

# Home Energy Conservation Act 2021

Summary

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#### 1. Why produce a HECA report and what is it?

The Home Energy Conservation Act 1995 (HECA) requires all local authorities (LAs) in England to submit reports to the Secretary of State demonstrating what energy conservation measures they have adopted to improve the energy efficiency of residential accommodation within that LA's area.

In January 2021, the Department for Business, Energy & Industrial Strategy (BEIS) issued new guidance in relation to the requirements of the Act. The Act called for all English authorities to submit a report in May 2021 and to continue to provide reports at two yearly intervals on progress made in implementing the measures set out in the further report.

This report sets out the city council's current and planned activity to comply with the requirements of the Act.

## 2. National Fuel Poverty Targets

The Warm Homes and Energy Conservation Act 2000 led to the publication of the UK Fuel Poverty Strategy in 2001 which included government targets to eradicate fuel poverty in England.

The government published its revised fuel poverty strategy: 'Sustainable Warmth Protecting Vulnerable Households in England' in February 2021 which continues its long-term fuel poverty target to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency standard of Band C by 2030. The 2021 strategy also reviewed progress against the following 2015 interim milestones

- As many fuel poor homes in England as is reasonably practicable achieve a minimum energy efficiency standard of Band E by 2020
- As many fuel poor homes in England as is reasonably practicable achieve a minimum energy efficiency standard of Band D by 2025

Progress has been made against the 2020 target with the latest statistics released in 2018 revealing 92.6% of fuel poor households are living in a property with a fuel poverty energy efficiency rating of B and E or above. This, however, means that around 180,000 fuel poor homes remained rated F or G in 2018. The government recognises that it is imperative Band F and G rated homes are not left behind

# 2.1 National Carbon Emission Reduction Targets

The Climate Change Act 2008 establishes a legally binding framework for greenhouse gas emission reductions. It includes a requirement for the government to set the UK legally binding 'carbon budgets. The Carbon Plan, published in 2011, sets out the government's strategy for meeting the carbon budgets which includes the following emission reductions and targets:

- Reduce carbon dioxide emissions by 29% by 2017, 35% by 2022, 50% by 2027 and 57% between 2028 and 2032 (from 1990 levels)
- 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".
- To support the ambitions in the Carbon Plan there are several drivers for action in the residential sector:
- Energy Performance Certificates (EPC), required on the sale, rent or construction of a building,
- Upgrade as many private rented sector homes to EPC Band C by 2030
- A continued drive towards smart meters to be installed in every home

#### 2.2 National Health Policy Framework

The links between fuel poverty and health are increasingly well understood and widely recognised both at the national and local level. The key health policies that support action on fuel poverty include (but are not limited to):

- Fuel poverty is included as an indicator in the Public Health Outcomes
  Framework for England, which sets out the Government's vision for
  public health, the outcomes we want to achieve, and the indicators that
  will help us understand how well we are improving and protecting
  health.
- The Cold Weather Plan for England is a framework intended to protect the population from harm caused by cold weather. It aims to prevent the major avoidable effects on health during periods of cold weather in England by alerting people to the negative health effects of cold weather, and enabling them to prepare and respond appropriately.
- The National Institute for Health and Care Excellence (NICE) published guidance in March 2015 on 'Excess Winter Deaths and Morbidity and the health risks associated with cold homes. The guidance helps stakeholders meet a range of public, housing and social care goals by making recommendations on how to reduce the risk of death and ill health associated with living in a cold home, according to the best available evidence. NICE are currently developing a new guideline relating to housing and health although the publication date is to be confirmed.

## 2.3 Energy Company Obligations Measures, ECO: Help to Heat

The Energy Company Obligation (ECO) is an obligation on energy suppliers aimed at helping households cut their energy bills and reduce carbon emissions by installing energy saving measures.

The current Energy Company Obligation programme ends on 31st March, 2022. The Government has made a commitment to have an energy supplier obligation in place until 2022, with a focus on fuel poverty.

The current scheme outcomes for the city are set out in this report. ECO3 is comprised entirely of a single obligation:

The Home Heating Cost Reduction Obligation (HHCRO) incorporates: the replacement of broken heating systems, the upgrade of inefficient heating systems, and the installation of insulation, to reduce home heating costs for low income, fuel poor and vulnerable people.

The ECO3 Order sets an overall target for HHCRO of £8.253 billion. For each phase of ECO3, a supplier is allocated a proportion of the overall obligation depending on its relative share of the domestic gas and electricity market. A supplier must achieve its obligations before 1 April 2022. A supplier achieves its obligations by promoting qualifying actions ('measures') at domestic premises.

#### 3. Stoke-on-Trent Profile

Each year the Department for Business, Energy and Industrial Strategy (BEIS) publish datasets in relation to fuel poverty and carbon dioxide emissions at local authority levels.

