

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	15 December 2010
<b>Subject:</b>	Delivering Warmer Homes
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Brendon Hills, Corporate Director Community and Environment
<b>Portfolio Holder:</b>	Councillor Phillip O'Dell, Portfolio Holder Environment and Community Safety
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	Appendix A – Draft Affordable Warmth/Fuel Poverty Strategy

## **Section 1 – Summary and Recommendations**

This report sets out progress on implementing the council's Climate Change strategy – Domestic Energy; and the development of the Harrow Strategic Partnership's Affordable Warmth/Fuel Poverty Strategy

### **Recommendations:**

Cabinet is requested to:

1. Note the draft Affordable Warmth/Fuel Poverty strategy and agree to submit it to HSP for consideration and further public consultation
2. Authorise officers to explore external partnerships under the Community Energy Saving Programme to retrofit homes in the borough's seven Super Output Areas identified as fuel-poor
3. Authorise officers to explore partnership options to install solar PV on the roofs of council housing
4. Agree to receive a report back on recommendations 2 and 3 by March 2011.

**Reason: (For recommendation)**

To ensure continued progress in the delivery of the climate change strategy  
To ensure that energy consumption within the borough continues to reduce and that the borough and its residents are equipped to deal with predicted future increases in energy prices

## **Section 2 – Report**

### **2.1 Introduction**

Domestic energy, the energy we use to heat and light our homes, accounts for 53% of all carbon dioxide emissions in Harrow.

The council adopted the climate change strategy in September 2009, which set out a target to reduce CO2 emissions by 4% a year.

Reducing energy consumption in the borough's homes remains a significant element in reducing carbon emissions in the borough; helping people to reduce their fuel bills and tackling fuel poverty.

### **2.2 Current situation**

The Cabinet received a report on the progress of its climate change strategy in October 2010. The following identified progress in the topic of domestic energy: -

**a. Retrofitting:** We brought in investment of approx. £1.7m in 2009/10 via national and regional energy savings schemes such as SHESP (Social Housing Energy Saving Programme), Warm Zones and Warm Front. This will increase to £2m in 2010/11. Some of these schemes are funded by CERT (Carbon Energy Reduction Target), which places obligations on the energy companies to pay for insulation and energy efficiency works. In general terms people over 70 and families on income benefits receive these works free of charge. Other groups are classified as "Able to Pay" and receive subsidies in the region of one-third for these works

**b. Affordable Warmth Strategy:** We have worked with partners in HSP to develop an Affordable Warmth/Fuel Poverty Strategy, which is currently in draft form and is expected to go to public consultation later this year after endorsement by cabinet and HSP.

The strategy is expected to enable the different agencies to work together to ensure that people can live in warm homes, with the attendant benefits in terms of health etc, and also reduce overall carbon reductions in the borough.

See Appendix A for draft strategy.

**c. Affordable Warmth capital budget:** This annual capital budget of £150k is used to support a number of the above projects.

d. **CESP:** We are in discussions with energy companies about retrofitting housing in the seven SOAs (Super Output Areas) with lower decile national incomes. (Some of these areas contain Council estates and we have started discussion with housing colleagues to ensure appropriate consultation takes place). This would be carried out under the government's CESP (Community Energy Saving Programme) which ends in 2012. CESP is a whole area approach where 500-600 homes are retrofitted. The level of support varies but is approx. 50% from the energy companies, dependent on the types of measures installed.

## 2.3 Future Energy Prices/Budgets

A recent report from Ofgem, the regulator for gas and electricity markets, predicted that energy prices would rise by approx. 20% by 2020.

Rising energy bills will have a significant impact on Harrow's residents. Coupled with austerity measures being introduced by central government it can be expected that more people will be affected by fuel poverty.

Reducing energy use is therefore an important social, economic and environmental objective.

## 2.4 Options

Reducing carbon emissions can be achieved by:-

- Using less energy
- Replacing fossil fuels with renewable energy.

Options for these are considered below.

### 2.4.1 Using less energy.

Improving insulation and/or heating controls are the main ways of using less energy. As indicated above, government programmes are delivering total investment of £1.7m to £2m annually, to help vulnerable people improve their fuel efficiency. This is mainly targeted on loft and cavity wall insulation and the installation of modern boilers with improved thermostatic controls.

Some of the more difficult technologies (such as solid wall insulation) are not included in these programmes.

**Affordable Warmth budget** . We propose to use £50k of this budget, from April 2011, to support people who are not fully covered by CERT. i.e. people in the Able-to-Pay group. Provision of a council subsidy of £100 for both loft and cavity wall insulations would provide a two-thirds subsidy to households in this group (i.e. one-third from CERT and one-third from Harrow). This would give a pay-back period of approx. one year - for the average resident.

**The Community Energy Saving Programme (CESP)** is a government scheme that introduces a whole area approach to energy saving. It is applied to the Super Output Areas (SOAs) in England where people have incomes in the lower decile range. Each SOA comprises of 500 to 600 homes. Harrow has seven SOAs within the borough which are eligible for this scheme.

