



Housing Service

Draft Energy Strategy

2015-2020



Version 4
November 2015

1 Executive Summary

- 1.1 This Strategy sets out our approach to improving the energy efficiency of the Council’s housing stock up to 2020 in order to deliver the energy objectives of the 2015-20 HRA Asset Management Strategy and to reduce fuel poverty.
- 1.2 The aim is to ensure that our tenants benefit from homes which meet a good standard of energy efficiency and which can be heated comfortably without excessive cost. This means providing homes that are well insulated and have modern, low cost heating systems which can meet present and future needs.
- 1.3 The investment made in improving the energy efficiency of our homes will benefit both the Council and our tenants by:
 - Helping to maintain and improve the condition and value of the Council’s housing stock;
 - Reducing the repair costs associated with cold or unheated homes;
 - Reducing energy costs for tenants resulting in greater household income and a positive effect on rental arrears;
 - Improving the health and wellbeing of Council tenants;
 - Making properties more attractive to let reducing the costs associated with empty homes and re-letting.

1.4 The objectives of this Strategy are to:

Improve the energy efficiency of our homes in order to meet and exceed national targets	Ensure tenants live in homes which are affordable to heat and have a positive impact on their health and wellbeing	Deliver targeted investment programmes which address inequality
Introduce a minimum standard for the energy efficiency of our homes	Take action to reduce fuel poverty and support those struggling to afford to heat their homes	Focus on improving our most difficult and expensive to heat homes first

- 1.5 We will aim to deliver value for money by maximising external funding opportunities and incorporating energy efficiency into the day to day operational business.

2. Background and Introduction

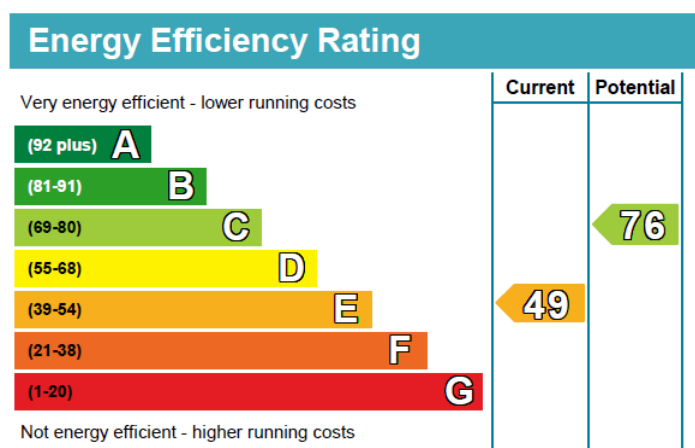
2.1 This Strategy sets out our approach to improving the energy efficiency of our homes and reducing fuel poverty for the five year period from 2015 to 2020. The action plan included in Appendix C outlines how this will be achieved.

2.2 Our approach is driven by the 2015-20 HRA Asset Management Strategy that includes the following objectives:

- To maintain tenants’ homes in line with the Government’s Decent Homes Standard;
- To create successful and sustainable communities;
- To tackle fuel poverty and improve energy efficiency;
- To optimise the balance between planned and responsive revenue expenditure
- To deliver value for money and efficiency savings
- To achieve continuous improvement in property related services
- To promote Equality and Diversity
- To deliver the Council’s new build and regeneration programmes

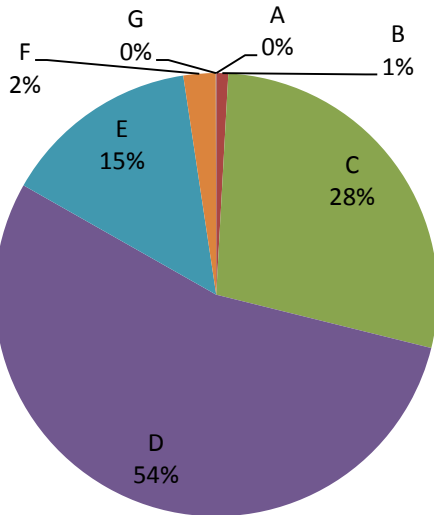
2.3 This Strategy also supports and links to the Council’s vision of North West Leicestershire as “a place where people and businesses feel they belong and are proud to call home” and the Housing Strategy themes of ‘Supply, Standards and Support’.

