



**HOME ENERGY CONSERVATION &  
FUEL POVERTY STRATEGY**

**2008 – 2011**

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## Executive Summary

Reducing energy use has important environmental, social and economic benefits and therefore clearly contributes to Eastleigh Borough Council's corporate priorities of providing a quality environment and helping those in need. It will help meet national and international targets to reduce emissions of carbon dioxide, one of the main contributors to climate change. Recent increases in fuel prices have resulted in a rise in fuel poverty nationally, and so raised the priority to reduce the impact of this locally. This is also vital to improve the health of the local community, enhance prosperity and improve the housing stock. Our programme of activities will be assisted by a number of national Government initiatives as well as some of our own funding.

Since the introduction of the Home Energy Conservation Act we have run a wide range of projects to promote energy efficiency to our residents. This strategy outlines how we will continue to develop this work over the next three years.

Three main priorities have been identified and are set out below:

- To reduce use of energy derived from fossil fuels in the domestic sector
- To reduce all energy use within homes in the borough
- To reduce the incidence of fuel poverty.

These have been modified slightly from previous strategies in light of a greater emphasis nationally on the reduction of carbon dioxide emissions, as opposed to general energy conservation.

The Action Plan at Appendix 2 will set out how these priorities will be addressed.

## 1. Introduction

### 1.1 Introduction to Strategy

The Home Energy Conservation and Fuel Poverty strategy seeks to address within the Borough three core issues around domestic energy use: climate change, energy security and fuel poverty.

By addressing these issues, it will also contribute to the Council's three corporate priorities:

- Environment
  - reducing emissions of CO<sub>2</sub> and other greenhouse gases;
  - increasing use of renewable and sustainable energy and improving air quality
- Health
  - reducing the risk of ill health caused by living in cold, damp conditions, which can be a result of fuel poverty.
- Prosperity
  - lowering fuel bills
  - encouraging local employment opportunities for insulation, residential renewable and sustainable energy technologies, and heating work.

The following sections detail both statutory requirements and aims derived from other strategies within Eastleigh Borough Council that are relevant to this Strategy.

### 1.2 Statutory background

The Home Energy Conservation Act 1995 (HECA) came into force in 1996. Eastleigh Borough Council published its first Home Energy Conservation and Fuel Poverty Strategy as a result of this Act. Currently, the HECA is under Review and may be either amended or abolished. This will also affect the provisions of the Sustainable Energy Act 2003, which refers to the HECA. However, the Government has introduced a number of new performance indicators which may be considered to reflect the same issues. Those relevant to this strategy are:-

- NI 186 – Per capita reduction in CO<sub>2</sub> emissions in the Local Authority area. This figure will be provided by the Department for Environment Food and Rural Affairs (DEFRA) but with a 2 year delay. However, we as a Local Authority will continue to be required to report on actions taken to reduce CO<sub>2</sub> emissions.
- NI 187 - Fuel poverty: the number of people receiving income based benefits living in homes with a low energy efficiency rating. This will be assessed via a form that the householder completes, and which is then assessed and given a rating as to the property's ability to deliver affordable warmth.

Local authorities will be required to report on these indicators from April 2009, and will be assessed against them as part of the Comprehensive Area Assessment. Both these indicators have also been adopted as part of the Hampshire Local Area Agreement.

There are also Government statutory targets on fuel poverty. By 2012 there should be no vulnerable people in fuel poverty, and by 2016, fuel poverty should be abolished altogether. However, the Sixth Report of the Fuel Poverty Advisory Board (2007) has raised doubts that these targets will be met due to the increases in fuel prices. This serves to increase the importance of the issue being addressed by local government. Additionally, all housing owned by social landlords is required to be defined as "Decent" with regard to 'thermal comfort' by 2010.

The Housing Health & Safety Rating System has included excessive cold in the home as a health hazard. This allows the local authority to take action where a home in private ownership is found to be unable to deliver affordable warmth to the occupier.

The Climate Change and Sustainable Energy Act 2006 has provisions to remove obstacles for residential microgeneration, but also requires Local Authorities to 'have regard' to the most recent Energy Measures Report, produced by the Secretary of State, which gives guidance on actions which it is considered will result in increased domestic energy efficiency, reductions in fuel poverty, reduced greenhouse gas emissions and increased microgeneration.

