

Basildon Council Home Energy Conservation Further Report 2013

BASILDON BOROUGH COUNCIL
HOME ENERGY CONSERVATION ACT 1995 (AS AMENDED)
FURTHER REPORT 2013

1.0 INTRODUCTION

1.1 Local authorities have responsibilities under the Home Energy Conservation Act 1995 (HECA) in respect of improving the energy efficiency of all residential accommodation. In July 2012 the Department for Energy and Climate Change (DECC) published a requirement for councils with those responsibilities to report on the measures they propose to take to achieve this aim.

1.2 This report is at two levels. Firstly, it sets out the strategic and operational actions being taken through Essex authorities, working collaboratively, to form a pan-Essex Energy Partnership. The purpose of this evolving partnership is to place the County in a favourable position to take advantage of both Green Deal and Energy Company Obligation funding opportunities to deliver HECA requirements and wider related programmes

1.3 Secondly, in the Appendix, it outlines the local actions taken place in Basildon or are planned over the next three years.

2.0 WHERE ARE WE NOW?

2.1 Under previous funding streams most authorities were part of successful home energy partnerships. In particular, the Thames Gateway South Essex (TGSE) 'Warm and Healthy Homes' partnership (Southend, Thurrock, Basildon, Castle Point, Rochford) and the Herts and Essex Energy Partnership (HEEP) (all of Herts, Chelmsford, Harlow, Brentwood, Uttlesford and Epping Forest).

2.2 These were able to deliver programmes of cavity wall and loft insulation and, for qualifying households, energy efficient heating schemes. Funding sources included local authorities own capital, Government funding through local housing boards, Warm Front, and the utilities' Carbon Emissions Reduction Target (CERT) and Communities Energy Savings Programmes (CESP) monies.

2.3 Most of these programmes came to an end during 2012, though some CESP schemes are still continuing. Schemes in Basildon that made use of these funding sources are summarised in Appendix 1.

2.4 With the onset of Green Deal and Energy Company Obligation (ECO) funding during 2012 it was realised that larger scale arrangements were now

needed if Essex authorities were to compete effectively for resources. Green Deal and ECO resources are not allocated, or tied into any one region or part of the country.

2.5 A proposal was therefore drawn up through interested authorities for an Essex wide consortium of councils, open to others to join, to form the basis of an effective negotiating and delivery mechanism, sufficient in size and scope to attract resources and the major utilities and delivery agents to the area.

2.6 This proposal was taken to the March 2012 meeting of the Essex Chief Executives Association where it was agreed that Essex authorities, unitaries and the County Council should establish a Home Energy Consortium, now known as the Essex Energy Partnership (EEP)

2.7 The purpose and progress of the Partnership is described below.

3.0 THE EVIDENCE BASE

3.1 The level of information that is held by individual councils varies. Some authorities have very recent stock profiling data that includes information on fuel poverty and areas identified as requiring attention in terms of energy efficiency. Others have general House Condition Survey information that can provide a general background only.

3.2 For the Social Rented Sector many councils and Registered Providers have current SAP data for their stock, and continuing programmes of energy efficiency measures under 'Decent Homes Plus' or its equivalent

3.3 For the purposes of this report, available Essex-wide data is used.

Essex Summary

3.4 Essex as a whole has a population of 1,724,950 according to the 2011 Census. These are formed into 718,620 households of which 70.2% are owner occupiers, 14.4% live in social rented accommodation, 13.8% rent privately, with the remaining 1.4% classified as 'other'.

3.5 Although quality of life for most Essex residents is generally good, 6.8% of Essex residents live in seriously deprived small areas, defined as those in the 20% most deprived nationally. Many of the most deprived areas also experience the lowest levels of life expectancy.

