
Business, Economy and Enterprise Scrutiny Board (3)
Cabinet Member for Business, Enterprise and Employment

11 March 2015
23 March 2015

Name of Cabinet Member:

Cabinet Member for Business, Enterprise and Employment – Councillor K Maton

Director Approving Submission of the report:

Executive Director of Place

Ward(s) affected:

All

Title:

Progress Report to the Secretary of State for Energy and Climate Change Regarding Energy Conservation Measures in the Housing Sector

Is this a key decision?

No - although all Wards of the City are affected, the proposals are not expected to significantly impact on communities

Executive Summary:

Local authorities have duties under Sections 2 and 5 of the Home Energy Conservation Act 1995 (HECA) to prepare reports on energy conservation measures for submission to the Secretary of State for Energy and Climate Change. The Government issued revised guidance in July 2012 on new reporting arrangements that will apply within the policy context of the Green Deal and Energy Company Obligation (ECO). The guidance was further revised in March 2013.

In accordance with the revised guidance, a report was submitted to the Secretary of State by the 31st March 2013 deadline following its approval at the Joint Meeting of Cabinet Member (Sustainability and Local Infrastructure) and Cabinet Member (Neighbourhood Action, Housing, Leisure and Culture) on 14th March 2013.

A further requirement of the guidance is that progress reports are subsequently submitted to the Secretary of State at two yearly intervals after the initial report in 2013. Local authorities have to review the progress made in implementing the energy conservation measures in these subsequent reports. There is also a continuing requirement that each subsequent report is made available to the public on the Council's website.

The progress report for submission to the Secretary of State, and for publication on the Council's website, is provided in this report.

Recommendations:

Business, Economy and Enterprise Scrutiny Board (3) is requested to:

- (1) Consider this report and forward any recommendations to the Cabinet Member for Business, Enterprise and Employment.

Cabinet Member for Business, Enterprise and Employment is requested to:

- (1) Consider any recommendations made by Business, Economy and Enterprise Scrutiny Board (3).
- (2) Agree to the submission of the progress report set out in Appendix B to the Secretary of State for Energy and Climate Change by 31 March 2015.
- (3) Agree to the progress report being made available to the public on the Coventry City Council website.

List of Appendices included:

Appendix A – previous report submitted to the Secretary of State for Energy and Climate Change on 26 March 2013.

Appendix B – proposed progress report for submission to the Secretary of State for Energy and Climate Change by 31 March 2015.

Background Papers

None

Other useful documents:

Guidance to English Energy Conservation Authorities Issued Pursuant to the Home Energy Conservation Act 1995

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/180786/Updated_version_of_HECA_guidance_-_March_2013.pdf

Letter sent to the Chief Executive by the Department of Energy and Climate Change dated 22 January 2015 regarding the submission of progress reports to the Secretary of State by 31 March 2015.

Council Plan: vision and priorities for the next 10 years

http://www.coventry.gov.uk/downloads/file/11778/council_plan_part_1_vision_and_priorities

Housing and Homelessness Strategy 2013 – 2018

http://www.coventry.gov.uk/downloads/file/13500/housing_and_homelessness_strategy

Climate Change Strategy 2012 - 2020

http://www.coventry.gov.uk/downloads/download/1640/climate_change_strategy_for_coventry

Has it been or will it be considered by Scrutiny?

Yes - Business, Economy and Enterprise Scrutiny Board (3) on 11 March 2015

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No.

Will this report go to Council?

No.

Report title: Progress Report to the Secretary of State for Energy and Climate Change
Regarding Energy Conservation Measures in the Housing Sector

1. Context

- 1.1 The Council is required by Section 5 of the Home Energy Conservation Act 1995 (HECA) to submit a progress report to the Secretary of State for Energy and Climate Change by 31 March 2015. The progress report must conform with the requirements of the revised guidance issued by the Department of Energy and Climate Change (DECC) in March 2013, and should report on progress made with the energy conservation measures set out in the previous report submitted on 26 March 2013. The Director of Household Energy Efficiency at DECC wrote to local authority Chief Executives on 22 January 2015 to formally request the progress report.
- 1.2 The measures in the 2013 report had to be limited to those considered 'practicable, cost effective and likely to result in significant improvement in the energy efficiency of residential accommodation in its area'. The measures could include 'information, advice, education, promotion, any available financial assistance, making grants and loans and carrying out works'.

