**xx xxxx 2012**

**GUIDANCE TO ENGLISH ENERGY CONSERVATION AUTHORITIES ISSUED PURSUANT TO THE HOME ENERGY CONSERVATION ACT 1995**

**Summary of requirements on all English Energy Conservations Authorities (ECAs)**

1 Using powers under section 5(1)(b) of the Home Energy Conservation Act 1995 (HECA) the Secretary of State for Energy and Climate Change (SoS) requires all English ECAs to prepare further reports by 31 March 2013 setting out the energy conservation measures that the ECA considers practicable, cost-effective and likely to result in significant improvement in the energy efficiency of residential accommodation in its area.

2 In preparing their report the SoS, pursuant to section 4(1) of HECA, considers that ECAs should have regard to the following, where appropriate:

1. the measures that take advantage of financial assistance and other benefits offered from central Government initiatives such as the Green Deal, Energy Company Obligation (ECO) and Renewable Heat Incentive (RHI), or other initiatives to help result in significant energy efficiency improvements of residential accommodation; and
2. the measures which an ECA has developed to implement energy efficiency improvements cost-effectively in residential accommodation by using street by street roll out.

In the above context, an ECA may wish to 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 of their plans.

3 Using his powers under section 3(2)(a) HECA the SoS requires all English ECAs to provide HECA progress reports on delivery at 2 yearly intervals thereafter (by 31 March 2015, 31 March 2017, 31 March 2019 etc) up to and including 31 March 2027.

4 Using powers under section 4(1) of HECA the SoS requires all English ECAs 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, before or by 31 March (of the specified year as above).

Further guidance on what matters ECA’s may wish to take into account in preparing their HECA further report and progress reports is set out below.

***[Route map and contents page - to be completed at later stage.]***

**Part 1**

Introduction

1 HECA requires ECAs to prepare a report identifying practicable and cost-effective measures they propose to take to deliver significant improvements in the energy efficiency of their residential housing stock (section 2) and report on progress in implementing the measures (section 3(1)). The SoS can also direct ECAs to modify or prepare further reports (section 5(1)).

2 This document gives guidance on the preparation of such reports to ECAs in England pursuant to section 4 of HECA[[1]](#footnote-1) which the SoS may give and to which ECAs (local authorities with housing responsibilities) are required by section 4(3) to have regard.

3 Local authorities (LAs) are uniquely placed to assess the needs of their areas and local residents and to act as catalysts for change. HECA recognises this and requires authorities to use their position to improve the energy efficiency of all residential accommodation (owner-occupied, privately rented and social housing) in their areas.

Context

*The Carbon Plan – significant improvements in the domestic sector*

4 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.

5 Part 3 of the Carbon Plan sets out the Government’s strategy for meeting the UK carbon budgets which includes the following emissions reductions and targets:

* to reduce greenhouse gas 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 cavities and lofts, where practical, by 2020;
* by 2030, between 1 – 3.7m additional solid wall installations and between 1.9 - 7.2m other energy efficiency installations;
* by 2030, 1.6 - 8.6m building level low carbon heat installations such as heat pumps (Government modelling suggests that 21 - 45% of heat supplies to buildings will need to be low carbon); and
* by 2050 emissions from UK buildings to be “close to zero”.

*Fuel Poverty Targets*

6 The Warm Homes and Energy Conservation Act 2000 defines a fuel poor household as one that is living on a lower income in a home which cannot be kept warm at a reasonable cost. It required the Government to publish a strategy, setting out the definition and a target for eradicating fuel poverty in England, as far as reasonably practicable.

7 The UK Fuel Poverty Strategy was published in 2001. It further defined a household as being in fuel poverty if it needs to spend more than 10 percent of its income on home energy (including heating the home to 21 degrees for the main living area, and 18 degrees for other occupied rooms). It also set the target for the Government to eradicate fuel poverty in England, as far as reasonably practicable, by 2016.

