

EXETER CITY COUNCIL

REPORT TO: SCRUTINY COMMITTEE – COMMUNITY AND EXECUTIVE
DATE OF MEETING: 16 AND 23 JUNE 2015
REPORT OF: ASSISTANT DIRECTOR HOUSING
TITLE: HOME ENERGY CONSERVATION ACT 1985, FURTHER REPORT

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

- 1.1 This report is for information only, informing Members of the Home Energy Conservation Act (HECA) 1985 further report submitted to the Department of Energy and Climate Change (DECC) at the end of March 2015

2. Recommendations:

- i To note the content of the HECA further report detailed in Appendix 1.

3. Reasons for the recommendation:

- 3.1 HECA has been in place since 1985, placing a statutory duty upon local authorities to submit progress reports to DECC detailing the energy efficiency and conservation measures delivered to residential accommodation in their area. The latest report, Appendix 1, was submitted to DECC in March 2015.

4. What are the resource implications including non financial resources.

- 4.1 There are no financial resources associated with production and submission of the HECA further report, other than staff time.

5. Section 151 Officer comments:

- 5.1 There are no financial implications contained in this report

6. What are the legal aspects?

- 6.1 In July 2012 DECC published statutory guidance requiring all local authorities with housing responsibilities to prepare a HECA 'further report' by 31st March 2013, and every two years thereafter up to and including 31st March 2027.
- 6.2 The statutory guidance required each local authority to set out the local energy conservation measures that the authority consider practicable, cost effective

and likely to considerably improve the energy efficiency of residential accommodation in its area.

7. Monitoring Officer's comments:

7.1 There are no issues of concern for the Monitoring Officer

8. Report details:

8.1 DECC recognises that local authorities are uniquely placed to assess the needs of their areas and local residents and can be a catalyst for change. DECC also recognise local authorities' ability to use their position to improve the energy efficiency of all residential accommodation in their area, including privately rented and owner occupied properties, not just social housing

8.2 Initially, when it was introduced in 1985, HECA required local authorities to submit annual reports to DECC detailing the energy efficiency measures delivered to residential properties in their areas.

8.3 In 2012 statutory guidance was introduced which changed the format of the report and reduced the frequency of reporting, from being an annual requirement to a Biennial one.

8.4 The further report is split into several sections which include progress to date, targets, measures being used to encourage the uptake of energy efficiency measures and renewable energy technologies, levels of fuel poverty and Zero Carbon Homes.

8.5 The report is very detailed but the headline figures are:

- Domestic carbon emissions per capita are 19% lower in Exeter than the average value for England.
- 10.7% of Exeter households were in fuel poverty in 2012 (the latest DECC figures) which represents a 0.2 percentage point improvement on the 2011 figure.
- 5,304 cavity wall insulations and 6,258 loft insulation installations were undertaken in Exeter funded through the Government's Carbon Emission Reduction Target (CERT) scheme which ran to the end of 2012, when it was replaced by the Green Deal and Energy Company Obligation (ECO).
- In 2013 The CosyDevon scheme was set up as a partnership of the district councils, Devon County Council and E.ON to deliver ECO measures to homeowners, private landlords and tenants. To date the Scheme has delivered 1,222 measures to 993 households, fully funded by Eon through their Carbon Emission Reduction Obligation. E.ON have committed a further £2.3 million to Devon, between now and 2017, to fund or part fund loft and cavity wall insulation, boiler replacement and external wall insulation.
- The energy efficiency of Council owned homes is above the national average.
- Exeter's Core Strategy , formally adopted in February 2012, contains some of the most advanced local energy policies in the country

9. How does the decision contribute to the Council's Corporate Plan?

9.1 HECA directly relates to the key actions of 'Help me find somewhere suitable to live' and is wholly consistent with the overall direction of the Council's housing strategies.

10. What risks are there and how can they be reduced?

10.1 There are no risks

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1 As this report is for information only there is no impact. However, delivering energy efficiency measures is widely recognised as having a vital role in improving the health and wellbeing of householders, lifts many vulnerable households out of fuel poverty whilst, at the same time helping the environment.