2. Options considered and recommended proposal

- 2.1 The Council is obliged to submit a progress report to the Secretary of State and to make it accessible to the public on its website. Having previously submitted an initial HECA report in 2013, the progress report needs to cover the same measures that were detailed before. The 2013 HECA report is provided in Appendix A.
- 2.2 The measures detailed in the 2013 report were those that were considered the most appropriate at the time to help mitigate fuel poverty in Coventry. The levels of fuel poverty in the city were a cause for concern, with Government figures showing that 21.1% of households overall were in fuel poverty. The figures also showed that in some neighbourhoods fuel poverty was higher still, with the highest neighbourhood fuel poverty level being 36.8%.
- 2.3 Since the 2013 report, the definition of fuel poverty that the Government uses to estimate fuel poverty levels has changed. Previously a household was deemed to be fuel poor if more than 10% of income had to be spent to achieve an adequate level of warmth. Under the new Low Income High Cost (LIHC) measure of fuel poverty a household is now said to be fuel poor if their required fuel costs are above average (the national median level) and were they to spend that amount they would be left with a residual income below the official poverty line.
- 2.4 At the national level the change in definition resulted in a reduction in reported fuel poverty. DECC's Annual Report on Fuel Poverty Statistics published in May 2013 made a comparison between the old and new definition using the latest 2011 figures that were available at the time. Under the 10% definition 3.2m English households were fuel poor, whereas 2.6m were fuel poor under the new LIHC definition.
- 2.5 At the Coventry level fuel poverty continues to be a cause for concern under the new definition. The latest available LIHC figures for 2012 show fuel poverty at 16.3%, which is a slight increase on the LIHC figure for 2011 of 15.7%. Coventry's 2012 figures mean that it has the 8th highest level of fuel poverty of all local authorities in England. At the neighbourhood level, 22% of Coventry's Lower Super Output Area neighbourhoods have fuel poverty levels that are double that for England, and one has fuel poverty at a level of over 40%.

- 2.6 Given the current challenge of fuel poverty in Coventry, the measures detailed in the progress report are still highly relevant. The measures are also consistent with the Council's strategic framework; they will be vital in 'supporting those experiencing fuel poverty', one of the priorities stated in the Council's 10 Year Plan approved in January 2014. They are also still consistent with the Council's Housing and Homelessness Strategy, and Climate Change Strategy.
- 2.7 The policy context for energy efficiency measures, and for affordable warmth information and advice, has changed significantly since the 2013 report was submitted to the Secretary of State. The most notable changes relate to the Green Deal, Energy Company Obligation and the Warm Homes Healthy People Fund, and details are provided in the 2015 HECA progress report. These policy changes have presented challenges at the local level, and one of the consequences has been a greater need to provide impartial and reliable advice to Coventry residents on the options available to them. Further policy changes are expected to follow once the Government's new Fuel Poverty Strategy has been announced. This may include national targets to improve the energy efficiency of homes occupied by fuel poor households.
- 2.8 The 2015 HECA progress report is provided in Appendix B. The continuing delivery of the measures referred to in the 2015 report will be led by the Council's Fuel Poverty Team. The team is located in the Sustainability and Climate Change Team and currently comprises 2 officers. As a supplement to the year-round services provided to vulnerable and low income households by the Fuel Poverty Team, they have worked with the Public Health Department to meet heightened demand over the last two winters. This has included the provision of additional funding by the Public Health Department.
- 2.9 Appendix B outlines the work undertaken over the last two years to tackle fuel poverty, one of the priorities of the ten year Council Plan to ensure that residents share the benefits of a growing, sustainable city economy. Key activities have included:
- Promoting specific area-based schemes to residents to help them access Green Deal cash-back grants when having insulation installed – potentially worth up to £4000 for a typical external wall insulation installation.
 - Working with housing associations to promote Energy Company Obligation (ECO) funded energy efficiency measures – over 2,500 Coventry homes have received external wall insulation under this programme in the last two years alone.
 - Developing a proposed ECO funded loft and cavity wall insulation scheme for privately owned and rented homes in the city.
 - Successfully bidding for £597,000 of Government funding to insulate the homes of over 80 disabled people in the city, helping them out of fuel poverty and towards significantly improved health outcomes.
 - Bidding for Government funding to look at the feasibility of district heating to tackle fuel poverty in the Canley area of the city.
 - Joint working with Public Health colleagues to procure extra advice and support to residents at risk of fuel poverty over the winter period.
 - Establishing a Keeping Coventry Warm Partnership Board, bringing together key city stakeholders and experts to reduce ill-health inequalities and excess winter deaths.
 - Agreeing a citywide Affordable Warmth Action Plan including proposals to improve energy efficiency of housing and promote collective tariff switching schemes such as Switch & Save.
 - Providing information on affordable warmth to homeowners, tenants and private landlords as well as targeting vulnerable residents through, for example, attending GP surgeries.