# 3.1. Fuel Poverty

In the government's 2021 Fuel Poverty Strategy it introduced a new measure to establish if a household is in fuel poverty.

The measure: Low Income Low Energy Efficiency (LILEE), finds a household to be fuel poor if it:

- Has a residual income below the poverty line (after accounting for required fuel costs) and
- Lives in a home that has an energy efficiency rating below B and C

A key change that LILEE considers is whether a household has reached Band C or above (Bands A and B) in energy efficiency. Where such households struggle with their energy bills, it is unlikely to be because their home needs more insulation. The government will, however, continue to consider the needs of low-income vulnerable households living in Band A to C homes under its vulnerability principle, as well as the needs of fuel poor households living in Bands D to G.

Figures for fuel poverty for 2019 published in 2021<sup>1</sup> show the number of households living in fuel poverty in Stoke-on-Trent is 21.8%, 25,134 households. This is an increase from 15.4%, 17,234 households in figures published in 2019 for 2016. The proportion of households in England in fuel poverty was estimated to have increased from 11.1% (2.55 million Households) to 13.4 per cent in 2019 (approximately 3.18 million households).

The city's approach to tackling fuel poverty is set out within its Fuel Poverty Strategy<sup>2</sup>.

Further information about fuel poverty and its impacts on the health and wellbeing of people in the city is provided in the city's Joint Strategic Needs Assessment<sup>3</sup>.

#### 3.2. Carbon Emissions

Carbon dioxide (CO2) is the main greenhouse gas, accounting for about 81% of the UK greenhouse gas emissions in 2016<sup>4</sup>. DECC/BEIS publish estimated CO2 emissions across the Industry & Commerce, Domestic and Transport sectors at local authority level. Domestic emissions are estimated using local data such as electricity and gas consumption (wherever possible).

The total per capita emissions in Stoke-on-Trent for 2019 was 4.9 tonnes per person which is a 0.4 tonnes per person reduction on the figure recorded in 2016.

Between 2018 and 2019, CO2 emissions decreased in 360 out of the 379 local authorities in the UK (95%). This is consistent with the decrease in overall UK emissions from 2018 to 2019 (3.6% fall). The main driver of the decrease in UK emissions in 2019 was a change in the fuel mix for electricity generation, with a decrease in the use of coal and more use of renewables

## 3.3. Stoke-on-Trent Fuel Poverty Strategy

Further evidence supporting action on fuel poverty is described in the city's 2016-2020 Fuel Poverty Strategy adopted by the council in October, 2016. The overall aim of this strategy is to reduce the rate and risk of fuel poverty in Stokeon-Trent. The strategy's objectives are:

- Reduce energy consumption through behavioural change
- Improve building fabric and reduce cold related illness

<sup>&</sup>lt;sup>1</sup> Click here to visit government/statistics/sub-regional-fuel-poverty-data-2021

<sup>&</sup>lt;sup>2</sup> Click here to visit stoke.gov.uk Fuel Poverty Strategy 2016-20

<sup>&</sup>lt;sup>3</sup> Click here to visit stoke.gov.uk joint-strategic-needs-assessment

<sup>&</sup>lt;sup>4</sup> <u>Click here to visit government/collections/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics</u>

- Maximise household income and reduce household costs where possible
- Increase the amount of energy generated from renewable and low carbon sources to provide secure, price predictable energy

As at September 2021, overall progress against the Fuel Poverty Strategy Action Plan was a very positive one, reporting at 88% complete over the total actions of the plan.

The council is currently working on a refreshed Fuel Poverty Strategy in line with the Government's 2021 strategy.

#### 3.4. Stoke-on-Trent and Staffordshire LEP Energy Strategy, November 2018

The Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) 2018 Energy Strategy outlines a series of approaches that will see the city work towards the delivery of secure, affordable energy solutions. There is a strong emphasis on the delivery of decentralised renewable energy backed by the requirement to address energy efficiency.

Work is underway within the council to improve the energy efficiency of the corporate estate with an emphasis on sharing experience with other public sector bodies. There is an aspiration to utilise our District Heat Network for residential properties – the council is currently exploring options. There is an existing residential element as universities are adopting the District Heat Network and this includes halls of residence. There are further plans to roll out and deliver the District Heat Network to neighbouring residential properties are being explored.

New building energy management systems for Council buildings are being implemented and these will include Council owned care homes and other residential properties.

Studies are planned to explore how low temperature heating might be exploited alongside energy efficiency measures to provide a commercially sustainable solution that can be adopted extensively across the city improving efficiency and having a significant impact in decarbonisation. This would be fully integrated into the existing developing district heating scheme and should see more widespread expansion of communal based schemes across the city which can, over time, be integrated into the growing network.