8 In March 2011, the Government commissioned an independent review of fuel poverty led by Professor John Hills. The focus of the review was to consider evidence on whether fuel poverty is a distinct problem from income poverty, how well the current definition reflects the problems involved, and the effectiveness of policies to counter it. Professor Hills published his findings on the 15th March 2012. The report is available at: [www.decc.gov.uk/en/content/cms/funding/Fuel\_poverty/Hills\_Review/Hills\_Review.aspx](http://www.decc.gov.uk/en/content/cms/funding/Fuel_poverty/Hills_Review/Hills_Review.aspx)

9 In response the Secretary of State for Energy and Climate Change committed to the adoption of a revised approach to measuring fuel poverty by the end of 2012, and to consulting on an alternative definition for fuel poverty in the summer of 2012.

*Central and local government working together to deliver*

10 Delivering ambitious carbon reduction plans and addressing fuel poverty can only be achieved with the full participation of local government. Local authorities can play a significant role by setting themselves related ambitions. They are particularly well placed to champion the changes required, stimulate activity to meet specific local needs and support their wider strategic priorities. In particular local authorities:

* have unique knowledge of their local area’s needs and circumstances;
* are able to link wider strategic priorities and funding streams e.g. through health, education and regeneration agendas;
* are able to draw on established local networks, partnerships, services and delivery partners;
* can draw on existing links with business and social enterprises and provide gateways through local advice agencies and services; and
* are directly accountable to their local residents.

11 To support the ambitions in the Carbon Plan there are several significant legislative 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 Government is committed to ensuring there should be no overall costs to individual 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.

12 Local authorities are well positioned to take advantage of these drivers to facilitate change. Taking action can also bring significant benefits for authorities and their residents including:

* a vital local contribution to reducing national carbon emissions;
* new sources of revenue to deliver energy efficiency retrofits;
* helping to reduce fuel bills for local residents;
* opportunities for local economic and physical regeneration;
* support for wider local strategic priorities (such as better health outcomes, reduced fuel poverty); and
* support for the creation and maintenance of local green jobs and skills.

Requirements of ECAs under HECA

13 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 Government has decided to request further reports and issue guidance in relation to further reports and related progress reports pursuant to HECA. The requirements set out below therefore aim to support ECAs’ local ambitions and enable strong partnership working with national and local partners.

14 The SoS, using powers under section 5(1)(b) of HECA requires all English ECAs to prepare further reports by 31 March 2013 setting out the energy conservation measures that the ECA considers practicable, cost-effective and likely to result in significant improvement in the energy efficiency of residential accommodation in its area. In preparing their report the SoS considers, pursuant to section 4(1) of HECA, that ECAs should have regard to the following, where appropriate:

1. the measures to take advantage of the financial assistance and other benefits offered from central Government initiatives such as the Green Deal, Energy Company Obligation (ECO) and Renewable Heat Incentive (RHI), or other initiatives to help result in significant energy efficiency improvements of residential accommodation; and
2. the measures which an ECA has developed to implement energy efficiency improvements cost-effectively in residential accommodation by using street by street roll out.

In the above context, an ECA may wish to 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 of their plans.

15 Using its powers under sections 3(2)(a) of HECA, the SoS also requests that English ECAs provide progress reports on delivery 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.

16 Using powers under section 4(1) of HECA the SoS requires all ECAs 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 before or by 31 March (of the specified year as above).

17 Many Local authorities have already set themselves ambitious local targets, examples are set out in Part 3. To express their ambition, and to demonstrate their commitment to their residents, local authorities are encouraged to sign the new Climate Local Commitment which was launched by the Local Government Association (LGA) in June 2012 (see Part 4 of this guidance).

DECC’s offer to LAs

18 The Memorandum of Understanding between DECC and the LGA envisages both parties working ‘together to help and encourage all councils to take firm action - underpinned by locally set ambitious targets and indicators’.