Under CESP utility companies have targets to reduce carbon emissions from fuel poor households. They provide financial support to install a range of

energy saving measures to houses in the SOA. The degree of support required varies depending on the different measures adopted (which can range from loft insulation, solid wall insulation to solar hot water installations).

For recipients there is a requirement to provide an element of match-funding. This funding is available to private home owners and to people in rented accommodation. For council housing, this is met by the local council; Social landlords provide the match-funding for social housing; and the private sector provides funding for private housing. Council housing is the predominant market sector in Harrow's SOAs and very early consultation has commenced on this concept with the Tenants and Leaseholder Consultative Committee, which is the Council's main governance mechanism for discussing issues that relate to council stock.

CESP ends in Dec 2012 so there is a limited window of opportunity.

It is estimated that it would cost Harrow £2m to retrofit all its CESP areas. This would match a similar amount of funding from the utility companies.

The Housing Capital Programme for the next three years has already been drafted, based on findings from the stock condition survey. This initiative will require funding from the HRA which has not been budgeted for. This will therefore require changes to the draft programme. Discussions are taking place, initially through the TLCF to establish residents' views on priorities for the final programme.

Income from the suggested solar PV on housing (see below) would be used to provide the match-funding under CESP. Final schemes would need to be agreed by Cabinet.

#### **2.4.2 Renewable energy.**

The introduction of Feed-in-Tariffs in April 2010 provides local authorities with a significant opportunity to both reduce our carbon footprint and generate income. Feed-in-Tariffs cover a range of renewable technologies. In Harrow, the most promising technology is solar PV, where electricity is produced from photo-voltaic panels - usually placed on roofs.

- **Solar PV on council housing:** The council has a housing stock of 5000 homes. The following assumes half of these would be suitable for the installation of solar PV panels, and that the average installation would be equivalent to 2kWe.

Where such panels were installed tenants would benefit from the use of free electricity produced during daylight hours. This is estimated as an average saving of £170 to £200 per household per year (assuming all of the electricity produced was used).

The average carbon saving per household would be 0.9 tonnes per year.

The initial tariff level for the FIT scheme are set high to encourage market development. From April 2012 the initial tariff level will start to fall to reflect the development of the market. In order to maximise annual income it would be more beneficial to complete installations of such panels by April 2012..

2,500 installations would produce 4.17 MWh per year

## **Funding Options**

**No Action.** This would mean that tenants would receive no benefits from the FIT scheme. All electricity consumers contribute towards the funding of this scheme via their electricity bills. There is a danger that the benefits of the scheme will be taken up by people who can afford to invest in the panels and that poorer sections of the community will meet the cost.

Not recommended.

**Prudential Borrowing.** It would be possible to procure a company to survey, provide and install solar PV panels to council housing with the entire income from the FIT being received by the council. This would require initial capital funding in the region of £20m to £25m.

The council would receive the full income generated, which would be approx £1.722m per year.

Not recommended due to the high capital requirement.

**Partnership.** The council has been approached by a company offering a partnership agreement to provide solar PV panels to council houses in return for the council providing roof access (for the installation of the panels). The council would not need to make any capital investment and could potentially receive annual income of £350-400k . The agreement would run for 25 years to coincide with the feed-in tariff scheme and income would be index linked. This proposal is at a very early stage of development.

It is recommended that officers continue to explore partnership options and, following consultation with residents, and report back to Cabinet with proposals

The proposal to use additional income generated by the solar pv scheme, to cover the match-funding costs under CESP, would be carefully considered. The important principle would be that the CESP programme would be tailored to suit the available income from the solar pv project. This would ensure that there was no unsupported growth in the HRA.

## **2.5 Consultation**

The draft Affordable Warmth/Fuel Poverty Strategy will, subject to agreement of the Harrow Strategic Partnership, be subject to public consultation over the same period, with a view to the final Strategy being reported back to cabinet in March 2011 for adoption.

The CESP and solar pv proposals have been presented to the Tenants and Leaseholders Consultative Forum to obtain their agreement to the proposed course of action. As detailed proposals are developed, further consultations will be undertaken with tenants and leaseholders likely to be affected by the proposals.

## 2.6 Legal comments

Reducing carbon emissions from homes is consistent with international, national and regional strategies to reduce carbon emissions.

## 2.7 Financial Implications

**TABLE 1 - Capital:**

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>General Fund</b>						
Affordable Warmth	150k	150k	150k	150k	150k	150k
<b>Housing</b>						
Match funding for CESP*	2000k	0	0	0	0	0
<b>Total</b>	<b>2000k</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Note: This is Harrow's match funding contribution under CESP. This implies a total investment of approx. £4m. See revenue income from solar pv on housing – Table 2.

The proposal to use additional income generated by the solar pv scheme, to cover the match-funding costs under CESP, would be carefully considered. The important principle would be that the CESP programme would be tailored to suit the available income from the solar pv project. This would ensure that there was no unsupported growth in the HRA.

