

Social Justice and Regeneration Committee

SJR(2)-01-07(p.5)

Date: 18th January 2007

Time: 9.30 – 12.30

Venue: The Senedd

Title: Home energy conservation act progress report

Purpose

The paper is intended to seek the Committee's views on the report which the Welsh Assembly Government (WAG) is required to prepare under the Home Energy Conservation Act 1995 (HECA).

Summary

Local authorities energy conservation reports required under the Act have identified the potential to achieve nearly a 30% improvement in domestic energy efficiency over 10 years from 1 April 1997.

This progress report, required to be published under the Act (as amended by Section 45 of the Government of Wales Act), covers HECA activity by local authorities in Wales during the period from 1 April 2005 to 31 March 2006 as included in the 8th Progress Report.

Evidence from local authorities' reports points to an improvement of 8.59% over the nine years to the end of March 2006. Progress at this rate is going to be insufficient to achieve the 30% potential improvement identified in the original HECA reports.

Committee Members are referred to the previous HECA Progress Report (the 7th) with regard to further commentary on HECA concerning the Assembly Government's Policy Agreements with local authorities, the background and introduction to HECA, guidance and assistance to local authorities, and current support and assistance. The 7th HECA Progress Report [SJR (2)-14-06(p.8)] was presented to the Social Justice and Regeneration Committee on the 19th October 2006.

In response to the Beecham Report "Beyond Boundaries" WAG intends to put in place, by 2008/09, local service agreements, which will initially involve a limited number of local service boards. These agreements will specify the key cross-sector outputs that the boards will aim to achieve. Whilst local service agreements will supersede and expand upon Policy Agreements (currently local authority specific) the decision as to whether energy efficiency, or aspects of it such as HECA, will form part of a local service agreement (covering a local authority area as opposed to an individual local authority) has not been agreed upon and will be subject to consultation between WAG and all

relevant parties during 2007.

The Assembly Government has indicated its wish to pursue further opportunities against the background of the UK Government's Energy White Paper and the Assembly Government's own Energy Statement. Both identify a key role for energy efficiency in meeting medium and long term carbon reduction goals.

The Home Energy Conservation Act is an important piece of legislation, which has the potential to bring about progress in reducing the impact of climate change whilst reducing the financial burden and improving the living conditions for low income households. However, to achieve this progress the Act will need to be properly implemented in conjunction with other Assembly Government and UK sustainability, energy efficiency and fuel poverty policies. The investment flowing from energy efficiency programmes will have benefits for Wales in terms of employment and training in both the manufacturing and installation sectors. It is therefore critical that obstacles to progress are identified and where necessary corrective action taken.

Recommendations

The Committee is recommended to:

note the current progress and the Assembly Government's intention to pursue, in conjunction with the WLGA and other partner organisations, further opportunities to secure greater commitment to achieving the objectives of the Home Energy Conservation Act;

note the intention to publish a further progress report in 2008, in order to finally ascertain the impact of the Energy Policy Agreements upon HECA progress.

Timing

This report describing progress over the first nine years of the Act's operation is presented as part of the Assembly Government's statutory obligation to periodically report on progress.

Progress Reports

Energy Conservation Reports

The initial energy conservation reports prepared by local authorities – effectively their strategies – were required to be submitted to the then Secretary of State for Wales by 30 November 1997. The vast majority of local authorities identified a wide range of energy conservation measures, and confirmed that the potential existed to achieve the indicative figure of 30% improvement within 10 years from 1 April 1997 baseline.

Progress Reports (First to Eighth)

Key figures of the First to Eighth Progress Reports are provided in Table 1 as an appendix to this report.

Eighth Progress Report (1 April 2005 to 31 March 2006)

Currently the Assembly has received 18 progress reports, which were due for delivery by 29 September 2006. The improvement in Wales for housing energy efficiency during 2005/06 was 1.71%. The range of improvements reported by local authorities is contained in the following table:

% Improvement - Range	Number of Authorities in the Range
0.01 – 0.99	2
1.00 – 1.99	13
2.00 – 2.99	3
No Report	4

The current rate of annual improvement is encouraging. However, the overall improvement of 8.59% for the first nine years of the Act indicates that the 30% target within 10 years is not going to be achieved.

Since the introduction of the Assembly Government's Energy Policy Agreements there has been an increase in the annual rate of improvement from 1.00% in 2003/04 to 1.71% in 2005/06. However, at the current rate of improvement the Energy Policy Agreement's target of 12% by 31 March 2007 for the whole of Wales may well not be achieved. Nevertheless, at least half of the local authorities are likely achieve the 12% target on the basis of their current progress.

Financial Implications

All expenditure will be accommodated within existing budgets approved by the Assembly Government.

Action for Subject Committee

The Committee is asked to note the contents of the report and the recommendations.

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Appendix table 1 - Details of the first to eighth Heca Progress Report

PROGRESS REPORT	YEAR(S) COVERED	REPORTS RECEIVED	NO REPORTS RECEIVED	OVERALL ANNUAL % IMPROVEMENT	CUMULATIVE % IMPROVEMENT
First	1/4/97 – 30/11/98	See Note 1	See Note 1	See Note 1	See Note 1
Second	1/4/97 – 31/3/00	16	6	2.25*	2.25
Third	1/4/00 – 31/3/01	18	4	0.74	2.99
Fourth	1/4/01 – 31/3/02	20	2	0.90	3.89
Fifth	1/4/02 – 31/4/03	20	2	0.76	4.65
Sixth	1/4/03 – 31/4/04	15	7	1.00	5.65
Seventh	1/4/04 – 31/4/05	19	3	1.23	6.88
Eighth	1/4/05 – 31/4/06	18	4	1.71	8.59

Notes

Generally the quality of the majority of the First Progress Reports was disappointing. The paucity of

information within the First Progress Reports made it impossible to present a consolidated report to the Assembly Government.

* The figure of 2.25% is the total for the first three years of the HECA reporting cycle. A crude annual percentage for those first three years would be 0.75%.