12. Are there any other options?

NO

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Originating Officer: Keith Williams

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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HECA FURTHER REPORT 2015: EXETER CITY COUNCIL

ACTION	DESCRIPTION	TIMING
<p>i) LOCAL ENERGY EFFICIENCY AMBITIONS AND PRIORITIES</p>		
<p>Progress to date</p>	<p>Exeter City Council is a signatory to the Nottingham declaration and the Devon wide declaration on Climate Change.</p> <p>Exeter adopted a climate change strategy in 2008 and an updated action plan in 2009 which will be superseded by the forthcoming Climate Change and Environmental Sustainability Strategy (2015).</p> <p>Exeter's domestic carbon dioxide emissions in 2012 (the latest data available from DECC) were 211 ktCO₂ which equates to 1.8 t CO₂/person. This represents a 15% reduction since 2005 (compared to a 14% reduction nationally). Domestic emissions per capita in Exeter are 19% lower than the average value for England. 50% of domestic carbon emissions arise from electricity, 47% from gas and 3% from other fuels.</p>	<p>2015-16</p>

	<p>10.7% of households were in fuel poverty in 2012 under the Low Income High Costs definition, which represents a 0.2 percentage point improvement on the 2011 figure.</p> <p>DECC's Home Energy Efficiency Database (HEED) states that through the Carbon Emission Reduction Target (CERT) scheme which ran to the end of 2012, 5,304 cavity wall insulation (CWI) and 6,258 loft insulation (LI) installations were undertaken. This is equivalent to 1,033 CWI and 1,219 LI installations per 10,000 households which is 14% higher and 7% lower than the national averages respectively.</p>	
<p>Targets & deadlines</p>	<p>Priorities for Exeter include:</p> <ul style="list-style-type: none"> Maximising the benefit of ECO funding in and around the City's 11 CSCO areas Throughout the city focussing on working with landlords in the private rental sector to improve standards in the poorest performing (F and G EPC rated) homes Using monitoring and enforcement of Category 1 cold Hazards where necessary Promoting the Ready for retrofit programme in social housing in the City to achieve improvements and develop the local supply chain <p>There is a new statutory target to ensure that as many fuel poor homes in England as is reasonably practicable achieve a minimum energy efficiency rating of a Band C by 2030. In addition to the 2030 statutory target, the Government consultation, "Cutting the cost of keeping warm" also proposed interim milestones that as many fuel poor homes in England as is reasonably practicable to Band E and D by 2020 and 2025 respectively. There are no numeric targets to reduce carbon emissions from the domestic sector across the city, though there are specific targets for the CosyDevon scheme (discussed later). There also includes targets to reduce carbon dioxide and to tackle the issue of affordable warmth.</p>	<p>2015-17</p> <p>2016-20</p>

Housing stock data

There are 49,400 homes in Exeter (Census 2011) of which 62% are owner occupied, 21% are privately rented, 10% are Local Authority owned social housing, and 6% social housing owned by housing associations. Private rented homes are the least energy efficient and housing association homes the most energy efficient. The SimpleSAP rating modelled in Exeter (BRE 2013) was 52 for owner occupied and the private rented sectors, and 58 for social housing.

25% of the City's homes have solid walls compared to 29% nationally (CSE 2003). ECO funded solid wall insulation therefore has a potentially important role in improving the thermal efficiency of the City's homes. More recently modelling in the private sector (BRE 2013) estimates that there are 45,058 private sector dwellings in Exeter of which 9,205 (20%) have solid walls, 16,334 (36%) have insulated cavities and 18,704 (42%) have uninsulated cavities. The wards with the highest proportions of unfilled cavities are Cowick (55%), Pinhoe (51%), Mincinglake, Pennsylvania and Whipton & Barton (each at 48%). There are 7% of households with lofts but no insulation and 58% of households with lofts that have 100 mm insulation or less. The wards with the highest proportion of lofts with no insulation are Polsloe and St James (each at 11%) and Newtown and St Thomas (each at 10%).