At this stage no capital requirements have been included in the above table to allow for the council to invest in solar PV using its own capital resources.

**TABLE 2 – Revenue impacts**

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Adults and Housing (NOTE: Needs to be updated to split Housing HRA and Adults)</b>						
Estimated FIT income from solar PV on council housing Note 2	Up to -350k	-350k	-350k	-350k	-350k	-350k

Note 2: Income from solar PV would be index linked (increases due to indexation are not shown). The income would be used to support the CESP match funding (shown in Table 1).

The draft HRA MTFs being reported elsewhere on the agenda details the level of investment funded as £6.360m for 2011-12 and 2012-13 and £6.160m from 2013-14 onwards. Without increasing the level of borrowing within the HRA, and to agree the proposals referenced in this report would require prioritisation of resources and as a result, a delay in the works programmed

for future years, and would require consultation with tenants and leaseholders.

At this stage, the income generation proposals have not been fully explored to enable income levels to be confirmed. As a result, further clarity is required before this can be assumed to finance in part the additional resources required. Further borrowing could be considered, however, given the potential to increase HRA borrowing in relation to HRA Reform and the need to maximise income to the HRA, this cannot be considered in isolation.

The impact on leaseholders needs further consideration. It is not clear if the match funding would support works to properties purchased under the Right to Buy. Section 20 notices would need to be issued and if not funded in part by the grant, would result in increased costs for these residents.

There is no provision in the HRA revenue budget for abortive costs. The costs associated with progressing the business case should be reviewed and consideration given to potential costs which would be incurred if the scheme does not proceed.

In summary, whilst the proposals enable the Climate Change Strategy to be progressed, the revenue and capital financial implications require further clarity to enable the impact to be appropriately assessed. The proposals do not generate revenue savings for tenants, which would support consideration of the investment.

## **2.8 Performance Issues**

**NI 186** measures the per capita emissions of residents in the borough from all emissions. Under LAA we had a target to reduce these emissions by 4% a year. Our ability to directly affect this indicator is limited. Central government programmes such as Warm Front, CESP, Boiler scrappage and car scrappage etc will help to reduce emissions by ensuring that insulation levels are improved and replacement cars and equipment are more fuel efficient. .

There would be no direct impacts on resident outcomes delivered either by partners or by joint working with partners, if the proposal were not accepted. However, poor performance would generate increasing financial costs and these would have indirect consequences.

If the proposal did **not** go ahead, the council would suffer a loss of reputation, receive adverse assessments from external auditors and would face increased financial pressures

**NI 187** measures the percentage of people receiving benefits who live in fuel poverty. The draft Affordable Warmth/Fuel Poverty strategy identifies this indicator as being flawed. As part of the development of the Affordable Warmth/Fuel Poverty strategy we will develop a new local indicator to identify people in fuel poverty and allow us to target help where it is most needed. We propose to no longer collect NI 187 (subject to Government requirements).

## **2.9 Environmental Impact**

These proposals would support the council's overarching strategy on climate change to deliver a 4% annual reduction in carbon emissions across the council's operations and within the wider community

## **2.10 Risk Management Implications**

Risk included on Directorate risk register? See Strategic Risk 3: Fail to actively contribute to sustaining the environment in the Strategic Risk Register.

The following risks are identified throughout this report: -

- Lack of support from council tenants
- Lack of capital resources
- Detailed negotiations with partner may reduce potential income
- Potential income may be insufficient to allow all CESP areas to be actioned.

The risks, and the actions to mitigate the risks, will be incorporated into the C&E Directorate Risk Register.

## **2.11 Equalities implications**

An Equality Impact Assessment on the draft Affordable Warmth / Fuel Poverty Strategy will be carried out following the public consultation period and the results reported back to cabinet in March 2011 prior to final adoption. Where appropriate Equality Impact Assessments will be carried out in relation to items identified in the Action Plan 2010/13 prior to any decision to implement.

## **2.12 Community safety**

Community Safety implications will be considered when proposals are being developed

## **2.13 Corporate Priorities**

This report will help the council deliver its corporate priorities: -

- Cleaner and safer streets, by improving the environmental performance of its housing stock
- Improve support for vulnerable people, by supporting people in fuel poverty
- Build stronger communities, by reducing total expenditure on fuel bills



### **Section 3 - Statutory Officer Clearance**

Name: Donna Edwards  on behalf of the  
Chief Financial Officer

Date: 25 November 2010

Name: Sarah Wilson  on behalf of the  
Monitoring Officer

Date: 24 November 2010

### **Section 4 – Performance Officer Clearance**

Name: Martin Randall  on behalf of the  
Divisional Director  
Partnership,  
Development and  
Performance

Date: 22 November 2010

### **Section 5 – Environmental Impact Officer Clearance**

Name: Andrew Baker  on behalf of the  
Divisional Director  
(Environmental  
Services)