- Raising awareness of future minimum energy requirements for privately rented homes through landlord forum meetings.
- Undertaking an aerial thermal survey of the whole city in November 2013 making the results available to the public to check their own home energy performance, and using the data to inform future citywide schemes with partner organisations.
- Working with Trading Standards colleagues to raise awareness of Energy Performance Certificates (EPCs) to help residents check the cost of heating their new home.
- Promoting area-based partnership working with insulation installer companies resulting in 298 homes being treated at no cost in Foleshill.

3. Results of consultation undertaken

- 3.1 Officers are in regular dialogue with a range of partner organisations that have an interest in domestic energy efficiency. Consultation will continue in order to i) identify priorities and issues to be addressed, and ii) explore project and funding opportunities where these arise. Some of the partner organisations are referred to in the 2015 report.

4. Timetable for implementing this decision

- 4.1 After Cabinet Member approval, the 2015 report will need to be submitted to the Secretary of State by no later than 31 March 2015. The same deadline applies to making the report available on the Council's website.

5. Comments from Executive Director of Resources

5.1 Financial implications

There are no direct financial implications within this report as it represents a summary of past and current activity, which is core funded, or planned activity, for which grant applications will be made. Specific Cabinet Member or Cabinet approval will be sought for new activities where required.

5.2 Legal implications

Under the provisions of the Home Energy Conservation Act 1995, the Council is required to publish reports on energy conservation measures at various times and send a copy to the Secretary of State for Energy and Climate Change.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The measures referred to in the 2015 HECA report will contribute towards the priority stated in the Council's 10 Year Plan to support those experiencing fuel poverty. They will also contribute towards the Council's Housing and Homelessness Strategy, and Climate Change Strategy.

Action to tackle fuel poverty has multiple policy benefits. It will have a positive effect in terms of:

- Improving the quality of housing.
- Increasing disposable incomes.
- Creating employment opportunities.

- Preventing ill health and excess winter deaths arising from the effects of excess cold.
- Improving opportunities for home study and therefore educational attainment.
- Reducing carbon emissions.

6.2 How is risk being managed?

Any potential risks will be identified during the development of fuel poverty projects, and when considering options to tackle fuel poverty.

6.3 What is the impact on the organisation?

Officer resources will be required to continue to progress the measures referred to in the 2015 HECA progress report. Failure to make satisfactory progress with the measures would seriously impair the Council's ability to tackle fuel poverty.

Failure to submit the report to the Secretary of State and to post it on the website would result in Government representations to the Chief Executive. It would also result in potential reputational damage to the Council.

6.4 Equalities / EIA

Fuel Poverty disproportionately affects householders who are vulnerable, particularly those with ill-health or on low incomes. The Council's 2012 Private Sector Stock Condition Survey indicated that:

- 72% of all households in fuel poverty have incomes of less than £10,000 a year.
- 48% of households with a person aged 75 or over are in fuel poverty.
- 36% of households with a resident with a disability are in fuel poverty.
- 25% of households comprising a lone parent and dependent child are in fuel poverty.

Implementing the measures in the 2015 HECA progress report will directly assist fuel poor households.

6.5 Implications for (or impact on) the environment

The housing sector is responsible for a substantial proportion of carbon emissions in the city. The latest available figures from DECC show that Coventry's domestic emissions were 632,000 tonnes which is 38% of total city emissions. Energy efficiency improvements to the housing stock will play an important part in reducing carbon emissions.

6.6 Implications for partner organisations?

Implementing the measures in the report will have potentially positive implications for partner organisations with a shared interest in tackling fuel poverty.

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