

Home Energy Conservation Act 2023

Summary Report

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1. What is the HECA report and why is it produced?

The Home Energy Conservation Act 1995 (HECA) requires all local authorities (LAs) in England to submit reports to the Secretary of State of the Department for Energy Security and Net Zero (DESNZ) demonstrating what energy conservation measures they have adopted to improve the energy performance of residential accommodation within the LA's area.

In January 2024, DESNZ issued new guidance regarding the Act. The Act called for all English authorities to submit a report in March 2024 and to continue to provide reports at two yearly intervals on progress made in implementing energy conservation measures.

This report sets out Stoke-on-Trent City Council's current and planned activity to comply with the requirements of the Act.

2. National Targets

2.1 Fuel Poverty

The Warm Homes and Energy Conservation Act 2000 led to the publication of the UK Fuel Poverty Strategy in 2001 which included government targets to eradicate fuel poverty in England.

The government published its current Fuel Poverty Strategy: 'Sustainable Warmth Protecting Vulnerable Households in England' in February 2021 which continues its long-term fuel poverty target to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency standard of Band C by 2030. The 2021 strategy also reviewed progress against the following 2015 interim milestones:

- As many fuel poor homes in England as is reasonably practicable achieve a minimum energy efficiency standard of Band E by 2020
- As many fuel poor homes in England as is reasonably practicable achieve a minimum energy efficiency standard of Band D by 2025

Progress has been made against the 2025 target, with the latest statistics released in 2024 revealing 91.3% of low-income households are living in a property with a fuel poverty energy efficiency rating of Band A to D, an increase of 26.7 percentage points from 2010, and an increase of 0.1 percentage points since 2022.

Progress has also been made against the 2030 target revealing that 54.0 per cent of low-income households were living in properties with an energy efficiency rating of A, B or C, an increase of 39.4 percentage points since 2010 and an increase of 0.9 percentage points since 2022.¹

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2.2 National Carbon Emission Reduction Targets

The Climate Change Act 2008 established a legally binding framework for greenhouse gas emission reductions. It included a requirement for the government to set the UK legally binding carbon budgets. The Carbon Plan, first published in 2011, set out the government's strategy for meeting the carbon budgets which included the following emission reductions and targets:

- Reduce carbon dioxide emissions by 29% by 2017, 35% by 2022, 50% by 2027 and 80% by 2050 (from 1990 levels).
- Insulate all cavities and lofts, where practical, by 2020; by 2030, install between 1 – 3.7m additional solid wall installations and between 1.9 - 7.2m other energy efficiency installations;
- By 2030, install between 1.6 8.6m 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".

To support the ambitions in the Carbon Plan there are several drivers for action in the residential sector:

- Energy Performance Certificates (EPC), required on the sale, rent or construction of a building,
- Upgrade as many private rented sector homes to EPC Band C by 2030.
- A continued drive towards smart meters to be installed in every home.

2.3 National Health Policy Framework

The links between fuel poverty and health are increasingly well understood and widely recognised both at the national and local level. The key health policies that support action on fuel poverty include (but are not limited to):

- Public Health Outcomes Framework for England, which sets out the Government's vision for public health, the outcomes it wants to achieve, and the indicators that will help it understand how well it is improving and protecting health (including an indicator for fuel poverty).
- The Cold Weather Plan for England is a framework intended to protect the
 population from harm caused by cold weather. It aims to prevent the major
 avoidable effects on health during periods of cold weather in England by
 alerting people to the negative health effects of cold weather, and enabling
 them to prepare and respond appropriately.
- The National Institute for Health and Care Excellence (NICE) published guidance in March 2015 on 'Excess Winter Deaths and Morbidity and the health risks associated with cold homes. The guidance helps stakeholders meet a range of public, housing and social care goals by making recommendations on how to reduce the risk of death and ill health associated with living in a cold home, according to the best available evidence. NICE are

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currently developing a new guideline relating to housing and health although the publication date is to be confirmed.

2.4 Energy Company Obligations Measures, ECO: Help to Heat

The Energy Company Obligation (ECO) is an obligation on energy suppliers aimed at helping households cut their energy bills and reduce carbon emissions by installing energy saving measures.

The current ECO programme, ECO4, worth £4 billion will run until March 2026. The ECO4 scheme will focus on supporting low income and vulnerable households to upgrade their homes and heating systems and will help to meet the Government's fuel poverty and net zero commitments.

