC calculated that CO<sup>2</sup> emissions from residential accommodation in the Borough fell by 7.02%. Whilst the general trend is downward the emissions for individual years can vary significantly due external factors such as the weather and price increases etc.



## CO<sup>2</sup> Emissions Estimates for 2005-2010 measure in kg

Source DECC 2012

Year	Domestic Electricity	Domestic Gas	Domestic 'Other Fuels'	Total domestic emissions	reduction in CO <sub>2</sub> emissions from 2005
2005	107.76	144.34	3.24	255.34	
2006	111.51	139.80	3.26	254.57	99.70
2007	112.64	133.16	3.27	249.07	97.54
2008	108.22	136.29	3.34	247.85	97.07
2009	96.91	120.97	3.35	221.23	86.64
2010	99.10	134.93	3.39	237.42	92.98

### 4.5 Our achievements so far.

Between 1985 and 2008 when the Council submitted the old style HECA reports we reported an overall improvement in home energy efficiency of 21.6%.

During the reporting period of NI187 from 2008 to 2011, the Council reduced the number of households residing in properties with low levels of energy efficiency by 2.6% and increased the number of households living in properties with higher level of energy efficiency by 3.14%.

A major factor in these positive results was the Decent Homes Insulation Project undertaken by the Council during 2008-10. Using Decent Homes Funding secured from Government Office East Midlands, the project targeting priority neighbourhoods and resulted in 1,961 loft and cavity wall insulation measures being installed. These measures should produce annual CO<sub>2</sub> savings of

1,435,570 kg and annual savings on energy costs to the households of £269,605.

The Council has recently built its first new dwellings for over a quarter of a century. The properties were constructed to comply with Code 4 Sustainable Homes and incorporated photo voltaic roof panels, which produce electricity which is provided to the tenants free of charge with any surplus returned to the local supply network.

The Council continues to improve the energy efficiency of its retained housing stock. We have replaced 103 old gas central heating boilers with new 'A' rated condensing boilers during this financial year. We have also installed one air to water heat pump and a new electric storage heating system in two properties where main gas isn't available. Work is currently in progress to install new 'A' rated boilers and a solar water heating system at one of our sheltered housing complexes.

The Council acknowledges that it must lead by example. It has implemented a Carbon Management Plan (CMP) which initially set a target of reducing the carbon dioxide (CO<sub>2</sub>) emissions produced by its operations by 20% by 2013/14 (later adjusted to 2016), relative to the baseline year 2008/09. The level of emissions was calculated using the Government's NI185 spreadsheet and measure only CO<sub>2</sub> emissions.

Since the CMP was introduced net greenhouse gas emissions (GHG) have been decreased by 18.8% against our base line year of 2009-10. The main reductions result from reduced gas consumption, lower transport emissions and Green Tariff electricity. Further reductions will result from the planned relocation during 2013 to new office and depot buildings which incorporate high levels of insulation and renewable energy generation. In the medium term the Council has started a procurement process for the replacement of the existing leisure centre which currently consumes 20% of the total energy used by the Authority.

## 5. The Present and Near Future.

### 5.1 Our strategies and partnerships.

#### Climate Local.

This is a new initiative led by The Local Government Association.

It succeeds the Nottingham Declaration on Climate Change and encourages councils to commit to local action to reduce carbon emissions, and improve their ability to protect people and services from the anticipated effects of climate change. The Council signed the Climate Local commitment in February 2013 which will now be incorporated into the Councils CCAP.

Leicestershire Together Strategic Partnership.

The District and Borough councils in Leicestershire working strategically through the Leicestershire Together Partnership are developing two policy strands:

- Renewable Energy Strategy
- Carbon Reduction Strategy Partnerships.

To deliver its aims of reducing carbon emissions and the numbers of households in fuel poverty, the Council acknowledges it must work in partnership with other organisations and public bodies.

The Council is already working with the following key partners:

DECC

Department of Health (DH)

Leicestershire County Council (LCC)

First Contact

Leicestershire Together

Leicestershire District and Borough Council's and Rutland County Council

Papworth Trust Home Solutions

Leicestershire Primary Care Trust.

West Leicestershire Clinical Commissioning Group (WLCCG)

Change Agents UK (CA)

Citizens Advice Bureau (CAB)

Clockwise (credit union).