95% of homes in Exeter have gas compared to 83% nationally (CSE 2003). The City has some 800 off gas homes in the Exwick area and a relatively high incidence of electrically heated flats in the city centre. 74% of homes in Exeter are heated via gas central heating, 10% using electric heating (including storage heaters) and 4% using oil (Census 2011). The Renewable Heat Incentive may give the opportunity for these households to switch to lower cost renewable heating technologies with lower overall running costs.

The council has extensive data on its own housing stock. Housing associations in the District have not been able to supply detail data on their housing stock in the time available. There is a mixed approach to the Green Deal and ECO among Housing Associations with a significant proportion being unwilling to let their tenants take out the Green Deal. The Council is also unwilling for the Green Deal to be taken out on its properties.

<p>Fuel poverty / affordable warmth strategy</p>	<p>10.7% of households were in fuel poverty in 2012 under the Low Income High Costs definition. There are 30 Lower Super Output Areas (LSOAs) (41% of the total in the Local Authority area) where 10% or more households are in fuel poverty and 9 LSOAs (12%) where 18% or more of households are in fuel poverty. However, the 8 LSOAs with the highest proportions of households in fuel poverty (up to 31.1%) are heavily influenced by the high numbers of student housing in those LSOAs. There are 11 Carbon Saving Community Obligation (CSCO) areas in the City of which 6 fall into the lowest 15% of IMD nationally and the remaining 5 within the bottom 25% nationally. The Council is part of the CosyDevon partnership between the county and district authorities in Devon which in late 2013 appointed E.ON as the delivery partner to install Energy Company Obligation (ECO) funded measures to targeted fuel poor households across Devon.</p>	<p>Partnership extended to 2017</p>
<p>ii) MEASURES WE ARE TAKING TO RESULT IN SIGNIFICANT ENERGY EFFICIENCY IMPROVEMENTS OF OUR RESIDENTIAL ACCOMMODATION</p>		
<p>Green Deal and ECO</p>	<p>The Government's flagship policy to improve the energy efficiency of domestic properties is the Green Deal. However, the data to 30th September 2014 shows that in England there are only 818 "live" Green Deal plans in place, with the SW over-represented with 147 plans. The data is not disaggregated to district level. In Exeter there have been 435 Green Deal assessments (8.8 per 10,000 households which is 31% below the national average), 32 Green Deal Cashback vouchers paid (6.4 per 10,000 households which is 3% above the national average) and 13 Green Deal Home Improvement Fund vouchers paid (2.6 per 10,000 households which is 4% above the national average).</p> <p>The ECO has resulted in significantly more installations than the Green Deal. In Exeter there have been a total of 1,222 measures installed within 993 households in total as at 30th September 2014 (DECC). Of</p>	

these, 784 measures were due to the Carbon Emission Reduction Obligation (CERO), 163 within the Carbon Savings Community Obligation (CSCO) and 275 due to the Home Heating Cost Reduction Obligation (HHCRO). This equates to a total of 24.6 measures and 20 households per 10,000 households which is 30% lower than the national installation rate.

The CosyDevon scheme was set up as a partnership between the district authorities in Devon including Exeter City Council, Devon County Council (who chair the partnership) and E.ON to deliver ECO measures to homeowners, private landlords and tenants. Practical delivery through CosyDevon began in May/June 2014. The programme aims to deliver around 3,500 measures in total which includes an additional 1,100 measures projected across Devon and Torbay between March 2015 to March 2017 that will deliver £5 million of bill savings via HHCRO activity and 21 ktCO₂ through CERO activity. By December 2014 the total number of ECO measures delivered by E.ON both “self-generated” and via CosyDevon combined totalled 315 in Exeter and 2,378 across Devon and Torbay. This is approximately a quarter of all ECO measures in Exeter (though the CosyDevon data extends a further two months beyond the ECO total data).

Funding for measures on social housing in the District is available from the Ready for Retrofit (RfR) programme, a three year EU funded project to improve social housing stock and stimulate demand in the south west of England (excluding Cornwall). The project has worked with the Green deal and ECO to stimulate demand by investing £2.3m of project funds to drive total investment into housing energy efficiency measures. SMEs in the supply chain have received an intensive business support programme focused on developing delivery capability at scale, value and quality. RfR also helped re-launch CosyDevon and funded 8 community groups to run energy saving open homes events and energy fairs. In Devon and Torbay to date, the programme has supported 267 SME, created 141 jobs and created approximately £23 million GVA (net).