Date: 17 November 2010

### **Section 6 - Contact Details and Background Papers**

**Contact:** Andrew Baker, Head of Climate Change. Tel:020 8424 1779,

**Background Papers:**

Cabinet report: September 2009: Climate Change Strategy – Adoption

Cabinet report: January 2009: Draft Climate Change Strategy

Climate Change Act 2008

Energy Act 2008

Feed In Tariffs

[http://www.decc.gov.uk/en/content/cms/what\\_we\\_do/uk\\_supply/energy\\_mix/renewable/feedin\\_tariff/feedin\\_tariff.aspx](http://www.decc.gov.uk/en/content/cms/what_we_do/uk_supply/energy_mix/renewable/feedin_tariff/feedin_tariff.aspx)

OFGEM report: Project Discovery (Future energy prices)

[http://www.ofgem.gov.uk/Markets/WhlMkts/Discovery/Documents1/Discovery\\_Scenarios\\_ConDoc\\_FINAL.pdf](http://www.ofgem.gov.uk/Markets/WhlMkts/Discovery/Documents1/Discovery_Scenarios_ConDoc_FINAL.pdf)

CESP

[http://www.decc.gov.uk/en/content/cms/what\\_we\\_do/consumers/saving\\_energy/cesp/cesp.aspx](http://www.decc.gov.uk/en/content/cms/what_we_do/consumers/saving_energy/cesp/cesp.aspx)

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny  
Committee**

**NOT APPLICABLE**

**Harrow Strategic Partnership**

**Affordable Warmth/Fuel Poverty Strategy**

**Version: Consultation Draft**

**Partners:**

Harrow Council

Harrow PCT

North West London Hospitals NHS Trust

Greener Harrow

Police

Fire Brigade

Job Centre Plus

Department for Work and Pensions

Age Concern Harrow

Citizens Advice Bureau

## Introduction

This draft has been developed from discussions within the Harrow Strategic Partnership – primarily the Harrow Council , the PCT and Northwick Park hospital.

This was followed by a workshop to identify themes and possible courses of action, at which the following organisations were represented: -

LB Harrow	Divisional Director of Environment
LB Harrow	Head of Climate Change
LB Harrow	Housing Enabling Manager
LB Harrow	Housing (Landlord's Forum)
LB Harrow	Joint Team - Benefits Assessment
LB Harrow	Harrow Adapt and Repair team
LB Harrow	Planning
LB Harrow	Environmental Health
NHS	Director of Public Health
NHS	PCT
NHS	NW London Hospitals Foundation Trust
	Greener Harrow
	L B Islington
	L B Brent
	Energy Savings Trust
	Age Concern
	Citizens Advice Bureau

Summary details of the workshop findings are shown in Appendix 2.

## Background

Harrow Council adopted its **Climate Change Strategy** in September 2009.

New housing will be built to the standards set out in the Government's Code for Sustainable Homes, which will ensure that modern standards of affordable warmth are delivered in new buildings. Harrow Council's *Supplementary Planning Document: Sustainable Design*, seeks the delivery of the national targets to an earlier timetable.

The main challenge is therefore the retrofitting of the existing housing stock. The following table (from the Climate Change Strategy) shows: - the percentage of homes in each housing sector in Harrow; the current SAP rating; and the target SAP ratings.

Note: SAP rating is a standard assessment procedure for measuring the energy efficiency of housing. Scores range from 0 to 100. Higher scores are better.

Sector	% of housing stock	Average SAP rating		
		Current	2015 target	2020 target
Owner occupier	77	49	69 solid walls 83 cavity walls	91
Council owned	6	65		
Housing Association	4.4	?		
Private renting	12	49		
Other	0.6	?		

The table has been derived from data that is at least five years old. Data on private sector housing is up to ten years old. The position will have changed in recent years with government schemes such as CERT, Warm Homes and regional schemes such as Warm Zones. Also, importantly, the above are average values with wide variance. We do not currently have data on individual homes.

The table assumed that the following improvements would be made: -

- All lofts to be insulated by 2015
- All cavity walls to be insulated by 2015
- All solid walls to be insulated by 2020 (mainly by internally dry-lining but with some exterior insulation where appropriate)
- All central heating systems to be equipped with condensing or micro CHP boilers, programmer and thermostatic radiator valves (TRVs) by 2015
- All windows to be double-glazed by 2020. All new windows to be Class A double-glazed as a minimum.

The government published *Warm Homes, Greener Homes: a Strategy for Household Energy Management* in February 2010. This sets out that by 2015 the vast majority of homes will have received cavity wall insulation and loft insulation. Homes with solid walls would be insulated by 2020. People on low incomes would be provided with these upgrades free of charge.

The above table is consistent with the government's approach.

**Affordable warmth** means that a household is able to afford to heat their home to the level required for their comfort and health.

## Appendix A

**Fuel poverty** is defined by the Government as happening where a household spends more than 10% of its income on electricity and gas.

