

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

20 APRIL 2017

**REPORT OF SENIOR
MANAGEMENT TEAM**

CABINET DECISION

Environment & Transport – Lead Cabinet Member – Councillor Mike Smith

Home Energy Conservation Act (HECA) Update Report 2017

1. Summary

The Home Energy Conservation Act (1995) requires all Local Authorities to prepare a report every 2 years describing the energy conservation measures that have been implemented to significantly improve domestic properties across all tenures and reduce fuel poverty. Appendix 1 is Stockton-on-Tees Borough Council's submission to the Department of Business, Energy and Industrial Strategy (BEIS), due every two years by 31 March.

The 2017 report, covering the period 1 April 2015 to 31 March 2017 includes detail on our energy efficiency ambitions and progress, measures implemented using financial assistance from central Government initiatives and the delivery of our area based schemes. There has been 2 years of improvement across all our priorities under HECA including a 16.9% reduction in CO₂ emissions from the domestic sector, an increase from 61 to 63 in average SAP rating across domestic properties, and a continual reduction in fuel poverty levels in Stockton-on-Tees, against a trend of national increasing fuel poverty incidences.

2. Recommendations

1. Members note the positive findings from the 2017 update report, including the improvement in SAP ratings of domestic properties.
2. Members note the positive direction of travel of reducing levels of fuel poverty in the Borough compared to a continued national increase

3. Reasons for the Recommendation(s)/Decision(s)

Cabinet has supported the delivery of large scale, area based schemes targeting the most fuel poor through the installation of energy efficiency measures. This report provides a summary of the performance and an update on the national landscape with regard to financial support, while a future report will provide information on the outcomes of the Government's consultation on ECO 2017 – 2022.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct

and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

AGENDA ITEM

REPORT TO CABINET

20 APRIL 2017

**REPORT OF SENIOR
MANAGEMENT TEAM**

CABINET DECISION

Home Energy Conservation Act (HECA) Update Report 2017

SUMMARY

The Home Energy Conservation Act (1995) requires all Local Authorities to prepare a report every 2 years describing the energy conservation measures that have been implemented to significantly improve domestic properties across all tenures and reduce fuel poverty. Appendix 1 is Stockton-on-Tees Borough Council's submission to the Department of Business, Energy and Industrial Strategy (BEIS), due every two years by 31 March.

The 2017 report, covering the period 1 April 2015 to 31 March 2017 includes detail on our energy efficiency ambitions and progress, measures implemented using financial assistance from central Government initiatives and the delivery of our area based schemes. There has been 2 years of improvement across all our priorities under HECA including a 16.9% reduction in CO₂ emissions from the domestic sector, an increase from 61 to 63 in average SAP rating across domestic properties, and a continual reduction in fuel poverty levels in Stockton-on-Tees, against a trend of national increasing fuel poverty incidences.

RECOMMENDATIONS

1. Members note the positive findings from the 2017 update report, including the improvement in SAP ratings of domestic properties.
2. Members note the positive direction of travel of reducing levels of fuel poverty in the Borough compared to a continued national increase.

DETAIL

1. The Home Energy Conservation Act (1995) requires all Local Authorities to prepare a report every 2 years describing the energy conservation measures that have been implemented to significantly improve domestic properties across all tenures and reduce fuel poverty. Following the introduction of new guidance¹ in January 2017, the legal requirement remains for Local Authorities to report to the Secretary of State every two years until March 2027. Appendix 1 is Stockton-on-Tees Borough Council's submission to the Department of Business, Energy and Industrial Strategy (BEIS), which due every two years by a 31 March deadline.
2. Under the guidance, there are clear requirements for all Local Authorities to report on progress against our energy efficiency ambitions for domestic properties across all tenures, how we have implemented measures using financial assistance from central Government initiatives, and whether we have successfully delivered area based schemes involving communities and partnerships. For the first time the Government has requested detail on the costs of measures, and evidence that Local Authorities understand Personal

circumstances of households receiving measures. It has however relaxed reporting on CO₂ emissions, but we have chosen to include this.

