

Home Energy Conservation Act

Progress report – March 2015

1. Introduction

The Home Energy Conservation Act 1995 (HECA) recognises local authorities' ability to use their position to significantly improve the energy efficiency of all the residential accommodation in their areas. In July 2012 the Department for Energy and Climate Change (DECC) published a requirement under HECA for all local authorities in England to report on the measures they propose to take to achieve this aim.

Croydon submitted the first of these reports (known as a 'further report') in January 2013. DECC requires local authorities to report on progress in implementing measures at two year intervals via 'progress reports'. This document is the first Progress Report and sets out:-

- Updated data and trends in domestic energy use
- Progress against the original actions set out in the 2013 'further report'.

2. Where are we now?

This section provides an overview of current trends in Croydon in terms of energy use and CO₂ emissions, fuel poverty and health indicators relating to cold-related illness.

2.1. Energy use and CO₂ emissions

Figures 1 and 2 show the borough wide absolute and per capita CO₂ emissions by sector respectively. The emissions data has been extracted from the DECC statistics for local authority areas and regions. In 2012 Croydon's homes were responsible for 50% of the borough's CO₂ emissions. Total borough emissions had decreased by just over 12% from 2005 to 2012, whereas emissions from the borough's homes had decreased by 7%. Across the same period within the domestic sector, emissions due to consumption of gas have decreased by 15%, while those due to electricity use have increased slightly by 3%. This reflects the general trend of greater energy efficiency in the heat sector (e.g. previous grant funding focused on insulation and efficient boiler systems).