The Council will look to develop new partnership where possible to assist in the delivery of our fuel poverty and carbon reduction policies.

An example of partnership working is the current project being undertaken by Leicestershire Together, Rutland County Council and Leicester City Council to maximise the potential benefits of the Green Deal (GD) and the Energy Company Obligation (ECO) on a sub regional basis. Following an agreement to establish a commissioning brief, Verco have been appointed to help the partner authorities produce an action plan to secure the maximum GD and ECO investment in the local area.

## 5.2 Achieving positive outcomes.

Fuel poverty and reducing energy consumption / carbon emissions can be viewed as separate issues. However the key actions that are likely to help alleviate fuel poverty will also bring about significant savings in carbon emissions.

The key actions are:

- Increasing the energy efficiency of homes by:
  1. Installing energy efficiency measures.
  2. Assisting households to adopt more energy efficient life styles.
- Maximising household income by ensuring households are aware of all of the benefits they are eligible for.
- Helping households reduce debt by providing financial literacy advice and ensuring householders understand their energy bills.
- Ensuring that residents are on the lowest cost energy tariffs appropriate to circumstances.

The Council will assist where possible every household that would benefit from any or all of the key actions. However the Council acknowledges that households in fuel poverty or in danger of entering fuel should take priority and will therefore target its resources accordingly.

### DECC Local Authority Competition Fund 2012/13.

This Council is the lead authority in respect of the Local Authority Competition Fund 2012/13, Joint Leicestershire and Rutland Project bid submitted to DECC in November 2012. The bid was successful in obtaining £3,154,600 of funding for the 8 authorities for work to help reduce fuel poverty and to promote the Green Deal (GD is explained more fully below).

Officers are delivering the local elements of the project which will see £311,575 allocated to projects to assist vulnerable households in fuel poverty and £75,000 to promote GD.

The two elements of the bid are each made up of a number of different projects.

#### 1) Fuel Poverty:

- Low-cost energy efficiency improvements
- Improving energy efficiency / safety of existing central heating systems
- Boiler replacement scheme
- CAB (debt advice, budgeting education and income maximisation)
- Creation of Jam-Jar Account Scheme with Clockwise Credit Union
- Debt reduction payments to enable households to move from pre-payment meters
- Food parcel emergency fuel pre-payment card fund
- Emergency fuel provision for solid fuel / oil / LPG heated properties
- Installation of solar photo voltaic panels.

## 2) Green Deal:

- Household GD assessment surveys
- Business GD assessment surveys
- Promotion events and production of leaflets

The fuel poverty projects will provide emergency assistance to those in immediate need, repairing or replace broken down boilers, installing low cost insulation measures, providing short term debt relief payments, longer term solutions by providing debt and money advice and creation of credit union to encourage saving for winter fuel bills.

The GD projects will deliver up to 415 free GD surveys will enable householders and small / medium businesses to install recommended energy efficiency measures without incurring any initial cost.

### Warm Homes Officer

Working with Change Agents (Charity), Leicestershire County Council and the other District and Borough Councils, funding was secured from the Department of Health to provide each housing authority with a temporary Warm Homes Officer (WHO). Initially appointed for a period of 6 months but now extended to 12 months, the role of the WHO is to increase energy efficiency and affordability of warmth for households in the greatest need.

The WHO assists households by:

- Assessing the energy efficiency of the dwelling and advising of potential improvements and funding options.
- Advise the householder on how to read their gas and electricity meters and how to better understand their energy bills.
- Use energy monitors to show householders potential savings that they could make in their energy bills by making minor changes to their behaviour.
- Review with householders their energy tariffs to ensure that they are on the most appropriate tariff for their circumstances.

- Advise the householder of any potential funding and support schemes they may be entitled to or benefit from.

### Renewal.

The Council continues to offer financial assistance to households receiving qualifying benefits. The works include improving the energy efficiency of the property, replacing boilers, installing central heating, installing double glazed windows, replacement solid floors incorporating insulation, installing loft insulation and solid wall insulation.

### Advice

The Council offers energy efficiency advice and promotes the benefits and financial incentives available to install energy efficiency measures and renewable technologies.

