

Report to Sustainable development panel
13 January 2016
Report of Executive head of regeneration & development
Subject Cosy City update

Item

4

Purpose

To consider the progress made against addressing energy efficiency within the private sector housing stock. This report sets out the energy conservation measures and grants which have been delivered via the Cosy City programme.

Recommendation

To consider the progress made.

Corporate and service priorities

The report helps to meet the council's corporate priority of Prosperous City helping to improve energy efficiency within the private sector housing stock and therefore contributing to lowering per capita emissions from domestic sources.

Financial implications

None in addition to those already budgeted for.

Ward/s: All wards

Cabinet members: Councillor Bremner, environment and sustainable development

Contact officers

David Moorcroft – Executive head of regeneration and development 01603 212226

Richard Willson – Environmental strategy manager 01603 212312

Eleanor Carter – Affordable Warmth Officer 01603 21112

Background documents

None

Report

1. Reducing energy use has important environmental, social and economic benefits and therefore clearly contributes to Norwich City Council's corporate priorities. It will help meet national and international targets to reduce emissions of carbon dioxide, one of the main contributors to climate change.
2. In addition, recent increases in fuel prices have resulted in a rise in fuel poverty nationally and so further emphasised the importance of increasing domestic energy efficiency. Improving energy efficiency in communities, especially deprived ones, is vital to improving the health outcomes of the local area but also enhances prosperity locally via reducing utility bills for citizens as well as creating local employment opportunities.
3. However, more than a million households in the UK cannot afford to heat their homes sufficiently even though a member of the household is in work. A study by Policy Exchange looking at the 2.3m households in England in fuel poverty found that half of them, around 1.1m households, had someone in work.
4. Therefore, there appears to be a disconnect between the government's ambition to improve the energy efficiency of all fuel-poor homes to a decent band C level and the amount of money being spent on the issue.
5. In Norwich we believe that 12.3 per cent of households are experiencing fuel poverty. That equates to a staggering 7,335 households. In addition in the last 4 years, we have seen a credit crunch, a double dip recession and a period of limited economic growth. National policy changes such as welfare reform will also affect some of the most vulnerable residents in the city.
6. In response the council has worked to improve its own housing stock as well as assisting improvements within the private sector via enforcement and incentives such as Cosy City. This report sets out the energy conservation measures and grants which have been delivered via the Cosy City programme.
7. Our programme of activities has been assisted by a number of national Governmental incentives such as the Green Deal, Green Deal HIF (Home Improvement Fund) ECO (Energy Companies Obligation) and HHCRO (Home Heating Cost Reduction Obligation). In 2015 a number of these incentives were ended as part of the government spending review, including the flagship energy incentive called the Green Deal.
8. Following the launch of the Cosy City project, in Summer 2014, Norwich City Council was successful in gaining over £400,000 of DECC Greener Communities funding as part of a wider bid with Broadland and South Norfolk district councils to provide incentives and grants to improve energy efficiency in the private sector. As part of the bid Norwich City Council with its partners Fosters Property Maintenance and Aran Services have delivered the following measures during the scheme.
9. To date Cosy City has referred over 1,100 people to grant assisted energy efficiency measures and/ or advice.

10. Cosy City has installed Solid Wall Insulation (SWI) on 67 properties. On average Cosy City provided grants of £5800 towards the cost. In total Cosy City provided over £390,000 of unique funding for SWI within the Norwich area for 2015/16.
11. Cosy City provided over £36,000 of non-national funding to replace broken or inefficient boilers for the most fuel poor or vulnerable. This helped 40 families keep warm for less. Many with heating for the first time in years due to their circumstances. To ensure no future fuel poverty issues Cosy City works with the councils "Big Switch and Save" programme to ensure the clients are on the best available energy deals.
12. Cosy City has provided over £10,000 in grants to help insulate lofts and cavity walls regardless of income. Assisting over 100 properties within the Norwich Area.
13. Finally Cosy City provided grant assisted Green Deal or EPC assessments by offering a 50% discount on the price. This helped over 200 households understand how they could access the Green Deal and 400 EPC's to help households understand where to make energy improvements to their property.
14. Over time NCC hopes to see SAP improvements within the private sector housing stock.