ECO4 focusses on improving the least energy efficient homes and households in fuel poverty, as only properties in Energy Performance Certificate Bands D-G can be treated. It also aims to deliver a more complete upgrade of those homes, shifting to a multi-measure whole-house retrofit approach.

3. Stoke-on-Trent Profile

Each year the DESNZ publishes datasets that analyse the latest statistical trends in fuel poverty in England².

3.1. Fuel Poverty

In the government's 2021 Fuel Poverty Strategy it introduced a new measure to establish if a household is in fuel poverty. The measure: Low Income Low Energy Efficiency (LILEE), finds a household to be fuel poor if it:

- Has a residual income below the poverty line (after accounting for required fuel costs) and;
- Lives in a home that has an energy efficiency rating below B and C.

A key change that LILEE considers is whether a household has reached Band C or above (Bands A and B) in energy efficiency. Where such households struggle with their energy bills, it is unlikely to be because their home needs more insulation. The government will, however, continue to consider the needs of low-income vulnerable households living in Band A to C homes under its vulnerability principle, as well as the needs of fuel poor households living in Bands D to G.

The government's 2024 sub-regional fuel poverty report lists Stoke-on-Trent as having the highest proportion of its households living in fuel poverty in England. The city has an estimated 24.7% of its population living in fuel poverty compared with the West Midlands average of 19.6% and the England average of 13.1%.

Further information about fuel poverty and its impacts on the health and wellbeing of people in the city is provided in the city's Joint Strategic Needs Assessment.

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² 2024_Sub-Regional_Tables_Final.xlsx (live.com)

3.2. Carbon Emissions

Carbon dioxide (CO2) is the main greenhouse gas, accounting for about 81% of the UK greenhouse gas emissions in 2016. The government publishes estimated CO2 emissions across the Industry & Commerce, Domestic and Transport sectors at local authority level. Domestic emissions are estimated using local data such as electricity and gas consumption (wherever possible).

The total per capita emissions in Stoke-on-Trent for 2019 was 4.9 tonnes per person which is a 0.4 tonnes per person reduction on the figure recorded in 2016.

Between 2018 and 2019, CO2 emissions decreased in 360 out of the 379 local authorities in the UK (95%). This is consistent with the decrease in overall UK emissions from 2018 to 2019 (3.6% fall). The main driver of the decrease in UK emissions in 2019 was a change in the fuel mix for electricity generation, with a decrease in the use of coal and more use of renewables.

3.3. Stoke-on-Trent Fuel Poverty Strategy

The council's <u>Fuel Poverty Strategy 2023-2028</u> sets out the council's ambitions and priorities to help address fuel poverty in the city over the next five years, regardless of tenure.

The strategy is aligned with the government's 2021 Fuel Poverty Strategy and reflects a commitment to take action to support the most vulnerable people suffering from fuel poverty.

The strategy mirrors the government's focus on improving the energy efficiency of households to reduce fuel costs and prepare for net zero targets together with revised priorities around responding to cost of living pressures and issues around damp and mould.

The strategy's four key objectives are:

- 1. Helping people to reduce their energy bills.
- 2. Improving domestic building efficiencies to reduce cold related illness.
- 3. Maximising household incomes.
- 4. Increasing renewable energies, to reduce our carbon emissions.

3.4. Stoke-on-Trent City Council Energy Strategy 2023-2028

The <u>Stoke-on-Trent City Council Energy Strategy 2023-2033</u> sets out a resilient, low carbon energy strategy for the council's corporate assets and activities within the city region, with a timeline of necessary initiatives and investment required to achieve it. A key objective of the energy strategy is to set out an economic and realistic net-zero energy system for the council that includes a high level of energy self-sufficiency from low carbon sources and identify opportunities to commercialise locally generated energy and locally provided energy services in the city region.

The council's Energy Strategy highlights that: "Since 2018, the City Council has managed to reduce its overall energy consumption by one fifth, which has led to:

- A 32 per cent reduction in carbon emissions, preventing the release of the equivalent of 5,540 tonnes of CO2. That is the same as the average emissions produced by 1,500 petrol powered cars.
- A £1.6 million drop in annual energy costs".3

Moving forward, the council faces a challenging road ahead if it is to play its mandated role under the UK's commitment to meet Net Zero for greenhouse gas emissions by 2050. However, the council's direct control of several low energy carbon energy resources means it is well placed to play a leading role in the energy transition.

