

Home Energy Conservation Act Further Report 2013



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1. Introduction

1.1 The UK Government acknowledges that climate change is the most serious environmental issue facing the planet today. Irrefutable evidence indicates that climate change is taking place, and that man-made emissions are the main contributing factor.

1.2 The Climate Change Act 2008 provides a long-term framework for the UK to achieve its goals of reducing carbon dioxide (CO₂) emissions. The Act gives responsibility to the Secretary of State to ensure net UK carbon emissions for all six Kyoto1 greenhouse gases, by 2050, is at least 80% less than the baseline figure set in 1990.

1.3 The Home Energy Conservation Act 1995 (HECA) acknowledges that local authorities are critical to the achievement of these targets and are uniquely placed to provide a vision for local communities, to work to raise awareness and change behaviours as well as to act as catalysts for change, and improve the energy efficiency of residential accommodation. In July 2012 the Department for Energy and Climate Change (DECC) published its Guidance to English Energy Conservation Authorities Issued Pursuant to the Home Energy Conservation Act 1995. This gives guidance to authorities to prepare for submission of reports to DECC regarding priorities, ambitions and related targets to improve energy efficiency of all residential accommodation in their areas.

1.4 This report builds on the previous (eleventh) HECA report which was submitted to the Department for Environment Food and Rural Affairs in 2007. Similar to the requirements of this report, the focus is on the work carried out locally to tackle climate change through energy efficiency and reduced carbon emissions within the residential sector.

National Context

1.5 The Carbon Plan, published by DECC in December 2011, sets out the Government's plans to achieve the emission reductions detailed in the Climate Change Act. The plan includes the following targets with regards to housing:

To reduce CO₂ emissions by 29% by 2017, 35% by 2022, and 50% by 2027 – for buildings this means a reduction between 24% and 39% lower than 2009 levels by 2027;

To insulate all cavity walls and lofts, where practical, by 2020;

By 2030, to install between 1m and 3.7m additional solid wall insulations and between 1.9m and 7.2m other energy efficiency measures;

By 2030, to install between 1.6m and 8.6m low carbon heat systems such as heat pumps (Government modelling suggests that 21 - 45% of heat supplies to buildings will need to be low carbon by 2030);

By 2050 emissions from UK buildings to be “close to zero”.

1.6 Fuel poverty is another government priority. The current target is to eradicate fuel poverty in England, as far as reasonably possible, by 2016. Fuel poor households have been defined as those that need to spend more than 10% of their income on home energy (including heating the home to 21°C for the main living area, and 18°C for other occupied rooms). However, a new definition of fuel poverty was published by DECC in their policy document; Fuel poverty: a framework for future action, in July 2013. Under the new 'Low Income High Costs' (LIHC) framework, a household is said to be in fuel poverty if:

- 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 income below the official poverty line

Regional Context

1.7 At a regional level, London has been set a series of targets contained within the Mayor's Climate Change Mitigation and Energy Strategy 2011. The objectives of the strategy are:

- To reduce London's CO₂ emissions to mitigate climate change
- To maximise economic opportunities from the transition to a low carbon capita
- To ensure a secure and reliable energy supply for London
- To meet, and where possible exceed, national climate change and energy objectives

1.8 Using the CO₂ levels from 1990 as a baseline, the Mayor has set the following targets in order to achieve the above objectives:

Target Year	Target CO ₂ emissions reduction on 1990 levels
2015 (interim target)	20%
2020 (interim target)	40%
2025	60%
2050	At least 80%

1.9 The Mayor's London Plan contains a section on climate change mitigation which has direct links to the Home Energy Conservation Act. The relevant policies are:

Sustainable Design and Construction - The highest standards of sustainable design and construction should be achieved in London to improve the environmental performance of new developments and to adapt to the effects of climate change over their lifetime.

Retrofitting - The environmental impact of existing urban areas should be reduced through policies and programmes that bring existing buildings up to the Mayor's standards on sustainable design and construction.

1.10 The Mayor's Housing Strategy 2010 contains policy on producing greener homes for London. The strategic aim regarding this contains a number of components:

New housing developments will meet the highest standards of sustainable design and construction. - All new housing developments should be required to be well designed, meet the highest quality standards for sustainable design and construction, and contribute to meeting the target for reducing carbon emissions.

All new housing developments will provide low carbon and renewable energy generation, provided on site where this is feasible. - The Mayor has set a target to decentralise 25% of the capital's energy supply by 2025, and new homes must make a contribution towards meeting this target.