3.6 Indices of deprivation are measured at the 'Lower Layer Super Output Area level'. The Office for National Statistics (ONS) has developed Super Output Areas (SOAs) which can be used to identify pockets of deprivation within districts. Coastal Jaywick in Tendring is the most deprived SOA in Essex and England. Southend has pockets of high affluence, and wards which suffer extreme deprivation. Deprivation in Thurrock is concentrated in the west and south of the borough with three of the five areas in the 10% most deprived in England situated in Tilbury. Nineteen SOA's in Basildon fall within the 20% most deprived areas nationally, a number of which fall around the

Basildon town urban area and the urban areas of Laindon. Colchester's main concentrations of deprivation can be found in Colchester Town (Joint Strategic Needs Assessments 2009 and 2012).

Fuel Poverty

3.7 Fuel Poverty is an imprecise measure and the definition changed recently as a result of the 2012 Hills report. In particular, the price of gas, electric and oil have all increased over the period, and the national and international financial situation affected disposable household income. For these reasons it not a matter under local authority, or even direct household control.

3.8 DECC has produced interactive maps to highlight trends in Fuel Poverty between 2006 and 2010. They show the percentage of households in fuel poverty for local authority areas and give numerical totals. The information is not aggregated on a county basis.

3.9 The DECC information uses a statistical model of fuel poverty based on the 2003 English House Condition Survey (EHCS) and 2001 Census.

3.10 The data shows an increase in fuel poverty for Essex over the period. In 2006, most districts in the county had in the region of 10% of households classified as in Fuel Poverty. By 2010 this had risen to an average of 15%, with some areas in excess of 20%.

3.11 Whilst this is an increase, largely due to the factors above, without the measures and steps taken by local authorities and others the position would have been worse.

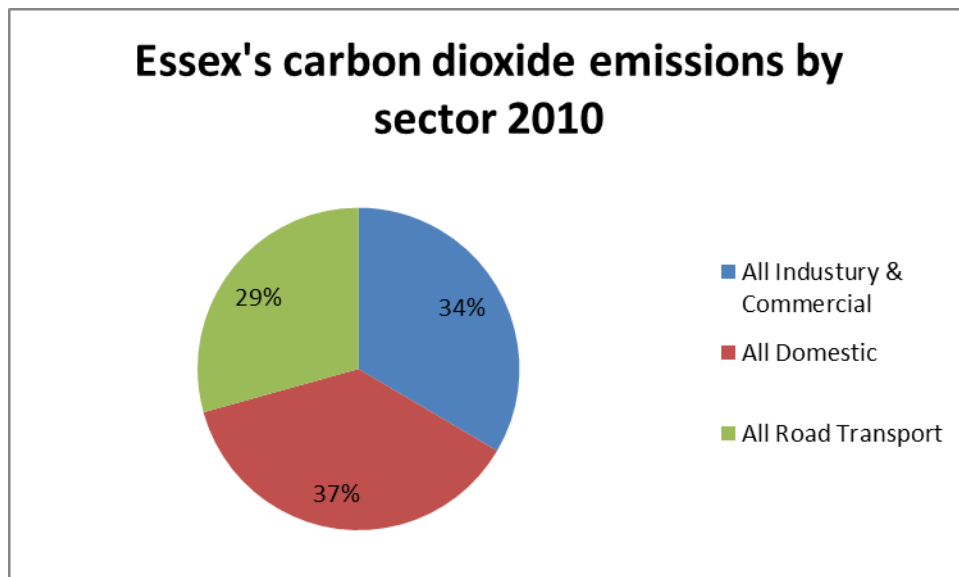
Carbon Dioxide Emissions

3.12 Figure 1 below shows Essex carbon dioxide emissions by sector for 2010. Domestic emissions make up just over one third of the total.

3.13 Table 1 below shows the trend in emissions for the County between 2005 and 2010, both for domestic and all types of emissions. There is a clear downward trend.

3.14 Local authorities and their partners have had a direct input in respect of domestic emissions through the programmes and funding listed above. Attractive CERT rates and promotion by insulation companies, particularly towards the end of the period, has also encouraged household take up of insulation measures. A summary of insulation output is shown below.

