

<b>Title of meeting:</b>	Full Cabinet
<b>Date of meeting:</b>	5 <sup>th</sup> November 2019
<b>Subject:</b>	Home energy and water efficiency strategy
<b>Report by:</b>	James Hill, Director of Housing, Neighbourhood and Building Services
Wards affected:	All
Key decision:	No
Full Council decision:	No

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## 1. Purpose of report

- 1.1. The purpose of this report is to highlight the impact of cold and inefficient homes and high energy costs, and to propose a draft strategy to achieve our vision: To ensure all homes in Portsmouth use energy and water as efficiently as possible for an appropriate level of comfort, safety, health and dignity, so that no Portsmouth household has to worry whether they can afford their energy and water bills.

## 2. Recommendations

- 2.1. That Cabinet notes the successful work already taking place in Portsmouth to improve home energy and water efficiency, and reduce household bills.
- 2.2. That Cabinet notes the contribution that this strategy can make towards achieving the council's goal of becoming carbon neutral, and increasing water efficiency to mitigate the impact of nitrate levels.
- 2.3. That the Cabinet approves the draft strategy for publication, and has the goal of working together with our residents and stakeholders in the city to ensure that everyone understands the help that is available and can meet their energy needs, to make Portsmouth a fairer, healthier and more prosperous city.
- 2.4. That Cabinet asks officers to begin a two month period of consultation on the draft strategy, engaging with residents, stakeholders and partner organisations who can contribute to shaping and delivering the strategy.
- 2.5. That Cabinet asks officers to lead on the development of a detailed action plan to achieve the strategic objectives, with timescales and measures to assess progress and drive improvement.
- 2.6. That Cabinet asks officers to deliver a marketing and communication campaign around home energy and water efficiency that can engage residents in all demographic groups, across housing types and tenures, to inform and inspire them to take up the opportunities on offer

### 3. Background

- 3.1. The amount of energy and water used by a household depends on the age, construction and condition of their home, the efficiency of the appliances in it, the cost of energy, and the income they have available. Access to energy and water is essential to achieve an appropriate level of comfort, safety, health and dignity. Too many residents are living in homes that are cold, or spending too much of their income in order to meet these basic needs.
- 3.2. Using the government's Low Income High Costs indicator, over 11,000 households in Portsmouth (12.1%) are estimated to be in fuel poverty<sup>1</sup>. This is higher than the average for England of 10.9%.
- 3.3. Every year there are around 125 more deaths in Portsmouth during the coldest four months of the year compared to the average of the rest of the year<sup>2</sup>. An estimated 30% of these deaths are attributable to the avoidable circumstances of living in cold homes<sup>3</sup>.
- 3.4. It is estimated that over 18,000 homes in Portsmouth would only achieve an Energy Performance Certificate (EPC) rating of E, F or G. The inefficiency of these homes leads to high bills, and unnecessary carbon emissions.
- 3.5. Average annual home electricity bills rose by 5.6% in 2017, 9.1% in 2018, and are predicted to rise further, taking up an increasing proportion of household income. While home gas prices have reduced from a peak in 2014, in real terms gas prices have increased over the last 10 years<sup>4</sup>.
- 3.6. The council is taking action to mitigate the damage being caused by high levels of water-borne nitrates to ecologically significant sites in the Solent. Although around 80% of nitrates in the Solent stem from farming, household wastewater also contains nitrates, and therefore any reduction in water demand contributes to mitigating the damage in the Solent.
- 3.7. The council's energy services team includes officers who are expert in domestic energy efficiency and who are dedicated to administering schemes focussed on tackling fuel poverty. Their work helps to attract external funding to increase energy and water affordability in Portsmouth homes.
- 3.8. The Energy Company Obligation (ECO) is a government energy efficiency scheme to reduce carbon emissions and tackle fuel poverty. Energy suppliers over a certain size must fund measures which improve the ability of low income, fuel poor and vulnerable households to heat their homes. However, the amount of activity currently achieved under ECO does not reflect the level of need or urgency.

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<sup>1</sup> <https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2019>

<sup>2</sup> <https://fingertips.phe.org.uk/public-health-outcomes-framework#page/3/gid/1000044/pat/6/par/E12000008/ati/102/are/E06000044/iid/90641/age/1/sex/4>

<sup>3</sup> <https://www.nea.org.uk/wp-content/uploads/2018/02/E3G-NEA-Cold-homes-and-excess-winter-deaths.pdf>

<sup>4</sup> <https://www.gov.uk/government/statistical-data-sets/annual-domestic-energy-price-statistics>

3.9. The council has declared a climate emergency to highlight the need for urgent action to reduce greenhouse gas emissions. We have pledged to achieve net zero carbon emissions in Portsmouth by 2030, considering both the production and consumption of emissions. Emissions caused by the use of energy in the home comprise 31% of total emissions in the Solent region.

