

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

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| TO: | HOUSING NEIGHBOURHOODS and LEISURE COMMITTEE | | |
| DATE: | 18 March 2015 | AGENDA ITEM: | 9 |
| TITLE: | HOME ENERGY CONSERVATION ACT REPORT (HECA) | | |
| LEAD COUNCILLOR: | CLLR DAVIES | PORTFOLIOS: | HOUSING |
| SERVICES: | HOUSING AND NEIGHBOURHOOD SERVICES | WARDS: | ALL |
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Home Energy Conservation Act (HECA) requires the Local Authority to produce a report every two years on its plans to improve the energy efficiency of housing within its area across tenure. The HECA report sets out the Council's strategic approach to reducing the carbon footprint of housing and contributing to the reduction of fuel poverty. It is presented to the Committee for approval.
- 1.2 The report updates the previous HECA report updating fuel poverty and other information and outlining intended actions for 2015-17 in accordance with the Council's corporate plan - '*Helping to narrow the gaps in Reading*'.
- 1.3 The report also sets the context by outlining the previous programmes and progress in improving the thermal comfort and energy efficiency of Reading's housing stock.
- 1.4 Despite improvements in the thermal comfort of buildings in Reading in recent years, fuel poverty remains a considerable issue with 11% of households in Reading classed as being in fuel poverty (slightly above the UK average of 10.4%)
- 1.5 The uptake of the Council's Winter Watch programme is detailed in the report. Winter Watch showed an increased uptake for the third consecutive year, since the scheme started. The scheme will continue for the 2015/16 winter.
- 1.6 The report details the energy efficiency of the Council's own stock, showing that almost 99.7% of stock has an EPC (Energy Performance Certificate) level D or above with 79% having a level C or above.
- 1.7 The report details the programmes scheduled to take place over the next two years to further upgrade the thermal efficiency of Council housing stock, including the construction of new council houses with an anticipated EPC grade of A.
- 1.8 The report details a number of schemes and programmes that are pending national policy decisions and/or which await the availability of national funding if they are to be achieved. These include Green Deal, Energy Companies Obligation (ECO) and Allowable Solutions.

1.9 Appendix 1 - HECA Report and Action plan 2015

2. RECOMMENDED ACTION

- 2.1 That the Committee approve the HECA report which sets out the Council's intended strategic approach to improve the energy efficiency of the Borough's housing for the period 2015-17 and its submission to the Department of Energy and Climate Change.

3. POLICY CONTEXT

- 3.1 The Home Energy Conservation Act requires the Local Authority to produce a report every two years on its plans to improve the energy efficiency of housing within its area across tenure. The HECA report sets out the Council's strategic approach to reducing the carbon footprint of housing and contributing to the reduction of fuel poverty. It is presented to the Committee for approval.
- 3.2 Reading Borough has a population of 159,200 and contains 63,000 houses, 27% of which were built before 1919. There is also a high proportion of private rented properties and many of them still provide poor thermal comfort.
- 3.3 Reading's Housing Strategy 2009-14 - 'Firm Foundations' highlights the reduction of fuel poverty and carbon emissions from individual properties in the town as a priority.
- 3.4 The Reading Climate Change Partnership Climate Change Strategy 'Reading means Business on Climate Change' for the years 2013 to 2020 prioritises the improvement in the energy efficiency of Reading's housing stock, placing emphasis on fuel poverty and seeking to improve insulation on 'hard-to-treat' properties as well as encouraging the provision of renewable energy sources
- 3.5 The Private Sector Housing Condition Survey showed a significant improvement in thermal comfort in Reading's homes. Thermal comfort has improved dramatically since 2006 with a greater than 61% improvement recorded to 2013. Despite this improvement, fuel poverty in Reading continued to rise in the same period.
- 3.6 Using the new definition of Fuel Poverty, Reading Borough Council has 6695 households experiencing fuel poverty (10.97 % of the households, which is slightly above the average for England of 10.40 %) as per 2012 year figures.
- 3.7 The Corporate Plan 2015-18 - 'Helping to narrow the gaps in Reading' sets out the priorities and high level actions. These include: *Reducing excess winter deaths, reducing fuel poverty, improving housing condition, reducing impact on climate change through carbon reduction and supporting the economy.*

