

REPORT TO: **HOUSING COMMITTEE – 23 AUGUST 2004**

REPORT ON: **HOME ENERGY CONSERVATION ACT (HECA)
THIRD PROGRESS REPORT 2001 - 2003**

REPORT BY: **DIRECTOR OF HOUSING**

REPORT NO: **515-2004**

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to seek Housing Committee approval of the attached Home Energy Conservation Act 1995 (HECA) Progress Report.
- 1.2. A draft was submitted to the Scottish Executive by the deadline of 16 July 2004.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Committee approves the 2004 HECA Progress Report.

3. FINANCIAL IMPLICATIONS

- 3.1. Financial implications of any policies, strategies or programmes stated in the HECA Progress Report (*and the original HECA report*) will be detailed within specific Committee reports which will be brought forward over the life of the HECA.

4. LOCAL AGENDA 21 IMPLICATIONS

- 4.1. The strategy outlined within the HECA report forms a significant element of the Council's overall Agenda 21 strategy and will have a positive impact on several key themes within "Dundee 21".
 - a. **Key Theme 2** – Limiting pollution to levels at which natural systems can cope.
 - b. **Key Theme 5** – Access to good food, water, shelter and fuel at a reasonable cost.
 - c. **Key Theme 8** – Health is protected by creating safe, clean, pleasant environments and health services which emphasise prevention of illness as well as care for the sick.

5. EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1. The strategy outlined in the HECA report aims to provide affordable warmth energy advice for all and reduce dampness and condensation thereby improving the comfort and health of **all** its citizens and hence their quality of life.

6. SUMMARY

- 6.1. The Home Energy Conservation Act 1995, came into force in Scotland on 19 December 1996.
- 6.2. Under the Act all Local Authorities in Scotland became Energy Conservation Authorities (ECAs) and were required to prepare and publish reports identifying energy conservation measures considered practical, cost effective and likely to result in significant improvements in the energy efficiency of the residential accommodation in its area. The first report was submitted to the then Secretary of State for Scotland on 1 December 1997.
- 6.3. In addition to the original report, ECAs are required to publish periodic progress reports. The first Progress Report detailed the steps Dundee City Council had taken over the period 31 March 1997 – 1 April 1999, in making the improvements in energy efficiency and reductions in CO₂ emissions to which it committed itself in its original HECA report. The second report updates progress for the period 1 April 1999, to 31 March 2001. This is the third report which covers the period from 1 April 2001, to 31 March 2003.
- 6.4. By using the Scottish Executive spreadsheet energy savings and carbon dioxide emissions have been calculated. They show that over the two year period of the report that a 4% reduction has been made in energy usage and a 4.8% reduction in CO₂ emissions.
- 6.5. Over the 6 year period since HECA the cumulative decrease for energy use is 13.2% and 15.2% drop in CO₂ emissions has been achieved, indicating that Dundee City Council is roughly on line to achieve the Government objective of a 30% reduction in these items by around 2010.

7. CONSULTATIONS

- 7.1. All Chief Officers and the Dundee Federation of Tenants Associations have been consulted on the contents of this report.

8. BACKGROUND REPORTS

- Home Energy Conservation Act, 1995.
- Dundee City Council HECA Report, 1997.
- HECA 1st Progress Report, January 2000.
- Home Energy Conservation Act 1995, (HECA) second Progress Report 2001.

