

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM
DEVELOPMENT SERVICES	ENVIRONMENT, HEALTH AND HOUSING COMMITTEE	9 JUNE 2015	5

HOME ENERGY CONSERVATION ACT SUPPLEMENTARY REPORT

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

A Home Energy Conservation Act (HECA) report was presented to the former Policy Development Scrutiny Committee on the 12th March 2015. At that meeting members resolved that a costing exercise be undertaken to inform Cabinet of the cost implications of focussing resources on those households suffering fuel poverty. Under the new administrative arrangements it is appropriate for the Environment, Health and Housing Committee to consider this report. The report concludes that significant additional resources would be required to tackle fuel poverty in the council area and members are invited to consider the costs involved and determine what further actions, if any, they wish to take.

RECOMMENDATIONS

Members are asked to consider the contents of this report and determine what, if any, further actions they wish to take to tackle fuel poverty in the council's area.

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)	✓	To Encourage Cohesive Communities (People)	✓
To Promote a Thriving Economy (Prosperity)	✓	To Meet Expectations of our Customers (Performance)	

SUMMARY OF PREVIOUS DECISIONS

Policy Development Scrutiny Committee - 12th March 2015

Home Energy Conservation Act – Further Report March 2015. The Committee resolved:

1. That the Home Energy Conservation Act 1995 report of March 2015 be adopted, published, and notification of its publication be sent to the Secretary of State; and
2. That a costing exercise be undertaken to inform the Cabinet of the cost implications for focussing resources on those households suffering fuel poverty.

Cabinet – 25th March 2015

RESOLVED to approve the recommendations made by the Policy Development Scrutiny Committee at its meetings held on 19 February 2015 and 12 March 2015 subject to:

- Replace “Cabinet” on the Home Energy Conservation Act – Further Report March 2015, recommendation 2(2), to the “Environmental, Health and Housing Committee”.

REPORT

1. Guidance issued by DECC in July 2012, under the Home Energy Conservation Act 1995 (HECA), required all English authorities with housing responsibilities to prepare a report by 31 March 2013 setting out the energy conservation measures that the authority considers practicable, cost-effective and likely to result in significant improvement in the energy efficiency of residential accommodation in its area. The Council agreed a report in 2013 which was published.
2. [GOV.UK published data in 2013](#) which contains links for further information on HECA reports for those local authorities which reported under the HECA requirements above. This allowed for a comparison to see how individual authorities are performing.
3. A ‘Home Energy Conservation Act (HECA) – Further Report’ was presented to the former Policy Development Scrutiny Committee on the 12th March 2015. The purpose of that report was to advise and update members of actions being taken and progress towards improving the energy efficiency of domestic accommodation in the area.
4. Paragraph 4 of that report confirmed that; *‘It is most likely that the current actions will not be sufficient to achieve a significant improvement in energy efficiency and therefore will not achieve significant reductions in emissions of carbon dioxide as required by legislation.’*
5. Paragraph 6 of that report highlighted that; *‘Members may wish to note two issues from the preamble to the HECA report below;*
 - *Fuel poverty is reported in 10% or more of households in 11 (of 50) lower super output areas in Fylde. In one area it is reported in over 18% of households.*
 - *The per capita domestic emissions of carbon dioxide is significantly above average and is within the top 20% nationally for such emissions.**Members may wish to consider future actions in these areas.’*
6. The Committee resolved to adopt and publish the report. It also resolved that a costing exercise be undertaken to inform Cabinet of the cost implications for focussing resources on those households suffering fuel poverty. The minutes of PDSC were considered by Cabinet at its meeting on 25th March. Cabinet approved the recommendations of scrutiny although resolved that the costing exercise should be considered by the Environment, Health and Housing Committee under the new administrative arrangements for the Council after May 2015.
7. Definition of fuel poverty

Fuel poverty in England is measured by the Low Income High Costs definition, which considers a household to be in fuel poverty if:

