



# Home Energy Conservation Act (HECA) 1995 Progress Report

March 2015

This report advises on progress made since  
the Cumbria HECA Further Report dated  
March 2013

“Allerdale – a great place to live, work and visit”

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## **1. Summary**

The Home Energy Conservation Act 1995 recognises that local authorities are uniquely placed to assess the need of their areas and local residents to act as catalysts for change. HECA recognises that local authorities have an ability to improve the energy efficiency of residential accommodation in their area.

This document sets out the actions that the Council will take to improve the energy efficiency of domestic dwellings within Allerdale. These include the promotion of national schemes such as Green Deal and Energy Company Obligation as well as local strategies to provide a District Heating Network and to ensure that new build dwellings are energy efficient.

## **2. Introduction**

The Secretary of State for Energy and Climate Change required all English energy conservation authorities to prepare further reports by 31 March 2013 setting out the energy conservation measures that the authority considers practicable, cost effective and likely to result in significant improvement in the energy efficiency of residential accommodation.

The further report was prepared by the Project Development Officer of the Cumbria Affordable Warmth Project on behalf of all obligated Cumbrian authorities. This report can be viewed in Appendix A.

A further requirement under Home Energy Conservation Act 1995 (HECA 95) as amended, is to prepare a progress report every two years from 31 March 2015 to 31 March 2027 to report on progress on the authority's further report. This also provides an opportunity to provide an update on changes or modifications to the further report.

Given the changes to the Energy Company Obligation (ECO), since the Government's Autumn Statement of 04 December 2013, and the closure of the Cumbria Affordable Warmth Project, this progress report replaces the further report of 2013.

In this progress report we define fuel poverty using the Low Income High Costs Indicator (LIHC) as recommended by The Hills Review and adopted by Government in 2013. Under the LIHC definition a household is considered to be fuel poor where:

- They have required fuel costs that are above average (the national median level)
- Were they to spend that amount, they would be left with a residual amount below the official poverty line. A fuel poor household fails both.

## **3. Background**

Improving the energy efficiency of properties reduces carbon emissions, enables affordable warmth, alleviates fuel poverty and improves the condition of housing stock. Allerdale Borough Council will continue to encourage energy efficiency in residential accommodation by implementing the actions set out in this report.

### **3.1 National targets**

The Government has laid draft regulations before Parliament to put in place a new long term fuel poverty target and a consultation has been undertaken to help prepare for a new fuel poverty strategy for England.

The Fuel Poverty (England) Regulations 2014 set out the objective for addressing the situation of persons in England who live in fuel poverty. The Regulations will create in law a new fuel poverty target of ensuring that as many fuel poor homes, as is reasonably practicable, achieve a minimum

energy efficiency standard of Band C by 2030. It is also proposed to set out the following interim milestones in the new fuel poverty strategy:

- as many fuel poor homes in England as is reasonably practicable to Band E by 2020;
- as many fuel poor homes in England as is reasonably practicable to Band D by 2025.

### **3.2 Local housing stock profile**

There are 42,345 domestic residential dwellings within Allerdale<sup>1</sup>, 34,257 are privately owned – with 29,417 owner occupied and 4,840 in the private rented sector. The private rented sector accounts for 11.4% compared to the national average of 15%. The remaining are owned and managed by Housing Associations (Registered Providers).

Allerdale has a number of dwellings which are classified as 'Hard to Treat' either due to the solid wall construction, dwellings off the gas network or those in exposed locations. The Allerdale Stock Condition Survey 2011 identified that 39% of the private sector dwellings were constructed pre 1919, making them likely to be of solid wall construction.

In 2013, there were 5,600 Allerdale households not connected to the gas network. This equates to 13% of all households<sup>2</sup>.

The average SAP rating of the privately owned sector in Allerdale is 49 and nationally it is 51 – the Standard Assessment Procedure or SAP is a government rating for energy efficiency.

### **3.3 Fuel poverty in Allerdale**

Fuel poverty is caused by several factors including high fuel costs, low income levels, poor thermal efficiency and under occupancy of homes. A sustainable way of reducing fuel poverty is to improve the thermal performance of homes, which will enable affordable warmth, improve the condition of the housing stock, increase the wellbeing of residents and help to reduce the number of excess winter deaths, 26 in Allerdale during 2011/12<sup>3</sup>.

Fuel poverty data provided by the Department of Energy and Climate Change (DECC) indicates that in 2011 there were 4,809 fuel poor households in Allerdale, which is 11.6% across all tenures. In 2012, the number of fuel poor households in Allerdale reduced to 4,745 which is 11.3% across all tenures.