2.4 It is aligned to the English fuel poverty strategy, “Cutting the Cost of Keeping Warm” which was published in March 2015 and sets out the government’s framework for reducing fuel poverty including introducing a target of as many fuel poor homes as is reasonably practicable to achieve a minimum energy efficiency rating of band C, by 2030 with interim milestones of; (i) as many fuel poor homes as is reasonably practicable to Band E by 2020 and (ii) as many fuel poor homes as is reasonably practicable to Band D by 2025.



2.5 The energy efficiency of our housing stock performs at a similar level to other social housing providers with the majority of properties achieving an energy efficiency rating band D¹. There are however individual properties which will require investment in order to reach the standard of energy efficiency required by the HRA Asset Management Strategy.

EPC Ratings Aug 2015



NWLDC Average SAP rating 2015 = 63 (band D)

Average UK home SAP rating 2013 = 59.7 (band D)

Average social housing SAP rating 2013 = 65.6 (band D)

SAP = standard assessment procedure, used to calculate and compare the energy efficiency of buildings

2.6 As a consequence of the local coal mining history and rural nature of the area there are a number of properties which are not currently served by gas central heating. The majority of these are instead heated by solid fuel central heating or electric storage heaters which are often more expensive and less convenient to run. Investment is needed to provide modern, low cost heating systems for these properties to ensure they can be let successfully in the future and that tenants living in these properties are not disadvantaged.

2.7 The Council is keen to take advantage of the opportunities that renewable energy provides to provide low cost, controllable heating systems for properties where a mains gas connection is not possible or cost effective.



Twelve properties took part in the Green and Decent Pilot between September 2014 and December 2015. Four different renewable technologies were installed into the properties and their performance monitored. The pilot looked at the success of each technology in reducing energy bills, providing adequate heating and hot water and ease of use. The information gathered from the pilot has informed our choices regarding investment in renewable technology.

¹ August 2015

- 2.8 Addressing fuel poverty is a government objective as well as a local objective. The government defines someone as being in fuel poverty if they have required fuel costs that are above average (the national median level) and were they to spend that amount they would be left with a residual income below the official poverty line. Fuel poverty in North West Leicestershire is on average lower than national levels and similar to the average for Leicestershire². There are however areas in the District where fuel poverty is significantly higher than the national average and there will be individual households who are struggling to afford to heat their homes to a comfortable level due to one or more of the following factors: the energy efficiency of the property (and therefore, the energy required to heat and power the home); the cost of energy; household income. A planned approach is needed in order address these factors and identify and support those affected.

Who are the Fuel Poor?

The government definition of someone in fuel poverty is:

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

Health impacts of cold homes and fuel poverty *Marmot Review 2011*

- There is a strong relationship between cold temperatures, cardio-vascular and respiratory diseases, which has been associated with fuel poverty and cold housing.
- Children living in cold homes are more than twice as likely to suffer from a variety of respiratory problems than children living in warm homes.
- Mental health is negatively affected by fuel poverty and cold housing for any age group.
- More than 1 in 4 adolescents living in cold housing are at risk of multiple mental health problems.
- Cold housing increases the level of minor illnesses such as colds and flu and exacerbates existing conditions such as arthritis and rheumatism.

² 2013 figures - DECC

3. Energy Strategy

3.1 This Strategy has three main objectives:

- To improve the energy efficiency of our homes in order to meet and exceed national targets
- To ensure tenants live in homes which are affordable to heat and have a positive impact on their health and wellbeing
- To deliver targeted investment programmes which address inequality

3.2 **Objective 1: To improve the energy efficiency of our homes in order to meet and exceed national targets**

Where are we now?

3.2.1 We know that the majority of our properties have an energy efficiency rating of D with all but 82 properties already meeting the 2020 target contained within the national fuel poverty strategy (band E or higher).

3.2.2 We know that we have an average SAP rating of 63 which is comparable but slightly lower than the overall average rating for social housing providers in England; SAP 65.6 (English Housing Survey 2013).

3.2.3 We know that we have undertaken external wall and cavity wall insulation programmes in the past meaning that the majority of our properties have wall insulation with the exception of those properties which are hard to treat, where work has been refused or where a need has not yet been identified.

3.2.4 We are about to embark on a programme of new house building which offers opportunities to deliver high quality energy efficient housing for our tenants.

Where do we want to get to?