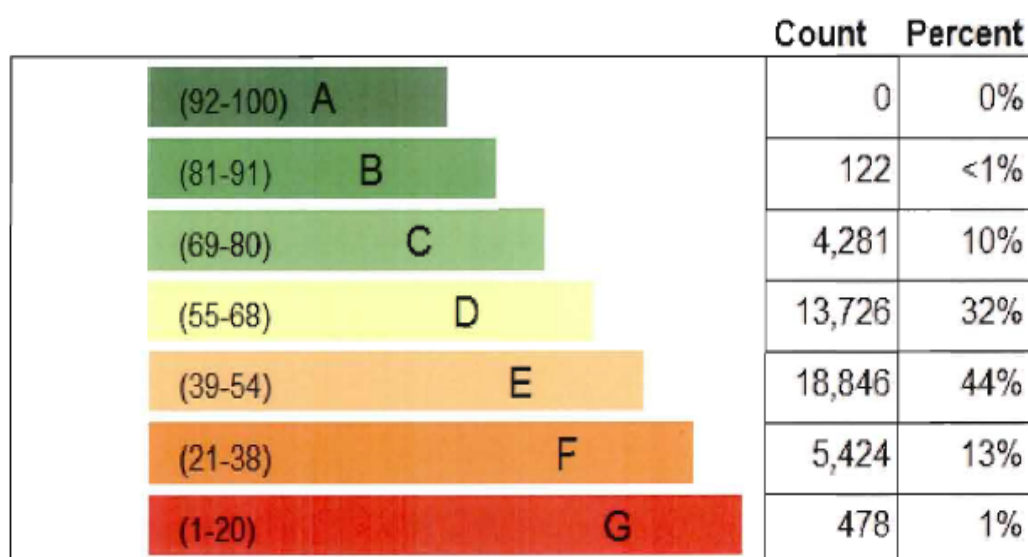


Fig 1. Energy Efficiency Rating (Based on SAP) private sector stock for Norwich City.

15. Regretfully 2016/17 will be a potentially barren year for domestic energy efficiency if action is not taken to replace the energy efficiency programmes removed in 2015. The Green Deal Home Improvement Fund (GDHIF) as well as the Green Deal (GD) has been axed by central government without any replacement. This is despite its regular over-subscription (GDHIF) – and with less than one-third of its original budget allocated.
16. The 2013-2017 Energy Company Obligation (ECO) upon the Big Six energy companies was also cut in December's Autumn Statement. Its main energy/carbon saving component was cut by 34 per cent. The consequence of this policy switch is that, 18 months before it is formally due to end, almost all the energy companies have mostly fulfilled all their obligations under this scheme. With no sign yet of what, if anything, will replace it in April 2017.

17. This means that 2016 will be an even more barren year for residential installations in existing homes. Current levels of installations in basic energy saving measures are already now running at less than one-quarter of the position less than four years ago. In addition a number of businesses associated with energy efficiency measures are downsizing or closing their activity within this previous buoyant sector.
18. The Federation of Master Builders (FMB) said the government must set out a clear vision for what will replace the Green Deal. The FMB CEO described the Green Deal as the greatest flop of the last Parliament: "It failed spectacularly in its mission to incentivise millions of house holders to improve the energy efficiency of their homes. However, the government would have been wise to reform, rebrand and relaunch the Green Deal rather than scrap it altogether."
19. To date DECC's Energy and Climate Change Committee have announced little information in regards to energy efficiency policies moving forwards. They are looking at "various initiatives...so we can work with industry to design a system that will deliver the most cost effective solution".
20. To keep the Cosy City programme active until the parliamentary review of energy improvement grants the scheme is working with the 3rd sector to apply for grants directly with the big six. Eg: British Gas Energy Trust and other direct funding from the big six as well as helping Aran Services to identify smaller measures still funded via the existing ECO arrangements.
21. Cosy City will also aim to identify any alternative options for household energy improvements such as Energy Service Companies(ESCO's), European funding and promotional activities of new energy saving technology such as LED's or any remaining renewable energy generation incentives (FITs/ RHI).
22. Finally the council will continue to work with the End Fuel Poverty Coalition, Age UK and other NGO's to ensure that this issue is highlighted at a national and local level.

References:

Norwich City Council HECA report 2015-2017