All new publicly funded homes will meet at least level 3 of the Code for Sustainable Homes (CSH), with many schemes reaching higher levels. - From April 2011, the Mayor requires all new publicly funded homes to meet the environmental and sustainability standards set out in his draft London Housing Design Guide. This will include all homes meeting at least level 4 of the CSH.

Social rented homes will be improved so that they are more than 'decent', with environmental standards a priority for any enhancement to the Decent Homes Standard. – The Mayor will work with boroughs and other partners to identify enhancements to the current standard, in particular to improve the environmental performance of existing homes.

Private homeowners and landlords will be helped to improve the condition of their homes, particularly their environmental performance

Where existing homes are retrofitted and the building fabric allows, a SAP rating of at least 65 should be achieved – the Mayor will work with the sponsors of various initiatives to improve the environmental performance of London's homes and ensure that a minimum SAP rating of 65 is included as a key target for their investment where appropriate

1.11 In addition, the Mayor's Revised Housing Strategy (for consultation with the public, December 2011) added the following contributions towards improving the energy efficiency of homes in London:

- Improve standards for the quality and design of housing, making sure that homes meet the needs of a changing population throughout their lives, and are built to the highest environmental standards.
- The number of accredited landlords in the capital will increase to 100,000 by 2016, and incentives for landlords to become accredited, such as access to funding to improve environmental standards, will be explored.
- Investment in new homes should contribute to reducing London's carbon emissions by at least 60% by 2025.

The Government's Green Deal and Energy Company Obligation (ECO) to provide a potential source of investment for improving the quality of London's housing stock through the installation of energy efficiency measures.

The London Energy Efficiency Fund (LEEF) provides potential funding of £11 million for retrofitting social housing though in common with the general trend, no additional funds are available to meet the far greater need to improve privately rented and owner-occupied properties.

2. Merton’s Energy Conservation Vision and Aims

This section provides an overview of current trends in Merton in terms of energy use and CO₂ emissions, fuel poverty and health indicators relating to cold-related illness.

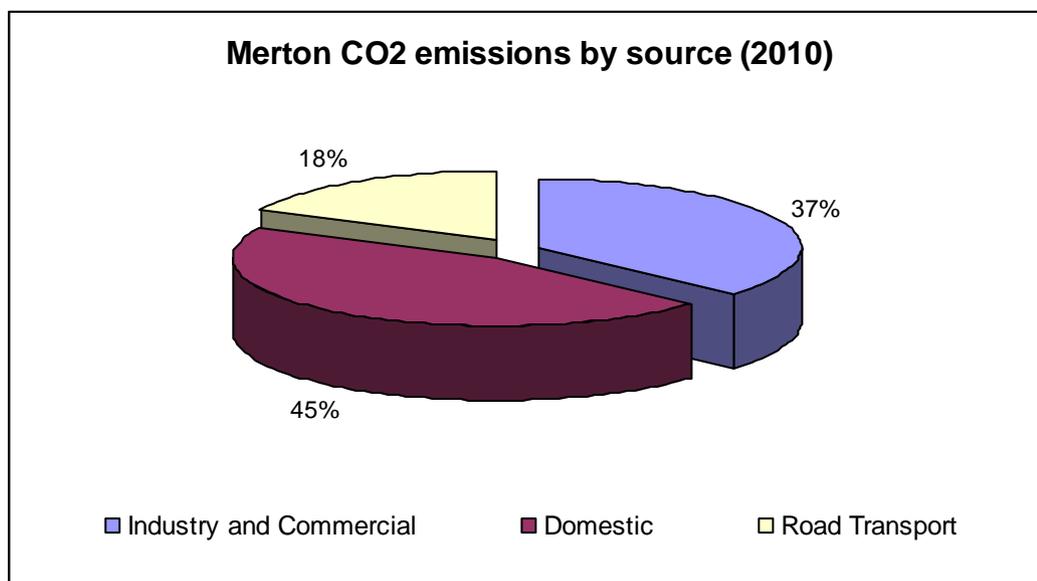
2.1. Where are we now?

Energy consumption in housing is currently the largest source of CO₂ emissions in Merton; contributing 45% of total emissions in 2010 (see below). Domestic CO₂ emissions in Merton decreased by 5% over the period 2005-2010 and both Merton’s overall per capita emissions and domestic per capita emissions are lower than the London average.