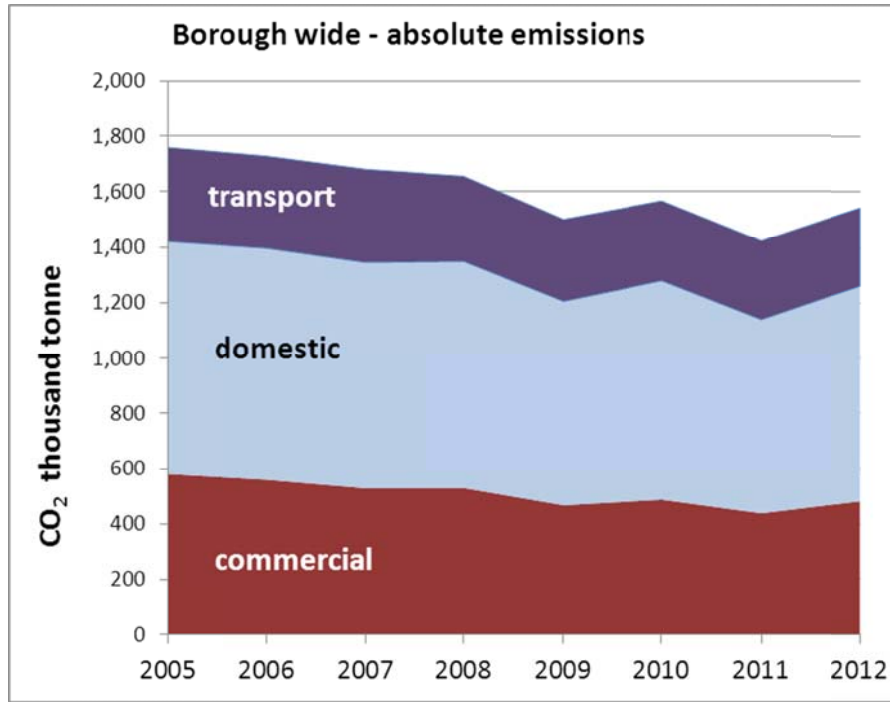


Figure 1

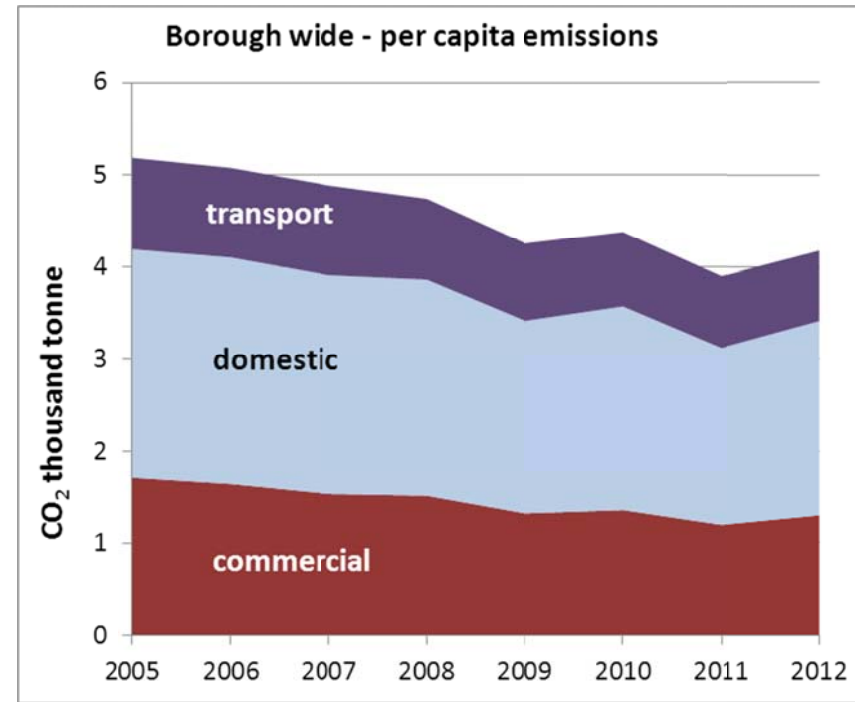


Figure 2

2.2. Fuel poverty

The 2013 Further Report highlighted DECC statistics for 2010 which indicated that 15,627 or 11.3% of households in Croydon were in fuel poverty. This represented an increase of 6.2% over estimates for 2009. These statistics were based on the previous definition of fuel poverty – i.e. households that spend over 10% of their income on fuel. The government has since changed the definition of fuel poverty based on the more complex “low income, high costs” measure. Based on this new definition, the DECC statistics for 2012 indicate that there are 12,173 (8.8%) households in fuel poverty.

3. Where do we want to get to?

3.1. National targets

The requirement to improve the energy efficiency of homes stems from the legal requirements to reduce carbon dioxide (CO₂) emissions set out in the Climate Change Act 2008 and the government's Carbon Plan, published in 2011. The Carbon Plan sets the following targets in relation to housing:

- to reduce greenhouse gas CO₂ emissions by 29% by 2017, 35% by 2022, and 50% by 2027 – for buildings this means a reduction between 24% and 39% lower than 2009 levels by 2027;
- to insulate all cavities and lofts, where practical, by 2020;
- By 2030, between 1 – 3.7m additional solid wall installations and between 1.9 - 7.2m other energy efficiency installations;
- By 2030, 1.6m - 8.6m building level low carbon heat installations such as heat pumps (Government modelling suggests that 21 - 45% of heat supplies to buildings will need to be low carbon); and
- By 2050 emissions from UK buildings to be “close to zero”.

The government had originally set a target for eradicating fuel poverty in England, as far as reasonably possible, by 2016. Following the review of fuel poverty undertaken by Professor Hills, the government adopted the new targets on fuel poverty as follow:-

- Ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band C, by 2030
- Interim milestone targets for (i) as many fuel poor homes as is reasonably practicable to Band E by 2020 and (ii) as many fuel poor homes as is reasonably practicable to Band D by 2025

3.2. Local targets

Croydon's Climate Change Mitigation Action Plan 2010 sets a target for a 34% reduction in local CO₂ emissions by 2025 (based on the 2005 baseline).

If the borough wide target is extrapolated as a straight-line reduction, then the 2012 emissions level (1,542 kilo tonne) met the target for that year (1,549 kilo tonne). However, the decrease in emissions for the commercial/industrial sector (17%) is greater than that for the domestic sector (7%). The recessionary period is highly likely to have driven this decline with increased office and retail vacancy rates. As the economy recovers, this indicator may increase above the target levels. Hence, there is every need for Croydon's domestic sector to continue to contribute to emissions reduction through greater energy efficiency.

4. How will we get there?

The 2013 Further Report set out a number of actions that the council planned to take. Those actions are set out in the table below, along with progress to date. The table also highlights new actions that were not originally set out in the 2013 report.

4.1. Action plan

Objective	Actions	Responsible	Completion due	2015 progress update
Strategic commitment				
Climate Local	Sign up to Climate Local – Climate Local is the Local Government Association's initiative to help inspire action on climate change and share best practice.	<ul style="list-style-type: none">• Croydon Council	June 2013	The council has not yet signed the Climate Local agreement.

