



Briefing 12/40 August 2012

# Reports pursuant to the Home Energy Conservation Act (HECA) 1995

To: All contacts in England  
For information – contacts in Scotland, Wales and Northern Ireland

## Key issues

Government acknowledges and emphasises the unique role that local authorities have in energy conservation

There is a new responsibility on English authorities to prepare reports setting out the measures they have taken to address energy conservation

Progress and further reports are expected to be required from local authorities every 2 years from 31 March 2013 to 31 March 2027

## 1. Introduction

Guidance has been issued under the HECA to help local authorities in England improve energy efficiency of the local housing stock providing guidance about reporting on progress on a 2 yearly basis.

The guidance emphasises the Government's view that that local authorities are uniquely placed to assess the needs of their areas and local residents and to act as catalysts for change. The Act recognises local authorities' ability to use their position to improve the energy efficiency of all residential accommodation (such as owner-occupied, privately rented and social housing) in their areas.

The document gives guidance to authorities in England in preparing reports for 31 March 2013 and for subsequent progress reports and can be found here <http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/saving-energy-co2/5992-guidance-to-english-energy-conservation-authoritie.pdf>

## 2. Background

Under section 4(2) of the HECA the Secretary of State may give guidance to authorities on what energy efficiency improvements are to be regarded as significant. The guidance notes that the Government is committed to local authorities setting their own priorities, ambitions and any related targets as they are best placed to assess their local needs and judge what will achieve significant improvements based on their particular local circumstances.

It goes on to state that the starting point for action by central and local government to significantly improve the energy efficiency of residential accommodation across the country is the legal requirements in the Climate Change Act 2008. This sets specific targets for reductions in carbon emissions. The Carbon Plan, published by the Department of Energy and Climate Change in December 2011, sets out how the Government aims to achieve these reductions.

The guidance mentions legislation and reports relevant to fuel poverty and how Government drivers such as the Green Deal, the new Energy Company Obligation and FITs and RHIs have prompted action in the residential sector. It notes how local authorities are well-positioned to take advantage of these drivers describing how local domestic energy efficiency improvements can bring significant benefits for local authorities and their residents including:

- opportunities for local economic and physical regeneration;
- support for the creation and maintenance of local green businesses, jobs and skills;
- helping to reduce fuel bills for local residents;
- helping make homes warmer and healthier;
- making a vital local contribution to reducing local and national carbon emissions; and
- supporting wider local strategic priorities, on issues such as health and poverty.

### **3. The Act's requirements**

The guidance notes that the Government has decided to request further reports and issue guidance in relation to these further reports and related progress reports pursuant to the provisions in the HECA recognising the key role that local authorities have to play in improving the energy efficiency of the residential accommodation in their areas, and thereby achieving reductions in domestic carbon emissions

The requirements aim to support authorities' local ambitions and enable strong partnership working with national and local partners. Using powers under section 5(1)(b) the Act the Secretary of State for Energy and Climate Change requires all English 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 in its area.

For the purposes of the further report and pursuant to section 4(2) of the Act, the document states that the Secretary of State regards significant improvements to result from measures falling within (i) below and particularly when installed as described in (ii) below. Authorities should therefore, where appropriate, have regard to:

- i) measures that take advantage of financial assistance and other benefits offered from central Government initiatives, such as the Green Deal, ECO and Renewable Heat Incentive or other initiatives, to help result in significant energy efficiency improvements of residential accommodation; and
- ii) measures which an authority has developed to implement energy efficiency improvements cost-effectively in residential accommodation by using area based/street by street roll out involving local communities and partnerships (e.g. social housing partners, voluntary organisations and town/parish councils).

In respect of energy conservation measures detailed in a further report an authority may set out any existing timeframe for delivery and national and local partners they propose to work with in effecting such measures to support local accountability.

Using its powers under section 3(2)(a) of the Act the Secretary of State, having received a further report duly prepared in accordance with the Act, expects to request that English authorities provide progress reports on progress made in implementing the measures set out in the further report at 2 yearly intervals after submission of the further report (by 31 March 2015, 31 March 2017, 31 March 2019 etc) up to and including 31 March 2027.

