

HOME ENERGY CONSERVATION ACT - PROGRESS REPORT 2015

1. INTRODUCTION

- 1.1 The Department of Energy and Climate Change (DECC) introduced a new duty in 2013 for Local authorities with Housing responsibilities to prepare and publish plans for how they will achieve improvements in energy efficiency within residential housing stock in their district.
- 1.2 In setting out their plans Local Authorities are required to have regard to the Green Deal, Energy Company Obligation (ECO) and the renewable Heat Incentive or other initiatives. Consideration should also be given to roll out of initiatives on an area / street by street basis involving local communities and partnerships.
- 1.3 This Council's first report was presented to Environment Overview and Scrutiny Panel in January 2013. Progress reports are required thereafter at two yearly intervals and this is the first of these reports. The reports have to be approved by Cabinet and submitted to the Secretary of State. To promote transparency and accountability all reports must also be published on the Council's website to ensure accessibility to local residents. Reports should cover:
 - Local energy ambitions and priorities
 - The measures that take advantage of financial assistance and other benefits offered by central government initiatives (Green Deal, ECO, FITS, RHI etc.)
 - Measures that the LA has developed to implement energy efficiency improvements in residential accommodation by using area or street by street roll out
 - A timeframe for delivery
- 1.4 DECC has provided a template for the standard report and this has been used as the basis for compiling the updated New Forest District Council HECA report which is attached at Appendix 1.

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2. KEY HEADLINES SINCE PREVIOUS REPORT

- 2.1 The two principal priorities to be targeted are a reduction in the level of domestic CO₂ emissions for the district as a whole and a reduction in the level of households considered to be in 'Fuel Poverty'. Data used to assess these priorities is taken from nationally published statistical data compiled by the Office for National Statistics. Latest data sets available for use relate to 2012. This data has therefore been used to assess changes since the last report in 2013 that was based on 2009 data.
- 2.2 Total district wide domestic CO₂ emissions have risen between 2009 and 2012 and now stand 3.75% higher than 2009 levels. This is a lower increase than experienced Hampshire wide and nationally. The main reason for this increase is that during this period coal overtook gas as the biggest single source of UK electricity generation and coal fuelled power stations generate higher CO₂ emissions than gas powered stations. Per capita domestic CO₂ emissions have however fluctuated since the previous report and at 2012 were the same as 2009 levels (14.8% down on 2005).

The Council has set a long term 10% reduction target for overall CO2 emissions on 2009 levels by 2020. It is not proposed to change this target.

- 2.3 The no of households considered to be in 'Fuel Poverty' has decreased since 2010 and by 2012 stands at 9.2%. This is a decrease of 27.5% on 2010 levels and exceeds the Council's 2020 target of reducing the level of households in fuel poverty by 10% on 2010 levels.
- 2.4 The percentage of households in fuel poverty within the district (9.2%) is below the national average but higher than the average for Hampshire as a whole. All future initiatives that are to be developed, promoted or supported will seek to target these households.
- 2.5 The Government has concluded its review of how this indicator is calculated. The new adopted definition, Low Income High Cost (LIHC), further reduces the percentage of households considered to be in fuel poverty, with the percentage for New Forest standing at 6.6% of households. It is recommended that the LIHC definition is adopted for reporting purposes in the future.
- 2.6 As the original target has now been achieved consideration should be given to setting a revised reduction target for this key indicator. A revised 2020 target of a 25% reduction on 2012 levels, to 4.95% of households in fuel poverty, is suggested.
- 2.7 Hampshire County Council has a strategic aim to improve the health and wellbeing of all Hampshire residents. With regard to fuel poverty this is addressed through the project 'Hitting The Cold Spots' (HTCS), of which NFDC is a partner. Originally funded from the Department of Health 'Warm Homes Healthy People' fund it provided practical support to vulnerable residents across the county. In 2013/14 the scheme was funded by HCC Adult Services and Public Health Departments. The HTCS "Offer" has been refined each year depending on local and national opportunities however its core focus is in providing free, impartial information and advice to Hampshire residents to keep warm and well. NFDC will continue to work closely with partner authorities to promote the HTCS project to residents across the district.
- 2.8 New Forest District Council were partners in the Insulate Hampshire scheme which received several accolades including 'Best Local Initiative' at the climate week awards and the South East Carbon Action Network Award for 2013. The Insulate Hampshire scheme has enabled 14,000 households to have insulation measures installed across Hampshire. As a result, Hampshire residents are expected to collectively save over £91 million in fuel bill savings and over 9,000 tonnes of CO2 over the lifespan of their insulation measures. Over 2,200 assessments were undertaken on households in the New Forest which resulted in 1,634 insulation measures being installed. The total cost of these works exceeded £700k and are estimated to deliver a reduction in CO2 emissions of 1,202t p.a.
- 2.9 Working with other Hampshire Councils again we promoted the Switch Hampshire scheme to help residents see if they could save money on their energy bills by switching supplier. 271 households in the New Forest registered with the scheme and average annual savings per household are estimated at £214.
- 2.10 In 2013 NFDC signed up as a partner to the Solent Green Deal. The Solent Green Deal is a consortium of local authorities, led by Portsmouth City Council, working together to provide impartial advice and information to Hampshire residents, landlords and trades people about the Green Deal.