3.2.5 We want to ensure that all our properties meet a minimum standard with regard to energy efficiency.

3.2.6 The standard we have chosen is for all our properties to reach a minimum SAP rating of 65 (Band D) by 2020. This is an ambitious target which is above the thermal comfort requirements within the Decent Homes Standard and above the 2020 target within the English Fuel Poverty Strategy. In order to achieve this we will need to improve the energy efficiency of 1,600 properties.

3.2.7 As part of reaching this standard we want all our properties to have basic energy efficiency measures. These are shown in Appendix A and include:

- Loft and wall insulation
- Energy efficient components: doors, windows, boilers etc
- Controllable heating

3.2.8 The standard will be achieved through:

- Identifying the specific measures required for each property to achieve our energy standard and determining how and when this will be delivered
- Installing replacement heating systems and controls which deliver high levels of energy efficiency.
- Investing in renewable energy
- Building new properties to high standards of energy efficiency

3.2.9 It is recognised that in some cases the cost of achieving this standard may affect the Net Present Value of a property to a level which triggers a review of financial viability, as determined in our Asset Management Strategy.

Key Objective	Success Measure/Timeframe
Achieve a minimum rate of energy efficiency for our housing stock	All properties SAP 65 or above by 2020

3.3 **Objective 2: Ensure tenants live in homes which are affordable to heat and have a positive impact on their health and wellbeing**

Where are we now?

3.3.1 We have a corporate commitment to addressing fuel poverty and we are successfully delivering programmes which tackle the causes of fuel poverty namely the energy efficiency of the property, the cost of energy and household income. We have identified housing properties which are in areas where fuel poverty is above the national average and where we may need to focus our resources.

3.3.2 We know that through the Decent Homes Programme from 2013 to 2015 over 1,031 new heating systems were installed that include “A” rated gas boilers and upgrades to include modern thermostats and controls. Additionally over 3,188 new doors or windows and 450 new roofs have been installed, significantly improving the thermal properties of the Council homes and ensuring that our properties meet Decent Homes Standards for thermal comfort.

3.3.3 We provide support to our tenants to lower their energy costs and increase their income. In September 2015 we joined a Collective Switching Campaign to access cheaper electricity and gas tariffs for our residents and make it easier for them to switch supplier. We operate a tenancy support service to assist

tenants who have financial or other difficulties enabling them to better afford their basic household bills.

3.3.4 We have delivered affordable warmth training to staff and our involved residents to help them to identify and support those in fuel poverty.

3.3.5 We have supported the delivery of affordable warmth projects in partnership with others such as the Countywide “4 Ways to Warmth” project which was delivered in 2013/2014 and we continue to support and signpost to existing schemes; for example those provided by Leicestershire County Council via the Warm Homes, Healthy Homes Project.

Where do we want to get to?

3.3.6 We want to reduce heating costs for our tenants, better identify and support those in fuel poverty and reduce the impact of cold and unheated homes.

We will do this by:

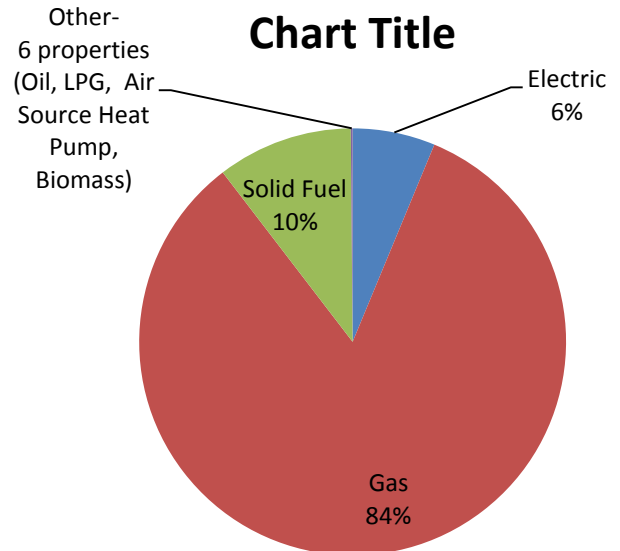
- Delivering programmes which convert heating systems to lower cost fuels (as described in 3.4.6 below).
- Identifying individuals or groups who are at high risk of fuel poverty and prioritising them in the design of our programmes and support packages.
- Delivering further training and awareness raising activities for all front line staff
- Continuing to promote our collective switching campaign
- Deliver advice and information campaigns for tenants on energy efficiency and efficient use of their heating systems.
- Being proactive in securing the benefits of the governments smart meter roll out for our tenants
- Assessing our current response to mould, condensation and cold complaints to ensure that we are effective in tackling these issues in order to reduce health impacts and maintain the condition of our properties.