19 To support ECAs in the early stages of the Green Deal/ECO DECC will, as far as it reasonably can:

* seek to use the Green Deal launch incentives in a way that supports local authorities offers’ to their residents which maximise street by street roll out;
* help promote local authorities’ identified plans to Green Deal Providers (GDPs) and energy suppliers – HECA reports will be attractive to GDPs and businesses seeking to invest as well as energy companies seeking to deliver their ECO targets;
* provide some tools for local authorities to meet their HECA obligations, e.g. tracking their emissions levels over time and helping identify particular areas to target; and
* work with the LGA and DCLG to provide good practice guidance for local authorities.

20 DECC will also continue to work with the Local authorities’ national Carbon Action Network to support delivery through HECA.

21 More detail on the requirements of HECA are set out in this guidance as follows:

* Part 1: Guidance
* Part 2: Background information
* Part 3: Guidance on the preparation, form and submission of progress reports;
* Part 4: Support to ECAs.

22 Enquiries on this guidance should be addressed to:

[heca-reports@decc.gsi.gov.uk](mailto:heca-reports@decc.gsi.gov.uk)

**Department of Energy and Climate Change**

**xx June 2012**

**PART 2: BACKGROUND INFORMATION**

1.1 The Home Energy Conservation Act (HECA) has been in force since 1996. It requires ECAs (local authorities with housing responsibilities) to prepare a report identifying practicable and cost-effective measures they propose to take to result in significant improvements in the energy efficiency of the residential housing stock in its area and report on progress in implementing the measures.

1.2 Pursuant to its powers under section 5(1) of HECA, the SoS requires all English ECAs to provide further reports on how they are improving the energy efficiency of residential accommodation in their areas by 31 March 2013 and progress reports at two yearly intervals thereafter.

1.3 This guidance is issued in accordance with the SoS’s powers under section 4(1) of HECA. It explains the requirements for ECAs to provide further reports and progress reports. ECAs are required by section 4(3) of the Act to have regard to this guidance.

1.4 The Energy Act 2011 amended HECA to supplement the definition of an ‘energy conservation measure’ to include “any available financial assistance”. This would include for example offers of financial assistance under the Green Deal and/or support from the energy companies under existing obligations (the Carbon Emissions Reduction Target (CERT), the Community Energy Saving Programme (CESP)) and the new Energy Company Obligation from October 2012. The Energy Act 2011 also repealed HECA in Scotland and Wales.

*Definition of terms*

1.5 *‘Energy conservation authorities’* are, in the case of England, local housing authorities as defined in the Housing Act 1985 i.e. district councils, London Borough councils, the common Council of the City of London or the Council of the Isles of Scilly.

1.6 ‘*Energy conservation measures’* include energy efficiency measures, information, advice, education, promotion, any available financial assistance, making grants and loans and carrying out works This definition is not exclusive and authorities may choose to include other types of measures.

1.7 ‘*Residential accommodation’* is defined as premises occupied or intended to be occupied as a separate dwelling and forming the whole or part of a building, a definition drawn from housing legislation. It also covers mobile homes, houses in multiple occupation and certain house boats.

1.8 A ‘*significant improvement’* is not defined by the Act but HECA does specifically provide (section 4) that the SoS may from time to time give guidance to ECAs, in particular as to what improvements are to be regarded as significant.

1.9 In this guidance, the ‘Secretary of State’ means the Secretary of State for Energy and Climate Change; ‘*local authority’* and ‘*authorities’* are references to a local housing authority in England; and ‘HECA’ or ‘the Act’ means the Home Energy Conservation Act 1995 as amended by the 1996 Acts and the 2011 Energy Act.

*Timetable for the submission of further reports and progress reports required by the SoS pursuant to HECA*

1.10 To promote transparency and accountability to local communities and partners, all ECAs are required by the SoS, pursuant to section 5(1)(b) of HECA, to produce a further report and, pursuant to section 4(1) of HECA, to publish it electronically on their website in a format and location that is accessible to local residents by 31 March 2013. A link to the published report must be forwarded to the SoS before or by 31 March 2013 at the latest to [heca-reports@decc.gsi.gov.uk](mailto:heca-reports@decc.gsi.gov.uk). Guidance on what information a progress report might contain are set out in Part 3.