### Green Deal

The principle of the scheme is that a households overall energy costs should remain the same after the work, as the repayment costs for the work will be offset by a reduction in energy consumption. If the householder leaves the property the benefits and costs are passed to the new occupants. The Council is promoting the GD as part of the successful DECC Local Authority Competition Fund 2012/13

### Energy Company Obligation (ECO).

This is the Government's new domestic energy efficiency programme that replaces the Carbon Emission Reduction Target (CERT) and Community Energy Saving Programme (CESP) scheme which finished in December 2012. ECO will compliment Green Deal by providing financial support for the installation of insulation measures and heating packages to low income and vulnerable households. ECO places a legal obligation on energy suppliers to improve energy efficiency of households through the establishment of three distinct targets:

- Carbon Emissions Reduction Obligation (CERO) (20.9 million lifetime tonnes of carbon dioxide). This will concentrate on solid wall insulation and hard to treat cavity wall insulation where the measure cannot be funded through the GD.
- Carbon Saving Community Obligation (CSSO) (6.8 million lifetime tonnes of carbon dioxide). Will focus on insulation measures and connection to



district heating systems for domestic energy users living in low income areas.

- Home Heating Cost Reduction Obligation, 4.2bn of lifetime cost savings. Requires energy suppliers to provide measures to improve the ability of low income and vulnerable households to heat their home in an affordable way. Measure could include the replacement or repair of a qualifying boiler.

### Renewable Technologies

The House Condition Survey 2010 identified very few properties in the private sector where renewable energy technology had been installed.

Photo Voltaic Cells	Solar Water Heating	Other Renewables
0.1%	0.9%	0.1%

The number of photo voltaic (PV) installation has increased significantly since 2010 following the introduction of the Feed In Tariff (FIT). There are 37 PV installations being funded through the DECC Fuel Poverty Fund which will further increase the amount of renewable energy being generated. However renewable energy is an area that presents a significant opportunity for reducing carbon emissions further. The installation of renewable technologies will be eligible for Green Deal finance providing the property attains the required levels of thermal insulation.

Households who install low carbon heat technologies may qualify for a one off payment toward the cost of the installation under the Renewable Heat Premium Payment. Later this year the Government will implement the Renewable Heat Incentive (RHI) (Phase 2). This will provide incentives for householders who install solar thermal panels, heat pumps and biomass boilers by providing a payment for each unit of heat produced.

The RHI should further stimulate installation of renewable heat technologies in properties in the rural area not connected to mains gas. These properties are often heated by solid fuel or electricity and would typically produce carbon emission twice those of a property heated by mains gas.

The Council will continue to encourage householders to install renewable technologies by promoting the financial and environment benefits.

### Housing Enforcement.

The Council is the enforcing authority for housing conditions in the private sector under the Housing Act 2004. The Private Sector Housing Team is responsible for investigating complaints about housing conditions from private tenants, residential social landlord tenants and owner occupiers.

The main hazard linked to fuel poverty and the reduction in carbon emissions is 'excess cold'. Work typically required to mitigate the risks to the health of the occupants would be the installation of loft insulation, cavity wall insulation or an efficient heating system.

The Councils House Condition Survey 2010 identified that 60% of private tenants are in receipt of an income related benefit and 12% of privately rented sector properties are likely to have a SAP rating of less than 35 (very poor energy efficiency). These two sets of data are reflected in the 26.6% of private tenants who are estimated to be in fuel poverty, which is significantly higher than the 17.56% in the owner occupied sector. The private rented sector therefore represents a major opportunity to reduce the levels of both fuel poverty and carbon emissions.

The Green Deal will be available to privately tenanted properties as long as both landlord and tenant agree to the work. The tenant would pay for the cost of the installations through their electricity bill and benefit from reduced energy costs. If they leave the property the benefits and costs are passed to the new occupants.

Landlords will not be able to refuse reasonable requests for energy efficiency improvements under Green Deal from 2016. From 2018 it will become an offence for landlords to let out properties with SAP rating less than 35. These two provisions should contribute to a reduction in both fuel poverty and carbon emissions in the long term. In the intervening years this authority will continue to use the enforcement provisions of the Housing Act 2004 in the private sector to achieve the minimum requirement for insulation and heating. We will also encourage landlords and agents to ensure that the energy efficiency of the dwellings they own or manage achieve the new minimum standard at the earliest opportunity rather than wait until the new legislations comes into force.