- 2.11 Take up by households nationally of the Green Deal has been slow with 389,000 total enquiries and only 7,207 plans received to October 2014. This slow take up has been reflected locally with only 116 enquiries from New Forest households to the Solent Green Deal, 19 assessments completed and only 2 properties installing energy efficiency measures as a result of their assessments. The Council however continues to support and signpost to the Solent Green Deal.
- 2.12 Internally the Council has continued to install solar PV systems on civic buildings and housing schemes where opportunities arise. The Council now has installations at Lymington Town Hall, Appletree Court, Totton and Lymington H&L Centres, Gore Grange and Lyndhurst Public Convenience. This equates to a total of 121 KWp. A further PV installation at Bannister Court, an all-electric housing scheme is planned for 2015.
- 2.13 Significant investment continues to the Councils housing stock with 99% of the stock now meeting the decent homes standard. 90% of properties have loft insulation installed, the remaining properties will be completed in 2015. 98% of properties of cavity construction have insulation installed. The remaining properties will be completed in 2015. All properties are now fitted with UpVC double glazed windows. A small number of hard to treat properties, predominantly of solid wall construction, require work to improve their thermal efficiency and this work is currently being planned.
- 2.14 A further action included in the 2013 HECA report was for the Council to consider signing up to the Local Government Association sponsored scheme 'Climate Local'. A task and finish group was established to review the scheme. Having assessed the benefits of formally signing up to the scheme it was recommended not to sign up to the scheme, the reasons being it was thought to be an unnecessary administrative burden on the Council and that much was already being done to address the issues being promoted by the initiative anyhow.
- 2.15 The Councils Local Plan Core Strategy (CS4) requires all new buildings to be constructed to high levels of energy efficiency. Specifically the policy requires all new homes to meet the requirements in the Code for Sustainable Homes, achieving a minimum of Level 3 from 2010 to 2012, Level 4 from 2012 to 2016, and Level 6 from 2016 (net zero CO2 emissions). New commercial buildings over 1000 sq. m. built before January 2012 have been required to meet the BREEAM 'very good' standards up to 2012, and thereafter the BREEAM 'excellent' standards.

3. ENVIRONMENTAL IMPLICATIONS

- 3.1 The whole thrust of this report is around the implications of CO2 emissions on the environment. The targets proposed will help in the wider agenda of global emission reductions.

4. EQUALITY AND DIVERSITY

- 4.1 Energy efficiency measures will be promoted across the district for the benefit of all households. It is also proposed that certain household types, particularly those classified as being in Fuel Poverty, will be targeted to achieve greater take up of initiatives in these hard to reach groups.

5. FINANCIAL IMPLICATIONS

- 5.1 At the present time there are no direct financial implications arising from the proposals in this report. The delivery of energy efficiency initiatives will be through the Green Deal, and as a consequence should be self-financing for households with the cost of installations being recovered by Green Deal providers through levies on household energy bills equivalent to the estimated energy savings resulting from the installations.
- 5.2 The Council will need to continue to provide officer resources to work with partner authorities in developing future initiatives and in the publicity and promotion of schemes within the district. This will be contained within existing resources.

6. CRIME AND DISORDER IMPLICATIONS

- 6.1 Any County or District wide schemes will need to be carefully managed to ensure that partner providers act in a professional and honest manner. For the Green Deal scheme all providers are required to undergo a formal assessment and accreditation process, and to sign up to a Code of Practice.