Figure 1: Essex Carbon Dioxide Emissions 2010



Source: Department of Energy and Climate Change 2012

Table 1: Essex CO2 Emissions 2005 and 2010 (kt CO2)

Year	Domestic	All Emissions
2005	3,398	10,090
2010	3,209	9,288

Source: Department of Energy and Climate Change 2012

Trends in Cavity Wall and Loft Insulation

3.15 DECC has made available data on an authority by authority basis showing the level of loft and cavity wall insulation for each financial year between 2008/2009 and 2011/2012.

3.16 Table 2 below shows that outturn over the period trebled for both cavity wall and loft insulation over the 4 year period.

3.17 These results are a direct result of the local authority programmes and funding listed above in tandem with the attractive CERT rates and promotion by insulation companies, particularly at the end of the period.

Table 2: Essex Cavity Wall and Loft Insulation 2008/2009 to 2011/2012

Year	All Cavity	All Loft
2008/2009	15,002	18,544
2009/2010	28,255	31,103
2010/2011	41,527	48,781
2011/2012	53,742	69,466
Total	138,526	167,894

Source: Department of Energy and Climate Change 2012

3.18 There are still many lofts and cavities to complete and the ending of CERT funding in December 2012 left households waiting on local authority and energy companies books. There is no reason why the 2011/2012 levels could not be repeated for 2 more years with equivalent funding

Solid Wall Properties and Gas Connections

3.19 The Centre for Sustainable Energy (CSE) has made available summary information in both map and numerical form for households living in solid walled property. This is made up of data modelled from 2005 'Residata' (property age) the 2001 English House Condition Survey (wall construction).

3.20 Figure 2 below shows the information in map form. Overall, there are an estimated 132,000 households living in solid wall properties in Essex. The largest number, are in Southend (28,000), followed by Colchester (17,000), Tendring (14,500) and Braintree (14,000). The highest proportions in percentage terms are in the North and West of the County. Some districts have over 50% solid walled property, with some sub-areas at 75% and over.

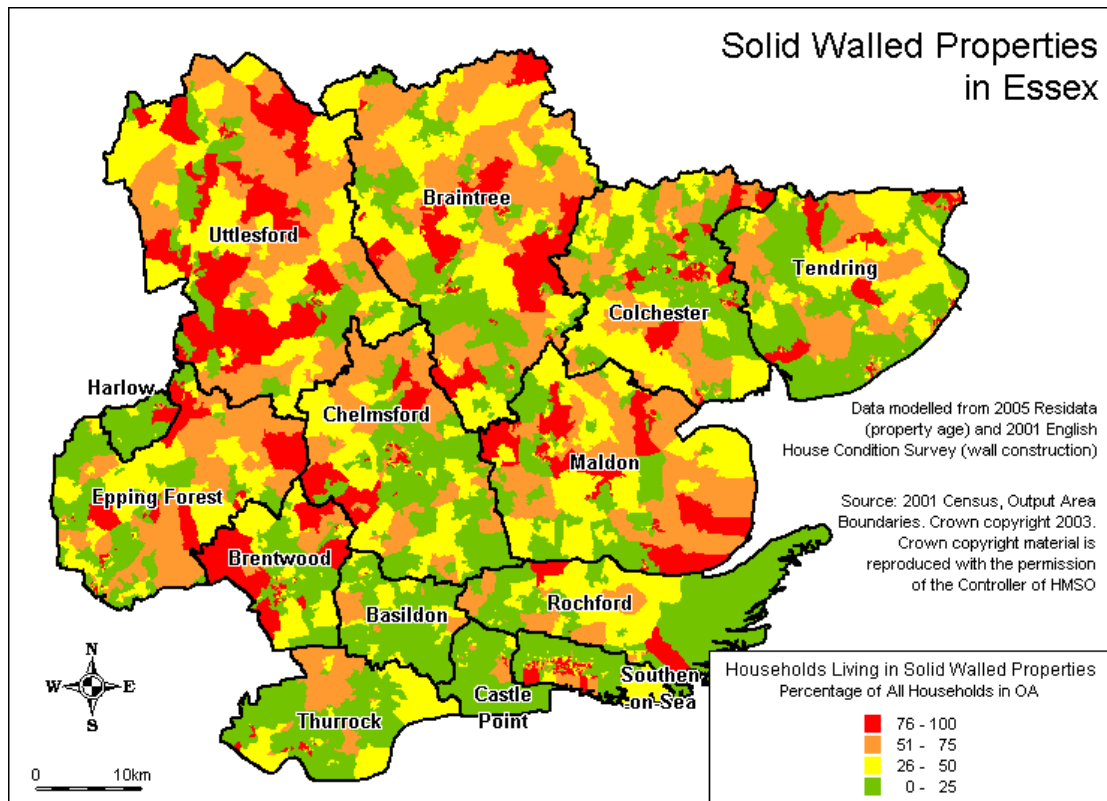
3.21 A similar County map and individual ward totals are available in respect of gas connections, based on 2001 Transco data (Figure 3 below).