The draft Climate Change Bill, published in March 2007, sets legally binding targets to reduce CO<sub>2</sub> emissions in Britain by 60% by 2050, with a 26% to 32% reduction by 2020.

### 1.3 Links to other Council Strategies and Objectives

- The Housing Strategy 2006-2011 has as key priorities to "improve the quality and thermal efficiency of existing housing", and to "improve the health and well-being of local people".

- The Climate Change Strategy includes the objective “to reduce Eastleigh Borough Council and its community’s greenhouse gas emissions through energy efficiency measures, the use and promotion of renewable and sustainable energy technologies and sustainable construction and design techniques for new buildings and refurbishment.”
- Key activities identified under the Private Sector Housing Renewal strategy include “to encourage and assist owners to undertake energy efficiency works to their home”.
- A consultation of Eastleigh’s partners and stakeholders held in March 2006 also identified, within the list of priority issues:
  - Widening energy efficiency grant aid and initiatives, and
  - Addressing fuel poverty.

#### 1.4 Financial Implications

Staffing forms the majority of costs under the HECA function, and this is funded from the Housing Services revenue budget. The key tasks outlined in the Strategy will be funded from a number of sources, which include the HECA budget for smaller projects, but draws on other sources for larger pieces of work.

- Those claiming certain benefits can currently apply for funding for both insulation and heating improvement work through the Government-funded Warm Front scheme.
- The Carbon Emissions Reduction Target (CERT) legislation replaced the Energy Efficiency Commitment (EEC) from April 2008, and places on major utility companies an obligation to fund energy efficiency works in the domestic sector.
- The Council has launched a local carbon ‘offsetting’ scheme, CarbonFREE, with an initial grant of £50,000. The £50,000 grant has been allocated to carry out cavity wall and loft insulation on homes of residents who are not eligible for full funding under national schemes as noted above, and possibly a number of community buildings.
- The CarbonFREE scheme will be promoted to residents, businesses and community groups with an invitation for them to offset their own emissions of carbon dioxide by contributing to the scheme. Also, Supplementary Planning Guidance is being drafted that will require developers to contribute to such a fund if they are unable to provide the required sustainable energy measures on or off site themselves. These contributions will be used to invest in local sustainable energy projects.
- As further projects relating to the domestic sector utilising CarbonFREE funds are drawn up these will be co-ordinated by the HECA Officer and encompassed within the 3 year HECA strategy action plan.

- The Regional Housing Board has approved a bid to provide data on heat loss by carrying out an aerial thermal imaging programme across the entire borough during the winter 2008/09. This data will be used to target marketing of insulation and the CarbonFREE scheme and raise general awareness across the Borough about the need for energy efficiency.
- Eastleigh Council are also partners with Portsmouth City Council, Brighton & Hove City Council, Gosport Borough Council and Chichester District Council in the Southern Home Loan Partnership, which offers low interest loans for essential home improvements and can cover energy efficiency works and domestic renewable energy installations.
- Finally, additional funding may become available through various Government sponsored or other organisations to carry out climate change or domestic energy efficiency work. A bid for such funds would be drawn up where appropriate.

## 2. Background

### 2.1 Conditions in Eastleigh

The Stock Condition Survey carried out in 2004 noted that Eastleigh Borough has a slightly higher percentage of households between the ages 60 to 74, but also a much higher percentage of modern housing as compared to the average in England (67% were built post 1964, as compared to 40% in England). Therefore our level of fuel poverty was considered relatively low (2.3%). However, the high level of price rises in energy markets has resulted in a recent increase in fuel poverty. DEFRA's Fuel Poverty Advisory Group reported in 2008 that the levels of fuel poverty are the highest for a decade. These price rises have led to the Government abandoning its legally binding commitment to eradicate fuel poverty for vulnerable households by 2010. We can assume that the position in Eastleigh has reflected this national trend.

Conversely, the borough of Eastleigh is placed within the least deprived quartile of districts in England and Wales. Therefore, alongside those residents who cannot afford to improve their homes to stop wasting energy, there will also be a large proportion of residents who are using high levels of home energy because their income is not a restriction.