1.11 ECAs are required by the SoS in accordance with section 3(2)(a) of HECA to publish progress reports in the same manner every two years i.e. by 31 March 2015, 31 March 2017, 31 March 2019 etc up to 31 March 2027.

1.12 Where an ECA’s reports are not received by the set dates the SoS may write to the ECA’s Chief Executive seeking advice on when it is expected.

**PART 3 – GUIDANCE ON THE PREPARATION OF PROGRESS REPORTS**

2.1 To provide transparency, further reports and progress reports are expected to be published electronically (as described in 1.10 and 1.11) so that local residents, should they choose, can access the ECAs plans and monitor progress. ECAs should decide the most suitable format for any report or progress report although it is encouraged that these are brief, easily accessible documents. For the purposes of reporting to the SoS pursuant to sections 5(1)(b) and 3(2)(a) of the HECA further reports and progress reports might cover the following four elements.

***(i) Local energy efficiency ambitions and priorities***

2.2 In support of the LGA’s Climate Local framework, ECAs may have, or may wish to, set local plans for improving all the residential accommodation (owner occupied, social housing and private rented sector) in their area to provide a strong contribution to the national carbon targets set out in para 5 of Part 1 of this guidance. An ECA may describe any existing (or perhaps future) plan in their further report and progress reports and may wish to do so with reference to the key drivers set out in paragraph 11 of Part 1. The Climate Change Committee’s report, ‘How local authorities can reduce emissions and manage climate risk’ published on 17 May 2012, provides useful guidance in this regard (see Part 4).

2.3 Many local authorities have already set themselves challenging targets, for example:

* the Association of Greater Manchester Authorities launched its Climate Change Strategy in July 2011, setting out how it will build a greener, more sustainable region. This sets out Greater Manchester's plan to build a low carbon economy by 2020, reducing carbon emissions by 48% against a 2009 baseline, reacting to the changing climate while creating future jobs and new industries in the 'green' sector;
* the Greater London Authority has set a target to reduce London’s emissions by 60% against 1990 levels by 2025 and is aiming to retrofit 1.2 million homes by 2015, 2.4m by 2020;
* Birmingham City Council has committed to reducing CO2 emissions by 60 per cent by 2026 against a 1990 baseline;
* Kirklees council’s 2025 Environment Vision commits the council to reducing CO2 emissions by 30% by 2025 from a 2005 baseline;
* Wychavon District Council’s ‘Intelligently Green’ plan states that in 2020 the total amount of energy consumed per head of population in Wychavon will be at least 10% below 2009 levels and the number of households in fuel poverty will have reduced by 25% from 2009 levels.

2.4 The LGA’s Climate Local initiative provides a vehicle for all ECAs to articulate ambitious local plans and seek support to improving the residential accommodation of their residents by signing up to the Climate Local Commitment (see Part 4 below).

2.5 Depending on their local priorities and circumstances ECAs may set priorities to address specific needs of their local residents, in particular around fuel poverty. For example an ECA may decide to set out steps it plans to take to reduce fuel poverty in its area (particularly using the Energy Company Obligation (ECO)), for example how it plans to target fuel poor households taking advantage of the Affordable Warmth and Carbon Saving Communities aspects of ECO. In this regard an ECA may wish to develop a separate Affordable Warmth Strategy. ECAs may also consider the role that local Health and Well Being Boards and local health partners might play in supporting any plans.

2.6 As a starting point for tailoring specific action to address the needs of households in fuel poverty ECAs can access DECC published data on fuel poverty levels for 2008, 2009 and 2010 at the local authority level to establish their current performance <http://www.decc.gov.uk/en/content/cms/statistics/local_auth/interactive/fuelpoverty/index.html> The Climate Local website (from September 2012) will also contain helpful sources of information that ECAs can draw on in developing any actions.