3.22 In 2001 there were an estimated 194,000 households without a domestic gas supply in Essex. The largest numbers are in Braintree (24,500), Chelmsford (22,500) and Colchester (21,000).

3.23 In percentage terms the map shows the rural North of Essex with the highest proportion off-gas. Uttlesford (43%) and Braintree (42%) have the most in terms of population, with Harlow, in the south, the lowest at 17%.

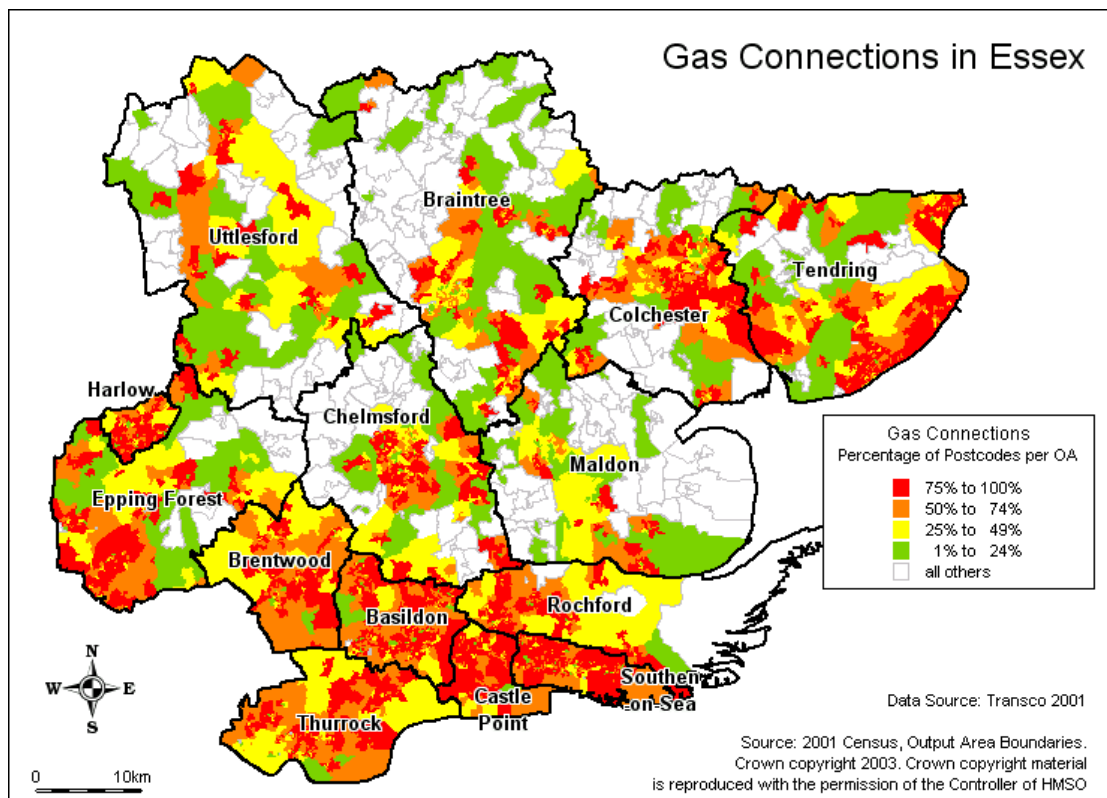
3.24 Broadly, there are still large parts of Essex off –gas.