# 3.5. Housing Revenue Account Renewable Energy Strategy 2017-22

Stoke-on-Trent City Council has a housing stock asset base of approximately 17,700 dwellings which includes council houses, low, medium and high-rise flats, bungalows, and sheltered housing. The Housing Revenue Account Renewable Energy Strategy 2017-2022 has been developed to provide strategic direction on opportunities that exist for the council's housing stock to make use of renewable energy technology.

The Housing Revenue Account Renewable Energy Strategy 2017-2022

assesses further potential of renewable technology, and how it can assist in:

- Reducing energy costs for tenants
- · Meeting fuel poverty objectives
- · Providing an income stream for the council
- · Meeting carbon reduction objectives

The strategy identifies the key technologies, programmes and investment required to enable the council to play its part in meeting the national and local targets on carbon reduction and low or zero carbon energy generation, as well as identifying links with the proposed district heat network.

The council will release a refreshed Housing Revenue Account Renewable Energy Strategy in 2022.

## 4. Further Report

#### LOCAL ENERGY EFFICICENCY AMBITIONS AND PRIORITIES

#### 4.1 Fuel Poverty

The council, working in partnership with local agencies, has a Fuel Poverty Strategy. The strategy provides the strategic framework for fuel poverty investment and activity according to local energy efficiency ambitions and priorities.

The council's Fuel Poverty Strategy proposes to focus on the following key areas:

- Helping people to reduce their energy bills
- Improving building efficiencies to reduce cold related illness
- Maximising household incomes
- To Increase renewable energies for our housing stock and reduce our carbon emissions

Over 8,000 of the city council's properties have a Standard Assessment Procedure (SAP) rating of C or above. This figure is expected to rise significantly once data has been collected following the completion of the city's Community Energy Scheme to install PV solar panels on our housing stock.

The Government's 2015 Fuel Poverty Strategy included an interim target for all properties to reach Band D by 2025 and a legally binding target for properties to reach Band C by 2030. National and local stock condition data indicates that the propensity of fuel poverty is highest in the private sector.

## 4.2 Planning

The council also has an existing Policy on Sustainability and Climate Change (Policy CSP3) within the adopted Core Spatial Strategy (adopted 2009).

Click here for Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy

The Core Spatial Strategy states:

Development which positively addresses the impacts of climate change and delivers a sustainable approach will be encouraged.

The highest standards of energy and natural resource efficiency will be achieved by:

- Requiring that all new development, as a minimum, complies with on-site
  or near-site renewable or low carbon energy targets set out in current or
  future national guidance and the Regional Spatial Strategy and takes
  positive measures to reduce carbon emissions to the levels set out in the
  Regional Spatial Strategy.
- Ensuring the use of construction methods which minimise the use of nonrenewable resources and which maximise the use of recycled and locally sourced materials.
- Requiring all new developments to incorporate the use of Sustainable Urban Drainage Schemes (SUDS).
- Developing habitat systems which are resilient to climate change in accordance with latest best practice.
- Supporting local initiatives to address climate change such as the North Staffordshire Warm Zone and other initiatives that may emerge.
- Requiring best practice standards where supported by future local or regional evidence.
- All new developments shall be positioned in locations at lowest possible flood risk as identified in the SFRA and all suitable flood mitigation measures shall be investigated and where possible incorporated into the development. Opportunities will be sought to open up culverted watercourses to alleviate flood risk, create and improve habitats and develop green corridors.

Where these requirements are impractical and/or unviable, the onus will be on the developer to demonstrate that this is the case.

The 2009 Core Spatial Strategy will be replaced by a new Local Plan to cover 2020-2040. The Local Plan is currently in development.

# 4.3 Partnership Working

The council actively works with:

- National and international supply chain and businesses to promote energy
  efficient products and services and sharing of best practice in adoption. This
  is promoted under the banner 'HotSpot Stoke' and 'Smart City Alliance' and
  has also included activities with the support of BEIS, Nordic Heat, The
  Swedish Energy Agency and Business Sweden. To date 3,500 participants
  have engaged in activities and events.
- Stoke on Trent College which is opening the UK's first national District Heat Skills Academy, training workers to deliver the UK's newest energy infrastructure. The Academy will offer apprenticeships, full time courses and part time courses in building services, engineering, electrical installation, welding, plumbing, groundworks, highways maintenance and heating and ventilation.
- Unitas', the Council's wholly owned Repairs company to deliver measures in private sector homes across the city.
- National and local partner agencies such as Beat the Cold and the Citizens Advice Bureau to develop referral pathways into specialist support services when a customer with additional needs has been identified.
- Local ECO providers and fuel poverty charity Beat the Cold to maximise contacts with households in the city delivering a range of advice and improvements.
- The Groundwork Trust to deliver Energy Efficiency packs to homes across the city.