The energy efficiency of Council owned homes is above the national average and rather than encourage council house tenants to use the Green Deal the Council will continue to improve its stock using its own maintenance budget. Since the previous HECA report in 2013, the Council has installed a further 341 A rated boilers and 50 cavity wall insulation installations to its existing housing stock. In addition, the ECO funding within CosyDevon has been extended to enable delivery within social housing.

<p>Fuel poverty</p>	<p>There are 10.7% of households in fuel poverty. There have been 275 HHRCO measures installed at a rate of 5.5 measures per 10,000 householders, which is 60% below the national average of 13.7. Action on improving the energy efficiency of homes in fuel poverty has been supported by CosyDevon for private sector housing, and from the local authority and social housing providers for improvements to their own stock. The local authorities through the CosyDevon partnership have negotiated a favourable arrangement with E.ON to provide cavity wall, loft insulation and boiler replacement using HHRCO funding.</p>	<p>2015-2017</p>
<p>Renewables</p>	<p>Uptake of renewable electricity generation in homes has been driven by the Feed-In Tariff (FIT) scheme. Solar photovoltaic (PV) panels have accounted for almost all of the installations, with 1,391 schemes registered with a combined capacity of 4,226 kW by the end of 2014. This represents 2.8% of all households – 35% higher than the national average of 2.1%. This is likely due to the better available solar resource in this part of the country. In addition, there was 1 hydro scheme on the FIT register with a capacity of 5 kW. A programme of 290 PV installations has been undertaken on Council homes which are prominent on thoroughfares in the city. The Council’s web site signposts information on renewable energy.</p> <p>The renewable heat sector is incentivised by the Renewable Heat Incentive (RHI) scheme which has been fully open to households since April 2014 with a period preceding this where vouchers were available to households installing renewable heat generating technologies. In total, there are 12 RHI installations in Exeter, representing 2.4 installations per 10,000, or 64% below the national average of 6.6. This is not surprising as Exeter is an urban authority that has almost universal access to the gas network. The split of technologies at a local level is not known, though nationally the split is 36% ASHP, 15% GSHP, 27% biomass systems and 22% SHW.</p> <p>There have been significant efforts to bring forward district energy schemes in the city. Exeter City Council together with Devon County Council, East Devon District Council, Teignbridge District Council, Royal Devon and Exeter Hospital and the University of Exeter were successful in winning £248,000 of funding from the</p>	<p>2015-2018</p>

	<p>Heat Network Delivery Unit (HNDU). In Exeter the funding is being used to commission technical, financial and legal consultants to develop the business case and procurement process for engaging a private sector partner to develop two district heating and CHP schemes in Exeter. Initial networks are planned for the South West Exeter urban extension where new build homes and businesses will have access to heat from the new Marsh Barton Energy from Waste (EfW) plant. A second network to serve the city centre could be based on a new energy centre located at the Wonford site of the Royal Devon and Exeter Hospital and be connected to the City Centre via the University of Exeter's St. Luke's campus. There is also a potential heat network emerging from the new housing development at Monkerton on the East of the city, with the potential to link into networks at East Devon's "West End". The Council's adopted Core Strategy requires new development (either new build or conversion) with a floorspace of at least 1,000 square metres, or comprising ten or more dwellings, to connect to any existing, or proposed, Decentralised Energy Network in the locality to bring forward low and zero carbon energy supply and distribution.</p>	
<p>Zero Carbon Homes</p>	<p>Exeter's Core Strategy was formally adopted in February 2012 and contains some of the most advanced local energy policies in the country. Policy CP14 mandates that homes build in 2014 and 2016 comply with Code for Sustainable Homes level 4 (44% CO2 emissions reduction on 2006 Part L) and 5 (Zero Carbon "regulated emissions") respectively. Other energy related policies require the use of renewable and low carbon energy to achieve a 10% additional reduction in carbon dioxide emissions (CP14) and the requirement for connection to planned district heating networks in Monkerton, SW Exeter and other parts of the City CP13). These policies have led to the delivery of Code 4 housing across the City.</p> <p>The City council has commissioned a number of Passivhaus social housing schemes including 18 flats at Knights Place (Beacon Heath) and 3 flats at Rowan House (Heavitree). Further sites have been identified for additional sites in the city.</p>	<p>2015-2017</p>