Figure 2: Solid Walled Properties in Essex



Source- Centre for Sustainable Energy

Figure 3: Gas Connections in Essex



Source- Centre for Sustainable Energy

4.0 WHERE DO WE WANT TO GET TO?

4.1 The information above gives an outline of Essex and some baseline data relevant to domestic energy efficiency. It will assist in forming the basis of initial targets for the Essex Energy Partnership offer to funders and partners.

4.2 The future emphasis has now moved from CERT, CESP and Warm Front to the Green Deal and Energy Company Obligation funding. These are the new vehicles for delivering future programmes, both for this report and the Essex Energy Partnership.

Green Deal and Energy Company Obligation

4.3 Green Deal has now been launched and there is a steady level of take up. However, it is clear it will take some time before it assumes the central role planned for it.

4.4 However, one element of Green Deal that is fully operational and funded, with a high level of involvement and interest, is the £1.3bn Energy Company Obligation programme. In simple terms, the 6 largest utilities are required to make levels of carbon savings, set by Government and agreed through Ofgem. The monetary value of meeting these savings equates to £1.3bn per year.

4.5 The first phase of ECO was launched on the 1st October 2012 and runs until 31st March 2015. Schemes, partnerships and offers are either being developed or have already been introduced. This is the current focus of our future programme through the Essex Energy Partnership.

4.6 ECO funding is available for external wall insulation, loft and cavity insulation and energy efficient heating through the Affordable Warmth elements of the scheme.

4.7 There are 3 elements to ECO funding overall: Affordable Warmth (£350m); Carbon Saving (£760m) and Carbon Saving Communities (£190m).

4.8 The Carbon Saving Communities element is concentrated on the areas with the highest levels of multiple deprivation by LSOA (Lower Census Output Area). There are 54 of these in Essex, of all tenures (Table 3 below). There is a clear overlap with the areas of multiple deprivation identified in the Essex Joint Strategic Needs Assessment (JSNAs) above.

Table 3: Areas eligible for Carbon Saving Communities ECO funding

<u>Local Authority Area</u>	<u>Number of CSC Eligible LSOAs</u>
Basildon	12
Chelmsford	1
Colchester	3
Tendring	11
Thurrock	9
Southend	18
Total	54

Source: Department of Energy and Climate Change 2012

4.9 There is also a rural element to this part of ECO requiring suppliers to deliver at least 15% of their Carbon Saving Communities obligation to rural, low income households in settlements with a population size under 10,000.

4.10 Our direction as a County, and to meet HECA obligations, is to make use of the Green Deal and ECO framework to deliver our local programme through the Essex Energy Partnership.

Essex Energy Partnership

4.11 The Essex Energy Partnership is a consortium of Essex local authorities of all tiers, and Registered Provider partners. It is now being formalised through respective Cabinets. Its purpose is to procure and deliver Green Deal, Energy Company Obligation funding and related programmes for the residents and businesses of Essex.

4.12 All councils in Essex are now involved, both formally and informally, including both unitaries and Essex County Council. Three Registered Providers are actively working with the consortium.

4.13 The main purpose of the partnership is to be in a collective position to develop opportunities, procure delivery partners and procure funding for domestic energy efficiency measures across all tenures.

4.14 The outcome of this work will support local strategic priorities, including better health outcomes, carbon reduction, fuel poverty and improving the decency of both private and public sector stock.