To promote transparency and accountability to local communities and partners, the Secretary of State requires all authorities to publish further reports and progress reports electronically on their website in a

format and location that is accessible to local residents with a link to be forwarded to the Secretary of State at [heca-reports@decc.gsi.gov.uk](mailto:heca-reports@decc.gsi.gov.uk) before or by the specified date of the specified year as described above. Where an authorities' further report or progress reports are not received by the set dates the Secretary of State may write to the authority's Chief Executive seeking advice on when it is expected.

#### 4. Guidance

The guidance is issued in accordance with the Secretary of State's powers under section 4 of the Act. It explains the requirements for authorities to provide further reports and progress reports. Authorities are required by section 4(3) of the Act to have regard to this guidance.

To provide transparency, further reports and progress reports are required to be published electronically so that local residents, should they choose, can access the authorities' plans and monitor progress. Authorities should decide the most suitable format for any further report or progress report although it is encouraged that these are brief, easily accessible documents.

For the purposes of reporting to the Secretary of State pursuant to sections 5(1)(b) of the Act, further reports could cover the following four elements.

##### **(i) local energy efficiency ambitions and priorities**

Authorities may already have, or may be developing, local plans to significantly improve the residential accommodation (such as owner occupied, social housing and private rented sector) in their area to provide a strong contribution to the national carbon targets set out in paragraph 1.3 of Part 1 of the guidance. An authority may describe any existing (or perhaps future) plan in their further report and progress reports and do so with reference to the key drivers set out in paragraph 1.9 of Part 1 of the guidance.

Depending on their local priorities and circumstances authorities may set priorities to address specific needs of their local residents, in particular around fuel poverty. For example an authority may decide to set out steps it plans to take to reduce fuel poverty in its area (particularly using the Energy Company Obligation), for example how it plans to target fuel poor households taking advantage of the Affordable Warmth and Carbon Saving Communities aspects of ECO. Given the existence of the DECC data sets outlined above, authorities are no longer expected to provide data on their CO<sub>2</sub> emissions as part of reporting progress or further reports. However, they may choose to use the DECC data sets to comment on trends etc in their further report and progress reports.

For example:

- if the figures for the period 2005 - 2009 have decreased the authority may wish to comment on how they have achieved this; and/or
- if the incidence of fuel poverty is high in particularly areas the authority might use this as a starting point for any ambitions and action set out in its further report or progress reports.

As already noted, many local authorities are already planning how they might engage with or deliver the Green Deal. Many also have plans for addressing fuel poverty in their areas. In such cases the authorities' further report in March 2013 might simply be a statement of these plans.

##### **(ii) the measures that take advantage of financial assistance and other benefits offered from central Government initiatives, such as the Green Deal, ECO and RHI or any other initiatives, to help result in significant energy efficiency improvements of residential accommodation**

The Government is currently establishing the legal framework for the Green Deal and a new ECO, which will be in place by late 2012. Local authorities are expected to be key players in the delivery of the Green Deal and many local authorities (both individually and across whole counties) are already actively planning for it. An authorities' further report therefore provides an opportunity to consider how potential revenue from the Green Deal might be used for local growth, jobs and investment. In respect of further reports under the Act and in the context of energy conservation measures, where appropriate, authorities should have regard to

how they might utilise the key drivers set out in paragraph 1.9 of Part 1 of this guidance. These are attached as Appendix 1 to this briefing.

In the further report due in March 2013 the measures an authority might take advantage of in improving the energy efficiency of their residential accommodation could include:

- the role the authority has decided to play in delivering the Green Deal (provider, partner, etc) and a brief description of this;
- the potential number of households in the authority's area, how many it aims to target for improvement and how;
- how the authority plans to use Green Deal/ECO and other programmes to tackle fuel poverty.

**(iii) the measures which an authority has developed to implement energy efficiency improvements cost-effectively in residential accommodation by using area based/street by street roll out involving local communities and partnerships (e.g. social housing partners, voluntary organisations and town/parish councils)**

In the preparation of further reports, authorities should have regard to measures developed to implement energy efficiency improvements cost-effectively in residential accommodation by using area based/street by street roll out.

Authorities may therefore choose to identify opportunities for area based energy efficiency measures including potential local partners such as social housing providers and local community partners.

