

NORTH DEVON COUNCIL

Report To: Strategy and Resources Committee
Report Date: 12th April 2021
Topic: Home Energy Efficiency and Fuel Poverty
Report by: J W Mann - Head of Environmental Health and Housing Services and W Slate – Service Lead (Home Improvement and Adaptions and Energy Efficiency).

1. INTRODUCTION

- 1.1 This paper provides the Committee with a number of recommendations to: support an increase in energy efficiency; reduce fuel poverty; and increase the take up of renewable energy technologies, by supporting households with targeted interventions and cross sector funding.
- 1.2 The interventions have also been designed to support the sustainment of new tenancies and help with the Council's homelessness prevention work.
- 1.3 Domestic energy use accounts for approximately one-third of all the CO₂ emissions in the district. Adoption of these recommendations will make North Devon Council more pro-active in reaching the net zero carbon district target of 2050.
- 1.4 The proposals set out in the paper are in accordance with the Gov's new fuel poverty strategy, which was published in February 2021. The paper is called, "*Sustainable Warmth – Protecting Vulnerable Households in England*", and is available from the [Department for Business, Energy and Industrial Strategy](#).

2. RECOMMENDATIONS

- 2.1 It is recommended that Members:
 - 2.1.1 Note the cross sector framework to address fuel poverty set out in Appendix A.
 - 2.1.2 Approve the 5 strand approach to improving home energy efficiency and reducing fuel poverty, detailed in paragraph 4.5.

3. REASONS FOR RECOMMENDATIONS

3.1 (Paragraph 2.1.1): To develop a long term approach to promoting the health and wellbeing of our community with key partners.

3.2 (Paragraph 2.1.2): To put in place a series of measures which will significantly: increase levels of home energy efficiency; reduce carbon dioxide emissions and fuel poverty.

4. REPORT

4.1 North Devon Council has a good understanding of fuel poverty levels and the energy efficiency opportunities available in the area (North Devon – Fuel Poverty and Domestic Energy Efficiency Analysis – Yes energy solutions, October 2020).

4.2 A cross sector framework to address fuel poverty has now been developed through the One Northern Devon collaboration with partners in the CCG, Healthcare Trust, North Devon Homes, Torridge Council and 361 Energy. *Refer to Appendix A.* This reflects the group's wish to take a holistic approach to health and wellbeing, and that supporting the reduction of cold and damp homes is a significant factor in hospital admissions and excess winter deaths.

4.3 Domestic energy accounts for around one-third of the total CO₂ emissions for the district. This is reported on annually by the Department for Business, Energy and Industrial Strategy in their report entitled, "*UK local authority and regional carbon dioxide emissions' national statistics*": [www.gov.uk/Carbon dioxide statistics](http://www.gov.uk/Carbon-dioxide-statistics)

4.4 For ease of reference, the latest data for north Devon has been extracted and is set out in *Appendix B*. Reducing domestic energy emissions of CO₂ is, therefore, significant in the evolution of the Council's climate emergency strategy and the attainment of the net zero carbon district target of 2050.

4.5 The following approach has been put together for consideration by this committee to reduce CO₂ and enhance community health and wellbeing. It makes use of the current funding opportunities and collaboration with 361 Community Energy. Officers have reviewed data to identify trends and the best target areas for vulnerable households and energy efficiency opportunities. There are 5 elements to this plan:

1. ECO

The Energy Company Obligation (ECO) is a Government programme where major utilities are required to provide funding towards the cost of domestic energy efficiency improvements. The scheme has gone through various incarnations. The current phase (ECO3) is now predominantly focussed on supporting fuel poor residents.

The latest household energy efficiency statistics¹ released by BEIS, show that 1,722,865 households received ECO funded measures in England up to the end of June 2020. 143,071 households were from the South West, representing only 8% of all homes – the third lowest region to see installs just ahead of the East of England and the North East.

2,381 homes in north Devon have received ECO measures, which represents 2% of all participating households in the South West. North Devon trails behind the larger metropolitan authorities in the South West and is also in 6th place out of the 8 councils in Devon to partake in the ECO scheme, due to the greater availability of top-up grants in other areas.

The data suggests that 58.4 households out of every 1,000 have received an ECO funded measure in north Devon. This is in keeping with the majority of rural England.

The current ECO3 funding scheme ends in March 2022 and the analysis of the data identifies many properties where cavity wall insulation and first time central heating would be appropriate, attracting good rates of funding. In many cases, most property types suitable for cavity insulation will be fully subsidised, whereas funding for first time central heating can cover up to two-thirds of the cost (this is the case for most electrically heated homes).