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Energy Performance Certificates and data				
Improve quality and scope of data held by Croydon to support delivery of energy efficiency programmes	Purchase energy performance certificate (EPC) data for Croydon	<ul style="list-style-type: none"> Sustainable Development and Energy Team 	April 2013	EPC data purchased 2013
	Compile and analyse existing data from DECC and energy efficiency projects	<ul style="list-style-type: none"> Sustainable Development and Energy Team 	April 2013	
	Load data on to corporate GIS to improve understanding of domestic energy efficiency and aid targeting of projects	<ul style="list-style-type: none"> Sustainable Development and Energy Team Corporate GIS 	April 2013	Layers added to corporate GIS:- <ul style="list-style-type: none"> CSCO areas Gas and electricity (DECC) data Socio-economic indicators Total measures per ward
	Commission private sector stock condition survey (assess HHSRS risks and energy efficiency)	<ul style="list-style-type: none"> Housing Strategy & Commissioning 	Dec. 14	BRE final model and report complete.
Social housing				
Improve energy efficiency of social housing through accessing funding and installing measures	Carry out analysis of housing stock and planned investment to determine potential CO ₂ savings and level of Energy Company Obligation (ECO) funding	<ul style="list-style-type: none"> Housing Stock investment Sustainable Development and Energy Team 	March 2013	Analysis commissioned in October 2014 (via GLA RE:NEW support) of energy data held on social housing stock. Objective was identify the most effective ways to improve the energy efficiency of properties. Work utilises computer modelling (CROHM and home energy master-plan) to identify the most appropriate measures for properties based on cost estimates and building physics. The

Objective	Actions	Responsible	Completion due	2015 progress update
				analysis will be used to develop an energy efficiency strategy which will inform the re-procurement of the planned maintenance and improvement (PMI) contract for the stock. ECO funding has not been secured for any projects to date as no cost effective funding rates have been offered from suppliers.
	Upgrade lighting of communal areas in Croydon's housing stock through invest-to-save projects	<ul style="list-style-type: none"> • Sustainable Development and Energy team • Croydon Landlord Services 	March 2015	Pilot will be delivered via the GLA RE:FIT energy performance contract model. Contractor has been procured and investment grade proposals delivered. Installation (LED lighting upgrade) across 14 blocks will commence summer 2015. Contractor will undertake full monitoring and verification of performance over the payback period. Results of pilot will inform decision making for future roll-out to other assets.
	Carry out 200 installations of solid wall insulation per year	<ul style="list-style-type: none"> • Housing Stock investment • Croydon Landlord Services 	March 2018	The housing team successfully delivered a complex retrofit pilot, installing external wall insulation and associated works (roofs, boiler upgrade, loft insulation, windows upgrade and draught proofing) to 61 solid-wall properties in the Ashburton ward between 2012 and 2014. The lessons learnt on the pilot-project has contributed to the team developing a body of expertise and understanding of material, timescales and insulation systems. Further plans are being made to deliver a capital programme of similar works in 2017/18. These works will form part of the new PMI general building

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				contract which is scheduled to commence in 2017/18.
	Replace approx 200 back boilers with high efficiency boilers	<ul style="list-style-type: none"> • Housing Stock investment • Croydon Landlord Services 	March 2015	The boilers were replaced by Housing between 2012 and 2015. Majority were replaced in CESP areas of Shrublands and Ashburton. Back boilers were replaced with energy-efficient condensing combi-boilers..
Install solar PV systems in social housing	Develop business case to support investment programme in solar PV in social housing	<ul style="list-style-type: none"> • Sustainable Development and Energy Team • Housing Stock investment 	May 2013	<p>In April 2013 an analysis was completed of the potential for PV generation across the council's housing stock. An outline business case was produced setting out several investment options.</p> <p>The business case work is currently being integrated with the re-procurement of the council's Planned Maintenance and Improvement (PMI) contracts. Rather than being viewed as a standalone project, the viability and benefits of solar PV will be evaluated as part of an integrated strategy for improving the energy efficiency of the stock.</p> <p>The CROHM stock analysis (detailed above) includes the application of solar PV as part of the range a measures applied. This analysis will inform how solar PV is included in the overall package of measures.</p>
Improve energy efficiency of social housing through	Additional actions not set out in the original 2013 report.	Housing Stock Investment		Cyclical programme of works has included :- - windows upgrade (specifically targeting single glazing)