ELAINE ZWIRLEIN
DIRECTOR OF HOUSING

July 2004



DUNDEE CITY COUNCIL

ENERGY CONSERVATION AUTHORITY

Third report to the Scottish Executive

**Showing progress made in the period
01.04.01 - 31.03.03**

**With regard to the Home Energy Conservation Act,
1995**

Introduction

The following report describes the action taken by the Dundee Energy Conservation Authority (ECA) to improve the energy efficiency of all stock within its boundaries. It is produced in accordance with guidance issued by the Scottish Executive in August, 2004 and follows the format prescribed therein. It is organised in terms of the following headings:

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Part A Aims and Organisations

As stated in its 1997 HECA Report , Dundee City Council's aim is to improve the level of energy efficiency of the city's housing stock. It also aims to provide affordable warmth for its own tenants and householders in the private sector, energy advice for all residents and reduce dampness and condensation, thereby improving the comfort and health of all its citizens and hence their quality of life. The strategy is expected to reduce projected CO₂ emissions in line with the UK Government's recommendation of a 30% decrease over a 10 – 15 year period.

Both the original report and subsequent Progress Report highlighted the fact that actual measures which the Council could influence are largely confined to its own housing stock. A marked change has occurred in the period covered by this report with the creation of the Dundee Community Energy Partnership (DCEP) which has had the ability to influence energy efficiency in the private sector. DCEP comes to an end in March 2005, but the key to improvements across all non Council tenures will be in building on the public awareness of the issues surrounding energy efficiency so that all residents can be proactive in accessing available grants, incentives, energy advice etc. Much of this "outreach" to non Council, as well as Council householders, will be achieved by the expanded Dundee Energy Efficiency Advice Project (DEEAP) which agrees a service level agreement with the Council on an annual basis.

DEEAP is not part of the Council, although partnership working with the Housing Department is paramount. The energy advisors it employs are employed by SCARF (Save Cash and Reduce Fuel, Aberdeen). The majority of the funding for the post is through Dundee City Council through monies raised by the Preferred Supplier arrangement with Scottish & Southern Electric and also through SIPs funding. The energy advisors are employed on a fulltime basis. A freephone helpline and processing of Do It Yourself Home Energy Checks (DIYHECS) are carried out by SCARF.

The Council's designated HECA Officer spends approximately 75% of her time on HECA and fuel poverty related activities. Therefore, the sum total of staff resources for HECA in Dundee is 2.75% members of staff, 0.75% of which is actually on the Council payroll.

The designated HECA Officer for the Council is employed within the Improvements and Maintenance Unit (IMU) of the Housing Department. This section is responsible for carrying out the Housing capital programme including heating installation and renewal, double-glazing and roof repairs and liaising with external agencies such as local Warm Deal installers to co-ordinate insulation work etc. This is considered to be a logical and mutually useful location for both the HECA Officer and Project Officers within the section.

The HECA Officer (actual job title is Programme Development Officer), is also the Housing Department representative on energy/environment related corporate groups including Agenda 21 Working Group, Energy Working Group and the Sustainable Construction Working Group.

It will be shown within this report how Dundee City Council has achieved energy savings of 4% and reduced carbon dioxide emissions by 4.8% in the last two years. £11.74m from the Housing Revenue Account has been spent on heating, double-glazing, roof repairs/renewals etc. with a further £1,407,376 spent on the demolition of the least energy efficient portion of the stock.

Matters relating to HECA including presentation of the HECA Report itself are channelled through Housing Committee. As will be shown under Section B of this report, Dundee City Council has formed partnerships with various other agencies as well as SCARF. There is a 'Preferred Supplier' arrangement in place with Scottish & Southern Energy plc, and the Council works in conjunction with Scottish Power to make use of Energy Efficiency Commitment (EEC) monies to enhance the Council's own energy efficiency works, e.g., EEC monies are used to supplement the Council's own budget to allow for the installation of insulated render where re-rendering is being done. Close working relationships have been established with local network installers such as the Claverhouse Group to maximise the amount of insulation works which can be done locally under Warm Deal.

Part B Progress To Date

In the progress reports submitted to the Scottish Executive in 1999, and 2001, the approach taken was to provide an update on the 39 individual targets laid out in the original HECA Report, albeit that they were grouped into cogent areas. This is now thought to be a cumbersome approach. The grouping into categories will be retained, but a different approach will be adopted with areas of significant progress and partnership being highlighted and areas which prove problematic also receiving comment.