3.10. The council is developing an air quality local plan to reduce air pollution levels as quickly as possible. Although the majority of air pollution in Portsmouth is caused by transport, there is a level of local background pollution, which includes emissions from central heating systems, and therefore this strategy must have regard to the contribution that can be made to improving air quality. The greater impact is likely to be on indoor air quality, due to the mould spores created by condensation in cold homes. However, replacing inefficient boilers for example would reduce unnecessary emissions.

#### **4. Legislative requirements**

4.1 There are no legal requirements relating to the publication of this strategy.

#### **5 Current activity**

5.1 The energy services team based in Housing, Neighbourhood and Building Services is the key team coordinating home energy efficiency improvements in Portsmouth, and has received national recognition for its success in attracting funding and delivering schemes to make homes more energy efficient.

5.2 Building on its reputation, the team is developing ambitious and innovative projects to reach more residents and deliver greater improvements.

5.3 The team coordinates a fuel poverty working group, bringing together agencies from across the city to promote partnership working in tackling fuel poverty. The group has provided training to other agencies in order to increase referrals to fuel poverty support services.

5.4 The council works in partnership with Agility Eco, who use external funding to deliver services to residents in Portsmouth and a number of other areas nationwide. Their LEAP (local energy advice partnership) home energy visits provide a simple referral and access point to a wide range of support including small measures (such as LED lightbulbs or simple draft-proofing), larger measures (such as first time gas central heating installation, and loft and cavity wall insulation), and onward referrals including income maximisation, fire safety and other safeguarding measures. LEAP currently visits around 500 vulnerable households each year.

5.5 Portsmouth City Council is the lead partner in the consortium delivering Warmer Homes - first time gas central heating for any eligible household in Portsmouth that currently has electric heating or gas fires, to replace their expensive and inefficient heating systems. 110 households in Portsmouth have already been assisted under this scheme.

- 5.6 Our emergency boiler replacement scheme has helped around 50 vulnerable households to date access free high efficiency boilers to replace their broken boiler.
- 5.7 The local authority housing team installs high efficiency boilers, cavity wall and loft insulation, and water efficiency measures. Efficiency improvements are considered at each opportunity to update or repair council-owned homes.
- 5.8 The council commissions Advice Portsmouth to provide a range of advice, including money, debt and benefits advice. This can help to ensure that people receive all of the money they are entitled to, that any debt repayments (including outstanding energy and water bill debts) are at an affordable level, and that people are able to manage their money to prioritise their essential outgoings. This advice is also available to city council tenants via their area housing office, where housing officers are supported by a specialist money adviser.
- 5.9 Switch Portsmouth was launched by Portsmouth City Council in partnership with uSwitch in 2017. The council added our brand to a free and impartial energy price comparison website and telephone helpline, to provide users with reassurance that this is a trusted provider. However, use of the service is currently low, reflecting the national situation where just 19% of British consumers switched supplier between July 2017 and June 2018. We are also working with Portsmouth Water and Southern Water to promote their social tariffs (reduced rates for financially disadvantaged customers).

## **6 Purpose of the strategy**

- 6.1 The purpose of the strategy is to outline our vision, identify the challenges we face and areas for action, and set the direction for working in partnership to achieve our objectives. The strategy recommends that the council should take the lead, but that success will depend on enabling strong partnerships and effective collaborative working.
- 6.2 The strategy will provide the basis for the council and partners to attract additional investment to achieve our objectives, building on the success of our current activity, but scaling up delivery to meet the challenge we face.

## **7 Developing the strategy**

- 7.1 The draft strategy has been developed by the council's energy services team and tackling poverty coordinator, who work closely with a number of partners, including the fuel poverty working group, developing and promoting the current offer of support.
- 7.2 The draft strategy should form the basis for collaborative working with a wide range of residents, stakeholders and partner organisations to ensure that we fully understand where action is required, what works, and how we can monitor and assess our impact.
- 7.3 After approval of the draft strategy, officers will initiate a two month period of consultation, providing an opportunity to engage residents and stakeholders,

including private and social sector landlords, in reviewing our vision, strategic objectives and ways of working.

- 7.4 The draft strategy will provide the basis on which the Council and local stakeholders will be able to bid for and obtain the maximum amount of funding available for energy and water efficiency support. Much of this focus will be in identifying emerging technologies and business model.
- 7.5 The draft strategy will be amended based on feedback from consultation, and the final strategy will be presented to Cabinet for approval in February 2020.

## **8 Action plan**

- 8.1 Following the consultation stage and approval of the final strategy, officers will lead on the development of a detailed action plan to outline the work that will be undertaken to deliver the short term and longer term opportunities identified in the strategy.
- 8.2 The action plan will be delivered in partnership, and will include timescales for delivery and measures to assess progress and drive improvement in achieving our strategic objectives.
- 8.3 The action plan will address the range of needs of different household types, including families, older people, houses in multiple occupancy and students, different property types, from pre-first world war to new build, and levels of income, from those in need of financial support to those able to pay for home improvements.
- 8.4 The action plan will create actions to ensure that funding received by the council and other local stakeholders is maximised. Officers will work with stakeholders and industry to identify emergent business models and grant funding to support delivery of energy and water efficiency measures.
- 8.5 Central to the action plan will be a marketing and communication campaign around home energy and water efficiency that can speak to the needs, interests and motivations of all households and stakeholders in the city, and can involve children and young people via schools and other settings. The campaign will include relevant messages for all demographics, to challenge myths, promote best practice, and encourage people to take action now.
- 8.6 The action plan will reflect the urgent need for action, the ambition of the council to be at the forefront of improvements around home energy and water efficiency, and the importance of innovation in going beyond what has been achieved so far, in order to achieve our vision.

