
Cabinet Member for Public Health and Sport

13 February 2017

Name of Cabinet Member:

Cabinet Member for Public Health and Sport – Councillor K Caan

Director Approving Submission of the report:

Executive Director of Place

Ward(s) affected:

All

Title:

Progress Report to the Secretary of State for Business, Energy and Industrial Strategy Regarding Energy Conservation Measures in the Housing Sector

Is this a key decision?

No.

Executive Summary:

Local authorities have duties under Sections 2 and 5 of the Home Energy Conservation Act 1995 (HECA) to prepare reports on measures to improve energy efficiency in residential accommodation for submission to the Secretary of State for Business, Energy and Industrial Strategy. From time to time the Department for Business, Energy and Industrial Strategy (DBEIS) issues guidance to local authorities on the reporting requirements.

In response to guidance issued in 2013, an initial report (referred to as a ‘further report’ in the guidance) was submitted to the Secretary of State by the 31 March 2013 deadline by the Council after it had been approved by the relevant Cabinet Members at the time.

A subsequent report (referred to as a ‘progress report’ in the guidance) was submitted to the Secretary of State in March 2015 after approval by the Cabinet Member for Business, Enterprise and Employment. This was in response to the requirement that local authorities must review the progress made in implementing the measures set out in the 2013 initial report. These progress reports must be prepared at two yearly intervals until 2027 and submitted to the Secretary of State on each occasion. There is also a continuing requirement that each subsequent report is made available to the public on the Council’s website.

New guidance on the reporting requirements was issued by DBEIS on 5 January 2017. The progress report set out in Appendix A to this report has been prepared with reference to the new guidance. In addition to still reporting on progress since 2013, there is a stronger emphasis now on local authorities stating their future ambitions for the next two years in their progress reports.

Recommendations:

Cabinet Member for Public Health and Sport is requested to:

- (1) Agree to the submission of the progress report Parts 1 and 2 set out in Appendix A to the Secretary of State for Business, Energy and Industrial Strategy by 31 March 2017.
- (2) Agree to the progress report Parts 1 and 2 being made available to the public on the Coventry City Council website.

List of Appendices included:

Appendix A Part 1– proposed 2017 progress report summarising ambitions and progress for submission to the Secretary of State for Business, Energy and Industrial Strategy.
Appendix A Part 2 - proposed 2017 progress report summarising project impacts for submission to the Secretary of State for Business, Energy and Industrial Strategy.
Appendix B - initial 2013 report submitted to the Secretary of State that all subsequent reports have to report progress against.

Other background documents:

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/581598/HECA_Guidance_2017.pdf

Council Plan 2016 – 2024:
http://www.coventry.gov.uk/downloads/file/11778/council_plan_a_top_ten_city

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/file/4874/climate_change_strategy_for_coventry

2017/18 Pre-budget Report to Cabinet 29 November 2016:
<http://democraticservices.coventry.gov.uk/documents/s31871/Pre-Budget%20Report%202017-2018.pdf>

Has it been or will it be considered by Scrutiny?

No.

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 Business, Energy and Industrial Strategy 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 no later than 31 March 2017. The progress report must be prepared with reference to the requirements of the guidance issued by the Department for Business, Energy and Industrial Strategy (DBEIS) in January 2017, and should i) report on progress made with the measures to improve energy efficiency in residential accommodation set out in the initial report submitted in 2013, and ii) state ambitions for the next two years.
- 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 by no later than 31 March 2017 and to make it accessible to the public on its website. The progress report needs to refer back to the measures set out in the 2013 report, as well as setting out the Council's ambitions for energy efficiency improvements in the next two years. Whereas the 2013 guidance said that 'an authority may describe any existing (or perhaps future) plan in their further report and progress reports', the new guidance says that 'the expectation of HECA is that local authorities submit their ambitions for the next two years'.
- 2.2 Although the progress report has to refer back to the measures set out in the 2013 report, the context for reporting progress is dramatically different now because of policy changes made by the Government since 2013 that include:
- The demise of the Green Deal.
 - A reduction in the requirements for energy suppliers to invest in insulation and heating measures under the Energy Company Obligation (ECO).
 - Funding competitions not being repeated for DECC's Fuel Poverty Fund, Green Deal Pioneer Places Fund and Cheaper Energy Together Collective Switching Fund.
 - The Department of Health's Warm Homes Healthy People Fund being terminated.
 - The launch of the Government's Fuel Poverty Strategy for England in 2015 after the last HECA progress report had been prepared. The Strategy sets a legal target for the current and future Governments to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band C by 2030.
 - Proposals published in June 2016 to begin re-focusing the ECO on fuel poor households from April 2017, and to give local authorities the opportunity to play a greater part in working with obligated suppliers to identify and contact fuel poor households that could be assisted with insulation and heating measures.

The 2013 initial report is provided for information in Appendix B.

- 2.3 The context for the 2017 progress report has also changed significantly as a result of continuing cuts in Government funding for local authorities and the need for the Council to achieve savings so that it can maintain a balanced budget. The Place Directorate's Affordable Warmth Team has been responsible for delivering most of the measures set out

in the 2015 report, and will continue to be responsible for most of the measures in the 2017 report. However, from the financial year 2015/16 onwards the team has had to deliver cost savings by cutting its staff establishment from three full time posts to two.