4.15 Underpinning this is a requirement to use local contractors and installers wherever possible, creating new employment opportunities within Essex. At its meeting in April 2013 the Essex Chief Executives Association agreed that formal sign up to the Partnership should proceed through the Cabinet mechanisms of respective councils. Actions to implement this are in place. Three Essex Chief Executives act as Project Sponsors

4.16 The intention is that Essex will operate at a 'Producer' level, essentially a mid-range option in terms of Green Deal. Councils and RPs will be proactive as partners, delivering joint marketing and promotion of schemes, will lend their name to schemes, make available information to assist delivery etc.

4.17 It is intended that Private Sector schemes will be generally be pan-County, but with the flexibility to put together local/individual schemes. There will be an emphasis on the Private Rented Sector and the requirement for most private rented properties to have an EPC rating of E or above by 2018.

4.18 For social landlords, ECO funding for individual schemes would be achieved by the Green Deal provider/partner acting as an ECO brokerage agent, getting the best ECO rates for existing preferred local contractors, offering the service directly, or tendering for the service on behalf of the social landlord.

4.19 The Operational Group of EEP has carried out soft market testing with utilities, delivery agents and Green Deal providers to gather information on the best partnership and routes to progress. Meetings have been held with Suffolk, Kent and the GLA, who are undertaking similar schemes.

4.20 It is planned to go out to tender in the summer of 2013 to procure one or more ECO and Green Deal delivery partners. It is envisaged that the partnership will be for an initial 3 years, extendable to 5 years.

5.0 HOW DO WE INTEND TO GET THERE?

5.11 The current Action Plan for the Essex Energy Partnership is attached as Appendix two to this report. This will vary with time, but reflects the situation at present.

5.12 The Action Plan sets out the timetable and framework for appointing partners to the partnership and securing parallel funding through Energy Company Obligation resources

5.13 Appendix one summarises what we have achieved within Basildon over the past 12 months and what we hope to achieve ourselves, or with others, over the next 3 to 5 years

MAIN SOURCES AND REFERENCES

Census 2011, Office for National Statistics, Housing Stock and Household Tables for Essex, 2012.

Centre for Sustainable Energy, Solid Walled Properties and Properties with Gas Connections, based on 2001 Transco Data, English House Condition Survey 2001, and Residata 2005 in respect of property age.

Department of Energy and Climate Change, Interactive Maps and Data on Fuel poverty and Energy Efficiency Measures, DECC, 2012

Getting the Measure of Fuel Poverty, Hills, J, CASE Report 72, DECC, March 2012

Joint Strategic Needs Assessments, Essex, Essex Partnership, 2009 and 2012

APPENDIX ONE

BASILDON BOROUGH COUNCIL

HOME ENERGY CONSERVATION ACT 1995 (AS AMENDED) FURTHER REPORT 2013- ACTIVITIES AND PLANS WITHIN BASILDON

Basildon has been a member of Decent Warm Healthy Homes Partnership since 2009. The aims of this partnership have been achieved.

Our approach has been to focus on the opportunities that have existed to assist both private and public sector households.

For the private sector, this has involved the promotion of the Government Warm Front Grant Scheme for heating and insulation measures. This has been through joint publicity and, most successfully, through joint mailings along with Council Tax bills.

The table below shows the number of measures that have been delivered in Basildon from 2007/2008 to 2011/2012. Measures include cavity wall insulation, loft insulation and central heating or boiler provision.

Measures Delivered

<u>Year</u>	<u>Warm Front</u>	<u>Other funding streams</u> (Thames Gateway, PCT and DOH)
2007/2008	47	0
2008/2009	81	0
2009/2010	39	96
2010/2011	0	125
2011/2012	0	65
Total	167	286
Grand Total	453	

Social Rented Programme

Basildon has a retained stock of 11,113 social rented properties, managed directly by the Council. Within the annual capital and planned maintenance programmes, heating and insulation installations and upgrades have contributed to achieving Decent Homes standards. Overall, the stock is in good condition.

The Council's cavity wall and loft insulation programmes to conventional build properties were completed some time ago, making use of earlier funding streams to assist delivery.

Parallel to this the Council has completed its programme of boiler upgrades and heating replacements.

Planned Program

Installation of gas infrastructure to 89 standalone dwellings and replacement of existing electric heating with gas.