2.7 To establish a robust baseline for improving the energy efficiency of their residential accommodation, ECAs can use the published DECC data for local authorities at [www.decc.gov.uk/en/content/cms/statistics/local\_auth/local\_auth.aspx](http://www.decc.gov.uk/en/content/cms/statistics/local_auth/local_auth.aspx) and at [www.decc.gov.uk/en/content/cms/statistics/local\_auth/interactive/interactive.aspx](http://www.decc.gov.uk/en/content/cms/statistics/local_auth/interactive/interactive.aspx)

These provide the most up to date available data on:

* Energy consumption (gas, electricity, other fuels, road transport)
* CO2 emissions
* Cavity wall and loft insulation installed under CERT
* Domestic solar pv installations

2.8 Local authorities can also make use of the CO2 emissions dataset, at: [www.decc.gov.uk/en/content/cms/statistics/climate\_stats/gg\_emissions/uk\_emissions/2009\_laco2/2009\_laco2.aspx](http://www.decc.gov.uk/en/content/cms/statistics/climate_stats/gg_emissions/uk_emissions/2009_laco2/2009_laco2.aspx).

2.9 This dataset, which is updated annually, includes data for five years - 2005 to 2009 - which are classified as National Statistics under the terms of the National Statistics Code of Practice. It provides estimates at local authority and regional levels of total domestic CO2 emissions and emissions per capita of population, both on an end-user basis. This information could help ECAs to design carbon reduction strategies and to monitor changes in CO2 over time to track their strategies’ effectiveness.

2.10 DECC has also made available gas and electricity consumption data at the middle and lower level super output areas, which provide a picture for local authorities of areas of high and low consumption within their area. This can be accessed from: [www.decc.gov.uk/en/content/cms/statistics/energy\_stats/regional/electricity/mlsoa\_llsoa/mlsoa\_llsoa.aspx](http://www.decc.gov.uk/en/content/cms/statistics/energy_stats/regional/electricity/mlsoa_llsoa/mlsoa_llsoa.aspx)

2.11 DECC has developed a means to use this data and compare it with modelled levels of domestic gas consumption below local authority level. Having taken into account local conditions, this data gives ECAs the ability to identify where gas consumption in residential accommodation is higher than what would normally be predicted – implying lower levels of efficiency in homes in the area.

2.12 ECAs seeking to implement local energy strategies could use this information to better target energy efficiency measures at small areas that would show the greatest reductions in CO2 emission levels. Local authorities can receive this analysis by contacting: DECC Energy Statistics; Tel. 0300 068 5044 or emailing: [Mita.Kerai@decc.gsi.gov.uk](mailto:Mita.Kerai@decc.gsi.gov.uk)

2.13 Given the existence of the DECC data sets outlined above, ECAs are not expected to provide data on their CO2 emissions as they did previously under HECA. 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 ECA may wish to comment on how they have achieved this; and/or
* if the incidence of fuel poverty is high in particularly areas the ECA might use this as a starting point for any ambitions and action set out in its report/s.

2.14 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 ECA’s first 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, Energy Company Obligation (ECO) and Renewable Heat Incentive (RHI), or any other initiatives, to help result in significant energy efficiency improvements of residential accommodation***

2.15 The Government is currently establishing the legal framework for the Green Deal and a new ECO, which will be in place by late 2012. LAs 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.

2.16 The Green Deal removes a key barrier to householders carrying out energy efficiency improvements to their properties by providing upfront capital which householders then repay through the resulting savings on their energy bill. The Green Deal is therefore expected to provide an opportunity to significantly improve the energy efficiency of local homes.

2.17 In the process, with millions of British properties requiring insulation, the Green Deal offers an opportunity for local authorities to help drive economic growth, unlocking billions of pounds worth of investment and supporting thousands of jobs. Insulation installers, manufacturers and others in the supply chain, including many small businesses, all stand to potentially benefit. An ECA’s report might therefore provide an opportunity to consider how potential revenue from the Green Deal might be used for local growth, jobs and investment.