7. CONCLUSION

- 7.1 Domestic CO₂ emissions at district level have increased between 2009 and 2012, primarily due to an increase in electricity generation from coal power. The percentage of households assessed as being in fuel poverty over the same period has however reduced. New Forest District Council's influence on the performance of the private sector housing is principally achieved through planning policy and the current requirement for all new homes to be constructed to Code 4 standards. Improving the energy efficiency of existing private sector housing is achieved through the promotion and signposting of national and regional initiatives such as Green Deal, Insulate Hampshire and Switch Hampshire. It is anticipated that these initiatives will start to have an impact on CO₂ emission figures and fuel poverty issues over the next few years.
- 7.2 There has been significant investment in the Council's own housing stock over the last 10 years which has resulted in 99% of properties now achieving the decent homes standard, an element of which requires good levels of thermal efficiencies in the dwelling construction.
- 7.3 The Council is required to submit its HECA report to the Secretary of State for Energy and Climate Change by 31st March 2015. The progress report attached at Appendix 1 sets out the Council's targets for reductions in CO₂ emissions within the domestic sector by 2020 and the measures that the Council intends adopting to achieve these reductions.
- 7.4 The report complies with the DECC guidance and will be published on the Council's website.

8. COMMENTS OF THE ENVIRONMENT OVERVIEW AND SCRUTINY PANEL

8.1 The Panel considered this report at their meeting on 15 January and supported the recommendations below.

9.0 PORTFOLIO HOLDER'S COMMENTS

9.1 The Portfolio Holder welcomes the proposals and supports the recommendations.

10.0 RECOMMENDATIONS:

10.1 That the current target for a 10% reduction in domestic CO2 emissions on 2009 levels by 2020 levels remains unchanged;

10.2 That a new target be set for the number of household assessed as being in fuel poverty. It is recommended that the LIHC definition for fuel poverty is adopted and that a target of a 25% reduction on 2012 levels by 2020, to 4.95% of households in fuel poverty, be adopted; and

10.3 That the Cabinet recommend to the Council that the HECA progress report at Appendix 1 to this report be formally adopted for submission to government;

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Background Papers:

Env O&S Panel HECA Report 31.1.13

| Action | Example | | | | | | Timing |
|--|--|------------|----------------|------------|------------|------------------------------|--------------------------|
| i) LOCAL ENERGY EFFICIENCY AMBITIONS AND PRIORITIES | | | | | | | |
| | <u>EMISSIONS</u> | | | | | | |
| | CO2 Emissions (KT CO2) from domestic Use Estimates | 2005 | 2009 (Base Yr) | 2010 | 2011 | 2012 (% change on 2009 data) | % Reduction on 2005 data |
| | New Forest | 462 | 400 | 428 | 373 | 415 (+3.75%) | 10.1% |
| | Hampshire | 3,202 | 2,821 | 3,020 | 2,653 | 2,949 (+4.54%) | 7.9% |
| | England | 126,348 | 110,907 | 120,482 | 105,764 | 116,838 (+5.34%) | 7.7% |
| | National | 155,230 | 136,393 | 147,158 | 129,014 | 141,999 (+4.11%) | 8.5% |
| | Source: Local CO2 emissions estimates for 2005-2012 / www.gov.uk | | | | | | |
| | Per capita emissions (t) Domestic | 2005 | 2009 (Base Yr) | 2010 | 2011 | 2012 | % Reduction on 2005 data |
| | New Forest | 2.7 | 2.3 | 2.4 | 2.1 | 2.3 | 14.8% |
| | Hampshire | 2.5 | 2.2 | 2.3 | 2.0 | 2.2 | 12% |
| | England | 2.5 | 2.1 | 2.3 | 2.2 | 2.2 | 12% |
| | National | 2.6 | 2.2 | 2.3 | 2.0 | 2.2 | 15.4% |
| | Source: Per Capita Local CO2 emissions estimates, industry, domestic and transport sectors 2005-2012 / www.gov.uk | | | | | | |
| | <ul style="list-style-type: none"> CO2 emissions have increased by 3.75% between 2009 and 2012. This increase is lower than the national average. Per capita emissions (2.3t) are slightly higher than the national average but have reduced by 14.8% on 2005 levels. | | | | | | |
| | <p>We will work to reduce carbon emissions in the domestic sector by 10% on 2009 levels by 2020, i.e. 360KT CO2 / 2.07t CO2 per capita (the Carbon Plan sets out the Government's strategy to</p> | | | | | | |
| | | | | | | | 2020 |

reduce CO2 emissions from buildings of between 24% and 39% by 2027 based on 2009 levels).

FUEL POVERTY

| Households in fuel poverty | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------------|-------------|-------------|-------------|---------------------------|---------------------------|
| New Forest | 11.1 | 13.2 | 12.7 | 11.9 | 9.2 |
| | | | | 7.3 LIHC | 6.6 LIHC |
| Hampshire | 9.5 | 11.5 | 10.7 | 9.3 | 7.6 |
| | | | | 7.6 LIHC | 6.3 LIHC |
| England | 15.6 | 18.4 | 16.4 | 11.0 LIHC | 10.4 LIHC |

<https://www.gov.uk/government/collections/fuel-poverty-sub-regional-statistics>

- Our current performance on fuel poverty is that there are 9.2% fuel poor households in the District. This is well below the national average but higher than the Hampshire average.
- In our 2013 report we stated that we would review the fuel poverty target following the Government’s publication of its new Fuel Poverty Strategy and revised definition of Fuel Poverty. In the strategic framework document, ‘Fuel Poverty: a framework for future action’ (July 2013), Government set out how the new indicator will inform the strategic approach to tackling fuel poverty, including setting a new fuel poverty target which will be underpinned by a new fuel poverty strategy.
- New fuel poverty statistics were subsequently published in August 2013 by the Department of Energy and Climate Change, based on this new definition. Under the Low Income High Cost (LIHC) definition, a household is considered to be fuel poor where they have required fuel costs that 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. Using these new figures we can see that NFDC is only slightly higher than the Hampshire average.

In our previous report we set out that we would work to reduce the level of households in fuel poverty by 10% on 2010 levels by 2020, i.e. 11.43%. In 2012 we achieved this with 9.2% of households in fuel poverty. A new target is now proposed, based on the LIHC definition, for a 25%

2020

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| | <p>reduction on 2012 levels by 2020. i.e. 4.95% of households in fuel poverty.</p> <p>The Council will continue to work in partnership with Hampshire County Council and other Hampshire Districts and Boroughs to promote the HCC strategic aim to improve the health and wellbeing of all Hampshire residents, specifically through the Hitting the Cold Spots project.</p> <ul style="list-style-type: none"> In 2013 consideration was given to signing up to the LGA 'Climate Local initiative', but the Council decided against committing to this in view of the administrative requirements and the activity already underway across the district to address the carbon reduction agenda. | <p>2015/17</p> <p>2014</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>COUNCIL HOUSES</p> <p>During 2012 – 2014 period the following installations were implemented:</p> <ul style="list-style-type: none"> - 125 loft insulation installs - 31 cavity insulation installs - 132 solid wall insulations <p>For 2014/15 the following are planned:</p> <ul style="list-style-type: none"> - 110 loft insulation installs - 19 Solid wall insulations - 25 Cavity insulations <p>Investment will continue in the Council's own housing stock. 99% of properties meet the decent homes standard.</p> <ul style="list-style-type: none"> The Council was a partner, with Hampshire County Council and all the District and Borough Councils within Hampshire, on a project called 'Insulate Hampshire' which used Energy Company Obligation (ECO) funding to implement energy efficiency measures up to the end of March 2013. Together with neighbouring authorities in Hampshire, the council delivered the 'Insulate Hampshire' scheme, which aimed to help residents take advantage of Government funding for household energy efficiency improvements. The scheme has received several accolades including 'Best Local Initiative' at the Climate Week Awards 2013 and the South East Carbon Action Network Award for 2013. To the end of | <p>2015/17</p> <p>2014/15</p> |