**National Indicator 187** is used to measure fuel poverty

(a) Tackling Fuel Poverty - The percentage of people receiving income based benefits living in homes with a low energy efficiency rating (SAP rating less than 35)

(b) Tackling Fuel Poverty – the percentage of people receiving income-based benefits living in homes with a high energy efficiency rating (SAP rating greater than 65)

	2008/09	2009/2010	2010/2011	2009/2010
SAP less than 35	20.14%	Target 18%	Target 15%	Actual 21.5%
SAP greater than 65	14.48%	Target 16%	Target 20%	Actual 12.8%

The indicator is measured by postal survey using a Home Energy Check questionnaire.

The survey is mailed out to all on council tax and housing benefit and we need a minimum of 400 responses.

In 2008/9, within London, Harrow had the highest score for NI 187a (i.e. the worst performer) and we were one percentage point better than the worst three performing boroughs for NI 187b.

The method of assessment used in NI 187 is recognised to be problematic, in that the assessment form is complicated and completed by the resident. The indicator is administered jointly in London so there is a degree of comparability. Nevertheless it remains a concern that Harrow performs poorly in relation to other London Boroughs. This may reflect the lower levels of social housing in Harrow – particularly when compared with inner London. The borough needs to develop a reliable local indicator to enable it to track this problem and, importantly, enable it to target help where it is most needed.

**Q. Can you suggest any local indicators that could be used to measure fuel poverty?**

### Health Impacts of cold homes

The UK's Chief Medical Officer makes the case in his Annual Report 2009 that living in cold, damp homes is a major cause of illness. The Report says that 2 days after a cold snap begins there is a large increase in heart attacks, 5 days later strokes peak and 12 days later respiratory conditions reach a maximum. For every degree temperature below 18°C, there are 8000 extra deaths across the UK. The Report suggests that the most effective preventative healthcare approach is to promote a home insulation programme, every £1 of which will result in 42p savings in healthcare costs.

There will also be a range of sub-clinical conditions where people are not admitted to hospitals, GPs surgeries or clinics, but have to take time off work, such as the common cold.

### How the cold affects health

In older people, a 1°C lowering of living room temperature is associated with a rise of 1.3 mmHg blood pressure, due to cold extremities and lowered core body temperature. Increases in blood pressure, along with increased blood viscosity (caused by mild skin surface cooling) increases the risk of strokes and heart attacks. Cold air affects the normal protective function of the respiratory tract, with increased broncho-constriction, mucus production and reduced mucus clearance. Cold, damp houses also promote mould growth, which

increases the risk of respiratory infections.

Table 1 illustrates the health effects experienced by those living in temperatures below the recommended 16–21 °C (18 °C and over in living areas). More detailed health effects are set out in Appendix 1.

**Table 1:** Effect of temperature on health

Indoor temperature	Effect
21 °C	Recommended living room temperature
18 °C	Minimum temperature with no health risk, though may feel cold
Under 16 °C	Resistance to respiratory disease may be diminished
9–12 °C	Increases blood pressure and risk of cardiovascular disease
5 °C	High risk of hypothermia

### **Educational impacts of cold homes**

The Chief Medical Officer’s Report also says that childhood asthma incidence increases significantly with cold resulting in children taking time off school with their educational achievements suffering. A home insulation programme, it says, can result in up to 50% reduction in pupil absence from school, with a resulting boost to educational achievement.

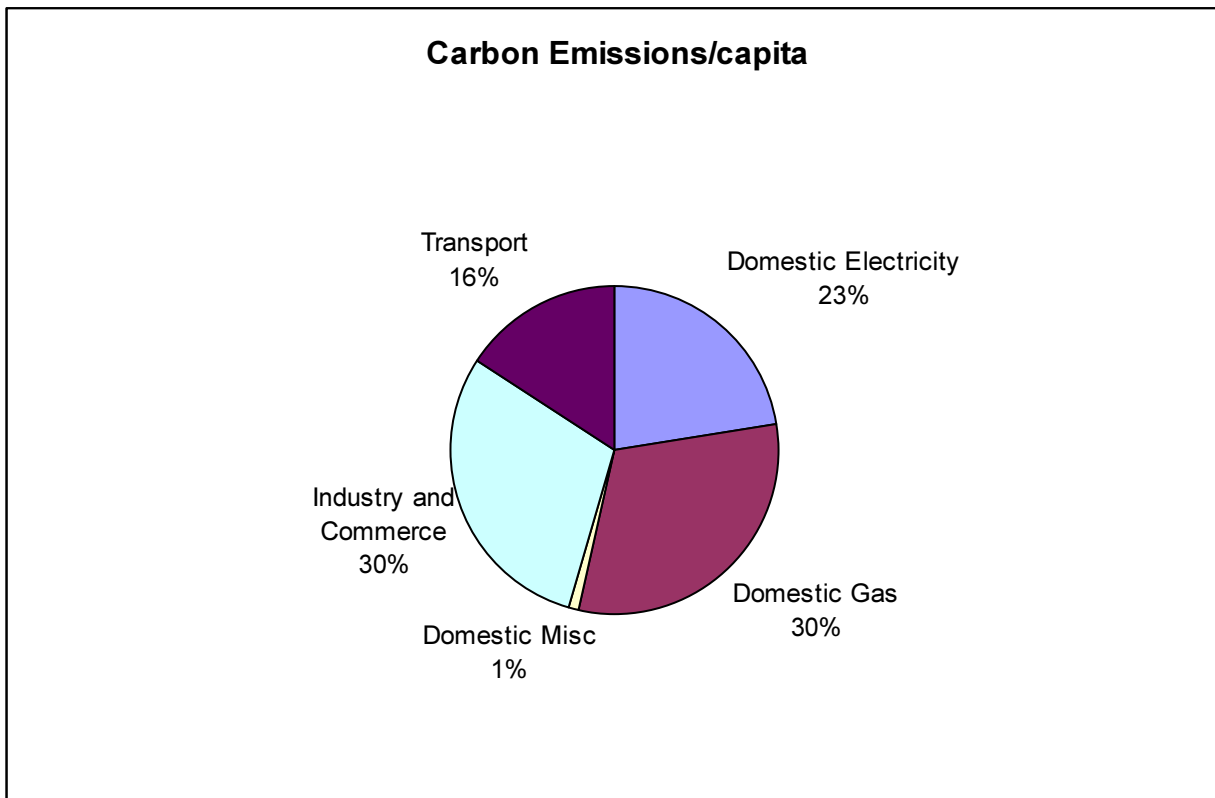
**Affordable warmth** therefore has several benefits. It:

- increases life expectancy and reduces inequalities in health;
- improves householders’ mental health and well being;
- improves children’s educational achievements and school attendance, and reduces the incidence of childhood asthma;
- promotes social well-being and independent living, with older people able to use the whole house following central heating installation. This potentially reduces/delays admission to hospitals and care homes.

**This Affordable Warmth/ Fuel Poverty Strategy** sets out how the partnership will ensure that every resident can afford to heat their homes, whether they live in social/council housing, the private rented sector or in owner occupied property.

## Carbon Emissions

National Indicator 186 is a Local Area Agreement key indicator for Harrow. This is an indicator measuring a reduction in carbon emissions across the local authority area. Harrow's target for this is a [10%?] reduction by 2011 on a 2005 baseline. The indicator provides data on carbon emissions from transport, business and housing sectors. The Government's aim is to reduce carbon emissions from across the UK by 80% by 2050 and introduced NI 186 as a means of achieving its national agenda.



Domestic gas and electricity consumption account for 53% of carbon emissions in Harrow.

The Energy Saving Trust and Carbon Trust both advise that local authorities have little opportunity to directly affect a reduction in carbon emissions from business. This is likely to be very much the case in Harrow where there are few larger businesses and many small businesses work from home. It is also difficult to effect a significant reduction in transport mileage and associated emissions. That is because there are already low emissions per head of population in all London Boroughs with good public transport systems and a public resistance to being told to cut down on car driving. The area that Government believes local authorities have most ability to influence is carbon emissions from housing. The Government has identified home insulation as providing the fastest payback on any investment to reduce carbon emissions and is using the Climate Change Levy to provide 50% grants for all home owners wanting loft or cavity wall insulation, available through utility companies or installers. There is also free insulation for people on qualifying benefits.