2.18 In reporting under HECA, in the context of energy conservation measures, ECAs should, where appropriate, have regard to how they might utilise the key drivers set out in para 11 of the introduction to this guidance.

2.19 For example, the SoS expects that making use of the Green Deal, ECO and other funding streams such as the Feed in Tariff and Renewable Heat Incentives schemes will be key measures that ECAs may wish to use in improving the energy efficiency of their residential accommodation. These funding streams could also be used to support an authorities’ wider strategic priorities e.g. on health and well-being and economic development.

2.20 There are broadly three approaches local authorities might choose to adopt in engaging with the Green Deal:

* Provide – the Green Deal directly to their local residents and businesses, co-ordinating finance and delivery;
* Partner - work in partnership with commercial Green Deal Providers and community partners to deliver and facilitate delivery; or
* Promote – by acting as advocates for the Green Deal locally.

2.21 DECC has published a step by step practical guide, intended to give organisations an overview of the roles and responsibilities of the Green Deal Provider, and of the steps that need to be taken to become authorised – this can be found at [www.decc.gov.uk/assets/decc/11/tackling-climate-change/green-deal/4964-green-deal-providers-guide.pdf](http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/green-deal/4964-green-deal-providers-guide.pdf)

2.22 The first HECA report due in March 2013 should have regard to what measures an ECA might take advantage of in improving the energy efficiency of their residential accommodation. For example this might include:

* the role the ECA has decided to play in delivering the Green Deal (provide, partner, etc) and a brief description of this;
* the potential number of households in the ECA’s area, how many it might aim to target for improvement and how;
* how the ECA plans to use Green Deal/ECO and other programmes to tackle fuel poverty.

2.23 With regard to identifying measures to improve the energy efficiency of domestic properties, the Green Deal assessment will provide a recommended list for each individual household interested in taking out a Green Deal. This will be captured in the Energy Performance Certificate (EPC), a new version of which was available from April 2012. This can be found at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1790388.pdf>

2.24 All ECAs can access the EPC database from April 2012**.** The process for gaining bulk access to the published  EPC data is set out at: <http://www.communities.gov.uk/publications/planningandbuilding/epcdataguidance2012> For individual EPCs the online public register is up and running and can be searched by postcode: <https://www.epcregister.com/reportSearchAddressByPostcode.html>

2.25 The energy conservation measures that might be identified under HECA are not confined to physical changes to dwellings but may also include information, advice, education and promotion.

2.26 Local authorities are well placed to use the Green Deal and other initiatives and to work with local partners to deliver community wide offers and solutions to improve the energy efficiency of their local residential accommodation. Key local partners are likely to be social housing providers, local businesses, health organisations, voluntary/community organisations and town/local parish councils. Equally these organisations/bodies may choose to approach their local council with proposals for action.

2.27 Information on good practice guidance in establishing retrofit projects, planning and procuring work etc will be available at the Climate Local website which will be available from September 2012 (see Part 4 below).

***(iii) the measures which an ECA has developed to implement energy efficiency improvements cost-effectively in residential accommodation by using street by street roll out.***

2.28 In the preparation of further reports and progress reports, ECAs should have regard to measures developed to implement energy efficiency improvements cost-effectively in residential accommodation by using street by street roll out.

2.29 It is widely recognised that delivering energy efficiency projects street by street across whole communities has many benefits including economies of scale, increased demand driven by seeing the work being carried out and what can be achieved on neighbouring properties, and the resulting benefits and opportunities to link with other planned works. The SoS considers that any strategic area based street by street roll out of energy efficiency measures, based on what could best be achieved locally, could add significant value.

2.30 ECAs 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.

2.31 Street by street roll out of measures is likely to draw on any existing planned works where there might be synergies e.g. other planned activity by the council. ECAs may also want to consider whether certain streets/areas are likely to attract funding from the Energy Company Obligation (see below).