Breakdown of CO₂ in Merton (2010):

Industry & Commerce	336.9 kt CO ₂ (37%)
Domestic	416.7 kt CO ₂ (45%)
Road Transport	162.6 kt CO ₂ (18%)

Total (2010) 916.2 kt CO₂



2.2 Where do we want to be?

Merton’s Climate Change Strategy and Action Plan 2013 identifies the importance of engaging Merton’s residents on issues of energy efficiency and supporting them in making improvements to increase their level of wellbeing as well as reducing CO₂ emissions. Under the ‘Energy: across the borough’ section, the council is aiming to,

Build on the valuable experience gained in the Wandle Valley Low Carbon Zone to help communities improve their energy performance and reduce CO₂ emissions from dwellings across borough.’

Over the next three years, the strategy will seek to achieve this by:

- Developing and implementing a ‘Community Energy Fund’ to support the delivery of energy efficiency in dwellings across the borough
- Working with partners to promote and support the take-up of affordable warmth grants and measures for private residences

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- Facilitate local resident engagement on the Green Deal
- Engage residents on issues of energy efficiency and energy switching, targeting the most vulnerable
- Increase energy awareness amongst residents through promoting efficiency technologies (e.g. smart meters)

Merton faces a number of challenges and opportunities for improving the energy efficiency performance of dwellings in the borough, including:

- A varied domestic housing stock, with no single age, style or type of dwelling predominating.
- The Council is no longer a housing provider, having transferred its stock to Merton Priory Homes (MPH) in 2009. MPH is the largest social housing provider in the borough but the Council has little, if any direct influence on MPH's priorities and programmes.
- Private sector housing stock in Merton has an average SAP rating of 52, close to the London average rating of 53. However, 16% private sector homes in Merton have a SAP rating below 35, the third poorest figure amongst London boroughs.
- A relatively high proportion of properties with the potential to improve their energy performance:
 - some 48,406 potential installations of cavity wall, loft and top up loft insulation
 - around 50,000 installations of solid wall insulation

3. Recent Achievements and Progress

Merton was recently awarded £225,000 under the DECC Fuel Poverty scheme as a partner in the GLA's bid. This money has been used to deliver energy efficiency measures to private and public housing as part of the RE:NEW scheme (see below).

Green Deal

The **Green Deal** and Energy Company Obligation (**ECO**) schemes constitute the Government's flagship energy efficiency retrofit programmes. On 16th October 2012, Merton hosted an event entitled, 'Preparing for the Green Deal' in partnership with local community organisation Sustainable Merton. The event was organised with the aim of providing Green Deal stakeholders in Merton and neighbouring boroughs in south-west London with an opportunity to share information, concerns and aspirations around the Green Deal.

In January 2013 Merton secured £46,200 under DECC's Green Deal Pioneer Places programme (forming part of a wider Pan-London bid totaling £266,921) to explore approaches to engagement on the Green Deal within the borough. Merton is currently exploring the role that it could play in maximising opportunities offered by the Green Deal and ECO as part of the council's scrutiny Climate Change and Green Deal Task Group running from September 2013 – January 2014.

Merton was also successful in securing £31,400 of funding under the **DECC Collaborative Energy Switch** stream as part of a consortium of 23 London Boroughs led by the Royal Borough of Kingston and London Councils. The total bid of £686,655 has allowed us to work in collaboration with boroughs across London to develop The Big London Energy Switch project, a scheme to encourage residents (especially vulnerable and fuel poor households) to enter into a collaborative switching scheme. The group will then attempt to secure a better deal with energy suppliers for those households. The project has so far delivered two 'energy auctions' in April and June 2013, with a third auction scheduled for October 2013. Average savings of £122 per year have been secured for those residents who switched under the two auctions to date.

Warm Homes, Healthy People

Merton responded to the Department of Health's requests for bids in both November 2011 and October 2012 by submitting large, comprehensive bids co-ordinated by Environmental Health (Housing) involving partners from the health and voluntary sectors as well as other departments within the Council and special-interest organisations. Partners included Age UK Merton, Mascot Telecare Services, Osborne Energy, Public Health, Climate Energy and Groundwork London

In 2011, Merton was awarded £174k and in 2012, £312k of Warm Homes, Healthy People funding and used this money for a wide range of activities and schemes including:

- Climate Energy training outreach workers from the Council, health service, community groups and Ms Siobhain McDonagh, the local MP, to identify people at risk of being too cold in their own homes and/or at risk of fuel poverty. Having identified residents at risk, the training informed participants of the help and assistance available in Merton to help residents and their carers.
- Osborne Energy provided a comprehensive insulation scheme to 270 properties in Merton owned and managed by Haig Homes, a charitable landlord providing homes for ex-service personnel and their dependants. The WHHP funding supplemented the CERT funding for loft and cavity wall insulation, by covering the costs of scaffolding, loft clearance and other access issues not covered by CERT and for loft top ups.