### Planning Policy.

From 2016 all new housing developments will be required to meet the zero carbon standard. Developers will have to account for the regulated carbon emissions from the houses they build (i.e. emissions from heating, lighting, hot

water and building services but not appliances). This will encourage developers to devise improved methods of construction and to incorporate onsite energy generation in new developments. Where they aren't able to achieve the zero carbon standard, the zero carbon policy allows for other measures such as offsite renewable energy generation or up grading the energy efficiency of existing buildings to be taken into account in achieving a net zero carbon development. This policy is called allowable solutions.

Where offsite provision is required this would be provided by an allowable solutions provider who would develop a suitably carbon saving project to offset the residual carbon emissions from the development. From 2016 local authorities will be able to develop within their local planning policy an allowable solutions policy (ASP). Authorities would then be able to produce a list of projects which could be financed by the developers' allowable solutions funding. The projects would be delivered through a community energy fund or a third party provider. Where a local authority doesn't produce an ASP, the local benefit could be lost as the developer would be free to choose to fund an appropriate project elsewhere in the United Kingdom.

Although the Government hasn't finalised all of the details of allowable solutions, it is expected that allowable solutions will account for 56% of emissions from flats and 40% of emissions from detached houses. Given the significant amounts of funding that could be available it is vital that the Council develops an ASP to ensure that the benefits are retained locally.

### Building Regulations.

Part L1B of the Building Regulations deals with energy efficiency in existing dwellings. It sets minimum insulation standards that must be achieved when work to substantially repair or replace a main element of a dwelling (i.e. roof, windows, walls and floors) is carried out. Rigorous enforcement of this Regulation, we will assist the Council in achieving our carbon reduction targets.

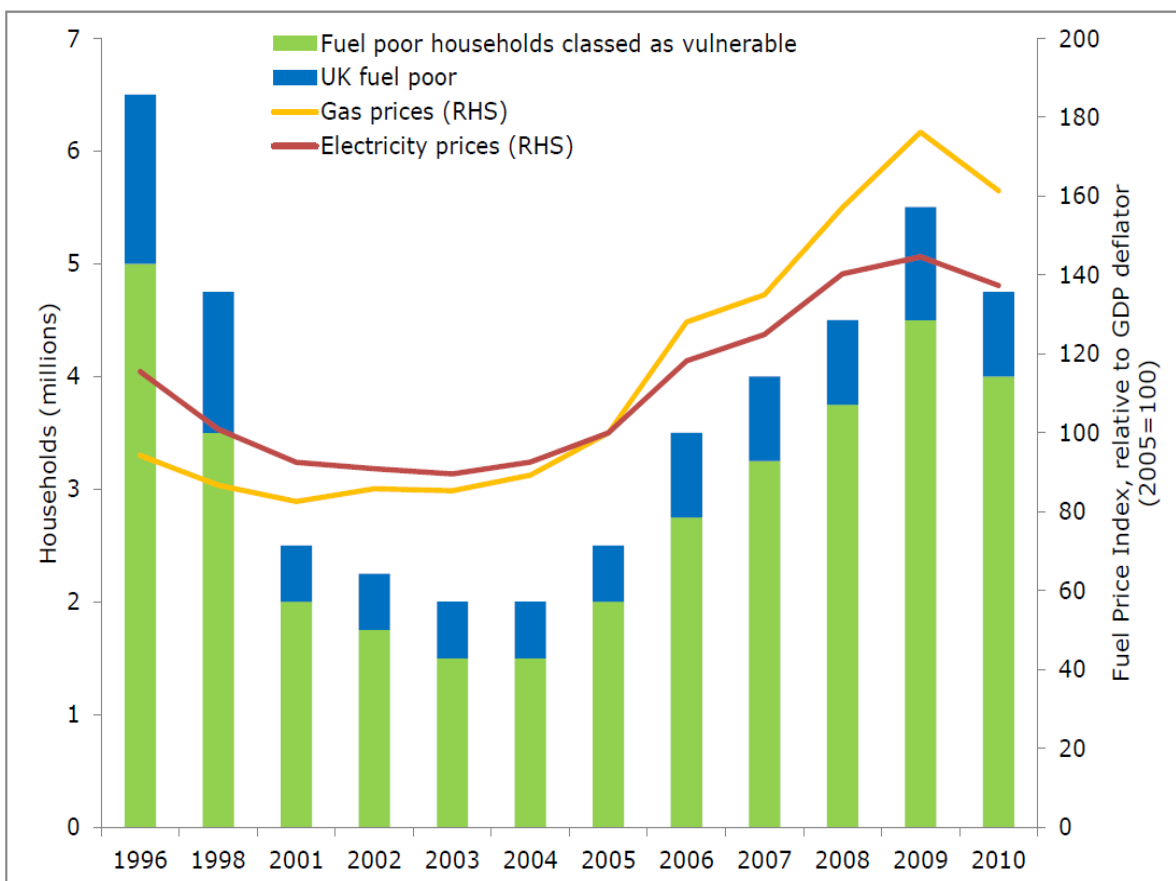
## 5.4 Challenges.