1. Improvements to Own Stock

- 1.1. The Council has completed its "Windows for All Programme" under which all properties in the city have had their single glazed windows replaced with double-glazing. This is a significant milestone.
- 1.2. With the end of the Council's Comfort and Security Programme in March 2001, all pre-war Council accommodation in the city can now boast central heating, double glazing and roof and external fabric works and insulation.
- 1.3. The Council continues to carry out in excess of 1000 central heating installations and renewals per annum. The latter will continue indefinitely, but the former has been greatly extended from April 2001, onwards by the significant resources allocated to Dundee City Council through the Scottish Executive Central Heating Programme and this will mean that by the end of 2003/2004, all non surplus Council stock in Dundee will have central heating.
- 1.4. The Council continues to replace/repair defective roofs and to demolish its least energy-efficient surplus properties.

2. Via Partnership with Dundee Energy Efficiency Advice Project

- 2.1. This partnership has delivered many of the measures and advice in the period covered by this report. Over the two years, the project, which has carried out 893 home visits and distributed 8,471 DIYHECS (which have been processed through SCARF – Save Cash and Reduce Fuel, Aberdeen – of whose network the project forms part). Home visits by their very nature are time-consuming but, according to research carried out by Dr. Brenda Boardman (*ref: source Oxford Uni**) known to be the most effective in terms of achieving behavioural change amongst clients.

The Project also referred:

176 householders for Warm Deal Grants.

627 householders for fridges and fridge-freezers through the Fridge Savers scheme and distributed 33,754 low energy light bulbs and 4,200 jug kettles to tenants of sheltered accommodation. These were provided by Scottish and Southern Energy plc (Scottish Hydro) through the Standards of Performance scheme.

- 2.2. DEEAP has worked closely with the Council in its delivery of its Central Heating Programme. Early consultation with tenants during these programmes has helped to anticipate the appropriate forms of advice. Explaining the running costs of different heating systems can help tenants make an informed choice of heating system. Such advice can help minimise the problems arising through inappropriate use after installation.

Advice is delivered at appropriate points before, during and after the heating programme such as at public meetings, through setting up trial houses and by home visits, as required. The use of the Advisor from DEEAP has proved very successful in overcoming barriers that sometimes exist between tenants and Dundee City Council Housing Department.

- 2.3. A new initiative that has been rolled out by DEEAP in partnership with Dundee City Council is the New Tenants Advisory Service. The local authority provides the project with lists of all new tenants moving into Council accommodation. Letters are sent out to all tenants offering the services of the project and prompting them to call the FREEPHONE number to arrange a visit. The initiative has proved particularly beneficial to tenants who have moved into a property and are unaccustomed to the central heating system that is in place. By taking a proactive approach the aim is to tackle energy usage before fuel debt has a chance to take hold.

- 2.4. DEEAP has helped increase awareness of energy efficiency within the wider Dundee community by engaging with the local media and the community. It has done this in a variety of ways:
 - By doing roadshows such as those which occur during Energy Efficiency Advice Week and Warm Homes Week .
 - By having a presence at major events such as the annual Dundee Flower and Food Festival which brings visitors in their 10s of 1000s from the greater Tayside area and smaller scale Community Festival events. Presentations are carried out with health professionals, neighbourhood watch schemes, Housing Associations and in schools.
 - School children are key in bringing about behavioural change in the home and, as well as in-school presentations, the Project also participates annually in a two-week Safe Taysiders project in conjunction with Tayside Police. 750 primary 7 children from across the city attend and 98% of those surveyed have said that they feel that this event has made them aware of the importance of energy efficiency and the consequences of climate change and global warming.

3. Warm Deal

- 3.1. Dundee City Council has continued to work very closely with local network installers to ensure maximum uptake of grant. Through that part of the scheme administered directly by Councils, DCC has managed to obtain £510,300 over the two years for measures to its own stock. A further £163,800 has been invested in Council housing through that part of the scheme operated through EAGA. Overall, this allowed work to be carried out to 2,247 properties at an average cost of £300.