- they have required fuel costs that are above average (the national median level)
- were they to spend that amount they would be left with a residual income below the official poverty line

8. Based on this definition it is estimated that 8.1% of households in Fylde are in fuel poverty. This equates to nearly 3,000 households. As mentioned above there are concentrations of fuel poverty in a number of lower super output areas in Fylde.
9. In assessing fuel poverty there is an interaction between the cost of fuel, the amount of fuel needed and the ability to pay for the fuel needed. Tackling one or more of these interactions should result in an improvement in the level of fuel poverty.
10. The amount of fuel needed is directly related to the size and energy efficiency of a dwelling. The most common ways of improving the energy efficiency of a dwelling are;
 - Improving the levels of loft insulation, cavity wall insulation or solid wall insulation
 - Improved draught proofing
 - Improved heating systems
 - Use of energy efficient lighting
 - Installation of double glazing
11. Of the measures listed above the most cost effective are generally a combination of loft and cavity wall insulation together with improved heating systems. Typical costs for these measures are estimated to be in the order of;
 - Loft insulation £300 - £400
 - Cavity wall insulation £400 - £600
 - New gas boiler £1,500
 - New gas central heating system including boiler £3,000These prices give a guide and will vary depending on, in particular, the type and size of property. They also represent an unsubsidised cost.
12. From the above it could cost in the order of £4,000 to properly improve a dwelling that has not had any previous energy efficiency works carried out. Applying this cost to the 3,000 households estimated to be in fuel poverty equates to £12 million. However it is likely that many properties would not require all of the above measures to sufficiently improve energy efficiency to take a household out of fuel poverty and so the total estimate would be somewhat lower.
13. The current level of [Energy Company Obligation¹ \(ECO\)](#) funding is uncertain but it is likely that some funding will remain available into the future. It is likely, therefore, that net costs could be kept to an average a few hundred pounds per dwelling but even at this level a spend of around £1million is estimated.
14. As mentioned earlier, the other determinants of fuel poverty include the cost of fuel and the ability of the household to pay for the fuel needed. Actions in these areas would be appropriate alongside any actions aimed at improving the energy efficiency of dwellings. Such actions could include;
 - Changing to a cheaper fuel e.g. from solid fuel to gas
 - Switching energy supplier to obtain a better tariff
 - Maximising household income.
15. There is currently no provision within the approved Revenue Budget nor the approved Capital Programme to carry out any of the actions referred to in this report.

¹ The Energy Companies Obligation (ECO) is a domestic energy efficiency programme which works alongside the Green Deal to provide added support for packages of energy efficiency measures.

16. Members are asked to consider the information in this report to determine what, if any, actions they wish to be carried out. If Members wish to carry out additional actions the funding for such activities would need to be addressed.

IMPLICATIONS	
Finance	Neither the Revenue Budget nor the Capital Programme for 2015/16 as approved by Council on 3 rd March 2015 include provision for any of the activities as described within the body of this report. If the Committee were to determine that any additional activities should take place, the funding for such would need to be addressed.
Legal	Enabling and facilitating the improvement of the energy efficiency of dwellings in the council area is a requirement of The Home Energy Conservation Act
Community Safety	There are no implications
Human Rights and Equalities	There are no implications
Sustainability and Environmental Impact	Improving the energy efficiency of dwellings will contribute to sustainable communities and improve the environment
Health & Safety and Risk Management	There are no implications

LEAD AUTHOR	TEL	DATE	DOC ID
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LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Housing Strategy (HECA reports)	2013 & 2015	http://www.fylde.gov.uk/resident/housing/housingstrategy/
The Home Energy Conservation Act (HECA) reports	27 th Nov 2013	https://www.gov.uk/government/publications/2013-home-energy-conservation-act-heca-reports
HECA report to Policy Development Scrutiny Cttee.	12 th March 2015	http://www.fylde.gov.uk/meetings/details/1219
Cabinet agenda/minutes	25 th March 2015	http://www.fylde.gov.uk/meetings/details/1192