

Item **Home Energy Conservation Act 1995 (HECA) report**

Report of the Housing, Health and Communities Portfolio Holder

Recommended:

- 1. That the HECA Action Plan 2013 shown at Annex 3 be approved.**

SUMMARY:

- The Government requires local housing authorities to develop an action plan and report to the Department of Energy and Climate Change by the end of March 2013
- Reports on progress will be required at two yearly intervals thereafter
- There is a need to conduct research and investigatory work with partners in order to develop targets for future action
- An action list is annexed to the report which highlights the priorities for action in the first year
- A further report will be developed towards the end of the next financial year to report on progress and revise the action plan accordingly

1 Introduction

- 1.1 New guidance for local authorities, concerning HECA, was launched in July 2012. The guidance advised that in future, local authorities would have to produce a Home Energy Conservation report (HECA report) by March 2013 and progress reports at two yearly intervals, thereafter.

2 Background

- 2.1 The 1995 Act sees local authorities as being *uniquely placed* to assess the needs of their areas and *to act as a catalyst for change*. The Act recognises local authorities' ability to use their position to improve the energy efficiency of all residential accommodation owner-occupied, privately rented and social housing) in their areas.
- 2.2 The Climate Change Act 2008 sets specific targets for reductions in carbon emissions and the starting point for action by central and local government is to improve significantly the energy efficiency of residential accommodation. Local authorities are required to set their own priorities and any related targets as they are considered to be best placed to assess their local needs and

judge what will achieve significant improvements based on their particular local circumstances.

- 2.3 Recognising this key role to be played by local authorities, the Government has decided to request further reports and related progress reports in accordance with the Act. As a consequence, local authorities have been requested to produce a report by 31 March 13 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.
- 2.4 Producing a detailed HECA report at this point in time presents considerable challenges. The Government's flagship scheme for this area of work; the Green Deal, was recently launched on the 28 January 2013. As a consequence, it is only possible to provide a broad brush scoping report at this time identifying the further research and discussions that need to be undertaken. This investigatory work will involve talking to our key housing partners, energy companies, local authority colleagues and the newly established Green Deal providers.

3 Corporate Objectives and Priorities

- 3.1 The requirements of the HECA legislation potentially impacts any household whose home needs improvement in terms of energy efficiency. In this way, it supports the corporate priority of *Improving Access to a Decent Home* and is aimed at less well-off residents and those who more likely to be vulnerable.
- 3.2 HECA also fully supports the Council's priority of *Enhancing and Preserving our Natural and Built Environment*. One of the key objectives within this priority is to help reduce the carbon footprint of the people of Test Valley.

4 Consultations/Communications

- 4.1 Discussions have been held with The Environment Centre in Southampton and they have carried out research on the Council's behalf. The Government guidance issued in July 2012 published links to enable the local baseline information to be obtained from government data sources. The Environment Centre collated the baseline information for the Borough (Annex 1) and provided a report to act as a starting point for this report and action plan.
- 4.2 An officers' steering group will also be formed to take this matter forward with membership drawn from key local Registered Providers (RPs) including tenant representation, The Environment Centre and private landlords.

5 Options

- 5.1 The baseline information is included as Annex 1 to the report and provides details on:
- (a) Fuel poverty levels
 - (b) Carbon dioxide emissions
 - (c) Energy intervention programmes carried out over the past 3-4 years.
 - (d) Energy consumption
- 5.2 The conclusions that may be drawn from this data are summarised as follows:
- (a) The Borough has lower than average fuel poverty levels, however there is considerable scope to improve the energy efficiency of the housing stock and reduce emissions.
 - (b) Domestic CO₂ emissions in Test Valley are significantly lower than those in Hampshire, the South East and Great Britain as a whole.
 - (c) Domestic gas consumption is also notably lower than the British average, however 25.5% of the homes in the Borough do not have a gas supply. As a consequence, electricity consumption is higher than the British average, although reducing.
 - (d) Cavity wall insulation installations are below the national average as are loft insulation levels.
 - (e) Domestic solar Photo Voltaic (PV) installations are above the national average.

