

| Sustainable Development Select Committee | | |
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| Title | Home Energy Conservation Act 2017 | |
| Contributors | Asset Management Planning Manager; Sustainability Manager | Item 5 |
| Class | Part 1 (open) | 8 March 2017 |

1. Purpose

- 1.1 This report seeks the Sustainable Development Select Committee's views on a draft Home Energy Conservation Act (HECA) report, which the Council is required to publish by March 2017.

2. Recommendations

- 2.1 The Committee is invited to comment on the draft HECA report for Lewisham.

3. Policy Context

- 3.1 The Climate Change Act 2008 sets a legally binding commitment of an 80% reduction in greenhouse gases for the year 2050 from a 1990 baseline with an interim milestone of 34% by 2020.
- 3.2 In November 2016 the UK Government ratified the Paris Agreement, part of the United Nations Framework Convention on Climate Change. The Agreement commits countries to taking action to hold the increase in the global average temperature to well below 2°C above pre-industrial levels.
- 3.3 The Government's Fuel Poverty Strategy published in 2015 sets targets for minimum energy standards for fuel poor households with milestones identified for 2020, 2025 and 2030.
- 3.4 The Home Energy Conservation Act (1995), as amended by 2012 guidance, sets a statutory obligation on local authorities to publish their plans to improve energy efficiency in housing in their local area. Authorities are required to produce reports every two years. Lewisham Council published HECA reports in 2013 and 2015. The latest report is due by the end of March 2017. Updated guidance to local authorities was published by the Department of Business Energy and Industrial Strategy (BEIS) in January 2017.
- 3.5 Lewisham's Sustainable Community Strategy includes the strategic priority 'Clean, green and liveable': where people live in affordable, high quality and adaptable housing, have access to green spaces and take responsibility for their impact on the environment.

3.6 Climate Local, the successor to the Nottingham Declaration, was launched by the Local Government Association in 2012 as a means to demonstrate local government's commitment to action on climate change. Lewisham Council signed up to Climate Local in November 2012, and published an action plan setting a new borough-wide carbon reduction target of a 44% reduction in CO₂ emissions by 2020 from a 2005 baseline.

4. Summary of activity identified in the draft Lewisham HECA report 2017

Fuel poverty

4.1 The latest data suggests fuel poverty is increasing. The Government estimates that 2.38m households in England are in fuel poverty, up 1.4% on the previous year. In Lewisham 12,282 households (10.5%) are estimated as being in fuel poverty.

4.2 In September 2016 the Government's committee on fuel poverty warned that, without urgent action, targets in the national Fuel Poverty Strategy would not be met.

4.3 In January 2017 BEIS published final proposals for the next phase of the Energy Company Obligation (ECO), which places requirements on energy companies to deliver affordable warmth and carbon reduction programmes, primarily through heating improvements and insulation. The next phase of ECO runs from April 2017 for 18 months and has an estimated value of £640m over that period. Affordable Warmth is 70% of the obligation and up to 10% of this (approximately £45m) can be channelled through a local authority flexible element for households in fuel poverty or vulnerable to the cold that would not otherwise qualify for help.

4.4 Lewisham's Warm Homes Healthy People project delivers home visits to households at risk of fuel poverty or living in a cold home. The visits offer:

- practical advice on how to stay warm in the home
- access to the £140 warm homes discount
- assistance with debt on energy bills
- advice on switching tariff
- draught-proofing and other energy saving measures
- a free winter warming pack (blanket, gloves, mug, thermometer card)
- referrals on to other sources of help

4.5 Warm Homes Healthy People has run in Lewisham since 2011/12 assisting over 2,000 homes in that time. Public Health funding for the project ended in 2016, but officers have maintained delivery initially through securing one-off funding from the British Gas Trust, and subsequently 6 months non-recurrent funding from the Better Care Fund. This funding is to deliver 250 home visits from March to August 2017. Officers are reviewing options to seek to maintain an ongoing offer to residents vulnerable to fuel poverty.