<p>EPCs</p>	<p>Exeter has purchased EPC data for the City. The data contains records on some 18,000 properties (duplicates on 1400). Over 2,500 records contain obviously spurious data (e.g. SAP of 1, zero floor area, energy use of over 1000kW/m²). The data set is skewed toward the rental sector and smaller properties. Fewer poor performing properties appear in the EPC dataset when compared to the Home Condition Survey. The data also indicates that there may be more electrically heat homes than in the CSE dataset. The EPC's for the Council's housing stock shows that 88% are in band D and above and 68% in band C and above. In the private rented sector there are proportionately fewer properties with low (F and G) EPC ratings than indicated by the home condition survey.</p>	
<p>Minimum standards in the private rental sector</p>	<p>From 2018 the Energy Bill will ensure that the legal minimum energy efficiency standard for homes rented from a landlord will be an EPC rating of E. From 2016 tenants will be able to demand reasonable energy efficiency improvements from their landlords. If these requests are refused local authorities will be able to compel landlords to undertake the improvements. They will also be able to fine landlords for not undertaking the improvements when first requested by the tenant. 21% of the City's housing (10,285 households) are privately rented. Following a period of consultation, from February 2015 Housing in Multiple Occupation (HMO) licensing was extended to include all flats in mixed use buildings that are occupied by 3 or more people and for certain buildings that have been converted into flats. A valid EPC is required as part of the application and the forthcoming changes to minimum standards in the private rented sector are signposted. The Council's housing strategy policy on housing enforcement (see http://www.exeter.gov.uk/CHttpHandler.ashx?id=12078&p=0) sets out how it applies housing enforcement powers in the City.</p>	<p>2018 onwards</p>

iii) MEASURES WE PROPOSE TO COST EFFECTIVELY DELIVER ENERGY EFFICIENCY IMPROVEMENTS IN RESIDENTIAL ACCOMMODATION BY USING AREA BASED/STREET BY STREET ROLL OUT

Area plans

The CosyDevon partnership has to date been a county wide initiative. Going forward the focus will be on delivering HHRCO and Green Deal solid wall insulation measures which will require a localised, street by street approach. The proposed strategy is to migrate from a county to a localised marketing approach, looking to do no more than 3 project areas concurrently at any one time (across the whole CosyDevon area i.e. Devon and Torbay). The key element to this activity is to be visible in the community and engaging with householders on a localised and sustained level. The CosyDevon van will play a crucial role as face to face engagement will be required to explain the benefits of the scheme and help people apply. This will also include door knocking and raising awareness for local residents. Mapping of stakeholders, influencers and community groups targeting this sector will be undertaken to identify who should be approached in order to work together to best reach the fuel poor. Relationships already exist with 50 groups, and these will be built on to work up joint marketing strategies with key groups that will deliver leads for the scheme. Word of mouth will also drive leads, so a 'refer a friend' will be put in place together with case studies and testimonials that will act as proof points. The current referral scheme will be reviewed so E.ON can work closely with key organisations and reward them for installed measures. The outputs of a workshop held in November 2014 will be built on to work up joint partnerships with the health sector to tackle the issue of health and fuel poverty. All local residents would be made aware of the offers available and either signed up locally by local engagement staff or forwarded through to E.ON's ECO contact centre. The E.ON ECO Contact Centre has been established for several years dealing only with energy efficiency enquiries, staff trained to City & Guilds EE, with bespoke systems and direct contact with installers to make the customer journey more efficient.

A study has been undertaken to assess the potential for the roll out of district heating to homes along the route of the proposed City centre retrofit district heating scheme. The study areas included homes in the Burnthouse Lane, St Loye's, and Heavitree Road parts of the City. The study shows that a scheme to connect properties to the proposed Wonford and Exeter City Centre network could lever in external funding and reduce carbon emissions, and potentially reduce energy costs for the connected properties.