6 Option Appraisal

- 6.1 Annex 2 to the report provides details of a proposed HECA Action List produced by The Environment Centre, based on the key findings drawn from research and from the baseline information. It also accords with the requirements set out in the Government guidance, issued to all local authorities last July, for the completion of the Government's HECA report template.
- 6.2 This Action List forms the basis of the Option Appraisal and recommended priorities. It refers to the first year (2013/14) and mainly relates to research and investigatory work in order to ensure that the Council has full information on which to base future years' targets for increasing energy efficiency and reducing carbon emissions from domestic properties.
- 6.3 The most important areas to be covered within the first year of the Plan are detailed (a) – (f) below. This comprises in effect a framework within which the further work required will be developed. Within this framework, a number of more detailed pieces of work will be developed in years two and later.
- (a) To establish reliable baseline information on which to develop our approach
 - (b) To identify key partners and providers and establish their capacity and priorities
 - (c) To develop a Fuel Poverty Strategy which will act as foundation for prioritising work to be undertaken
 - (d) To develop our approach to the Green Deal including understanding the scope of the providers' contribution
 - (e) To consider how the implementation of the action plan might be resourced including the establishment of an officers' working group to manage this project and take the work forward
 - (f) To begin identifying, if appropriate, how an area based approach might be developed in Test Valley to tackle the least energy efficient homes in the most cost effective way.
- 6.4 The priority actions under each heading may be summarised as follows.
- (a) Local energy efficiency ambitions and priorities
 - The Council's commitment to Climate Local
 - Compile a bespoke Fuel Poverty Strategy for the Borough or in partnership with neighbouring authorities
 - Develop a local action plan that is aimed at achieving a projected reduction in CO2 emissions to meet the national target of 34% saving based on 1990 levels
 - Investigate whether it is possible and appropriate to increase the number of domestic properties connected to a gas supply and to promote oil collective purchasing arrangements to residents.
 - Where appropriate, to promote the use of low carbon heat generating technologies with house builders and developers.

- (b) Measures being taken to ensure significant energy efficiency improvements of residential accommodation
- Investigate how current levels of insulation installations might be increased through the Green Deal and Energy Company Obligations (ECO). Develop partnerships to help deliver the Green Deal.
 - Develop appropriate targets for the percentage increase in photo voltaic installations in the Borough
 - Develop a communication strategy to make the public aware of the Renewable Heat Premium Payment.
 - Develop targets for the percentage increase in renewable heat installations.
 - Decide at what level developers should be required to reach in complying with the Code for Sustainable Homes.
 - Obtain and analyse Energy Performance Certificate (EPC) data and promote means of improvement to landlords, tenants, home owners and letting agents, linking with Green Deal and ECO.
 - Identify landlord energy efficiency schemes in the Borough.
 - Develop smart meter installation plan and accompanying communication strategy
- (c) Measures proposed to cost effectively deliver energy efficiency improvements in residential accommodation by using area based roll-out.
- Identify potential areas for improvement and relevant partners.
 - Identify roll-out programme.
- (d) Identification of key partners and time frame for delivery
- Identify local partners to assist in delivering the Action Plan priorities including key housing partners, energy companies, Green Deal providers, local authority colleagues
 - Continue to actively support and promote Hitting the Cold Spots project and Insulate Hampshire
 - Discuss opportunities to increase the number of homes connected to gas with Southern Gas Network.
 - Discuss planned improvement schemes with Registered Providers and links to Green Deal.

7 Risk Management

- 7.1 A risk assessment has been completed in accordance with the Council's Risk management process and the existing risk controls in place mean that no significant risks (Red or Amber) have been identified.

8 Resource Implications

8.1 There are no immediate resource implications beyond officer time and expenditure within existing revenue budgets. However, if this work is to be progressed taking into account all aspects listed in paragraph 6.4, increased resources will be required. This will need to be kept under review.