- Publishing and posting a comprehensive guide book for Merton residents, targeted at older people and families with pre-school children, offering general advice on keeping warm and well in winter and a summary of the organisations and schemes currently available for people in Merton. The guide book was posted to 6,000 Merton homes and was available for older people attending Merton's 'Celebrating Age' events in September 2012.
- Much of the DoH funding was used in providing and installing extreme temperature sensors and Carbon Monoxide monitors in the homes of 1400 households across Merton using the MASCOT Telecare system. The 24/7 call centre, based at the Civic Centre, monitors for high and low temperatures within the property, rapid heating suggesting a fire and dangerous levels of Carbon Monoxide as well as responding to calls made by the users. Whilst this does not directly help to reduce Carbon emissions and energy use, it has alerted several residents who need replacement boilers or central heating who would otherwise have gone un-noticed.
- Age UK Merton's Handyperson Scheme provided energy-saving advice, checked the function of existing heating and hot water systems and installed draught-proofing during home visits.

Low Carbon Zone

3.8 The Wandle Valley Low Carbon Zone (LCZ) was launched in March 2010 and finished in March 2012. The aim of the project was to cut CO₂ emissions within the zone (an area comprising 650 homes and six community buildings) by 20.12%, from a baseline of 1,875 tonnes. The reduction was achieved through energy audits, small energy-saving devices, behaviour change and larger retrofit measures for domestic and non-domestic properties.

3.9 The project was funded by the GLA and was one of 10 such zones across the capital. Merton's LCZ's key successes were the 863 Green Doctor energy audits in the Phipps Bridge area of Mitcham offering advice on saving energy and installing 8327 simple energy-saving measures, saving 198 tonnes of CO₂ per year.

Through behaviour change and referrals to other schemes, residents saved 356 tonnes of Carbon and reduced their energy bills by around £100 pounds per year.

RE:NEW

3.10 RE:NEW is an area based energy efficiency programme funded by the Mayor of London which provides residents with:

- A home visit from an energy expert
- Simple energy saving devices installed in their homes
- Practical advice on how to save energy.
- Advice on improved insulation
- Advice on eligibility for grants and discounts for replacement heating systems

3.11 Under the scheme, from 21st November 2011, residents were offered free energy audits, and advice on energy efficiency grants. The scheme was delivered on behalf of the Council by Climate Energy. By end of March 2012 1,670 homes had received free energy audits and small measures, and an estimated 280 tonnes of CO₂ emissions were saved. Phase 2 of RE:NEW has recently been delivered in Merton by Climate Energy, aided by DECC fuel poverty funding. Performance details have not been published at the time of writing.

Discussions are underway with the GLA's support unit to investigate options for a third phase of RE:NEW.

ECO Funding

DECC introduced the Energy Company Obligation (ECO) from January 2013 onwards, to work alongside Green Deal to help reduce carbon emissions from the UK's domestic building stock.

Discussions are underway with Npower Ltd to use ECO funding to deliver cavity wall insulation in low and high-rise properties across the borough in partnership with Avalon, who will install the insulation using an abseiling method.

Likewise, discussions are finalising with both Osborne Energy and London Warm Zones to run ECO-funded schemes in Merton.

Merton's partnership with Climate Energy continues and an ECO-funded boiler repair and replacement scheme is already underway across the borough.