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accessing funding and installing measures				<ul style="list-style-type: none"> - installing controls and TRV's as standard with central heating upgrades and boiler upgrades (with lagging and insulation jackets) - thermal imaging pilot, looking at a sample of stock to identify areas of energy inefficiency and reviewing specifications (looking at how they can be amended to address concerns).
Private Housing				
Access funding to provide measures for low income households and areas	Identify delivery partner to refer householders for ECO funding	Sustainable Development & Energy Team	June 2013	<p>Croydon continued to work with the GLA RE:NEW partners to deliver remaining CERT/CESP funding. The council also continued working locally with Climate Energy to deliver energy efficiency measures through the sub-regional Coldbusters programme.</p> <p>The complexity and lack of transparency on which suppliers or brokers have available ECO funding has mitigated against the formation of any local partnerships to support delivery of ECO financed measures within the private sector stock.</p>
	Identify ECO eligible areas and households through available data and provide referrals to delivery partner where appropriate to deliver measures under ECO.	<ul style="list-style-type: none"> • Sustainable Development and Energy • Housing Assets and Strategy • External stakeholders 	Review in March 2014	<p>CSCO eligible areas added as a layer in corporate GIS.</p> <p>However, no delivery partnership(s) have been formed.</p>
Promote uptake of	Identify preferred approach to	Sustainable		Croydon worked closely with the GLA and other

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energy efficiency measures through Green Deal and ECO	delivering Green Deal in Croydon	Development & Energy Team		<p>London boroughs on exploring three distinct levels of engagement and action on the Green Deal i.e.</p> <ul style="list-style-type: none"> - Provider : becoming a Green Deal provider - Producer : generating Green Deal assessments - Promoter: forming partnerships and promoting 3rd party providers. <p>The council could not identify any clear business case for supporting the Green Deal. The Green Deal was designed as a private sector, market led scheme. However, the scheme has generated very limited market interest among residents across the UK. Promotion of the scheme to local residents has therefore been given a very low priority at a time of limited resources for such discretionary services.</p>
	Ensure Council communications channels provide appropriate advice and information to householders	<ul style="list-style-type: none"> • Sustainable Development and Energy Team • Contact Centre • Corporate Communications 	Review in March 2014	Signposting to sources of advice are published on council's website.
	Work with private landlords to raise awareness of funding routes and measures for housing.			Review in March 2014

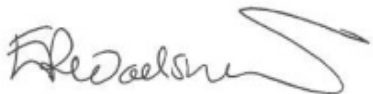
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All sectors				
Helping residents access lower cost energy tariffs	Additional actions not set out in the original 2013 report.	Sustainable Development & Energy Team	April 2013	Croydon joined with 22 London Boroughs to establish the "Big London Energy Switch" collective switching scheme. Scheme was established via funding from DECC. The council manages a range of promotion activities leading up to each of the 3 auctions per year. For latest auctions Croydon has consistently achieved around 300 registrations with a 34% sign-up rate.
Zero Carbon Homes				
Decide on Council's approach to allowable solutions and Section 106 contributions	Agree framework for investing in CO ₂ reduction projects from S106 contributions and allowable solutions through existing governance processes or by setting up a ring-fenced community energy fund.	<ul style="list-style-type: none"> • Planning and Building Control • Corporate Finance 	October 2013	S106 policy for offsetting has been established and has been applied to a number of local developments. A Community Energy Fund has been established and S106 CO ₂ offset funds have been paid into the fund.
	Identify priorities for investment from community energy fund	<ul style="list-style-type: none"> • Sustainable Development and Energy Team 	December 2013	The council has not yet identified a project stream that will be funded. However, emerging priorities for funding are for intervention in the private rented sector (where there has historically been limited delivery of measures)

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Low Carbon Economy				
Ensure that approach to Green Deal delivery in Croydon includes SMEs and local businesses in supply chain.		<ul style="list-style-type: none"> Sustainable Development and Energy Team 		Green Deal appetite among the domestic sector has been very limited. The council has therefore not developed any plans to engage the local suppliers in a supply chain for which there is a very uncertain future.

Review date: 31st March 2016

Submission of next progress report: 31st March 2017

Signature:



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