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Contents

1. **Introduction**
2. **The Welsh Perspective**
3. **The technical Measures**
4. **The Public Housing Sector**
5. **The Private Sector**
6. **Constraints on achieving targets**
7. **The Way Forward**

1. Introduction

Welsh local authorities are striving to meet the twin targets of the Home Energy Conservation Act 1997 of a 30% improvement in energy efficiency in dwellings and the need to eliminate fuel poverty by 2010 as set out in the Warm Homes Bill 2000. In this respect Local Authorities aspire to the same aims as the National Assembly. Much of the onus for attaining these aims falls on the local authorities as "Energy Conservation Authorities" under the HECA.

Practical experience since 1997 has shown that it is likely, with continued financial support of the Assembly, that the aims above can be met within the social housing stock which accounts for 21% of Welsh Housing. It will be considerably more difficult, even unlikely, that HECA targets can be met in the private sector especially in the private rented sector. Meeting HECA and fuel poverty targets will need continued long term financial support from the Assembly and other external bodies.

2. The Welsh Perspective

Poor energy efficiency of housing and the problem of fuel poverty are common to all areas of the UK. These problems are however made worse in Wales because of the age, type, condition and level of fitness of the Welsh Housing stock. From the results of the last Welsh Housing Condition Survey in 1998 there are three main areas in particular that stand out from UK figures.

1. 30% of homes in Wales were built before 1919 and almost 19% are unfit, lacking

adequate central heating and sufficient insulation.

2. Pre 1919 homes e.g. the terraced properties of the valleys and the many older detached properties in rural west and north Wales have solid walls, which are difficult or expensive to insulate.
3. In rural areas there is a problem with access to alternative fuels such as natural gas and housing is in poor condition.

In the housing stock generally remedying unfitness will cost an estimated at £1100m at 1998 prices which will include energy efficiency improvements.

Older owner-occupiers and those on low income will rarely have sufficient money to fund repairs let alone energy efficiency improvements.

The Assembly should therefore consider giving greater flexibility to LA's to operate the various grant schemes to solve local problems. The Assembly could also continue with the longer term development of HEES in areas such as alternative fuel sources including oil and funding cost-effective solutions to insulating solid walls

3.The technical measures

Technically there are few obstacles to achieving the required levels of energy efficiency improvements in housing at an economic cost. A well proven basket of measures can be applied that will achieve the targets required. These include topping up loft insulation to 200mm, cavity wall insulation where appropriate, draughtproofing windows and doors, hot water tank insulation, heating controls and new heating systems that include a high efficiency condensing boiler. Replacement double glazed window units can also play their part.

4. The Public Housing Sector

In my own authority, replacement or upgrading of heating systems and double glazing of windows (two of our tenants' most popular improvement measures) are funded internally as part of long term maintenance programmes. Energy efficiency measures such as insulation tend to be funded with a mix of internal funds and Home Energy Efficiency Scheme grants where over 70% of tenants are eligible for HEES. This approach is common throughout Wales.

It has been possible to make significant progress in improving energy efficiency of Council homes since the passing of the HECA in 1997. There has been a significant and much needed injection of funds from HEES and the improved new HEES which now includes help with heating systems and controls as well as insulation measures for targeted groups. In 2001, EAGA (managing agents for HEES) introduced a bidding process where LA's were invited to prepare schemes and submit a bid for matched funding. This has helped LA's focus on those areas of special needs in Council stock within their areas.

What is causing some confusion is the availability of Energy Efficiency Commitment funding from an increasing number of the energy utilities operating in Wales. A co-ordinated approach would be welcome where all funding could be put into one central "pot". At present, each LA has to make its own arrangements but a common approach would be useful.

A simple model has been used by several LA's who set up insulation contracts during 2001/2. The selected contractor carries out an initial survey of each property, which includes identifying the appropriate funding source, thus drawing in the maximum external funds.

5. The Private Sector

Progress here appears to have been slower than in the public sector, this may in fact be partly because it is difficult to measure what improvements have taken place in private housing. Regular surveys would prove very useful in collating this information. There are five main ways in which energy efficiency improvements are funded where Local Authorities can and do play a part.

These methods are as following

1. issuing of Housing Renovation Grants for substantial home improvements which will normally include energy efficiency improvements such as heating, insulation and window replacement
2. declaring Renewal Areas to rejuvenate run down areas which can cover several hundred properties in some cases (both commercial and domestic) where grants are made as in Housing Renovation Grants
3. issuing of Housing Repair Assistance grants for minor repair grants which may include measures such as repair of /replacement heating systems
4. the use of HEES or EEC funds for owner occupiers and private tenants to improve their properties where LA's can set up partnership's to assist in promoting the programmes
5. lastly owner occupiers funding measures themselves where again LA's could have a promotional role to play

However there are particular problems in achieving targets in the private sector that includes the inability of elderly homeowners to pay for improvements and the general apathy amongst the public towards energy efficiency. The various grants on offer can help considerably and more emphasis could and should be put on promoting energy efficiency. Apathy is more difficult to deal with and there is a need to look again at how interest can be generated amongst the general.

6. Constraints on achieving targets

There are a number of constraints on local authorities achieving fuel poverty and HECA targets. These are outlined below:

1. The main constraint has been a lack of strong support and interest in energy efficiency but this is changing. The recent increased emphasis on fuel poverty has shown many councillors and senior officers that energy efficiency can provide financial and health gains to residents. Initiatives such as the Energy Saving Trust's "Local Authority Support Programme", raising awareness of these issues to Councillors and senior management, are welcome.
2. Lack of staff resources to deal with the HECA responsibilities is a problem where officers are expected to cope with the extra work on top of existing duties. A full time HECA officer post needs to be funded in each authority if targets are to be met within planned timescales. This would allow better design of improvement programmes, closer supervision of schemes, more accurate reporting of the results and hence better use of financial resources.
3. Lack of funds is always a problem but this has eased somewhat with the expansion of HEES funding and the availability of EEC funding from the utilities. Internal funding to match grants is often required and this can be problematic. One way forward would be for the Assembly to invite applications for bids for Supplementary Credit Approval for specific energy efficiency schemes.
4. A lack of detailed knowledge of the existing housing stock can hamper accurate planning and targeting for investment in improvements. One way forward would be to carry out an annual house condition survey of a representative sample of housing in each authority to determine what improvements have been carried out. This would also assist the Assembly in its strategic all Wales planning.

7. The way forward

A comprehensive approach is needed to tackle fuel poverty and improve poor energy efficiency in housing. LA's are willing to play a major part in raising energy standards in their own stock and, where they can, in the private sector. The Assembly has noted through the annual HECA reports from authorities that progress is being made, though slowly. As stated earlier, progress in Council stock is satisfactory but increased efforts are required in the private sector.

To improve the situation, the following ideas are proposed for the Assembly's consideration:-

1. Increased financial support for local authorities to carry out annual house condition surveys
2. Funding to local authorities to employ a full time HECA officer
3. Continuation of existing levels of funding under HEES

4. Encouragement of partnerships between the Assembly, local authorities, agencies, suppliers and contractors
5. Develop a campaign to increase energy awareness and take up of grant aid schemes for improvements to homes amongst the public
6. Backing from the highest levels in the Assembly of the EST campaign to raise awareness of energy issues amongst Councillors and senior LA management and AM's if appropriate

If these ideas could be taken on board and developed, they would encourage local authorities in their own efforts and lead to increased support of the Assembly's campaign to meet HECA targets and eliminate fuel poverty in Wales by 2010.

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