- 3.2. Within the private sector £176,700 has been obtained to carry out works to 589 properties with an average grant per household of £300. The private sector has in the past proved difficult to penetrate, but the Council and installers have worked together by mailing out Warm Deal publicity with beginning of year Rent and Council Tax notification letters thus ensuring that all Warm Deal eligible households are made aware of the scheme and their eligibility for it.

DCEP has greatly improved the ability to penetrate this sector by identifying all those eligible for Warm Deal grants and referring them to the relevant agencies.

4. **Data Collection**

- 4.1. Data collection and collation in terms of the establishment of a database of energy performance of dwellings across the city has been slow to progress not least because of the limited HECA staff resource within Dundee City Council as outlined in part 1 of this report. However, as will be demonstrated in part C of this report, this situation has started to improve with the creation of the DCEP database.

5. **Miscellaneous**

5.1. **Preferred Fuel Supplier Scheme**

The Council's deal with Scottish and Southern Energy plc went live on 15th January, 2001, just before the start of the reporting period for this report. As part of this arrangement, all new tenants are given 2 low energy light bulbs when they sign up for their new Council tenancy. As the Council has approximately 1000 new signings per year, this accounts for a further distribution of light bulbs in Dundee of 2000 per annum. The partnership links allow close working with Scottish & Southern Electric which enables maximisation of monies under EEC as well as the donation of several large appliances per year as enticement to customers to complete various energy surveys at different times of the year. For example, as part of the Housing Department's Annual Report which is distributed to every household in Dundee, there is a DIYHEC and everyone who completes one is entered into a prize draw for a wide-screen television which Scottish & Southern Electric sponsor. The income to the Council generated by the Preferred Supplier scheme is expected to be in the region of £70,000 per annum and this is channelled into a Community Energy Fund which is utilised for funding DEEAP and assisting special cases of fuel poverty where there is a gap in provision from other sources.

5.2. **Care and Repair Scheme**

Over the last two years, this scheme which operates from within the Council has assisted 1021 elderly private householders to improve the energy efficiency of their homes by a combination of obtaining advice services or arranging for the installation of central heating systems, insulation etc.

5.3. **Private Sector Grants**

Over the period, 32 private households have been awarded grants to install double-glazing and 52 for the installation of more efficient boilers.

5.4. **Condensing boilers**

A commitment was made in the original report to give consideration to the installation of condensing boilers in Council stock where it is possible to obtain condensing boilers at an equivalent cost to non condensing boilers (so as to maintain the number of tenants who could benefit from central heating installation). Thanks to an arrangement with Scottish & Southern Electric whereby they have funded the cost differential via EEC funding, it has proved possible to install condensing boilers in all properties where gas was the tenants' choice of fuel and where it was technically possible to fit them. Unfortunately, this arrangement allowed for the installation of one specific boiler make. However, from 2003, onwards, through a similar arrangements with Scottish Power, the choice of condensing boilers which the Council can install and still obtain subsidy, will be greatly extended.