The same approach is being taken with 6 sheltered housing schemes comprising 230 residential units.

External wall insulation being installed to circa 30 No Fines properties leveraging in ECO funding.

Future Priorities

Basildon is part of the Essex Energy Partnership and should benefit from the Energy Company Obligation funding and programmes that derive from that initiative.

A key advantage of the EEP initiative is flexibility; local authorities will have the ability to develop programmes locally as well as encompassing County wide schemes.

Within the partnership, Basildon will continue to develop and deliver schemes within its 12 designated Carbon Saving Communities areas in the Borough.

Basildon Council will have a private sector offer for external wall insulation for both owner occupiers and private landlords. The council will continue to engage private landlords and agents following a successful exercise as part of the 2012 CERT insulation initiative described above.

For our social housing stock we will seek ECO funding, where eligible, to secure ECO funding for existing programmes and to develop schemes for External Wall Insulation. This will include the exercise already started in respect of our non-traditional stock.

Appendix Two: Essex Energy Partnership (EEP)

Action Plan

	Action	Target Date	Completion	Notes	Lead
reen Deal mechanisms	<p>1 Establish an Essex Energy Partnership of District and Unitary Councils, Essex County Council and Registered Providers.</p> <p>ACTIONS</p> <ul style="list-style-type: none"> • Form Partnership. • Set up as project with Sponsors and Operational Group. • Agree TOR and membership • Agree an action plan • Take forward key actions, through sub groups where required. • Oversee Provider procurement process (see action 3) • Report back to Essex Chief Executives Group and sponsor Chief Executives • Agree a Memorandum of Understanding 	<p>March 2012</p> <p>October 2012</p> <p>January 2013</p> <p>January 2013</p> <p>Quarterly</p> <p>February 2013</p>	<p>March 2012</p> <p>October 2012 + ongoing</p> <p>January 2013</p> <p>March 2012 August 2012 January 2013</p> <p>March 2013</p>	<p>All Essex Councils and 3 Registered Providers now part of group. Amalgamation of historic north and south sub regional energy groups i.e. HEEP and Warm Healthy Homes partnerships</p> <p>The Operational Group has been established and partners bodies have taken responsibility for delivery of the next phases around soft market testing, procurement, specification and the bid/tender process</p>	<ul style="list-style-type: none"> • Tendring and Thurrock • Tendring and Thurrock • Operational Group Members. • Colchester • Operational Group Members • Procurement Sub- Group • Tendring and Thurrock • Braintree

	Action	Target Date	Completion	Notes	Lead
Evidence base	2 Identify opportunities and drivers behind the Green Deal & ECO. New HECA requirements, ECO eligible households, skills gaps etc. ACTIONS <ul style="list-style-type: none"> Review existing housing / energy information, identify and fill information gaps Review the regions value to a provider and create a costed offer structure 	 March 2013 March 2013	 March 2013 March 2013	A solid evidence base will allow the Partnership to market Essex' potential to Providers, this will improve stakeholder awareness and engagement. Part Done. An additional exercise on an authority/RP basis is now required As part of the tender and specification process	 Southend Procurement Sub- Group
Procurement	3 Procure ECO & Green Deal Provider(s) for Essex. ACTIONS <ul style="list-style-type: none"> Identify possible ECO & Green Deal Providers (soft market testing) Agree key requirements from Provider(s) Procurement process Provider(s) joins the partnership 	 October 2012 June 2013 October 2013	 January 2013	As the emphasis has switched from Green Deal to the more immediate use of £1.3bn ECO funding, the procurement priorities have changed and dates moved into 2013	 Tendring and Thurrock Tendring and Thurrock Procurement Sub Group Procurement Sub Group