- 2.4 The work of the Affordable Warmth Team is also restricted by limited funding to enable the implementation of projects to assist fuel poor households. For example, the lack of further Government funding for its Fuel Poverty Fund and Cheaper Energy Together Collective Switching Fund means that Coventry's successful Affordable Warmth for Disabled Households Project cannot be repeated. It also means that the Council is only likely to be able to operate another three Switch and Save Schemes, based on the budget provision currently available to the Affordable Warmth Team. The three further schemes would have to be delivered with reduced provision for marketing and promotion costs. A Switch and Save Scheme is currently open for registrations until 13th February 2017, and is being operated on a reduced budget for marketing and promotion compared to the funding that was previously available.
- 2.5 The Affordable Warmth Team and the Council's Consultant in Public Health have collaborated very effectively on a range of projects since 2013 and this has led to vulnerable and low income households being helped with Public Health funding to have broken boilers repaired, have insulation and heating measures installed, and to receive affordable warmth advice and information. Discussions have recently taken place about whether additional Public Health funding could be made available for affordable warmth projects from 2017/18 onwards and a commitment has been made for £50,000 of Public Health funding to be used in 2017/18, it is hoped that this may increase. This will be the same level of funding as for 2016/17.
- 2.6 The challenge of fuel poverty in Coventry is significant, but future affordable warmth proposals will be limited by the constraints described above. The latest available statistics from the Department for Business, Energy and Industrial Strategy (DBEIS) show that 13% (16,887) of all Coventry households are fuel poor, compared to 10.6% for England. At the neighbourhood level, the Lower Super Output Area 'Gosford and Gulson Roads' still has the highest fuel poverty level in Coventry at 33.6%. Of the 195 Lower Super Output Area neighbourhoods in Coventry, there are now 28 where at least 1 in every 5 households is fuel poor.
- 2.7 Fuel poverty is one of the Marmot indicators. These indicators are issued annually for all local authorities in England to support monitoring of strategic direction in reducing health inequalities. The latest available indicators for Coventry record that fuel poverty is 'significantly worse than the England average'.
- 2.8 The factors that determine whether a household is fuel poor are income, the cost of energy, and energy consumption (which depends on the energy efficiency of the home and the lifestyle of the householders). The DBEIS statistics indicate that of all fuel poor households nationally, 49% are working households, 45% have dependent children, 20% are aged 60 or over, 78% include a person classed as vulnerable, and 37% include a person with a long term illness or disability. The profile for Coventry's fuel poor households is unlikely to vary much from this. The average energy efficiency rating for homes nationally is Energy Performance Certificate Band D, and 17% of all Coventry homes (23,000) have a lower energy efficiency rating than this.
- 2.9 The proposed 2017 progress report for submission to the Secretary of State for Business, Energy and Industrial Strategy is presented in two parts and these are provided in Appendix A. Part 1 summarises progress since 2013 and the Council's ambitions for the next two years, and Part 2 summarises the positive impacts of completed and current projects.

3. Results of consultation undertaken

- 3.1 Officers maintain a dialogue with a range of partner and stakeholder organisations that have an interest in residential energy efficiency. Consultation will continue in order to i) identify priorities and issues to be addressed, and ii) explore project and funding opportunities where feasible.

4. Timetable for implementing this decision

- 4.1 After Cabinet Member approval, the 2017 progress report will need to be submitted to the Secretary of State by no later than 31 March 2017. 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, or planned activity. The budget for this area will become increasingly reliant on grant and trading income rather than core funding. 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 Business, Energy and Industrial Strategy.

6. Other implications

6.1 How will this contribute to achievement of the Council's Plan?

The Council Plan for 2016 – 2024 sets out the vision and priorities for Coventry, and was last updated in August 2016. Under the heading of Reducing the Impact of Poverty, the Plan states that supporting those experiencing fuel poverty is a priority. The measures referred to in the 2017 progress report will make a contribution to supporting fuel poor households. They will also make a contribution towards the ambitions of 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 policies and projects, and when considering options to assist Coventry households.

6.3 What is the impact on the organisation?

Staff and project resources will be required to take forward proposals referred to in the 2017 HECA progress report.

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, and those that live in homes that have poor energy efficiency. Implementing the measures in the 2017 progress report will help to support some of these householders.

If the Council were to curtail the support it provides to the fuel poor, this would be likely to have negative equalities impacts because of the disproportionate effect on the following protected groups:

Race

DBEIS national statistics indicate that households with an occupant from an ethnic minority are almost twice as likely to be fuel poor than non-ethnic minority households. For homes across England, 18% of homes occupied by a person from an ethnic minority are classed as fuel poor, compared to 10% for white occupants.

Age

DBEIS national statistics reveal that 20% of all households in fuel poverty consist solely of couples over 60 and single persons over 60, and a total of 26% of all fuel poor households include a person over 60. Furthermore, 45% of fuel poor households include one or more dependent children living with either one parent or both. Just less than three quarters of all fuel poor households therefore include either older persons or children.

Disability

Disabled persons often have a greater need for heat within their homes because of reduced mobility or as a result of their specific condition. DBEIS statistics show that 37% of fuel poor households include a person with a long-term illness or disability.

The figures for Coventry's fuel poor households are unlikely to be significantly different from the DBEIS ones given above.

6.5 Implications for (or impact on) the environment

The housing sector is responsible for a substantial proportion of air emissions in the city. The latest DECC figures for carbon dioxide available for 2014 show that Coventry's domestic emissions were 491,200 tonnes, which is 32.8% 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 improving the energy efficiency of homes in Coventry.

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