Part C Personal Circumstances/Fuel Poverty

At the time of the previous HECA Report submitted by Dundee City Council, there was no formal strategy for identifying and assisting those living in Fuel Poverty in the City. However, in May 2002, this changed with the launch of the Dundee Community Energy Partnership (DCEP). This project is jointly funded by the Scottish Executive, Transco, Dundee City Council and Scottish Power. It will run for 3 years (until March 2005) and during that period, it aims to survey every single household in the Dundee City area with a view to identifying and assisting the fuel poor, i.e., those householders required to spend more than 10% of income on keeping their homes adequately heated. To facilitate this process, the City has been divided into its 29 electoral wards and a month is spent surveying in each. A team of 8 surveyors carries out doorstep surveys, asking householders a series of questions concerning the physical home, i.e., heating type, level, if any, of loft insulation and questions about the household composition and income. This information is entered into the MVM Maxim Software Package and it calculates the fuel poverty rating for each household. Those identified as fuel poor are then referred to appropriate agencies such as EAGA and SCARF which manage and distribute grants for insulation measures and energy advice and welfare rights advice. Some fuel poor individuals are identified who do not qualify for 100% funding under any of the existing grant schemes so it is part of the DCEP remit to investigate other sources of funding. This did not prove possible during the first year of the project, but this has subsequently been resolved and will be reported in a future HECA report. The intention behind these activities is the removal of householders from Fuel Poverty.

Although the primary function of DCEP is to assist the fuel poor, in the course of carrying out surveys, householders are also identified who, although non fuel poor, qualify for various energy efficiency schemes such as Warm Deal, the Scottish Executive central heating scheme for pensioners and the EEC Scheme administered by the utilities. In these cases, DCEP makes referrals to the appropriate agencies and keeps track of their progress. Thus, DCEP makes a major contribution to the installation of energy efficiency measures in properties in all tenures across the whole of Dundee and raises awareness of the energy efficiency message and sources of assistance.

The period of this report takes in the first year of the DCEP operation and during this project:

22,375 households were contacted.

10,619 surveys were carried out.

2,150 fuel poor households were identified.

772 Warm Deal referrals were made (431 fuel poor, 341 non fuel poor).

75 central heating scheme referrals were made (35 fuel poor, 40 non fuel poor).

1,131 fuel poor households were referred for energy advice/welfare benefit check (with the option of home visits).

705 non fuel poor households were referred for energy efficiency information packs.

After March 2005, the DCEP database will become the property of Dundee City Council and although the information on income and domestic circumstances will become less useful as time passes, the information about the physical stock will be very useful to the Council in devising future energy efficiency programmes.

Part D Looking Forward

In the 1st HECA Progress Report submitted to The Scottish Executive in 1999(2000) the following statement was made with regard to actions for the following two years:

“New approaches will be taken to:

- a) make inroads into the fuel rich sector
- b) improve data collection and updating the database
- c) establish better links with other housing sectors with a view to obtaining better information on their stock and also influencing landlord behaviour”

It should be noted that much of the above has now been achieved through the existence of DCEP as described in Section C of this report. Looking forward again, there is the inclusion in the Housing (Scotland) Act 2001, which places a duty on Local Authorities to put in place Fuel Poverty strategies. The statutory status of both energy efficiency and fuel poverty strategies will provide the framework for action and this, together with the information collected by DCEP, will help shape policy on action on both fronts for at least the next few years.

Part E Summary

Actual improvements in Energy Use/Emissions

Using the spreadsheets issued by the Scottish Executive, the following outputs have been calculated

Reporting period	Energy use in Giga Joules per year	CO2 emissions in kilotonnes per year
Original HECA Report	7,872,667	574
1997 - 1999	7,446,109	531
1999 - 2001	7,123,222	511.4
2001-2003	6,836,941	486.8

This shows a 4% decrease in energy use over the two year period of this report and a 4.8% reduction in CO2 emissions. The cumulative decreases are 13.2% and 15.2% respectively. This is over a 6 year period and would indicate that Dundee City Council is roughly on line to achieve the Government objective of a 30% reduction by around 2010.

In total, the Local Authority has spent £11.7m and works have benefited 3,979 dwellings within its own stock.

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SUMMARY – 1 APRIL 2001 – 31 MARCH 2003

Energy efficiency improvement	4%
Reduction in CO₂ emissions	4.8%
Reduction in CO₂ emissions	26.56 kilo tonnes
Cost of Works	£12,688,466
Number of dwellings benefiting	6,503
Number of jobs created *	
Average savings in kilowatt hours *	
Average savings in fuel bills *	

* discretionary item