

<b>Sustainable Development Select Committee</b>		
Title	Home Energy Conservation Act 2019	
Contributor	Climate Resilience Manager	Item 5
Class	Part 1 (open)	4 June 2019

## **1. Purpose**

- 1.1 This report seeks the Sustainable Development Select Committee's views on Lewisham Council's Home Energy Conservation Act (HECA) report 2019, which the Council was required to publish by the end of May 2019.

## **2. Recommendations**

- 2.1 The Committee is invited to comment on the Lewisham Council HECA report 2019.
- 2.2 The Committee is ask to agree to consider a draft Climate Change Action Plan later in 2019 as required by the Council's declaration of a Climate Emergency.

## **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. In 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. In 2017 the Government published its Clean Growth Strategy setting out its approach to delivering on its greenhouse gas emission targets.
- 3.2 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. Updated guidance to local authorities was published by the Department of Business Energy and Industrial Strategy (BEIS) in February 2019.
- 3.3 Lewisham's Corporate Plan 2018-22 includes commitments to maximise opportunities for energy efficiency and to provide support on energy bills for vulnerable residents.
- 3.4 In February 2019 Lewisham Council declared a Climate Emergency and proposed a target to make the borough carbon neutral by 2030.

#### 4. Carbon emissions in Lewisham

- 4.1 In 2012 Lewisham Council set a target for a borough-wide reduction in carbon emissions of 44% by 2020 from a 2005 baseline. The target is based on the UK Government's local and regional carbon dioxide emission data published annually <https://www.gov.uk/government/collections/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics>.
- 4.2 The latest data (reported June 2018) covers 2005 to 2016 and measures current emissions for the borough at 764.9 (kt CO<sub>2</sub>). This is a reduction of 35.1% against the baseline of 1,177.7 (kt CO<sub>2</sub>), which is slightly better than the reduction for London as a whole over the same period of 33.8%.
- 4.3 Another way to describe Lewisham's progress on this target is to say we have data for 75% of the period from the baseline (2005) to the target date (2020), and we have currently achieved 79% of the target reduction of 44%.
- 4.4 UK CO<sub>2</sub> statistics are also subdivided into emissions attributed to transport, domestic, and industrial & commercial. The table below compares the 2016 emissions in Lewisham with those for London:

Emission source	Lewisham	London
Domestic	49%	37%
Transport	31%	26%
Industrial and Commercial	20%	37%

- 4.5 This comparison shows the fundamental importance of housing in Lewisham in relation to the borough's carbon emissions.

#### 5. Lewisham's 2019 HECA Report

- 5.1 In previous years the Sustainable Development Select Committee has scrutinised draft HECA reports ahead of approval by the relevant Executive Director. The intention was for a draft of the 2019 HECA report to be discussed at the meeting of the committee originally scheduled for 23 May but due to the European Elections and the rescheduling of the meeting it has not been possible to do this ahead of the 31 May deadline for submitting HECA returns to the department for Business Energy and Industrial Strategy (BEIS). At the time of writing this report the 2019 HECA report has not yet been approved by the Executive Director for Customer Services but it is expected to have been published by the 4 June.
- 5.2 This agenda item and the HECA report remains an opportunity to discuss and influence the council's approach to this work, and an opportunity for the committee to consider the work that has started following the Council's declaration of a Climate Emergency.

- 5.3 To support that discussion the following paragraphs provide further details on the strands of work covered by the Lewisham 2019 HECA Report framed within the context of the Climate Emergency declaration.

### Climate Emergency

- 5.4 In February 2019 Lewisham Council agreed a motion to declare a 'Climate Emergency' and asked Mayor and Cabinet to agree a new Action Plan on climate change that aims to make the borough carbon neutral by 2030. An interim draft of the Action Plan will be prepared for the Sustainable Development Select Committee later in 2019 and subsequently tabled at Mayor and Cabinet for agreement before the end of March 2020.
- 5.5 The declaration and new target relate to a wide range of Council service areas in a strategic and operational sense, in particular:
- air quality;
  - biodiversity and green spaces;
  - climate adaptation and flood risk mitigation;
  - communities and partnerships;
  - the corporate estate and schools;
  - housing;
  - procurement and supply chains;
  - transport;
  - waste and recycling.
- 5.6 Officers are commissioning research to underpin the Action Plan that will:
- set out options for defining and measuring the carbon neutral target;
  - identify the actions that will be required to reach the target;
  - cost options for the additional actions needed.
- 5.7 A officer-level working group chaired by the lead Executive Director Kevin Sheehan has been set up and officers are working to map out the opportunities, risks, key determinants and stakeholders that will need to shape delivery of Lewisham's response to the Climate Emergency declaration. Officers are also progressing our existing energy and carbon reduction initiatives including:
- delivering on the corporate strategy priority to maximise opportunities for energy efficiency in all council buildings and new developments;
  - facilitating the development of a heat network and decentralised energy for the borough;
  - creating new opportunities to fund local energy and carbon reduction initiatives;
  - delivery of support for residents vulnerable to the cold.