9 Legal Implications

9.1 There are none at this stage.

10 Equality Issues

10.1 An Equality Impact Assessment is not required at this stage as the action plan refers only to research and investigatory work.

11 Other Issues

11.1 Community Safety - none

11.2 Environmental Health Issues – the purpose of the report is aimed at improving the thermal comfort and energy efficiency of homes within Test Valley.

11.3 Sustainability and Addressing a Changing Climate – the report fully supports the Council’s ambitions in this regard

11.4 Property Issues – none at this stage

11.5 Wards/Communities Affected- potentially all wards

Conclusion and reasons for recommendation

11.6 The Council is required to submit a Home Energy and Conservation Act (HECA) report to the Department of Energy and Climate Change by March 2013. This report incorporates an action plan which is primarily aimed at carrying out further research in order to inform the Council’s future years’ targets in respect of this matter.

Background Papers (Local Government Act 1972 Section 100D)

Guidance to English Energy Conservation Authorities issued pursuant to the Home Energy Conservation Act 1995, dated July 2012

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:

three

File Ref:

HECA

(Portfolio: Housing, Health and Communities) Councillor Sandra Hawke			
Officer:	Brian Cowcher	Ext:	8601
Report to:	Cabinet	Date:	13 March 2013

Brief Description

An action plan to take forward the Council's work in respect of the Home Energy Conservation Act 1995 requirements.

<u>Have you taken the following into consideration?</u>	Yes/No
Policy Framework/Council's Strategic Priorities	Yes
Key Decisions	Yes
Community Safety Issues	Yes
Equality Issues	Yes
Risk Management	Yes
Environmental Health/Sustainability	Yes
Property/Accommodation Implications	Yes
Is this report confidential?	No

<u>OFFICER CONSULTATIONS</u>		<u>COMMENTS</u>
Chief Executive	X	
Corporate Director (AF)	X	
Corporate Director (CM)	X	
Finance	X	
Legal	X	
Human Resources		
Other Heads of Service	X	
Leader	X	
Corporate Portfolio Holder	X	

CSU		
Economic Portfolio Holder	X	
Environmental Portfolio Holder	X	
Leisure & Wellbeing Portfolio Holder	X	
Housing, Health & Communities Portfolio Holder	X	
Planning & Transport Portfolio Holder	X	
UNION		
FINAL APPROVED VERSION	X	

Statutory Authority – Home Energy Conservation Act 1995

RISK MANAGEMENT

Questionnaire for Committee Reports

To produce an accurate and reliable Risk Assessment for your report to Councillors, please work through the questions below.

The questionnaire only applies to reports to either Cabinet or General Purposes Committee.

You may not need to answer all of the questions.

At various points you will be advised to use one of the standard phrases called 'Options' in Section 4.

Report title: Home Energy Conservation Act 1995 (HECA) report

Report author: Brian Cowcher

Service: Housing and Environmental Health

Committee Date: 13 March 2013

Note: Please consider adding to your service risk register, those significant risks highlighted as part of this assessment which require further action.

Please retain the completed questionnaire, risk assessment and supporting paperwork as these documents will be subject to review by the Audit Commission.

For any advice or assistance in completing this questionnaire please contact the Financial Services Manager, or in their absence, Head of Finance

RISK MANAGEMENT Questionnaire for Committee Reports

1. Do the principles of Risk Management apply to your Committee report ?

a)	Is this report for information only, not requiring decisions to be made ?	NO
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If your answer is **YES**, then you need not complete any further questions and you should include the **Option 1** statement in the Risk Management section of your report with appropriate amendment. If your answer is **NO** please continue to the next question.

b)	Have the risks associated with the recommendations of this report already been considered by Councillors in a previous report to Committee.	NO
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If your answer is **YES**, then you need not complete any further questions and you should include the **Option 2** statement in the Risk Management section of your report with appropriate amendment.