2.32 ECAs might therefore identify those areas that they would wish to target for early action e.g. those with high fuel poverty levels, those where little work has previously been carried out, those where local community organisations are active and able to help facilitate demand/take up. ECAs might also consider areas that they might target in the medium and longer term. If contained in their published HECA reports this might help local residents wishing to take up the Green Deal to gauge when potential offers might be available.

2.33 The measures could also be informed by the plans of other local partners, e.g. large social housing providers asset management plans, enabling joint work/targeting to be undertaken and synergies/economies of scale to be realised.

2.34 Any detailed, well developed street by street plans which highlight identified and planned opportunities for delivery will undoubtedly be attractive to commercial Green Deal Providers as well as energy companies seeking to discharge their obligations. To attract potential funding partners an ECAs may choose to quantify the opportunities available e.g. number of properties, tenure, measures required, etc.

2.35 One potential starting point for such an approach could be the new ECO Carbon Saving Communities Obligation for obligated energy suppliers to deliver area based schemes in specified low income areas across all housing tenures. This will target the 15% most deprived lower super output areas (LSOAs) using the Index of Multiple Deprivation (IMD) and rural communities with less than 10,000 inhabitants. Providing that the majority of the work is carried out in the designated IMD LSOA there will be “soft” boundaries, so that households in neighbouring LSOAs that have a similar profile of housing and income levels can also benefit from schemes.

2.36 ECO obligated energy companies will be able to deliver a wide range of measures to the households in these Carbon Saving Communities. Social housing providers in these areas are likely to be attractive partners in such schemes as they have proved to be in CESP. ECAs may therefore wish to consider how they might utilise this element of ECO in conjunction with the Green Deal to maximise the opportunities for rollout of energy efficiency programmes street by street across whole communities.

2.37 To ensure that ECAs and energy companies can continue current activity and plan for the future with certainty, particularly planning for the transition to ECO schemes, energy companies will be allowed to carry forward overachievement against their targets under the current Carbon Emissions Reduction Target (CERT) and Community Energy Saving Programme (CESP) and count it towards their ECO targets. This will help smooth the transition between current schemes and the Green Deal and enable ECAs to continue to deliver and potentially expand existing energy efficiency programmes. ECAs are also ideally placed to benefit from the other obligations within ECO – Affordable Warmth and the wider Carbon Obligation – to support any area based approaches.

2.38 To further drive street by street roll out of the Green Deal for the period up to March 2014 DECC has allocated £200m to provide launch incentives for those early adopters of the Green Deal. DECC will aim to utilise the launch incentives in a way that also supports LA offers to their residents which maximise street by street roll out which could include increased incentives for those adopting Green Deal measures as part of a community wide initiative.

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

2.39 Where a district or a borough council is working in a consortia with other local ECAs, perhaps through a county council lead, it is recognised that reports may have some commonality. Alternatively, a consortia of ECAs may choose to produce a single HECA report with short annexes for individual ECA’s specific plans.

2.40 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 ECA’s climate change and energy efficiency ambitions to local residents and thereby seeking their buy in.

2.41 It might therefore be helpful for further reports and progress reports to contain a timeframe of the ECA’s plans for improving the energy efficiency in its residential accommodation. While recognising commercial sensitivities and developing plans, where possible the further reports and progress reports might also identify an ECA’s local partners.

**PART 4: SUPPORT TO ECAs**

3.1 Building on the experience that many local authorities have built up over recent years in delivering energy efficiency programmes, it is recognised that there is a need to share best practice and learning across the local government community. To achieve this there are a number of new resources being established to support local authorities which will help ECA’s in informing and producing their further reports and progress reports.

*Report by the Climate Change Committee (CCC)*

#### 3.2 The CCC was commissioned by DECC Ministers to provide advice to local authorities on their role in delivering carbon reduction locally. Its report, ‘*How local authorities can reduce emissions and manage climate risks’* was published on 17 May 2012. It includes advice to local authorities on:

* identifying and quantifying areas where they can make the biggest contribution to carbon reduction – on their own estate and in their local areas;
* identifying areas where they have influence to prepare for climate change;
* considering approaches that can be adopted to drive emissions reductions and prepare for the impacts of climate change.