Allerdale Borough Council is committed to improve the quality of life for Allerdale residents and ensuring that its services, and those of partners, meet the requirements of the customers who are most in need. One of the key priorities in the Council Plan 2015 – 19 is 'Tackling inequality' with a focus around improving household energy efficiency to ensure that residents can live independently and comfortably without experiencing the negative effects of cold living conditions such as respiratory illnesses.

## **4. Carbon Emission Reduction**

In the past Allerdale Borough Council has actively promoted former national energy efficiency programmes, including Carbon Emission Reduction Target (CERT) and Warm Front. We will continue to promote national schemes to our residents such as the Energy Company Obligation (ECO), The Green Deal the Feed-In-Tariff (FIT) and the Renewable Heat Incentive (RHI).

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<sup>1</sup> 2011 Census: Key Statistics for local authorities in England and Wales

<sup>2</sup> DECC Sub-national estimates of households not connected to the gas network: 2013

<sup>3</sup> Figures from Cumbria Intelligence Observatory

## 4.1. Energy Company Obligation (ECO)

ECO is an energy efficiency programme that was introduced into Great Britain in 2013. It places legal obligations on the larger energy suppliers to deliver energy efficiency measures to domestic energy users. ECO is intended to operate alongside the Green Deal to provide additional support in the domestic sector, with a particular focus on vulnerable groups and hard to treat homes.

Under the rules of ECO, energy suppliers are obliged to help improve energy efficiency of their domestic customers' buildings in three distinct areas:

- Home Heating Cost Reduction Obligation - To provide heating and insulation improvements for low income and vulnerable households (social housing tenants are not eligible).
- Carbon Emissions Reduction Obligation – to provide funding to insulate solid-walled properties (internal and external wall insulation) and those with hard to treat cavity walls.
- Carbon Saving Communities Obligation – to provide insulation measures to low income areas.

The joint Cumbrian further report identified ECO as the main tool to make progress in reducing carbon emissions from domestic dwellings and reducing the number of fuel poor homes. Through the Cumbria Affordable Warmth Project a procurement process commenced which sought to engage with energy companies and their supply chain to form a framework for delivery of energy efficiency measures through an area based approach. This process resulted in four companies successfully completing the procurement process and ready to sign a Cumbria wide agreement.

Unfortunately, the framework agreement was abandoned after the Government's Autumn Statement of 04 December 2013, which significantly changed the scope and delivery of ECO across England. One by one the companies withdrew as funding was withdrawn by the energy companies. Since then, the Cumbria Affordable Warmth Project found that access to ECO funding proved increasingly elusive, and attempts to re-invigorate schemes through both the energy companies and their supply chain was very slow. The Cumbria Affordable Warmth Project closed before a further ECO scheme could be launched.

Since the close of the Cumbria Affordable Warmth Project in September 2014, the Cumbrian district authorities have been working with an energy company to secure the delivery of an ECO scheme across Cumbria. The scheme intends to offer cavity and solid wall insulation, replacement boilers and loft insulation to residents.

Up to 30 September 2014, the total number of ECO energy saving measures installed was 1,644 in Allerdale<sup>4</sup>. These measures have been installed with little input from this authority except for advice and signposting. It is anticipated that once the Cumbria ECO scheme is launched, the number of measures installed will significantly increase.

| Steps we are taking to increase number of ECO measures installed  | Timescale   |
|---|---|
| Enter into agreement with an energy company to deliver ECO scheme | <b>By May 2015</b>                                      |
| Deliver and actively promote ECO scheme by area based approach    | <b>End of current obligation period - 31 March 2017</b> |

<sup>4</sup> DECC Green Deal, ECO and Insulation Levels in Great Britain, Quarterly report: to September 2014

## 4.2. Green Deal

The Green Deal is a government backed initiative to help households understand the energy-saving improvements that can be made to their home. It can also help households find companies to carry out the work and give a number of options for paying for the improvements, including Green Deal finance.

The joint Cumbrian further report advised that the authorities were working with National Energy Action (NEA) on a DECC funded project which sought to advise us on the best delivery approach for Green Deal called "A Green Deal Fit for Cumbria." It was determined that Allerdale Borough Council would be a "Green Deal Promoter".

A Green Deal Fit for Cumbria also provided training and information to those working in and supplying to, the construction and housing industry in Cumbria, particularly in traditional buildings. Training events included information on the Green Deal scheme, outlining how local businesses could become involved in the supply chain and training opportunities.