## **9 Expected outcomes**

- 9.1 Delivering the strategy will enable us to achieve our strategic objectives:
  - 9.1.1 Ensure our residents are informed, active and engaged consumers who take action to reduce energy and water costs and wastage.

- 9.1.2 Ensure all homes in Portsmouth meet a minimum Energy Performance Certificate rating of D by 2025, where practicable.
  - 9.1.3 Lead the way in using new housing developments and refurbishments to reach the highest possible levels of energy and water efficiency, and reduce carbon emissions.
  - 9.1.4 Develop clean energy generation that contributes to reducing fuel poverty, reducing carbon dioxide and other harmful emissions.
  - 9.1.5 Reduce carbon emissions and improve air quality.
  - 9.1.6 Maximise household incomes to ensure every resident exceeds a minimum reasonable standard of living.
  - 9.1.7 Clearly communicate a comprehensive offer of assistance for residents.
- 9.2 The subsequent action plan will outline in detail all activity and outcomes for delivery of the strategy, but the following milestones have already been identified for achievement by April 2021:
- 9.2.1 £2.5 million of external funding to be secured for measures delivered to vulnerable households in Portsmouth.
  - 9.2.2 2,000 households living in properties with the lowest EPC rated homes to be contacted with specific support and 500 of these homes improved through funding enabled by this strategy.
  - 9.2.3 A range of communication channels employed to engage every Portsmouth household with information and advice on saving energy and water.
  - 9.2.4 1,500 referrals to be made into person-centred individual support, resulting in at least £2,000,000 of lifetime savings and additional income.
  - 9.2.5 Household carbon emissions reduced by an additional 500 tonnes each year as a result of home energy efficiency improvements.
  - 9.2.6 1,500 individual water saving measures to be installed for vulnerable households.
- 9.3 Longer term milestones will be specified in further detail as the action plan develops, but areas for action include:
- 9.3.1 An improvement in EPCs for all tenure types to a D rating where practicable.
  - 9.3.2 A reduction in household expenditure and emissions through the development of a domestic solar PV and storage programme.
  - 9.3.3 Data and learning achieved from trials of innovative technologies to improve home energy efficiency.
  - 9.3.4 Access to new funding streams likely to become available on the termination of the Energy Company Obligation.
  - 9.3.5 Greater energy awareness and engagement among Portsmouth's residents.

## **10 Reasons for recommendations**

- 10.1 The recommendations ensure that we recognise and build on the success of work that is already underway, while setting the direction for action until 2025.

10.2 It is essential for this strategy to be aligned with the council's strategic priorities, including our carbon neutral goal and work to mitigate nitrate levels.

10.3 Publishing the draft strategy for consultation will provide a platform to engage with residents, partners and stakeholders, to ensure that our final strategy is based on a collaborative vision, putting people at the heart of what we do, and striving to ensure everyone in Portsmouth is able to use energy and water efficiently to meet their needs for comfort, safety, health and dignity.

10.4 Leading on the development of a detailed action plan will ensure that the activity required to achieve the strategic objectives is identified and progress can be monitored in order to drive improvement.

## **11 Equality Impact Assessment (EIA)**

11.1 A preliminary EIA has been completed and is attached at Appendix 2. It identifies no potential negative impacts on any of the groups with protected characteristics as a result of this report. It recommends reviewing the preliminary EIA to understand if there is a need for a full EIA following the proposed period of consultation.

## **12 Social and environmental impact assessment**

12.1 A social and environmental impact assessment has been completed and is attached at Appendix 3. The work recommended by the strategy has positive impacts across a range of issues, and no negative impacts have been identified.

## **13 City Solicitor's comments**

13.1 There are no identified legal implications arising from the recommendations set out within this report (if approved). The recommendations will support the City Council's plans and strategic priorities as set out within this report as well as contributing to the Council's duties to address poor housing standards in the private rented sector.

## **14 Director of Finance comments**

14.1 There are limited financial implications as a result of approving the recommendations within this report.

14.2 The costs of consultation for this strategy will be met from existing cash limited budgets.

14.3 If measures, works or initiatives are identified as a consequence of delivering the strategy then funding may be required and these will be delivered within existing approved resources or a request for more funding.

Signed by:

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James Hill, Director of Housing, Neighbourhood and Building Services

**Appendices:**

Appendix 1 - (Draft) Home energy and water efficiency strategy

Appendix 2 - Preliminary equality impact assessment

Appendix 3 - Social and environmental impact assessment

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/  
deferred/ rejected by ..... on .....

.....  
Signed by: