

REPORT TO	DATE OF MEETING
Cabinet	6 th February 2013

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Home Energy Conservation Act, - Key Targets and Priorities	Cllr C Hughes	Jane Maguire	6

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report outlines the main local targets and actions that are necessary to ensure improvements in the energy efficiency of residential accommodation. These targets are requirements of the Climate Change Act 2008, Home Energy Conservation Act 1995 and link into the Carbon Plan issued in December 2011 which sets out how the Government aims to achieve reductions in carbon emissions.

This links in with the corporate priorities of a Clean, green and safe South Ribble and will ensure we can provide strong and healthy communities, as fuel poverty and inefficient heating can have an adverse effect on health

This report sets out the role of the council in the Green Deal initiative and the local targets for reductions in fuel poverty and targets for reductions in carbon emissions to ensure that we comply with the act and directions to provide this information.

RECOMMENDATIONS

1. That Cabinet approve the recommendations as set out in the report for the council's role as promoter in the delivery of the Green Deal
2. That Cabinet approve the details of the "further report" (as attached) that will be submitted to the Secretary of State, including the targets for reduction in carbon emissions and fuel poverty

DETAILS AND REASONING

Background

The Energy Act 2011 Act introduced a number of changes in relation to the funding and provision of Home energy efficiency schemes including the introduction of the Green Deal and Energy company obligations (ECO), renewable heat incentives and other initiatives to assist with improving the energy efficiency of residential accommodation.

These measures are replacing the Warm front grants and CERT (Carbon emissions reduction target) funded grant schemes that have been traditionally used to improve energy efficiency in homes

It is expected that these new measures will support local ambitions and will assist local authorities to deliver ambitious domestic carbon reduction plans and address fuel poverty whilst linking in to the national targets (see Appendix 1)

The government is committed to local authorities setting their own priorities and targets as they are best placed to take advantage of the changes and best placed to assess local needs and judge what will make significant improvements based on their own circumstances.

However as this is a key role in achieving national targets the Government will be requesting “further reports” and progress reports as a requirement of the Home Energy Act Conservation Act 1995.

The “further reports” including targets must be prepared and submitted by the 31 March 2013 and set out the energy conservation measures that the authority considers practicable, cost effective and will result in significant improvement in the energy efficiency of dwellings in its area. It is expected that authorities

- should have regard to the initiatives available (as described below)
- develop measures to implement improvements on an area/street by street roll out involving local communities

Progress reports are required to be submitted at two year intervals up to 31 March 2027 and all reports are to be published on the website in an accessible format.

Green Deal/ECO

The Green deal removes barriers to households carrying out energy efficiency improvements by providing upfront capital - the householder then repays the capital through the resulting savings on their energy bill. The green deal initiative had a soft launch in October 2102.

Funding for schemes will be provided by the Energy company obligation (ECO). The intention is that the ECO scheme places greater obligations on the energy providers to support vulnerable householders to heat their homes and works in conjunction with the Green deal initiative.

There are three approaches that the local authority might choose to adopt in engaging with the Green Deal:

- Provide – this involves the authority delivering the Green Deal directly to their own residents, businesses and coordinating finance and delivery.
- Partner – work in partnership with commercial Green Deal providers and community partners to deliver the green deal.
- Promote – by acting as advocates for the Green Deal locally

The provider and partner role require a significant commitment and resources. Currently only larger authorities and those who own housing stock are considering taking up these roles. Birmingham City Council are the only authority that have registered to be a Green Deal provider with others investigating options to be either providers or partners.

It is recommended that South Ribble Council act as a promoter of the Green Deal working with reputable Green Deal providers and that we commit to working with Lancashire energy efficiency officers to develop a Partner role for Lancashire authorities.

Local Energy efficiency ambitions and priorities

The “further report” and the main targets actions and priorities for South Ribble have been drafted and are included on the suggested template (Appendix 2)

Carbon reduction targets

The Department of Energy and Climate Change (DECC) has produced various figures for carbon reduction for the area from the highest in 2006 at 274Kt to the lowest at 240kt in 2009.

As the figures have fluctuated over the years the target has been set using the 2005 figures of 271Kt as a baseline. This figure has been used because since 2005 we have implemented 11,403 insulation measures and the council has made substantial investment in delivering home energy measures. This reduces the future opportunities that we can take and identify. The figure also takes account of the fact that in the first few years of implementation the Green Deal could be slow to establish.

An achievable but ambitious carbon reduction target would be recommended at 20% from the 2005 baseline figure of 271Kt for the period 2013 – 2027. This would deliver a 1.66% per year reduction in carbon emissions equivalent to 4498.6 tonnes achieving an overall reduction of 5.4Kt by 2027.

Fuel Poverty targets

DECC reported that 16.4% of all households nationally are in fuel poverty 2010 (this is the most up to date figure from DECC). The figure for Lancashire is 20.5%

The stock condition survey in 2012 has identified that the level of fuel poverty in South Ribble is at 15.5% which is equivalent to 6564 properties.

The proposed target is to aim to maintain the numbers in fuel poverty below both the Lancashire and National fuel poverty levels reported. This takes into account the fact that we have rises in energy prices and that a 5% increase in fuel prices with a freeze on annual incomes would increase fuel poverty to 17%.

Our plan will focus on

- Helping to reduce fuel bills for local residents.
- Procuring and promoting a collective energy switching scheme
- Helping make homes warmer and healthier

This will be focused on the five My Neighbourhood areas and delivered on a street by street basis with Green deal providers based on fuel poverty findings from the 2012 stock condition survey.

Conclusion

The Council has invested into energy efficiency schemes since 2005 offering in recent years free measures which has resulted in maintaining lower than average fuel poverty figures.

The existing schemes have ended and it will take time for new initiatives to be established and deliver real savings for householders

The proposed targets and priority actions will provide a focus to ensure that we can continue to reduce fuel poverty, provide affordable warmth and reduce carbon emissions.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these.

FINANCIAL	There are no direct financial impacts to the authority There is a financial benefit to reduce fuel poverty for households by promoting the green deal		
LEGAL	There is a legal requirement to submit a target and plan to reduce carbon emissions and work to reduce fuel poverty		
OTHER (see below)			

BACKGROUND DOCUMENTS

DECC guidance on English Energy Conservation Authorities issued in pursuant to Home Energy Conservation Act 1995.

Appendix 1

Central Government Targets

Carbon Emissions

- to reduce greenhouse gas CO2 emissions by 29% by 2017, 35% by 2022, and 50% by 2027 – for buildings this means a reduction between 24% and 39% lower than 2009 levels by 2027;
- to insulate all cavities and lofts, where practical, by 2020;
- by 2030, between 1 – 3.7m additional solid wall installations and between 1.9 - 7.2m other energy efficiency installations;
- by 2030, 1.6 - 8.6m building level low carbon heat installations such as heat pumps (Government modelling suggests that 21 - 45% of heat supplies to buildings will need to be low carbon); and
- by 2050 emissions from UK buildings to be “close to zero”.

Fuel Poverty

- on-going support under the Feed in Tariffs scheme
- on-going support through the existing Renewable Heat Premium Payment and the new domestic Renewable Heat Incentive from summer 2013;
- requirements for all new homes to be built to a zero carbon standard from 2016;
- Energy Performance Certificates ('EPC'), which are required on the sale, rent or construction of a building, which provide the occupier with an assessment of the energy efficiency of the building and a set of recommended improvements that will make it more energy efficient;
- the Energy Act contains provisions to introduce a minimum energy efficiency standard (likely to be EPC band 'E') for private rented sector housing from 2018; details will be subject to full public consultation and use of these regulation making powers is conditional on there being no net or up-front costs to landlords. As a first step, government will work with the private rented sector to encourage uptake of energy efficiency measures through the Green Deal;
- By late 2019 smart meters to be installed in every home