Recommendation

Targeted campaigns are delivered in the top 10 Lower Layer Super Output Areas which have the highest fuel poverty rating. See *Appendix C*.

2. ECO (Flex)

Local Authority Flexible Eligibility (LA Flex) was introduced into the ECO scheme in 2017 (ECO2T), it is a system which allows councils to set their own eligibility criteria for private sector residents that do not claim state benefits. The criteria is set out in a published Statement of Intent and must support vulnerable people in, or at risk of, fuel poverty.

North Devon issued a Statement of Intent in August 2018.

Compared to many other local authorities, councils across Devon have utilised LA Flex a great deal, with over 7,000 measures funded through the mechanism. However, north Devon is one of the lowest contributors with 654 LA Flex funded measures, but this is still higher than the majority of district councils of a similar size.

¹Data source: [Household Energy Efficiency Statistics](#)



Recommendation

The revised Statement of Intent set out in *Appendix D*, is adopted. It is in line with changes to ECO3 criteria and latest Ofgem guidance.

3. Blended Funding/Better Care Fund

EPC data suggests that the main measure opportunities in north Devon are loft insulation top-ups and gas boiler upgrades (as 64% of homes have a gas connection). In most cases, these measures do not receive high ECO allocations, resulting in funding shortfalls.

There are over 7,000 lofts that could benefit from increases in insulation, and almost half are in EPC bands E, F or G. Blending other funding streams with ECO, such as the Better Care Fund, is vital to ensure low income householders take advantage. A blended funding approach aimed at vulnerable householders will ensure that most interventions are delivered, improving properties and reducing fuel poverty.

There are hundreds of homes in north Devon without central heating or a gas connection.

Unsurprisingly, the majority of these are in rural locations, and the gas infrastructure is limited to the larger towns and villages.

Recommendation

The revised Regulatory Reform Order Policy set out in *Appendix E*, is adopted. This will enable the Council to support the installation of less carbon intensive and renewables for heating and hot water.

4. Delivering Action

Adapting behaviour and gaining knowledge on what lifestyle changes are required to live more sustainably, will inevitably lead to lower fuel bills and a reduction in carbon emissions across the community.

However, many people are simply unaware of what they can do to help preserve energy in their homes and how this will benefit them and the environment. A resident may have an energy efficient home, but if their heating system is not programmed properly or regularly maintained, they could still be wasting energy and money unnecessarily.

Providing residents with tailored energy saving advice, bespoke to their home and lifestyle, will ensure local residents are better equipped to reduce their carbon footprint.

The advice needs to cover what interventions are required at a property level (i.e. measures that could be installed) and what funding options are available. But it also needs to include changes in behaviour, tariff

information, fuel savings' tips and training on how best to utilise heating systems to minimise emissions.

Advice is key to closing the knowledge gap and empowering residents to take control of their energy consumption.

361 Community Energy is already providing a free energy advice service, through the Local Energy Advice Partnership, a service commissioned by Agility ECO Ltd. 361 Community Energy's existing offer includes free energy saving measures like LED lightbulbs and draft excluders, radiator reflectors and help with energy debt.

Recommendation

361 Community Energy is commissioned by the Council to provide a domestic energy advice service. The advice would include:

- i) Behaviour tips – simple lifestyle changes that can make significant savings (e.g. turning appliances off standby, limiting hot water usage, low energy lighting, etc.).
- ii) Fabric measures – information on insulation systems for different properties with guidance on the financial benefits and CO₂ savings.
- iii) Heating – promoting the benefits of thermostatic heating controls and how to maximise comfort whilst saving energy.
- iv) Funding – the latest local, regional or national schemes that offer support towards the cost of energy efficiency measures.
- v) Fuel switching – advice on the most cost-effective and low carbon fuel sources relevant to a property's location.
- vi) Tariff switching – helping resident switch to the best energy deals.
- vii) Renewable energy – advice on the best systems, ancillary products (e.g. solar batteries) and Government incentives (e.g. Domestic RHI).

It will be targeted at residents who need more support and are at most risk of fuel poverty, namely, in the following priority order:

- i) Residents who have applied for a Disabled Facilities Grant.
- ii) Homeless applicants who have been supported to move into private rented accommodation.
- iii) Residents in receipt of state benefits in relation to Affordable Warmth Criteria.

- iv) Residents that meet the criteria in North Devon Council's Statement of Intent.
- v) Residents with a low household income that live in a property with high running costs (this can be determined via a fuel poverty assessment).

A contract of £20K yr⁻¹ will provide this enhanced support to around 200 households each year.