The project also developed a new degree-level module in Retrofitting for Energy Efficiency in conjunction with the University of Cumbria.

Up to 30 September 2014, the total number of Green Deal Assessments was 396 in Allerdale. In total there were three Green Deal Cashback vouchers and 14 Green Deal Home Improvement Fund vouchers paid in Allerdale<sup>5</sup>.

| <b>Steps we are taking to increase number of Green Deal Assessments lodged</b>  | <b>Timescale</b> |
|---|------------------|
| Promote Green Deal on the Council's website                                     | <b>Ongoing</b>   |
| Signpost enquiries regarding Green Deal to the Energy Efficiency Advice Service | <b>Ongoing</b>   |

## 4.3. Feed-In-Tariff (FIT)

FIT are payments to anyone who owns a renewable electricity system, for every kilowatt hour they generate. They were introduced in 2010 as the main financial incentive to encourage uptake of renewable electricity-generating technologies.

The joint Cumbrian further report did not identify the promotion of FIT as being a priority. The installation of technology eligible for FIT reduces a household's CO<sub>2</sub> emissions, energy bills and a tax-free payment is received for each kW generated.

Up to 31 December 2014, the total number of domestic FIT installations was 1,078 in Allerdale which generates a total installed capacity of 4,054 kW<sup>6</sup>.

| <b>Steps we are taking to increase number of FIT eligible installations</b> | <b>Timescale</b>   |
|---|--------------------|
| Promote FIT on the Council's website  | <b>By May 2015</b> |
| Signpost enquiries regarding FIT to the Energy Efficiency Advice Service    | <b>Ongoing</b>     |

<sup>5</sup> DECC Green Deal, ECO and Insulation Levels in Great Britain, Quarterly report: to September 2014

<sup>6</sup> DECC Sub-regional Feed-in Tariffs statistics

#### 4.4. Renewable Heat Premium Payment (RHPP) & Renewable Heat Incentive (RHI)

RHPP was a government grant scheme available for installing domestic renewable heating systems before the introduction of the domestic RHI.

RHI was launched in April 2014 and is a financial incentive designed to encourage the uptake of renewable heating such as air-source heat pumps, biomass boilers and ground or water source heat pumps, amongst domestic consumers. It is targeted at, but not limited to, homes off the gas grid.

The joint Cumbrian further report did not identify the promotion of RHPP as being a priority. On 31 March 2014, RHPP closed and replaced by RHI. This scheme has real benefits for Allerdale households, allowing for alternative fuel options and income generation for households who currently use oil, LPG or solid fuel to heat their homes, reducing CO<sub>2</sub> emissions and fuel costs. Up to its closure, the total number of householder RHPP vouchers redeemed was 75 in Allerdale<sup>7</sup>.

From 09 April 2014 (launch) to 30 December 2014, the total number of domestic RHI accreditations was 72 in Allerdale<sup>8</sup>.

| Steps we are taking to increase number of RHI accreditations             | Timescale          |
|--|--------------------|
| Promote RHI on the Council's website                                     | <b>By May 2015</b> |
| Signpost enquiries regarding RHI to the Energy Efficiency Advice Service | <b>Ongoing</b>     |

#### 4.5. Heat Networks Delivery Unit (HNDU)

HNDU is part of the Department of Energy and Climate Change (DECC). It has been set up to provide support (grant funding and guidance) to local authorities in England and Wales to progress the development stages of heat network projects.

The Council was awarded £147,000 through the HNDU and Britain's Energy Coast to conduct a feasibility study into a heat exchange project which could heat thousands of homes and businesses. If feasible, plans will be made to take waste heat from industry in Workington and use it to bring warmth to community buildings, houses, shops and leisure facilities. This scheme has the potential to significantly reduce CO<sub>2</sub> emissions and reduce energy bills in domestic dwellings.

| Steps we are taking to provide a Heat Network to domestic dwellings                                      | Timescale            |
|--|----------------------|
| Determine feasibility of providing a District Heating Network to domestic dwellings in North Workington. | <b>By April 2015</b> |
| If feasible and further funding is secured, put in place infrastructure for District Heating Network.    | <b>&gt;5 years</b>   |

#### 4.6. Private rented housing

Private rented housing makes up 11.4% of the housing stock within Allerdale. This equates to 4,840 households<sup>9</sup>. This is an increase from 7% of the housing stock as estimated in the 2001 census.