**(iv) a timeframe for delivery and national and local partners**

Where an authority is working in a consortia with other local authorities, e.g. districts and boroughs working together through a county council lead, it is recognised that further reports and progress reports may have some commonality. As such, a consortia of authorities may choose to produce a combined further report and progress reports with short annexes covering individual authorities' specific plans or progress.

Well developed further reports and progress reports could potentially attract investment and promote local economic growth by:

- signalling opportunities to local partners who may have a role to play or can contribute to delivery of plans e.g. local suppliers, installers and community organisations;
- attracting commercial funding for the energy conservation measures proposed; and
- demonstrating and communicating the authority's climate change and energy efficiency ambitions to local residents and thereby seeking their buy in.

To assist it could therefore be helpful for further reports to contain a timeframe of the authority's plans for improving the energy efficiency in its residential accommodation. While recognising commercial sensitivities and developing plans, where possible the further reports might also identify an authority's local partners.

## **5. Progress reports**

Progress reports that are expected to be required every two years from 31 March 2015 to 31 March 2027 are simply to report progress on an authority's further report as outlined above. Nevertheless authorities may provide an update on changes or modifications to its further report as part of its progress reports. An example report is provided as Annex 1 of the guidance document.

## **6. APSE Comment**

APSE welcomes the initial statements of the guidance which acknowledge the role local authorities have to play in addressing home energy conservation and related issues of energy management and climate change. They have been at the forefront of many examples of local investment and innovation tackling these issues

from a local perspective through a range of schemes such as support for small scale educational projects to large biomass projects, wind farms and home insulation programmes.

APSE recognises the benefits of sharing progress on tackling this kind of issue with the public and potential and existing partners and investors. However the example report (which is attached as Annex 1 to the guidance) is short at 2 pages and does not include the detail of actions taken or proposed. If the information provided is done so at such a high level (for example, 'We will reduce carbon emissions in the housing sector by 20% on 2010 levels by 2020') and without detail about how it is to be achieved, it becomes a set of headlines with no context. Anyone requiring detail will have to undertake research elsewhere in order to find the relevant detail. If this is to be the approach, it would be preferable if such headlines were made part of reports that the local authority has an existing duty to produce, rather than as an additional, separate report.

The alternative is to require local authorities to produce a report which is truly informative and incorporates enough information for those potentially interested in investment. This seems too much work when an alternative is to highlight a section within the Council's annual corporate / business plan. Links to relevant parts of the website would provide the required detail.

The nature of the actions taken within an area mean that this report will provide data about a number of partners. The example report quotes 'xx% of households will have smart meters installed by xxxx' and this is an example of work over which the local authority has minimum influence. Councils need to be aware that local people may think such work is the responsibility of the local authority simply because it appears in a council report.

Those local authorities who are practised at communicating effectively with their communities and partners will already be producing appropriate information about these issues. As such bringing it together should not be too onerous a task. However avoiding duplication and unnecessary red tape is a stated aim of the Government and it is to be hoped that they will be flexible, allowing local decisions to be made about the format of reports.

It is important to remember that the guidance refers only to the production of a report. All are aware of the significance of climate change, resource depletion and energy management and local authorities must continue to lead their communities in tackling these issues and supporting others in doing so.

**Phil Brennan**  
**Principal Advisor**

### **Appendix 1 – Drivers**

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

- the Green Deal and the new Energy Company Obligation will provide new sources of finance;
- ongoing support under the Feed in Tariffs scheme;
- ongoing support through the existing Renewable Heat Premium Payment and the new domestic Renewable Heat Incentive from summer 2013;
- requirements for all new homes to be built to a zero carbon standard from 2016;
- Energy Performance Certificates ('EPC'), which are required on the sale, rent or construction of a building, which provide the occupier with an assessment of the energy efficiency of the building and a set of recommended improvements that will make it more energy efficient;
- the Energy Act contains provisions to introduce a minimum energy efficiency standard (likely to be EPC band 'E') for private rented sector housing from 2018; details will be subject to full public consultation and use of these regulation making powers is conditional on there being no net or up-front costs to landlords. As a first step, government will work with the private rented sector to encourage uptake of

energy efficiency measures through the Green Deal; and • by late 2019 smart meters to be installed in every home.