Key Objective	Success Measure/Timeframe
Embed fuel poverty awareness and support within Housing Service	All front line staff trained in energy efficiency and fuel poverty by March 2017

3.4 Objective 3: Deliver targeted investment programmes which address inequality

Where are we now?

3.4.1 The majority of our properties benefit from gas central heating and under our Decent Homes Programme 2012-2015 we upgraded over 70 properties to gas central heating from other fuel sources. We do however have around 400 properties in areas where mains gas infrastructure is not immediately available and which are currently heated by solid fuel or electric central heating; which is more expensive and generally less convenient to manage. We also have properties in areas where a gas connection is available but where either historically the properties have been heated with electric heating (in most cases blocks of flats) or tenants have previously refused works to install gas central heating.



3.4.2 We have SAP ratings for the majority of our properties and can identify individual properties, streets and areas where energy efficiency falls below the minimum standard described in paragraph 3.2.6 of this Strategy.

3.4.3 We know which areas have levels of fuel poverty higher than the national average and we know which of our properties and tenants live in these areas and therefore might benefit from additional assistance. See Appendix B.

3.4.4 We record basic information about our tenants which allows us to identify those who are vulnerable or fit the profile of someone at greater risk of fuel poverty.

Where do we want to get to?

3.4.5 We want to target our resources in order to deliver the greatest impact and value for money. In order to do this we will focus on:

- Properties not achieving our minimum SAP rating
- Properties with heating systems which rely on expensive fuels
- Properties in areas of high fuel poverty
- Properties with solid fuel heating where the type of heating is anticipated to negatively affect future demand
- Properties where there are opportunities to deliver funded or income generating improvements

3.4.6 We have identified the following areas for investment:

- Replacement of all solid fuel heating systems with gas or renewable heating source (subject to final review of Green and Decent Pilot)
- Replacement of electric storage heating with gas where gas is readily available
- Delivery of insulation programme(s) so properties meet our standard
- Delivery of solar PV to suitable properties (subject to financial viability following government review of Feed In Tariff)
- Investigation of heat network opportunities for “off gas” estates where NWLDC remains the predominate owner

3.4.7 Our approach to the delivery of replacement heating systems to non-gas properties can be found in Appendix C

Key Objective	Success Measure/Timeframe
Deliver a heating replacement programme which prioritises “off gas” areas	Elimination of solid fuel heating by 2020

4 Delivery

4.1 We will seek to support the delivery of the aims of Strategy by maximising external funding opportunities. In order to be in the best position to secure funding in an increasingly dynamic and competitive funding environment we will ready ourselves by:

- Recording detailed energy information about our stock and current heating systems
- Recording appropriate profile information about our tenants
- Identifying and keeping a watching brief on potential funding streams and organisations which fund energy initiatives

4.2 We will use the opportunities that exist in our day to day work to help us achieve the aims of this Strategy in the most cost effective and efficient way possible. We will do this by:

- Training our staff so they are energy and fuel poverty aware
- Reviewing the specifications we use for materials and components which contribute towards energy efficiency
- Identifying an energy champion for each team with responsibility for driving forward the actions in this Strategy
- Recognising and quantifying the contribution that our planned investment and repairs work makes to improving energy efficiency.
- Reviewing our procedures and processes to maximise opportunities to deliver energy improvements

- 4.3 Almost £25m of capital budget is allocated over the next 5 years for planned improvement work to maintain levels of decency and replace failing elements including heating systems. Within this £250,000 annually has been allocated specifically to deliver programmes which improve the energy efficiency of our homes (equivalent to 5%).
- 4.4 In order to ensure that the energy programme achieves value for money the following approach will be taken:
- An annual programme will be agreed based on delivering the most effective measures to improve the largest number of homes and maximising planned work to deliver this.
 - Demonstration of business case for additional programmes such as Solar PV and heat networks;
- 4.5 The financial implications for the key capital expenditure projects within this Strategy are incorporated within the 2015-20 HRA Asset Management Strategy, the 30 year HRA Business Plan and are detailed in Appendix D of this Strategy.