4. THE PROPOSAL

- 4.1 The new revised HECA report covers the period from 2015 to 2017. It includes an action plan which details the specific actions proposed in the period 2015 to 2017. A summary of the report is given below.
- 4.1 A range of targeting processes including mapping, statistical analysis of health, economic and demographic information data will be carried out in order to target the properties at risk of high energy use and/or those in fuel poverty.
- 4.2 The report details the changes to the Green Deal and ECO scheme. Whilst the information on the uptake of Green Deal is unavailable for Reading, the number nationally remains very low. ECO has supported a higher number of measures being installed and details are given of the numbers in Reading. The Council was unsuccessful in its application to the Department for Energy and Climate Change (DECC) for Green Community Fund. Working with the Southampton ECO contract Delivery Partner (MITIE), Reading Borough Council is working on a range of projects through this route.
- 4.3 Reading Borough Council is running the 'Winter Watch' scheme for the third consecutive winter. Supported by public health budgets, the scheme targets those most vulnerable to the winter weather and fuel poverty. The scheme has grown in popularity each year and will continue to run to at least 2016.
- 4.4 The Council's housing stock generally has a more efficient rating than the private sector housing. The report details the energy efficiency of the Council's own stock. The rating (from SAP* data) of the majority of Council housing is at C (4090) with the majority of the remainder at D (1157). A very small number of properties 0.4% are below this.
99.7% of stock is level D or better with 79% at C or better.
- 4.5 The Council has been developing a scheme to install solar panels on approximately 500 Council houses. This will provide free renewable energy to tenants and reduce the carbon footprint of the Council. Installation is taking place from January to July 2015.
- 4.6 The current planning policies in Reading require higher standards of energy efficiency than the building regulations for larger developments. These are subject to review in line with the National Planning Policy Framework.
- 4.7 Zero Carbon Homes will be required from 2016 and a scheme called 'Allowable Solutions' will allow developers to invest to achieve carbon savings off-site, where it is not viable to do so on the development site itself. Whilst this policy has the potential to assist in improving the energy efficiency of homes in the borough, the scheme is currently being developed and the Council awaits the outcome of the Housing Standards Review in order to finalise the proposals in this area.

*Standard Assessment Procedure

5.0 COMMUNITY ENGAGEMENT AND INFORMATION

- 5.1 Specific schemes have differing engagement and information strategies incorporated into specific policies.

6.0 CONTRIBUTION TO STRATEGIC AIMS and CORPORATE PLAN PRIORITIES

- 6.1 This project will directly contribute to the Council's strategic aim to:
- Develop Reading as a Green City with a sustainable environment and economy at the heart of the Thames Valley.
 - To promote equality, social inclusion and a safe and healthy environment for all.
- 6.2 The HECA report addresses actions concerning fuel poverty, excess winter deaths, reducing our carbon footprint and supporting the economy, which are prioritised in the Council's CORPORATE PLAN 2015-2018 - *Helping to narrow the gaps in Reading*. The relevant actions come under the headings:
- Safeguarding and protecting those that are most vulnerable
 - Providing the best life through education, early help and healthy living
 - Providing homes for those in most need
 - Keeping the town clean, safe, green and active
 - Providing infrastructure to support the economy

7. EQUALITY IMPACT ASSESSMENT

- 7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:
- eliminate discrimination, harassment, victimization and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 In the case of work targeted on fuel poverty, households with vulnerable groups as the elderly and those with very young children will be specifically targeted. These groups will therefore be specifically advantaged by the scheme.
- 7.3 In certain circumstances, householders may not benefit from funded measures as their property and personal circumstances do not fulfil the criteria of the funding.
- 7.4 Equality impact assessments will be drawn up for individual schemes as required.

8. LEGAL IMPLICATIONS

- 8.1 Section 2 of the Local Government Act 2000 allows principal local authorities to do anything they consider likely to promote the economic, social and environmental well-being of their area unless explicitly prohibited elsewhere in legislation.
- 8.2 The work is carried out in accordance with section 2 of the Local Government Act 2000 - the Power of Wellbeing. This provides the duty of the local authority to implement policies and programmes that will benefit residents by protecting them and their environment. It is considered a relevant and necessary undertaking in line with this duty for the following reasons. Energy efficiency improvements to homes improve the health and quality of life of householders, reduce the boroughs emissions of greenhouse gases and create local jobs.
- 8.3 The implementation of energy efficiency schemes involves developing appropriate contracts and arrangements between the contracted suppliers and the Local Authority. These will need to be made in accordance with the Public Contracts Regulations 2006 as amended and with the Council's Contract Procedure Rules.

9.0 FINANCIAL IMPLICATIONS

- 9.1 Schemes referred to in the HECA report have either been incorporated into the budget or will be subject to this process in due course.
- 9.2 All schemes referred to in respect of Reading Borough Council retained housing stock are dealt with through the Housing Revenue Account.

10. BACKGROUND PAPERS

- 10.1 Appendix 1 - HECA REPORT and Action Plan