4. Local Energy Efficiency Achievements, Ambitions and Priorities 4.1 Fuel Poverty

The Stoke-on-Trent Fuel Poverty Strategy 2023-2028 provides a strategic focus on delivering energy efficiency solutions and providing energy advice for the city's residents.

Recent achievements include:

- A council funded energy advice service which has supported 1,600 households with advice and support including income maximisation, managing fuel debt and promoting behavioural change since 2021.
- The council and its partners have set up over fifty warm and welcoming spaces across the city where people can meet up, socialise and have access to support. These spaces foster a sense of belonging in the community and offer a crucial safety net for those most in need.
- The council supports maximisation of investment in private sector housing through schemes such as the Energy Company Obligation (ECO4) and the Great British Insulation Scheme.
- The council has worked with Eon to attract over £1.2M worth of Local Authority Delivery programme funding into the city in 2023/24.
- The council is working with Warmfront to identify council owned properties requiring additional insulation measures funded through the government's ECO 4 scheme. This will result in an estimated further 1788 properties at Band C.

4.2 Planning

The council has an existing policy on Sustainability and Climate Change (Policy CSP3) within the adopted Core Spatial Strategy.

Click here for Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy.

The Core Spatial Strategy states:

³ https://www.stoke.gov.uk/directory_record/335151/energy_strategy_2023_-2033_

Development which positively addresses the impacts of climate change and delivers a sustainable approach will be encouraged.

The highest standards of energy and natural resource efficiency will be achieved by:

- Requiring that all new development, as a minimum, complies with on-site
 or near-site renewable or low carbon energy targets set out in current or
 future national guidance and the Regional Spatial Strategy and takes
 positive measures to reduce carbon emissions to the levels set out in the
 Regional Spatial Strategy.
- Ensuring the use of construction methods which minimise the use of nonrenewable resources and which maximise the use of recycled and locally sourced materials.
- Requiring all new developments to incorporate the use of Sustainable Urban Drainage Schemes (SUDS).
- Developing habitat systems which are resilient to climate change in accordance with latest best practice.
- Supporting local initiatives to address climate change such as the North Staffordshire Warm Zone and other initiatives that may emerge.
- Requiring best practice standards where supported by future local or regional evidence.
- All new developments shall be positioned in locations at lowest possible flood risk as identified in the SFRA and all suitable flood mitigation measures shall be investigated and where possible incorporated into the development. Opportunities will be sought to open up culverted watercourses to alleviate flood risk, create and improve habitats and develop green corridors.

Where these requirements are impractical and/or unviable, the onus will be on the developer to demonstrate that this is the case.

The 2009 Core Spatial Strategy will be replaced by a new Local Plan which is currently in development.

4.3 Partnership Working

The council works with national and local partner agencies such as Beat the Cold and Citizens Advice to develop referral pathways for households struggling with fuel poverty.

In 2022, the council established a Fuel Poverty Action Group (FPAG), comprised of local third sector fuel poverty support agencies. The group's primary aim is to address and mitigate the challenges that Stoke-on-Trent faces with fuel poverty. By pooling resources, expertise and networks, the FPAG will seek to develop effective processes and solutions to ensure all residents of the city have access to fuel poverty support and access to affordable, sustainable and reliable energy sources.

Support provided by the group includes:

- Fuel vouchers.
- Paying for fuel.

- Finding the best available tariffs.
- Improving energy efficiency in the home.
- · Fuel debt.
- Accessing funding available for heating repairs, and replacements.
- · Register households as priority customers with their energy provider.

4.4 Energy Company Obligation

Funded through a small levy on all energy bills, the Energy Company Obligation Scheme (ECO) is a Government energy efficiency scheme to help reduce carbon emissions and tackle fuel poverty.

ECO4 will run until 2026 with a focus on supporting low income and vulnerable households. The scheme will improve the least energy efficient homes helping to meet the Government's fuel poverty and net zero commitments. The Great British Insulation Scheme will support the ECO4 scheme in the delivery of predominantly single measures targeted at a wider range of households.