| | | |
|---------------------------------------|---|---------|
| | <p>2012, 2,294 households were assessed under the scheme, with 1,634 households having insulation measures installed (a take-up rate of 72%, and 2nd highest of all the Hampshire authorities). The measures installed are estimated to deliver 1,202t CO2 savings p.a.</p> <ul style="list-style-type: none"> • We continue to work in partnership with Hampshire authorities to promote the Solent Green Deal - helping people to make energy improvements to their homes and save money on their energy bills without having to pay any installation costs. 116 enquiries have been received for NFDC area, with 19 assessments carried out under the scheme, with 2 properties proceeding with work to date (replacement boilers, cavity wall & loft insulations). We will continue to promote the initiative. • We joined with Hampshire County Council in promoting the 'Switch Hampshire' scheme to help residents see if they could save money on their energy bills by switching supplier. In our district 271 residents registered for the scheme– those who switched saved an average of £214 each. The council also helped small and medium-sized businesses in the New Forest find and switch to cheaper energy tariffs by encouraging them to register for the scheme. | 2015/17 |
| Feed in Tariffs scheme | <ul style="list-style-type: none"> • At the end of June 2014, 2,284 domestic solar PV systems had been installed within the District. This is a 43% increase since 2012. • In addition two large scale solar PV systems, totalling 7.5MW, have been installed within the District. It is estimated these two systems power 1470 homes. A further 5MW scheme has been granted planning permission which has now been implemented. Permission has also recently been granted for the installation of a 7.5MW solar PV system within the district but has not yet been implemented. • As a Council we have installed 120KWp PV installations and plan to increase this by approximately a further 21kWp on our own estate. | 2014 |
| Renewable Heat Premium Payment | <ul style="list-style-type: none"> • No central government collated statistics are available regarding renewable heat installations within that District that receive a Renewable Heat Premium Payment. However as a Council we are aware of a number of biomass systems and Ground Source Heat Pumps (GSHPs) that have been installed into domestic properties within the District. • Furthermore as part of a pilot scheme the Council has installed 3 Air Source Heat Pumps (ASHPs) on its own houses. The performance of the ASHPs will be reviewed and the possibility of further | Ongoing |

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|---|--|---|
| | <p>installations will be considered. In addition to the ASHPs the Council has renewed two existing Combined Heat and Power (CHP) systems at Council owned leisure centres during 2014.</p> <ul style="list-style-type: none"> A number of biomass systems are also operated by private sector organisations within the District. Planning permission has recently been granted for a large (8.5MW) commercial CHP biomass scheme which will use waste wood as its fuel source and will take advantage of the Renewable Heat Incentive (RHI) once it is operational. | |
| Zero Carbon Homes | <ul style="list-style-type: none"> The Council has a planning policy in its Local Plan Part 1 (Core Strategy) which requires all new homes are built to zero carbon standards from 2016 (Policy CS4). Recent consultation by the Government has indicated that a number of provisions relating to water and energy performance will be rolled into the Building Regulations for new development, and further details are awaited. The recently adopted Local Plan Part 2 (Sites and Development Management) document includes a policy which supports renewable and low carbon energy generation schemes subject to a number of criteria (Policy DM4). These could be connected to residential homes on major developments. | <p>2016</p> <p>2015/16</p> <p>2015/17</p> |
| EPCs | | |
| Minimum standards in the private rental sector | <ul style="list-style-type: none"> The Council responds to complaints received from tenants in the private rental sector with regards to energy efficiency/insulation matters. The Council will explore the options to work with our local landlords to pilot energy efficiency activity in the District and to promote sources of funding to help upgrade substandard properties. | <p>Ongoing</p> <p>2015/17</p> |
| Smart Meters | <ul style="list-style-type: none"> The mass roll-out of smart meters started in 2014 and to be completed in 2019. | 2015/17 |

| iii) MEASURES WE PROPOSE TO COST EFFECTIVELY DELIVER ENERGY EFFICIENCY IMPROVEMENTS IN RESIDENTIAL ACCOMMODATION BY USING AREA BASED/STREET BY STREET ROLL OUT | | |
|---|--|---------|
| | a. Continue to work with partner authorities across Hampshire to promote the Solent Green Deal. | 2015/17 |
| | b. Identify target areas including possibly priority areas (in line with the new LIHC data and emerging government strategy for targeting reductions in fuel poverty). | 2015/17 |
| iv) TIME FRAME FOR DELIVERY AND NATIONAL AND LOCAL PARTNERS | | |
| | <ul style="list-style-type: none"> The Council is a named partner in a new collective energy switching initiative lead by Hampshire County Council. In year 2- 4 options will be explored to target households in Fuel Poverty, hard to reach groups, the vulnerable and other energy types e.g. oil fired heating and the business sector. | 2015/17 |
| | <ul style="list-style-type: none"> CERT Funded installations for 2014/15 are planned: 110 loft insulation installs / 19 Solid wall insulation / 25 Cavity insulation. | 2014/15 |

Signed off by

Position

New Forest District Council