### Fluctuations in fuel prices.

Fluctuations in energy costs are likely to affect the level of fuel poverty. A small increase in energy costs can force a household that is at risk of becoming fuel poor into fuel poverty. With energy prices predicted to rise further in the short to medium term, it is important that the Council encourages every household to make their property as energy efficient as possible and therefore reduce the likelihood of the household or subsequent households that occupy the dwelling being in or at risk of fuel poverty.

Total number of household in fuel poverty

Source Office of Gas and Electricity Markets



## Welfare Reform.

During 2013 a number of significant changes to welfare and benefits entitlements will occur with the implementation of the Welfare Reform 2012 and the introduction of Council Tax Support. Whilst some households may receive additional income, others may see their income reduced or be required to contribute toward their Council Tax payment where they previously received full benefit. At this time we cannot predict how these changes will impact on levels of household income and consequently fuel poverty.

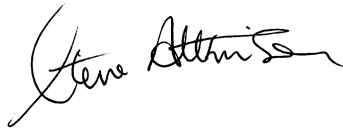


## 6. Action plan.

The Council will continue to work to reduce both the levels of carbon emissions and the number of households in fuel poverty by:

- Continuing to improve our understanding of the extent of fuel poverty within the Borough and to develop our policies to assist those in most need.
- To continue to promote to householders the health, financial, comfort and environmental benefits of ensuring their home is adequately insulated.
- Continue to improve the energy efficiency of our retained housing stock including work with energy providers to explore opportunities for the installation of external wall insulation and renewable technologies in off gas areas.
- Work with individual home owners, community groups, landlords, energy companies / providers and local authority partners to ensure that the maximum benefits are derived from GD, ECO and other energy efficiency programmes.
- Use the transfer of responsibility for public health to local government as an opportunity to ensure that fuel poverty and its impact on the health and wellbeing of residents are reflected in any new policy's or initiatives.
- To continue to promote the benefits of installing renewable technologies to property owners by raising awareness of GD, FIT, RHI etc.
- Work towards the implementation of the Council's planning policy for all new housing developments to be constructed to the zero carbon standard from 2016, promote the installation of renewable technologies and provide an ASP to ensure any funding is retained locally.
- We will work with landlords and letting agents to ensure they plan for the minimum energy efficiency standards for rented property that come into force in 2018. We will encourage landlord and agents to undertake any necessary works at the earliest opportunity.
- We will continue to use the enforcement powers of the Housing Act 2004 to deal with properties where Category 1 Hazard for excess cold hazard are identified.
- Develop close links with the new WLCCG to identify vulnerable residents, hospital discharges etc to reduce the occurrence / re-occurrence of cold related health problems.
- Advise householders of any funding / support schemes they may be entitled to or benefit from to maximise their income and enable them to manage their financial affairs.
- Complete the development of the Councils Anti Poverty Strategy and implement key outcomes.
- To explore the potential for collective purchasing scheme.
- Investigate long term funding opportunities for continuing the employment of a Warm Homes Officer.

Signed:



Date: 2 August 2013

**Steve Atkinson**  
**Chief Executive**  
**Hinckley & Bosworth Borough Council**





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Hinckley & Bosworth  
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