2. Questions to consider before writing your report to Committee

a)	Am I recommending the provision of a new service for the Council, the start of a new project or the set up of a partnership agreement with one or more organisations outside the Council?	YES
b)	Am I recommending changes to the way an existing service or project is managed, operated or funded?	NO
c)	Am I recommending changes to Council policy or strategy?	YES
d)	Am I reporting on the performance of the Council or one of its services which will require actions to be approved and implemented ?	YES

If the answer is **YES** to any of these four questions then you will need to undertake a risk assessment of each of the options you have presented in Section 5 of your report to Councillors. The Council's Risk management process should be used along with the Council's standard risk assessment template (below).

If the answer is **NO** to all of these questions there is no need to undertake a risk assessment, and you should include the **Option 2** statement in the Risk Management section of your report with appropriate amendments.

3. Questions to ask yourself once you have undertaken your risk assessment:

<p>a) Have I identified existing risk controls that minimise the risks and therefore there are no significant (Red or Amber) risk implications?</p> <p>If the answer is YES to this question then no further questions are applicable and you should include the Option 3 statement in the Risk Management section of your report.</p> <p>If the answer is NO, please continue with the remaining questions in this section</p>	<p>YES</p>
<p>b) Have I identified new risk controls that are required to minimise the risks and which require additional financial resources? If the answer is YES to this question then you should:</p> <p>i) Contact your Service Accountant or Head of Finance to confirm the costing and availability of those resources. Any additional resources should be reported in the Resource Implications (Section 8) of your report to Councillors.</p> <p>ii) Include the Option 4 statement in the Risk Management section of your report.</p>	<p>YES / NO</p>
<p>c) Have I identified that any new or increased insurance may be required? If the answer is YES to this question, or you are uncertain, then you should:</p> <p>i) Contact the Council's Insurance Officer to confirm the cost and implications of extra insurance. Any additional insurance costs should be reported in the Resource Implications (Section 6) of your report.</p> <p>ii) Include the Option 4 statement in the Risk Management section of your report.</p>	<p>YES / NO</p>
<p>d) Have I identified any significant (Red or Amber) remaining risks that are not minimised fully by existing or planned risk controls? If the answer is YES to this question then you should include the Option 5 statement in the Risk Management section of your report.</p>	<p>YES / NO</p>
<p>e) Am I attaching a document to the report (e.g. project plan, business plan, strategy statement) that includes its own detailed</p>	<p>YES / NO</p>

risk assessment? Please remember the attached document will then be in the public domain.	
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If the answer is YES to this question then you should include the Option 6 statement in the Risk Management section of your covering report.	
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4. Option statements to be included in your report

Option 1

This report is for information purposes so the Council's Risk management process does not need to be applied.

Option 2

An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the changes/issues covered do not represent significant risks or have previously been considered by Councillors (refer to date, relevant Cabinet or Committee meeting and item number).

Option 3 (Risks identified are all "Green")

A risk assessment has been completed in accordance with the Council's Risk management process and the existing risk controls in place mean that no significant risks (Red or Amber) have been identified.

Note: Use the Council's standard risk assessment template (below)

Option 4 ("Red" or "Amber" Risks remain)

A risk assessment has been completed in accordance with the Council's Risk management process and has identified significant (Red or Amber) risks as detailed in the risk assessment. The Required Actions proposed to reduce these risks will incur additional control costs/insurance as outlined in the Resource Implications section of this report.

Note: Use the Council's standard risk assessment template (below) .

Please ensure any resource implications are cross referenced between the completed risk assessment and the Resource Implications section of your report.

Option 5 ("Red" or "Amber" risks remain)

A risk assessment has been completed in accordance with the Council's Risk management process and has identified the following significant (Red or Amber) residual risks that cannot be fully minimised by existing or planned controls or additional procedures.

Note: Use the Council's standard risk assessment template (below)

Option 6

The attached project documentation includes a detailed risk assessment that has been completed in accordance with the Council's Risk management process.

Note: Key project documentation should be attached to your Committee report and should include a risk assessment using the standard template as shown in Appendix 3 of the Council's Risk Management Strategy.