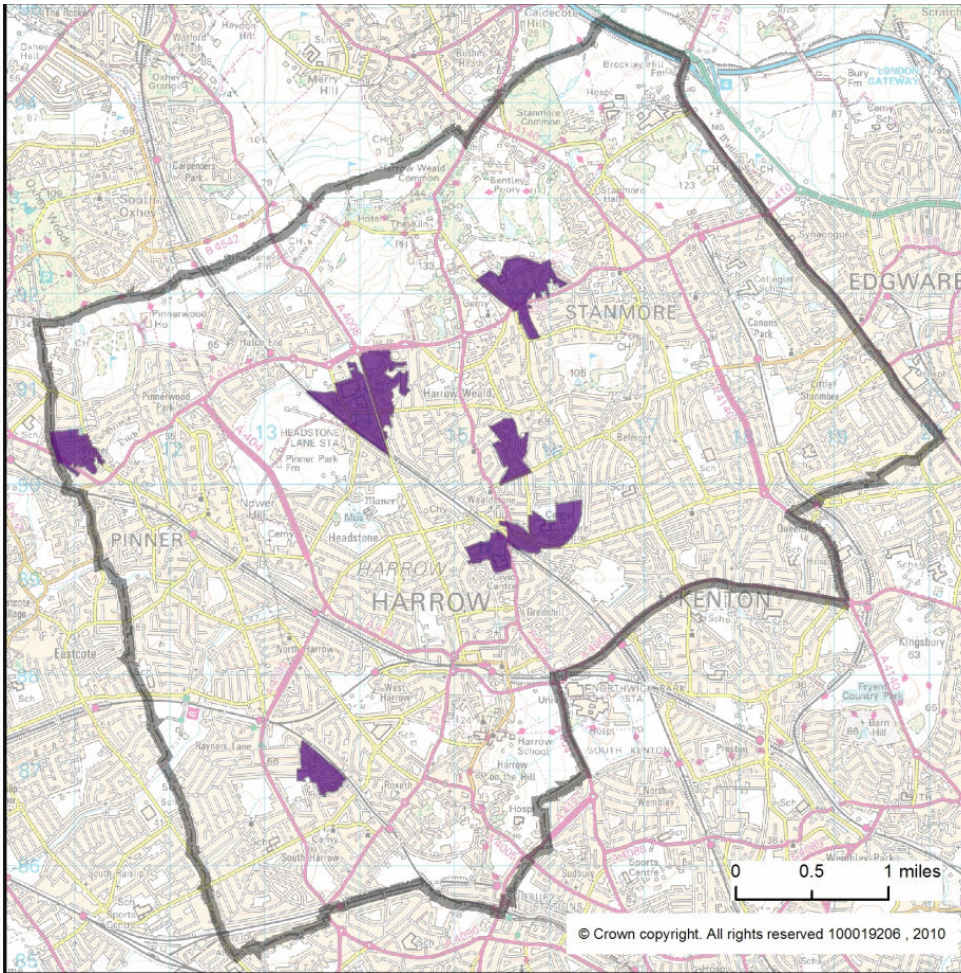
## Energy Prices

Households in the borough currently spend approx. £120m a year on gas and electricity. This is a significant expenditure which is spent outside of the local economy. A recent report by OFGEM predicts that energy costs will rise by 20% by 2020. Improving energy efficiency of the housing stock would therefore protect people from rising energy costs and help to retain spending within the local economy



## SOAs with low disposable income

Harrow has seven SOAs (Super Output Areas) within the lowest decile of disposable income. These areas are usually of interest to the utility companies for area upgrading under CESP (Community Energy Saving Programme)



- Pinnerhill SOA 185
- Hatch End SOA 151
- Harrow Weald SOA 139
- Stanmore Park SOA 227
- Wealdstone SOA 235
- Wealdstone SOA 180
- Rayners Lane SOA 217

The first and last of these are in the process of being redeveloped/upgraded and no further action is required. We will look to tackle the remaining five areas in partnership with one or more utility companies under the CESP programme.

## Housing Sectors

**Decent Homes** is a standard for social housing and vulnerable households in the social and private rented sectors. The Government's target is that all social housing should meet this standard by 2010. There are four criteria for a Decent Home. It must:

- Meet the current statutory minimum standard for housing;
- Be in a reasonable state of repair;
- Have reasonably modern facilities and services; and,
- Provide a reasonable degree of thermal comfort, defined as having efficient heating and effective ventilation.

### The private rented sector

Accounts for 12% of our housing stock. It is expected to be the most difficult sector, to bring up to the required standard, because of the difficulty landlords have in recouping any investment via higher rents. This is particularly the case for Houses of Multiple Occupancy.

**The Housing Act 2004** introduced the Housing Health and Safety Rating System to help ensure minimum standards in housing, and the requirement for certain Houses in Multiple Occupation (HMOs) to be licensed.

### Houses in Multiple Occupation (HMOs)

Under HHSRS (see Box), the "current minimum standard for housing" is defined as not having a Category 1 hazard. The Council's Environmental Health Officers Team says that the great majority (almost all) of Houses of Multiple Occupancy (private rented; HMOs) in Harrow have inadequate thermal comfort which is a Category 1 hazard. The Environmental Health Officers have enforcement powers to require HMO landlords to upgrade this Category 1 hazard by installing insulation. However, they are not able to resource this with current staffing levels, so are unable to proactively investigate HMOs for inadequate thermal comfort to help with this programme.

51% of non-decent homes fail because they do not provide adequate thermal comfort.

Since July 6 2006, it has been an offence to operate a licensable HMO without a licence. Licensing is aimed at raising the management and amenity standards in the privately rented sector.

HMOs have to be licensed for a maximum number of occupants based on the ratio of those sharing amenities. Local authorities may carry out HHSRS inspections at the same time as licensing inspections. However local authorities have a duty under HMO licensing to satisfy themselves that no Category 1 hazard exists in a property within 5 years of receiving a licence application. Thus, we should be planning to carry out HHSRS inspections on all our licensed HMOs by July 6 2011.

### Housing Health and Safety Rating System (HHSRS)

Under HHSRS, local authorities have a legal duty to take "appropriate action" wherever a property is found to have a "Category 1" hazard. They may take action for a Category 2 hazard.

Local authorities also have a legal duty to carry out systematic reviews of the housing stock in their area for Category 1 and 2 hazards.

It is estimated that 4.8 million homes in England (22%) have Category 1 hazards present, of which 4.2 million are in the private sector. The most common Category 1 hazards are Excess Cold and Falls.

## Appendix A

According to the government's Operating Guidance on HHSRS, Excess Cold on its own would be enough to classify the average pre-1945 dwelling as a Category 1 hazard.

When assessing for Excess Cold it is not necessary to carry out a full SAP assessment.