The council has published a Statement of Intent for Flexible eligibility:

Click here for Statement of Intent Flexible Eligibility Stoke-on-Trent City Council

4.5 Council Housing Energy Efficiency Improvements

Over recent years the council has made significant investments in decent homes programmes across the city. With our own housing stock, we have implemented additional energy efficiency measures, such as external wall insulation and loft insulation, which is proven to be a cost-effective, sustainable and long-term solution to tackling fuel poverty. We have undertaken proactive actions to mitigate risks associated with damp, mould, condensation and disrepair. Our five-year capital investment programme 2023-2028 sets aside £117m to continue modernising the council's stock. This includes circa £8.8m on central heating systems and £15.07m ringfenced for energy efficiency measures

A summary of our achievements includes:

- 12,272 of the council's properties have a Standard Assessment Procedure (SAP) rating of C or above. (SAP is the methodology used by the government to assess and compare the energy and environmental performance of dwellings).
- Retrofitted 74 non-traditionally built Crosswall properties with external wall insulation funded through the government's Social Housing Decarbonisation Fund (SHDF).
- Replaced on average 800 inefficient heating systems for our stock per year with A rated boilers.
- An average of 400 loft insulations are completed per year to bring the depth of insulation up to 270mm.
- 95% of council owned properties benefit from cavity wall Insulation.
- The council is working with Warmfront to identify council owned properties requiring additional insulation measures funded through the

- government's ECO 4 scheme. This will result in an estimated further 1,788 properties at Band C.
- We are exploring fitting a device called Endotherm to central heating systems in its properties which could save tenants money on their heating bills (funded through ECO 4).
- We are running a trial on 170 of our properties with a device called Switchee which helps to improve energy efficiency, provide early warnings of damp and mould and has the option to communicate directly with tenants through a touchscreen.

4.6 Private Sector Housing Energy Efficiency Improvements

- For privately owned low-income households, the council has secured funding from Phases 2 and 3 of the Local Authority Delivery Scheme (LADS). Phase 2 completed in September 2022 delivering energy efficiency improvements for 36 homes with an investment of £432,264. For Phase 3 the council has secured £2.5 million which will deliver energy efficiency measures for up to 250 homes by October 2023. Measures delivered through the scheme include external wall insulation, loft insulation, cavity wall insulation.
- Since 2018, 494 private sector properties have benefitted from first time central heating systems and replacement boilers funded through ECO, Warm Homes Fund and the council's Safe and Warm Homes programme.

In addition to this, the council continues to seek externally funded opportunities to provide large scale retrofit solutions for both our housing stock and the private sector including future rounds of the government's LAD scheme and the Social Housing Decarbonisation Fund.

4.7 Renewable Heat and Low Carbon Heat Networks

The £53m District Heat Network is well underway with 4 kilometres of infrastructure now installed in the University Quarter which should see approximately 45GWh of low-priced energy supplied annually. Plans are underway to see expansion of the scheme across the city with a clear focus on exploiting low carbon energy to be produced locally providing a secure affordable heat outcome for the city.

The city has reduced its own energy consumption by 20% and carbon emissions by 32%, thereby ensuring further resources are available to invest in the community through the savings achieved and implementation of measures based on lessons learned.

The council's Energy Strategy 2023-2033 provides a clear vision and action plan for the next 10 years in relation to reduce energy consumption and carbon emissions in line with the UK's commitment to achieving net-zero status by 2050. It also aims to provide a single, coherent rationale for the multiple priorities and areas of activity which the city council aims to pursue over the next decade in order to achieve its energy objectives.

4.8 Safe and Warm Homes Grants – Private Sector

The Safe and Warm Home grant has been available since February 2018. This grant aims to help improve living conditions by increasing energy efficiency and alleviating the impact of cold homes on residents who are vulnerable to the cold.

The grant is up to £10,000 and the eligible repairs may include the following:

Heating Improvements:

- Boiler repairs/ replacement.
- First time central heating.
- Additional radiators where required.

Measures to improve Energy Efficiency:

- Connecting homes to the District Heat Network.
- Insulation.

Additional Works:

- Replacement of broken and defective doors and windows
- Measures to prevent slips, trips and falls e.g. bannister rails, improvements to internal lighting.
- · Work to rectify dampness in properties.
- Electrical Safety measures.

5.0 Key Contacts:

For comments in relation to this report and its development please contact the Regulatory and Strategic Services Team:

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