<sup>7</sup> DECC Domestic RHI and RHPP and Deployment monthly data: November 2014

<sup>8</sup> DECC Domestic RHI monthly deployment data: December 2014

<sup>9</sup> 2011 Census: Tenure, local authorities in England & Wales

The Energy Act 2011 places a duty on the Secretary of State to bring into force regulations to improve the energy efficiency of buildings in the domestic private rented sector in England and Wales. Government proposes to set a minimum EPC rating of 'E' for private rented properties from April 2018. Any properties below an 'E' rating will not be legally let unless it is not feasible to increase the EPC rating.

In Allerdale, 27.9% of private rented properties are below an EPC rating of 'E'<sup>10</sup>. If the proposals come into force, 1350 private rented properties will require energy efficiency measures to improve their EPC rating to the minimum.

| <b>Steps we are taking to increase EPC ratings of private rented dwellings</b>  | <b>Timescale</b>  |
|---|---|
| Deliver and actively promote ECO scheme by area based approach  | <b>End of current obligation period - 31 March 2017</b> |
| All letters to private sector landlords will include a paragraph relating to the EPC standard                                   | <b>April 2015</b>                                       |
| Provide information to landlords on how to increase energy efficiency of their stock through the landlord forum and newsletter. | <b>End December 2015</b>                                |
| Offer advice to tenants on how to access energy efficiency measures.  | <b>Ongoing</b>  |

#### 4.7. Social housing

Social housing makes up 19.1% of the housing stock within Allerdale. This equates to 8,088 households<sup>11</sup>.

In Allerdale, the average SAP rating of social housing is 73 or a 'C' EPC rating.

Registered Providers (RPs) within Allerdale have already sought agreement with energy companies to deliver ECO direct to their tenants, as part of their ongoing commitment to the future improvement of their housing stock. This allows both the RP and the energy company to engage in longer term financial and maintenance planning.

| <b>Steps we are taking to increase EPC ratings of social housing</b>                      | <b>Timescale</b>  |
|---|---|
| Deliver and actively promote ECO scheme by area based approach to include social housing. | <b>End of current obligation period - 31 March 2017</b> |
| Offer advice to tenants on how to access energy efficiency measures.                      | <b>Ongoing</b>  |

#### 4.8. Allerdale Local Plan

The Allerdale Local Plan contains the Council's planning policies for the use and development of land up to 2029. The Local Plan determines how the planning system will help to shape the community and includes provisions to reduce carbon emissions and reduce energy consumption in domestic dwellings.

<sup>10</sup> Allerdale Private Sector Housing Stock Condition Survey 2012

<sup>11</sup> 2011 Census: Tenure, local authorities in England & Wales



Strategic Policy S4 sets the Council’s planning policy for design principles. All new development (including conversions, extensions, and alterations) will be required to demonstrate high standards of design and must incorporate sustainable construction methods that reduce energy consumption.

Development Management Policy DM12 sets the Council’s planning policy for sustainable construction. The Council will require all new development to mitigate against the impacts of climate change by seeking to achieve the highest levels of sustainability.

All residential developments will be encouraged to achieve Code for Sustainable Homes (CSH) Level 4 (or any successor).

| <b>Steps we are taking to ensure new housing is energy efficient</b>  | <b>Timescale</b> |
|---|------------------|
| Ensure that all new housing developments use sustainable construction methods that reduce energy consumption.   | <b>Ongoing</b>   |
| Seek to ensure that development proposals reduce carbon dioxide emissions and energy consumption through the use of construction materials that maximise energy efficiency. | <b>Ongoing</b>   |