3. Section 4 of Appendix 1 details our performance across the seven key areas of reporting under HECA, including commentary, however for the purposes of this report these can be summarised as:
 - A 16.9% annual reduction in CO₂ emissions from domestic properties under the latest figures published by BEISⁱⁱ
 - An increase in the average SAP rating (a measure of energy efficiency of property) from 60.7 to 62.9 in the last 12 month, with similar point increases across all tenures.
 - Reduction in fuel poverty levels from 11.1% to 10.7% in the last 12 months of reported data, compares favourably against the nationally increasing level (UK currently has 10.6% of households in fuel poverty)
 - 4999 households improved under Government funded initiatives since 2012, including ECO, which has generated £6.2m of household savings for residents
 - Major contributions from the Private Sector Housing team in working with Private Landlords to improve conditions
 - Major improvement in household economics through affordable warmth programmes including over £945k brought into Stockton-on-Tees through income maximisation work under Warmer Homes Healthy People and £137k through the Big Community Switch so far.
 - National recognition for our work tackling energy efficiency, domestic emissions reductions and affordable warmth
4. Section 5 of Appendix 1 details our priorities over the next two years of HECA duty and specific actions to deliver these are set out in our adopted Climate Change Strategy and Affordable Warmth Strategy. We remain on track to deliver continued good outcomes for housing stock, emissions reductions and reducing fuel poverty and we have retained the second lowest fuel poverty levels of any North East local authority.
5. We also recognise that we have a further 8,585 households experiencing affordable warmth challenges, and remain focused on supporting these, despite the funding landscape ahead remaining very challenging for local authorities. Energy companies are still obligated to financially support the installation of energy efficiency measures under the governments £640m per annum ECO programme, and an 18 month extension period on this scheme is currently operating from April 2017 to September 2018, which will act as a transition towards a longer term scheme from 2018 – 2022. Current funding rates available to the Council under the ECO extension have not improved since previous Cabinet reports however we are continually assessing opportunities available to us to support improvements to domestic housing stock.

COMMUNITY IMPACT IMPLICATIONS

6. There have been significant positive impacts upon communities benefitting from measures delivered under programmes such as ECO, including physical housing stock improvements, and programmes such as Warmer Homes Healthy People reducing peoples vulnerability to the cold. Some of these are listed in section 3 above and more detail can be found in section 4 of Appendix 1.

FINANCIAL IMPLICATIONS

7. During the lifetime of the CESP and ECO programmes over £20m of external investment was secured. The financial benefit to householders of work to improve domestic energy efficiency was highlighted in the recent independent Newcastle University report on the evaluation of the ECO programme, with £6.2m saved by residents since the scheme began, and £2.6m of health related quality of life savings.

LEGAL IMPLICATIONS

8. We have a statutory duty to report under the Home Energy Conservation Act every two years and publish the report electronically on our website by the specified date of 31 March or the Secretary of State will request the report directly from the Authority's Chief Executive.

RISK ASSESSMENT

9. The risks associated with this report are categorised as low to medium risk. Existing management systems and activities are sufficient to control and reduce the risk.

COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES

10. Affordable warmth and fuel poverty programmes have the ability to significantly impact on a number of Policy Principles in the Council Plan:
 - **Promoting equality of opportunity through targeted intervention**
All programmes to improve housing stock target vulnerable households or communities, for example Warmer Homes Healthy People (WHHP) measures are available to over 75's, those with a long term health condition and families with children under 5 with a cold related health condition, while ECO programmes have targeted those LSOA's in the top 10% most deprived
 - **Developing strong and healthy communities**
The principle of affordable warmth interventions is to reduce health inequality by improving living and economic conditions of those most in need, and we aim to strengthen communities through maximising income as well
 - **Creating economic prosperity**
All of our energy efficiency, fuel poverty and affordable warmth schemes seek to improve the economic conditions that many householders find themselves in, for example £945k has been secured for WHHP clients which was previously being unclaimed, while £6.2m has been saved through the ECO programme through reducing the amount of energy being consumed and hence purchased by householders.

CORPORATE PARENTING IMPLICATIONS

This report does not contain corporate parenting implications.

CONSULTATION INCLUDING WARD/COUNCILLORS

Consultation was not necessary for this particular update report on previous delivery, however any future opportunity to deliver further schemes would consult members on appropriate targeting.

Name of Contact Officer: Paul Taylor
Post Title: Principal Environment Officer
Telephone No. 01642 - 526596
Email Address: paul.taylor@stockton.gov.uk

Education related? No

Background Papers None

Ward(s) and Ward Councillors: None

Property

Unrelated to Council property.

References:

ⁱ Department. For Business, Energy & Industrial Strategy, January 2017, Guidance to English Energy Conservation Authorities Issues Pursuant to the Home Energy Conservation Act 1995

ⁱⁱ Department for Energy and Climate Change, 'Local and Regional CO₂ Emissions Estimates for 2005-2014', June 2016