Carbon reduction

- 4.6 In 2012 Lewisham Council set a new target for a 44% reduction in carbon emissions across the borough by 2020 from a 2005 baseline. The latest Government data covers the period to 2014 and shows a reduction of carbon emissions in Lewisham of 29.4% (two-thirds of the total target in two thirds of the timeframe since the baseline).
- 4.7 Following the failure of the Government's Green Deal there is no current national programme for home energy efficiency. The Council's use of Government grant to encourage take up of solid wall insulation suggests there is a potential market in privately-owned homes but it remains undeveloped and in the absence of national incentives there is limited scope for promoting home retrofit to 'able to pay' markets. The Council is continuing to support development of the supply chain for home retrofit through a loan scheme.
- 4.8 Lewisham Council is developing an evidence base for the technical and financial viability of heat networks from the South East London Combined Heat & Power (SELCHP) plant. An initial study looked at a network from SELCHP to Goldsmiths. A second study explores further opportunities to connect to development sites in the north of the borough.
- 4.9 Lewisham Council introduced guidance on carbon offsetting which has been adopted as part of the Planning Obligations Supplementary Planning Document. This calculates a cost of carbon of £104/tonne over 30 years for all major developments. From October 2016 the London Plan requires major residential developments to meet zero-carbon homes standards. Carbon offsetting is therefore a potential source of funding energy efficiency and carbon reduction schemes in Lewisham.

Income generation

- 4.10 Since 2015/16 Lewisham has sought to meet the cost of energy officer work through income generating projects alongside local project delivery. This has included support to other local authority areas, taking on 'consultancy' work and securing grant funding. In 2015/16 this generated £50,000 unbudgeted income, the majority from delivery of the Green Deal Community funded solid wall programme. In 2016/17 income is forecast to be £20,000, achieved through delivering a national research project on fuel poverty referral networks and a grant-funded smart meter project in Lewisham and Greenwich.

5. Financial implications

- 5.1 There are no direct financial implications arising as a result of this report.

6. Legal implications

- 6.1 The Home Energy Conservation Act (1995) was updated by Government in July 2012 to require all English local authorities with responsibility for housing to publish a report that outlines measures the local authority 'considered practical, cost-effective, and likely to significantly improve the energy efficiency of residential accommodation in its area'.

6.2 On the 14 November 2012 Mayor and Cabinet agreed that the Executive Director for Resources and Regeneration would sign off reports relating to the Home Energy Conservation Act.

7. Crime and disorder implications

7.1 There are no specific crime and disorder implications arising from this report.

8. Equalities implications

8.1 There are no direct equalities implications arising from this report however fuel poverty work helps vulnerable households and is likely to have positive equalities implications.

9. Environmental implications

9.1 There are no specific environmental implications arising from this report however national, regional and local targets for carbon reduction depend in part on the delivery of domestic energy efficiency measures which these proposals seek to facilitate and support.

If there are any queries on this report please contact **Martin O'Brien, Asset Management Planning Manager**, 020 8314 6605.

Background Documents

Revised Home Energy Conservation Act guidance (January 2017)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/581598/HECA_Guidance_2017.pdf

Report to the Sustainable Development Select Committee (March 2016)

<http://councilmeetings.lewisham.gov.uk/documents/s41764/05SustainabilityConsultancyProposalSDSC080316.pdf>

Lewisham Council's Home Energy Conservation Act report (2015)

<http://www.lewisham.gov.uk/getinvolved/environment/energyefficiency/taking-the-lead/Documents/Lewisham%202015%20HECA%20Report.pdf>

Report to Mayor and Cabinet on Climate Local and the Home Energy Conservation Act (14 November 2012)

<http://councilmeetings.lewisham.gov.uk/documents/s18666/Climate%20Local%20-%20Carbon%20Reduction%20and%20Climate%20change%20Strategy.pdf>