## **4.4 Energy Company Obligations**

Funded through a small levy on all energy bills, the Energy Company Obligation Scheme (ECO) is a Government energy efficiency scheme in Great Britain to help reduce carbon emissions and tackle fuel poverty. ECO delivers energy efficiency and heating measures in homes across Great Britain and is the only current energy efficiency delivery mechanism in England.

The Government has committed funding for ECO until 2022 at a projected cost of £640 million per annum, rising with inflation. As at September 2018, it had delivered over 2.4 million measures in around 1.9 million households.

Following the Spring 2018 consultation, the Government set out in its response that ECO3 will fully focus on Affordable Warmth – low income, vulnerable and fuel poor households.

Up to the end of December 2019, 11,440 Households in the City were in receipt of ECO measures. 105.2 households out of every 1000 in the city have benefitted from improvements through the scheme.

The council has published a Statement of Intent for Flexible eligibility:

#### Click here for Statement of Intent Flexible Eligibility Stoke-on-Trent City Council

As of 25 August 2021, 11 Flexible Eligibility Declarations have been signed by the Council.

## **4.5 Council Housing Improvements**

The council has delivered a range of improvements in social housing in order to improve energy efficiency. These include:

- The refurbishment of 135 bungalows including: replacing UPVC low insulated panels with insulated panels to the front and rear elevations, replacement of composite doors and windows with triple glazing and loft insulation.
- Loft Installation programme (370 properties)
- Composite door programme (1332 composite doors fitted)
- 'A' rated gas boiler programme with heating controls and programmers (1710 systems fitted)
- Electric Boiler programme in High-rise Flats (42 systems fitted)
- Crosswall Houses The council has completed a pilot of structural wall insulation to 12 properties of this archetype and plans to start a programme of 74 properties in 2021.

## 4.6 Community Energy Scheme

The council has entered into partnership with energy company Solarplicity to deliver the Community Energy Scheme. To date over 6,000 council tenants have signed up to the programme and solar panels have been installed on over 4,700 council homes. All council tenants who have signed up to the scheme have received LED light bulbs.

#### 4.7 Renewable Heat and Low Carbon Heat Networks

The council's District Heating scheme is now in delivery. The initial phases of the scheme should see approximately 45GWh of low energy supplied annually and reduce carbon by around 10,000 tonnes per year. There is an aspiration to utilise the District Heat Network for residential properties including University halls of residence. Partnership options to roll out and deliver the District Heat Network to neighbouring residential properties are being explored.

#### 4.8 Safe and Warm Homes Grants - Private Sector

For owner occupiers and private tenants, 'Safe and Warm Home' grant products have been available since February 2018 providing energy efficiency measures, new heating and repairs and improvements to help keep vulnerable owner occupiers and private tenants safe and warm in their homes.

There are three 'Safe and Warm Home' grant products available through the Council:

- Homeowners Grant (up to £10,000)
- Landlords grant for the benefit of their eligible tenants (up to £5,000 with a 50% contribution required from the landlord)
- To pay Energy Obligation Scheme (ECO) funding contributions (up to £1500)

The type of repairs and improvements eligible are:

#### Heating Improvements:

- · Boiler repairs or replacement
- New heating controls
- Cavity wall and loft insulation
- Draft proofing package
- Hot water cylinder jacket
- New radiators where required

Measures to improve Energy Efficiency:

- Connecting homes to the District Heat Network
- Whole house LED bulb replacement
- Home Improvements
- Windows and doors for properties with single glazing
- · Measures to prevent slips, trips and falls e.g. bannister rails

Additionally, advice and assistance are available to make heating affordable by helping residents to:

- reduce heating costs with tariff switching
- increase income using benefits checks
- use heating efficiently setting controls and timers

In 2020, 141 properties had hazards eradicated and work completed. The cost of repairs totalled £3,847,09.76 and this equates to potential savings to the National Health Service of £800,201 and savings to society of £14,251,159.

#### 4.9 Warm Homes Fund - First Time Central Heating

The Private Sector Housing Team also co-ordinates first time central heating scheme. This scheme is supported by funding awarded from the National Warm Homes Fund, Round 3. The scheme will deliver 90 first time heating installations by August 2021 and provide an investment of £246,200 in the city. The total number of installations completed at April 2021 was 64 with £175,076 funding spent.

## 4.10 Private Sector Housing - Raising Standards

The Private Sector Housing Enforcement Team is responsible for leading on minimum standards.

Every complaint the team receives about property condition is followed up and the team consider their approach to make the right balance between support and enforcement

Every disrepair case relating to an accredited landlord is notified to the Landlord Accreditation Officer. Where landlords are not members of the Accreditation Scheme they are encouraged to join.

#### 5. Key Contacts

For comments in relation to this report and its development please contact the Housing Enabling and Projects Team:

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