**Appendix A – Cumbrian further HECA report March 2013**

| Heading   | Action   | Timing                 |
|---|--|------------------------|
| <p><b>Background</b></p>  | <ul style="list-style-type: none"> <li>➤ Cumbria has six districts that have a reporting responsibility under HECA.</li> <li>➤ It is intended that these districts will report collectively.</li> <li>➤ Any such reporting will cover only those activities over which they either have a direct control over the outcomes, or to those which they can influence through policy.</li> <li>➤ Carbon Saving and Fuel Poverty are identified as a high priority by all the districts and the County Council</li> <li>➤ The responsibility for the collection and dissemination of HECA interventions will be placed with the Housing Quality Group, who are a sub-group of the Cumbria Housing Officers Group (CHOG), reporting to the Cumbria Housing Executive Group (CHEG)</li> </ul> <p>The remit of these groups covers all housing tenures across Cumbria and has active participation from leading social housing providers, and other stakeholders who make important contributions to the delivery of warmer, safer, and more affordable homes across Cumbria.</p> | <p>Policy 2012 -15</p> |
| <p><b>Cumbria Priorities</b></p>  | <p><b>Cumbria's main concern in relation to energy efficiency is its impact on: -</b></p> <ul style="list-style-type: none"> <li>➤ Fuel Poor Homes</li> <li>➤ Rural Fuel Poverty</li> <li>➤ Effects on Health and Wellbeing, including Mental Health</li> <li>➤ Social Exclusion</li> </ul> <p>In order to establish a baseline for future comparison, each district will use the current ECP data from Landmark, to establish a baseline in relation to the current average SAP for their area by lower super output area, this data will be updated on a bi annual basis to demonstrate improvements.</p>  | <p>Current</p>         |
| <p><b>Measure that will result in energy efficient improvements to residential accommodation.</b></p> | <p><b><u>Energy Company Obligation</u></b></p> <p>There will be a proactive Cumbria wide program that will identify and deliver measures through direct interventions into homes across the county.</p> <p>Each district will identify areas of priority and an Area/Community Based Approach will be used to promote installed measures and more within these communities.</p> <p>Particular attention will be given to the promotion and take up of the Home Heating Cost Reduction Obligation (HHCRO) through a proactive referral network across Cumbria.</p> <p>We will seek to work with local community groups, and trusted partners such as CAB, Age UK, and HIA's, and target areas will also benefit from other social interventions such as, advice on Behavioural Change and Financial Inclusion projects such as the Energy Best Deal.</p>  | <p>May 2013</p>        |

| Heading | Action  | Timing           |
|---------|---|------------------|
|         | <p><b><u>Green Deal</u></b><br/>                     Cumbria is working with National Energy Action on a DECC funded project that seeks to inform local councils on the best delivery approach called “ A Green Deal Fit for Cumbria”, further funding to help promote this project has been awarded through Cumbria County Council.</p> <p>A program for delivery is to be agreed that will, through the local government political processes, allow members to select which method of delivery is best suited to their areas, as described in the LA Green Deal guidance documents, that being: -</p> <ul style="list-style-type: none"> <li>➤ Green Deal Provider</li> <li>➤ Green Deal Partner</li> <li>➤ Green Deal Promoter</li> </ul> <p>In the mean time the market will lead in relation to the take up of Green Deal by early adopters.</p> | <p>Sept 2013</p> |
|         | <p><b><u>Social Housing</u></b><br/>                     Residential Providers within Cumbria are already seeking agreement with energy companies to deliver the Energy Company Obligation direct to their tenants, as part of their ongoing commitment to the future improvements to their dwelling stock. This allows both the Provider and the Energy Company to engage in longer term financial and maintenance planning.</p> <p>Providers will also be requested to provide details of other energy efficiency measures improvements such as: -</p> <ul style="list-style-type: none"> <li>➤ Alternative Heating Provision (RHI)</li> <li>➤ Replacement Windows</li> <li>➤ Replacement Boilers</li> </ul>  | <p>On Going</p>  |
|         | <p><b><u>Competent Persons Schemes</u></b><br/>                     Each district will record the number of measures installed under these schemes, through their building control records: -</p> <ul style="list-style-type: none"> <li>➤ Replacement Boilers</li> <li>➤ New Heating Systems</li> <li>➤ Replacement Glazing and Doors</li> <li>➤ External Rendering</li> <li>➤ RHI</li> </ul>  | <p>On-Going</p>  |

| Heading   | Action  | Timing                   |
|---|---|--------------------------|
| <p><b>Targeted Delivery</b><br/><b>Appendix A</b></p> | <p>The Cumbria districts are working with the Energy Savings Trust and ECO Providers on initiatives that will identify the areas across Cumbria that offer up the highest potential of Carbon Saving Returns, or high concentrations of Fuel Poor households.</p> <p>This work is essential as in order to ensure that these target areas will provide the best carbon yield, offer up opportunities for regeneration, and help to reduce Fuel Poverty.</p> <p>Once identified these areas will be added to the report, under this <b>Appendix A</b>.</p> | <p>Jun-July<br/>2013</p> |
| <p><b>Sign Off</b></p>                                | <p><b>This report has been agreed with each of the six districts, approval is through the district Chief Executive Officers, with reporting to the office of the relevant portfolio elected members.</b></p> <p>The report is published on line at:-</p> <p style="text-align: center;"><a href="http://www.cumbriawarmhomes.org.uk">www.cumbriawarmhomes.org.uk</a></p> <p>Report Author:-<br/>Thomas H Barlow<br/>Project Development Officer<br/>Cumbria Affordable Warmth Project<br/>01228 817239wk<br/>07793666152mb</p>                            | <p>March 2013</p>        |



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