5. Working to improve standards in the private rented sector

Around 29% of homes with EPCs in north Devon are in bands E, F or G. Most of these properties could benefit from one or more energy efficiency measures. There are no obvious clusters for area based initiatives, so the Council needs to take a broader approach to targeting, focussing on key measures across the whole catchment.

However, nearly 1,900 homes with poor EPC ratings are privately rented. The Council has a real opportunity to engage landlords and promote the funding opportunities available. The Council can also enforce improvements in some privately rented homes, e.g., through MEES' legislation.

Recommendation

The Council increases its enforcement action in relation to cold and energy efficient homes in the private rented sector. This could include, but will not be limited, to:

1. Regulation of the Domestic Minimum Energy Efficiency Standard (MEES) Regulations and the Energy Performance Certificate Legislation.
 2. The use of HMO licensing conditions/guidance.
- 4.6 Notwithstanding a focus on these 5 priority programmes of work, officers will ensure the promotion of the various other energy efficiency initiatives available in north Devon, such as the Gov's Green Home Grants.
- 4.7 Officers will develop a range of indicators to measure the impact of these interventions.
- 4.8 Members will then be able to gauge the impact of the interventions and contribute to its developing climate change emergency plan. As a minimum this will include: homes supported, money saved on annual fuel bills and tonnes of CO₂ reduced.
- 4.9 The ECO and Green Homes Grant Schemes are complex. Notwithstanding the significant funding set aside for this intervention (the Green Homes Grant is a £2 billion initiative), take-up is to be limited by the

availability of registered installers. There is also a need to fully consider the impact of any new measures. For example, for many properties (in north Devon), moving to a heat pump without improving building efficiency will increase bills. Officers will now work with parties to develop options for putting in place a trusted local supply chain for retrofit/energy efficiency work. This is potentially an excellent local economic development opportunity.

5. RESOURCE IMPLICATIONS

- 5.1 The transformational programme of work set out in this paper requires the system to have more capacity. North Devon officers will also require new knowledge, skills and behaviours to properly assist local householders.
- 5.2 It is proposed to commission 361 Energy to provide the home energy advisory service in paragraph 4. The proposed contract value is £20K yr⁻¹ for 3 years, with annual reviews and break clauses. Officers consider it is appropriate to set aside the Council's Contract Procedure Rules to put this arrangement in place.
- 5.3 361 Energy is already commissioned to provide complementary services through the Local Energy Advice Partnership. Their expertise is recognised by other statutory partners and their current services includes the provision of free energy saving measures, energy debt advice and home safety checks with DSFRS.
- 5.4 Using 361 Energy makes these wider set of services available to NDC's customers, at no additional cost. A £20K yr⁻¹ contract with 361 Energy would support around 200 households yr⁻¹.
- 5.5 Working with 361 Energy is considered, therefore, to represent the best value option for providing an energy advisory serviced based on:
1. The price, quality and expertise offered by the provider.
 2. The additional positive impacts which will be received by residents.
- 5.6 The contract with 361 Energy can be funded by the deletion of a vacant Handy Person post. The improving quality of the Council's TA stock, coupled with an increasing need for works to be certified, makes this both an achievable and suitable way forward.
- 5.7 The Council's Private Sector Housing Team comprises 3 officers. Work in promoting home energy efficiency and addressing climate change is not a current focus of priority.
- 5.8 The team's job descriptions, however, have now been redrafted to reflect the new ambitions of the Council. Two of these posts are vacant and this will assist in the transition plan for putting in place the new accountabilities and expectations for the team. All officers in this area should be qualified,



domestic energy assessors and Green Deal advisors, who are capable of providing home owners/landlords/tenants with detailed reports of recommendation using specialist software, as well as enforcing MEES' and EPC legislation.

5.9 The Council's current capital programme for ECO Warm Up Grants in 2021/22 is £544K.

6. EQUALITIES ASSESSMENT

6.1 An equality impact assessment of these proposals is set out in *Appendix F*.

7. CONSTITUTIONAL CONTEXT

7.1 Article of Part 3 Annexe 1 paragraph: 1(h)

7.2 Referred or delegated power? Delegated

8. STATEMENT OF CONFIDENTIALITY

This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

BACKGROUND PAPERS

The following background papers were used in the preparation of this report:

North Devon - Fuel Poverty and Domestic Energy Efficiency Analysis - Yes Energy Solutions 2020.

The background papers are available for inspection and kept by the author of the report.

STATEMENT OF INTERNAL ADVICE

The author (below) confirms that advice has been taken from all appropriate Councillors and Officers.

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