### Improving energy efficiency of housing in the borough

- 5.8 As identified above housing represents half of the borough's carbon emissions and will therefore be fundamental to achieving a carbon neutral borough. There are a range of ways in which the Council can influence this including:

- driving up standards in new build through planning policy;
- enabling owner occupiers to invest in their own properties;
- raising standards in the private rental sector;
- investment in the Council's housing stock;
- establishing low carbon heat supplies.

5.9 The 2019 HECA reporting includes references to the last three of these strands and further details are provided below.

5.10 The Minimum Energy Efficiency Regulations apply to all privately rented properties in England and Wales. As of April 2018, all such properties are legally required to have an Energy Performance Certificate (EPC) of at least an E before they can be let on a new tenancy, and the Government has now removed the exemption that applied where there was a cost to the landlord. This requirement will then extend to all such properties by 1 April 2020, even if there has been no change in tenant or tenancy.

5.11 The Council's Private Sector Housing Agency brings together the key services that work with private sector housing and landlords, including in relation to Minimum Energy Efficiency Regulations. The Council plans to consult on establishing a borough-wide selective licensing scheme for all private rental properties and HMOs with the intention that all private rental properties in the borough would be inspected over a 10 year timeframe. This offers the potential to engage with landlords on a borough-wide scale, using enforcement powers as well as advice and support to encourage landlords to improve the standard and energy efficiency of properties.

5.12 Lewisham Council is developing an evidence base for the technical and financial viability of a strategic heat network from the South East London Combined Heat & Power (SELCHP) plant. Two feasibility studies have looked at potential routes to Goldsmiths and to development sites in the north of the borough. Using funding from the GLA's Decentralised Energy Enabling Project (DEEP) a consultant has been commissioned to work with the Council and Veolia to develop an outline business case for delivering the heat network. This business case is intended as the basis for a bid to central Government for capital funding. Officers are also intending to commission a heat master-planning study to help shape implementation of local planning policy and reinforce the priority given to low carbon heat for new developments.

5.13 The HECA report includes details from Lewisham Homes of improvement works that will improve energy efficiency across the 19,000 homes they manage for the Council. The stock condition survey and asset management strategy are opportunities to work with Lewisham Homes to increase investment and access to external funding for energy efficiency and carbon reduction including the potential to use heat networks for low cost low carbon heat.

- 5.14 The Council's new Housing Strategy currently being developed will be an opportunity to embed carbon reduction as part of the Council's strategic approach to all tenures of housing.

#### Action on fuel poverty

- 5.15 Lewisham Council has a long-standing record of projects helping low income and vulnerable residents stay warm and well in winter. The Council's Energy Action Zone from 2007 to 2011 gave advice to over 5,000 residents, and since 2011 Lewisham's Warm Homes Healthy People initiative has delivered almost 3,000 home visits.
- 5.16 In 2018/19 Lewisham Council led a partnership with four other south east London boroughs (Bexley, Bromley, Greenwich and Southwark), local community organisations (South East London Community Energy, Charlton Athletic Community Trust and Southwark and Lewisham Age UK) and Groundwork London to establish a coordinated 5 borough fuel poverty project, offering practical advice through home visits and events across south east London to over 875 residents with 450 home visits delivered.
- 5.17 The main national source of funding for insulation and heating upgrades is the Government's Energy Company Obligation (ECO), a legal requirement on energy companies to fund improvements for vulnerable households, primarily through heating upgrades and insulation.
- 5.18 Since 2017 local authorities have been able to facilitate local ECO delivery by identifying eligible households under ECO 'Flexible Eligibility' arrangements. Lewisham Council works with local community sector organisation South East London Community Energy to do this.
- 5.19 As of the end of March 2019, Lewisham Council has issued ECO Flex declarations for 464 households in South East London with the vast majority of those receiving one or more fully-funded energy efficiency improvements. It is estimated that in 2018/19 the project has brought in an additional £600,000 funding for households in South East London. The service also generates a small income stream for SELCE covering most of the cost of the outreach work.

## **6. Financial implications**

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

## **7. Legal implications**

- 7.1 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'.

7.2 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.

## **8. Crime and disorder implications**

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

## **9. Equalities implications**

9.1 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.

## **10. Environmental implications**

10.1 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**, Climate Resilience **Manager**, 020 8314 6605.

## **Background Documents**

Annex A: Lewisham 2019 Home Energy Conservation Act report

Lewisham Council Motion to declare a Climate Emergency

<http://councilmeetings.lewisham.gov.uk/documents/s62942/Motion%20%20propose%20Cllr%20Anwar%20seconded%20Cllr%20Krupski.pdf>

Lewisham Council summary of activity to respond to the declaration

<https://lewisham.gov.uk/myserVICES/environment/environment/energyefficiency/making-the-borough-carbon-neutral-by-2030-climate-emergency-declaration>

Revised HECA guidance (January 2017)

<https://www.gov.uk/government/publications/guidance-to-english-energy-conservation-authorities-the-home-energy-conservation-act-1995>

Lewisham Council HECA Report 2017

<https://lewisham.gov.uk/-/media/files/imported/lewishamhecareport2017.ashx>

2012 report to Mayor and Cabinet setting borough target for a 44% reduction in emissions

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