	Action	Target Date	Completion	Notes	Lead	
Communications	4	Develop an EEP communications strategy and 'brand'		Will raise awareness of Green Deal & ECO. Ensures consistent messaging throughout the Partnership.	Communication sub group to operate parallel to the procurement process.	
		ACTIONS				
		<ul style="list-style-type: none"> Establish an EEP ECO /Green Deal brand 	March 2013	March 2013		Required to promote our offers, installers/assessors and advice.
		<ul style="list-style-type: none"> Agree key messages to be promoted to internal and external partners and customers 	June 2013			Enables inclusion of 'behaviour' information and tailoring to key EEP messages
		<ul style="list-style-type: none"> Agree who are key internal and external customers are 	June 2013			
	<ul style="list-style-type: none"> Agree and prepare for launch/launch event 					
	<ul style="list-style-type: none"> Set up dedicated web pages at individual organisation level on providers / installers. Providers/installers to do the same when appointed 	October 2013				

	Action	Target Date	Completion	Notes	Lead	
Communications	5	Develop an EEP-wide communications programme for 'internal' staff, including training for frontline staff.			Will raise awareness of Green Deal & ECO and reduce confusion during the transition.	Communication Sub Group in partnership with operational group.
		ACTIONS			Ensures consistent messaging throughout the Partnership.	
		<ul style="list-style-type: none"> Identify key staff to be updated on Green Deal & ECO Identify departments that deal with householders to promote Green Deal & ECO 	March 2013	On-going	Required to promote our offers, installers/assessors and advice.	
		<ul style="list-style-type: none"> Ensure Planning departments are fully aware of ECO/Green Deal and that consistent advice is available to residents. 	March 2013	On-going	Ensures frontline staff are aware of the changes and key messages. Pre-empts customer concerns and queries.	
	<ul style="list-style-type: none"> Run awareness seminars for key frontline staff and local business within own organisations 	May 2013		Strengthens our offer to Green Deal & ECO Provider		

	Action	Target Date	Completion	Notes	Lead
Social Housing	<p>6 Develop and introduce mechanisms for Social Housing Providers to access individual ECO funding at most competitive rates, both pre and prior partner procurement. Brokerage and partner matching</p> <p>ACTIONS</p> <ul style="list-style-type: none"> Consider an Essex Wide Social Housing Day, matching ECO funders, utilities and Social Housing Providers, similar to the recent GLA event 	November 2013		<p>To take advantage of the ECO opportunities that exist now</p> <p>GLA day worked well, so to consider something similar in Essex.</p>	Procurement Sub Group in partnership with operational group.
Private Landlords	<p>7 Establish engagement programme for private landlords.</p> <p>ACTIONS</p> <ul style="list-style-type: none"> Develop a plan for working with private landlords to deliver ECO on a portfolio basis. Contact and work with Essex NLA, RLA and ARLA. Also thorough the various Registration schemes Local landlord Forums 	<p>March 2013</p> <p>Quarterly</p>	<p>On-going</p> <p>On-going</p>	<p>Will support landlords to make improvements prior to legal obligation in 2018.</p> <p>Will reduce future enforcement burden on districts.</p> <p>Action in private rented sector has been historically limited, ECO should reverse this trend.</p> <p>Allows issues/barriers to be identified early, leaving plenty of time to address them before 2018 deadline</p>	<p>Lead:</p> <p>Operational Group to appoint leads.</p> <p>Essex Private Sector Housing Group</p> <p>Local Landlord Forums</p> <p>TGSE landlord accreditation group</p>

	Action	Target Date	Completion	Notes	Lead
Local Targets	<p>8 Establish Essex targets for all private residents.</p> <p>ACTIONS</p> <ul style="list-style-type: none"> • To work towards a 200,000 lifetime CO2 savings • To install a potential 70,000 cavity wall and loft insulations per year. • To install a potential 1,000 solid wall insulations. • To maximise the opportunities for SME's, through awareness and skills training. • To work in partnership with public health services to evidence progress against health and well being plans. 	On-going	March 2014		<p>Lead:</p> <p>Sponsors Group</p> <p>Operational Group</p> <p>Green Deal Provider</p> <p>Partners – public health/development & regulatory teams/social housing/private landlords/local businesses.</p>