3.3 One of the key recommendations of the report is that local authorities should develop low carbon plans for their areas. Chapter 5 of the reports sets out how these might be developed and gives examples of authorities who have already developed such plans. The full report is at: [www.theccc.org.uk/reports/local-authorities](http://www.theccc.org.uk/reports/local-authorities)

*Climate Local*

3.4 Climate Local is a new initiative - led by local government for local government - to drive, inspire and support council action on climate change. It succeeds the Nottingham Declaration on Climate Change (which over 90% of councils signed up to) by offering a framework that enables councils to reflect local priorities and opportunities for action. It will focus on councils’ efforts both to reduce carbon emissions and to improve their resilience to the anticipated changes in the climate.

3.5 Climate Local will help councils across the country to capture the opportunities and benefits of action on climate change, such as through saving on their energy bills, generating income from renewable energy, attracting new jobs and investment in ‘green’ industries, reducing flood risks and managing the impacts of extreme weather, such as drought, tackling fuel poverty and protecting our natural environment.

3.6 It will consist of:

* **a Climate Local Commitment** – a suite of commitments and actions for councils to voluntarily choose and sign up to demonstrate their commitment to addressing climate change and to challenge themselves to build on their existing achievements (available from May 2012);
* **a Climate Local Council Framework on Climate Change** – to help guide them in their work and reaching their ambitions (available from September 2012);
* **additional resources and support** – new web-based resources, a new online community and opportunities for peer learning (available from September 2012)
* **a Climate Local Steering Group and Network.**

3.7 The Climate Local initiative aims to:

* drive and inspire councils to act on the causes and effects of climate change
* demonstrate the economic and social opportunities and benefits that action can have
* enable councils to demonstrate their commitment, ambition and achievements
* demonstrate national leadership on climate change
* provide a framework through which councils can organise and plan their journey in addressing climate change
* provide a forum for peer-to-peer learning and support for councils.

3.8 Signing up will be completely voluntary. By signing the commitment, councils will be asked to:

* + set out what actions they intend to undertake locally to reduce carbon emissions and respond to changes in the climate within their own operations, their services, with their local community and in support of their local economy.
  + set out their level of ambition and how they are going to monitor and demonstrate their achievements.
  + share with other councils and with national partners:
    1. what actions they are undertaking and their ambitions
    2. their progress; and
    3. the learning from their experiences and achievements.

3.9 The LGA will:

* work with central government and others, provide support, resources and signposting service for councils to help them achieve their ambitions
* champion individual and collective council good practice through a range of different media, such as events, showcase reports, website features, and e-bulletins etc
* facilitate councils in sharing their ambitions, progress and learning
* develop a Climate Local network that will be used as a forum to provide feedback to national Govt on what is required to help accelerate local progress

3.10 The Climate Local Commitment therefore provides a vehicle for ECAs to publicly demonstrate any ambitions that they set out in their HECA reports.

3.11 DECC and DCLG, working with the grain of Climate Local, have brought together a range of resources to help local authorities to improve the energy efficiency of buildings in their areas, which will be available through Climate Local in September 2012*.* This will provide authorities with sources of advice on:

Support for Retrofit and Green Deal Delivery -

* Local Authority Strategic Role
* Financing Retrofit
* Retrofit Issues
* Procurement Issues

Enabling Retrofit and Green Deal Delivery -

* Enabling Communities and Driving Behaviour Change
* Take up in the Private Rented Sector
* Promoting Energy Efficiency through Planning and Building Control Systems

Zero Carbon New Build.

END

***[To add - definitions page, including a definition of ‘further report’]***

1. as amended by the Energy Conservation Act 1996, the Energy Conservation Act 1996 (Commencement No3 and Adaptations) Order 1997 and the Energy Act 2011. [↑](#footnote-ref-1)