Action Plan

No	Activity	Measure	Time Scale	Action Owner / Lead	CO Saving	Resource Required	Level of Risk	Comments
1	Develop and implement a 'Revolving Loan Fund' to support the delivery of energy efficiency and low/zero carbon technologies in dwellings across the borough	Funding allocation awarded (£) / Number of measures delivered	2013 - 2016	Environmental Health - Environment & Regeneration	Medium	High	Medium	Funding allocated through Environmental Health budget and external funding. Primary risk of residents defaulting on loan repayments.
2	Facilitate local resident engagement on the Green Deal in partnership with Green Deal Providers and/or local Community Groups where applicable	Number of households engaged	2013 – 2014	Climate Change Team - Environment & Regeneration	Low - High	Low - High	Low - High	Outcomes dependent upon funding availability, the role that LBM takes on the Green Deal (i.e. Promoter, Producer or Provider) and consumer take-up.
3	Engage residents on issues of energy efficiency and 'energy switching', targeting the most vulnerable members of the community	Number of households engaged / registering for energy switching	2013	Climate Change Team - Environment & Regeneration				None
4	Deliver energy efficiency improvements to most vulnerable households in Merton	Measures installed / Cost savings (£) / Efficiency savings (CO ₂)	2013-2016	Environmental Health - Environment & Regeneration	Medium	High	Medium	Access and utilise external funding streams to support delivery of improvements to owner-occupied housing in Merton.

Continued overleaf

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5	Increase energy awareness by supporting the roll-out of Smart meters to dwellings in the Wandle Valley Low Carbon Zone (LCZ) in partnership with UK Power Networks	Numbers of meters installed	2013-2015	Climate Change Team - Environment & Regeneration	Low	Low	Low	UKPN target - 400-500 'Generation 3' Smart meters to be installed in LCZ commencing May 2013. Smart meters provided at zero cost.
6	Maximise spend of ECO funding in Merton homes in private and social sector homes	Measures installed / Cost savings (£) / Efficiency savings (CO ₂)	2013 – 2015	Environmental Health - Environment & Regeneration	Low	Low	Low	Discussions well advanced with Osborne Energy, Climate Energy, Npower and London Warm Zones.
7	Maximise spend of ECO funding in Merton homes in private and social sector homes	Measures installed / Cost savings (£) / Efficiency savings (CO ₂)	2013 – 2014	Climate Change Team - Environment & Regeneration	Low	Low	Low	Pursue discussions with the GLA's Project Support Unit to investigate RE:NEW Part 3 in partnership with Moat Housing.

7. Glossary of Terms

BREEAM	Widely recognised measures of a building's environmental performance
Carbon Plan	This sets out how the government plans to reduce carbon emissions to meet the targets set out in the Climate Change Act 2008.
Climate Change Act 2008	This Act sets a target for the year 2050 for the reduction of targeted greenhouse gas emissions.
Climate Change Mitigation and Energy Strategy 2011	The strategy focuses on reducing CO ₂ emissions to mitigate climate change, securing a low carbon energy supply for London, and moving London to a thriving low carbon capital.
Code of Sustainable Homes	A national standard for sustainable design and construction of new homes, launched in 2006 using a rating system of Levels 1 to 6.
Decent Homes	The Government standard requiring that all social housing must be fit, in reasonable repair, has reasonably modern facilities and be thermally efficient.
Energy Company Obligation	<p>A new programme designed to reduce Britain's energy consumption by funding home improvements worth around £1.3 billion every year. The funding comes from big energy suppliers. It is delivered to customers either directly from the supplier or by organisations working together, who have made special arrangements, such as Green Deal Providers.</p> <p>Many householders in older properties and those on benefits or low incomes may qualify for extra financial assistance.</p>
Energy Performance Certificate	Calculation of energy ratings in domestic properties

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Energy Savings Trust	The Energy Saving Trust Foundation gives impartial, accurate and independent advice to communities and households on how to reduce carbon emissions, how to use water more sustainably and how to save money on energy bills. They work in partnership with government, local authorities, third sector organisations and businesses.
Fuel poverty	The condition of being unable to afford enough fuel to keep a home warm and comfortable
GIS	Geographical Information System
Greater London Authority (GLA)	Since April 2012 is responsible (via the Mayor) for housing investment in London.
Green Deal	A framework to enable private firms to offer consumers energy efficiency improvements to their homes, community spaces and businesses at no upfront cost, and recoup payments through a charge in instalments on the energy bill.
Green Deal Provider	An organisation which plays a central role in the Green Deal process, enabling the implementation of Green Deal works for the customer.
London Plan	The London Plan is the overall strategic plan for London, and it sets out a fully integrated economic, environmental, transport and social framework for the development of the capital to 2031. It forms part of the development plan for Greater London. London boroughs' local plans need to be in general conformity with the London Plan, and its policies guide decisions on planning applications by councils and the Mayor.