### 2.2 Progress to Date

There have been improvements carried out on the stock since 1995, and this has been calculated during the annual HECA Reports to DEFRA as achieving approximately 19.8% reduction in domestic energy use over 1996 levels as at March 2008. However, the 2004/05 stock condition survey suggested that as many as

27,000 properties could benefit from wall insulation. This will include both cavity and solid walls. Eastleigh's Building Control Unit reported that the number of cavity wall insulations carried out each year only number in the hundreds (although this may be an understatement). Therefore there remain a large number of properties that require further insulation.

To assist in enhancing the thermal efficiency of homes in the borough that may not be eligible for full funding under national programmes the Council has committed £50,000 towards the installation of cavity wall and loft insulation. This programme of work will commence once the formal procurement process has been completed.

With regard to the new National Indicator 186, per capita CO<sub>2</sub>, DEFRA will provide the emission statistics, but with a 2 year delay. The latest report gives Eastleigh's figure as 5.9 tonnes of CO<sub>2</sub> per person, as compared to the average for the southeast of 7.1, and 7.2 for Hampshire.

### 2.3 Further Work

In light of the Government's programmes to support home insulation, the local authority continues to have a crucial role in encouraging residents to both take up all financial assistance for which they are eligible, to carry out home energy efficiency improvements and to adjust their behaviour to conserve energy. This work will also encompass encouraging residents who may not be eligible for full funding under national schemes to apply for the funding through the CarbonFREE scheme funded by the Council.

Those vulnerable to fuel poverty would also benefit from additional advice and support, such as setting up referral networks, the provision of financial assistance, and advice around keeping healthy.

Although Eastleigh's private rented sector is only about 5% of total stock, it tends to represent the poorer quality housing within the borough, and has generally a lower motivation to invest in energy efficiency measures. However, there is now the requirement to provide an Energy Performance Certificate for all new rentals, alongside the various financial incentives available. Thus, the Council can take action to ensure that all landlords and tenants are made aware of these requirements and incentives, and supported in carrying out further insulation on these properties. Additionally, although the housing associations are under a legal obligation to bring their stock up to 'decent homes' standard, the local authority can support, monitor and encourage these improvements.

Finally, in a recent report the Environmental Change Institute said that electricity consumption through the use of residential lighting and appliances was likely to increase by almost a third, despite present efforts to achieve greater efficiency. Raising awareness around climate change and energy supply issues in all tenures of Eastleigh's residential sector should therefore continue to be a high priority.

### 3. Impact on Diversity Issues

An Assessment has been carried out for this Strategy (see Appendix 2). The main points to note are

- We recognise that certain groups are particularly vulnerable to fuel poverty, such as those on low incomes, older persons, or the disabled, and actions within the strategy to tackle fuel poverty are specifically targeted to these groups.
- Energy saving for both environmental and economic reasons are relevant to all residents in the borough; therefore the Strategy incorporates actions designed to communicate with all sectors of the community, in a manner most appropriate to each sector.

### 4. Summary and conclusions

There are several statutory instruments and internal policy reflecting the current need to reduce energy use, in order to reduce climate change and for a variety of social and economic reasons. This strategy intends to address this need in the domestic sector in Eastleigh. There is a great deal of support available to households to do this, in the form of both information and financial assistance, and the role of the local authority is to ensure that this support is made available to their local community in the most efficient, accessible manner as possible.

In light of the above, the key priorities for the Home Energy Conservation and Fuel Poverty strategy are slightly amended (compared to previous strategies), as below.

- To reduce use of energy derived from fossil fuels in the domestic sector
- To reduce all energy use within homes in the Borough
- To reduce the incidence of fuel poverty.

The Action Plan at Appendix 2 will set out in more detail the Objectives under which these key priorities will be addressed, along with a list of the tasks.

Note: the Home Energy Conservation Officer has been seconded to a different post for 15 months, and so the first year of the Strategy will concentrate on fewer, larger projects mainly delivered by outside agencies. This will include delivering home insulation work under the CarbonFREE scheme, the aerial thermal imaging project, and establishing and monitoring a programme to channel Carbon Emission Reduction Target (utility company) funding to insulate homes in Eastleigh in partnership with a private organisation.