2015-2017

<p>Costings of area plans</p>	<p>The proposal to extend CosyDevon to 2017 will result in an additional contribution from E.ON of a minimum of £600k for HHRCO measures and £1.7 million for Green Deal (CERCO and CSCO) measures. The HHRCO measures are based on a 70/30 split of boilers/cavity and loft insulation, and the Green Deal measures are based on 100% external wall insulation. Delivery is planned to be allocated in an equitable manner for all participating local authorities where this is practical within the rules of the scheme and given the distribution of qualifying opportunities.</p> <p>The City centre district heating study gives an estimated average cost of connection of £7,194 per property. Of the total connections cost of £30.7m, 28% (£8.7m) could be funded by ECO at current rates (£27.70/tC). The value of the estimated ECO contribution has increased significantly since the December 2014 announcement by Ofgem that the eligible lifetime figure for heat network connections is 40 years, from 15 years previously</p>	
<p>ECO area categories</p>	<p>There are 11 CSCO areas in Exeter, which are within Cowick, Mincinglake, Newtown, Priory, St Davids and Whipton & Barton. These areas are being specifically targeted to promote CosyDevon using a programme of leafleting and door knocking.</p>	<p>2015 -2017</p>

<p>Fuel poverty areas</p>	<p>There are 30 Lower Super Output Areas (LSOAs) (41% of the total in the Local Authority area) where 10% or more households are in fuel poverty and 9 LSOAs (12%) where 18% or more of households are in fuel poverty. However, the 8 LSOAs with the highest proportions of households in fuel poverty (up to 31.1%) are heavily influenced by the high numbers of student housing in those LSOAs. There are 11 Carbon Saving Community Obligation (CSCO) areas in the City. Improving the energy efficiency will be targeted through CosyDevon where going forward the lead offer will be HHRCO measures. This will include loft and cavity wall insulation which will be free to the homeowner, and boiler replacement where a contribution would be required. In addition, negotiations with E.ON through CosyDevon have enabled solid wall insulation for social housing to be included within the scheme.</p>	<p>2015 -2017</p>
<p>Non-domestic sector</p>	<p>The Council has been heavily involved in progressing the low carbon agenda in the non-domestic sector. This has included progressing studies to bring forward district heating in a number of areas including at Monkerton, South West Exeter and the City Centre, the recent opening of an Energy from Waste (EfW) plant at Marsh Barton, and the forthcoming low carbon swimming pool development at the Bus Station site. The adopted Core Policy requires that non-domestic development connects to nearby or proposed district energy schemes, achieve a carbon performance target of 10% better than the Building Regulations, and a BREEAM rating of Excellent. In addition, the CosyDevon partnership prioritises the use of local labour which is helping develop the supply chain in Exeter and the locality.</p>	

iv) TIME FRAME FOR DELIVERY AND NATIONAL AND LOCAL PARTNERS

Public sector

CosyDevon is a public-private sector partnership, with public sector partners including Exeter City Council together with East Devon, Mid Devon Council, South Hams, Teignbridge, North Devon and West Devon District Councils, Torbay Council and Devon County Council. In addition, Exeter City Council has worked with other public sector organisations including the Royal Devon and Exeter Hospital and the University of Exeter through the Low Carbon Task Force with the aim of bringing forward district heating schemes in the city. In addition, the Ready for Retrofit project which aims to build supply chains in the region includes the Energy Saving Trust and Regen SW. The City will continue to engage a wide range of partners nationally in government, the business and third sector and community organisations as needed to develop its programmes.

Commercial

CosyDevon is a partnership between the county and district authorities in Devon (including Torbay) and E.ON who is the commercial delivery partner. In addition, other energy suppliers deliver ECO measures within Exeter through self-generated avenues e.g. national advertising programmes etc. These measures have been responsible for about three-quarters of all ECO measures in Exeter.

Co-funding

E.ON are contributing £2.3 million to extend the CosyDevon partnership to 2017 which will fund or part fund loft and cavity wall insulation, boiler replacement and external wall insulation.

Signature: _____

Position: _____