There are 29 hazards assessed under HHSRS. Those that relate to fuel poverty fall in the category of "physiological requirements", namely Damp and Mould Growth (hazard 1) and Excess Cold (hazard 2). Of these two, Excess Cold carries a far more significant threat to health and safety than Damp.

HHSRS Operating Guidance gives local authorities considerable flexibility about how to assess for excess cold. It states, "indoor temperature is a function both of dwelling characteristics and of the occupying household. For the HHSRS assessment it is the dwelling characteristics, energy efficiency and the effectiveness of the heating system, which are considered, assuming occupation by a vulnerable age group. Simple measurement of indoor temperature is inappropriate.

"The assessment should take account of the adequacy of the heating, insulation and ventilation. This may involve assessing the dwelling energy rating (using SAP), and other factors which might affect the indoor temperature, such as dampness, or disrepair to the structure or to the space or water heating system."

HHSRS can be used to enforce action in all tenures except local authority owned stock, but is most likely to be used in private rented sector homes, which are typically the least energy efficient and where there are the greatest barriers to encouraging action.

**Landlords Energy Saving Allowance** – is a scheme which provides a tax allowance of £1500 for landlords that invest in improvements such as cavity wall and loft insulation.

A new requirement was passed to Council's private housing teams in January 2010, that they should address home energy efficiency.

### **Council housing referrals**

The council places people requiring housing into accommodation provided by the private rented sector. Currently no minimum standards are set for such referrals.

### **What needs to be done?**

The first priority appears to be data gathering.

We should endeavour to carry out HHSRS inspections on all our licensed HMOs by July 6 2011 (the legal deadline for completion of inspections).

As part of this process we will identify all HMOs which fall short of expected standards of warmth

Before moving in to a property tenants should receive an EPC. We will start to record this information centrally.

Investigate whether minimum EPC ratings can be applied to referrals to the private rented sector.

**Q. Should a minimum EPC rating for council referrals to the private rented sector be introduced?**

**Q. If so, should it start low and progressively increase?**

**Q. What should be the relevant standards and timescales?**

**Q. Would an information campaign aimed at tenants, landlords and letting agencies help to improve standards?**

## Social and Council housing sectors

These sectors account for just over 10% of the housing stock. This sector has made good progress in raising standards due to the government's drive to bring them up to Decent Home standard. It is expected that the sectors will work in partnership with the government to deliver the new Warm Home standard – identified in Warm Homes, Greener Homes: a Strategy for Household Energy Management - once it has been published.

Schemes such as Warm Homes and Warm Zones do not apply to this sector.

## Harrow's Housing Strategy

Under Objective Three (pp 23/24) – to improve neighbours and quality of life achieving decent and greener homes is listed as a priority, with the action to promote energy efficiency projects.

## Void policy

Housing has 300 voids a year out of a stock of approx. 5000 properties.

Current policy is to turn round voids within 28 days (time between old tenant leaving and new tenant moving in).

But the policy only allows for

- Minimum checks on boiler and central heating
- No check on insulation levels in cavity or loft
- No provision to install internal insulation to properties with solid walls
- No check on floor insulation
- No check on windows, double-glazing and draught-proofing.

Voids offer an opportunity to address some of these issues using the affordable warmth budget. However, because of the relatively low turnover, this approach would take approx. 17 years to retrofit all council housing to new standards.

**Q. Should the council revise its void policy to allow energy efficiency retrofits to be carried out?**

**Q. If so, should the 28 day turn round time be increased?**

## Insulation in Council housing

All council housing with cavity walls have had them insulated. Over the next year we will carry out a survey of the remaining homes to: - determine their suitability for external/internal insulation; identify the capital costs of a retrofit programme; and identify the benefits.

## EPC assessment/SAP rating

While there has been good progress on raising the average warmth standards in the sector there are still properties, which have low standards (as measured by SAP ratings).

New tenants are supplied with EPC ratings for the homes they move into. However, to date, have not been centrally recorded so it has not been possible to identify homes with particular problems, or to track improvements.

## What needs to be done?

Retain EPC ratings on housing database

Complete survey of council housing stock to determine properties with low SAP ratings – i.e.

- less than 35 (for immediate upgrade – i.e. by end of 2012)
- Less than 65 ( for upgrade by 2015)

**Q. Should we have EPC rating targets for social housing and, if so, what should they be?**

## **Appendix A**

Identify utility partners for retrofit programme (under CESP or CERT) and agree with utility companies CESP area action for remaining five SOAs

Complete redevelopment of Mill Farm estate

Complete redevelopment of Rayners Lane estate

## **Owner-Occupiers**

This is the largest single sector accounting for over three-quarters of all homes in the borough. Progress in this sector is vital if the overall target to reduce carbon is to be met.

Data is sparse for this sector with no central collation of data from actions taken by the utility companies, actions taken by residents, or improvements carried out as a result of extensions and other home improvements

## **Pay-as-you-save**

The government has confirmed its intention to introduce Pay-as-you-save schemes to retrofit existing housing under its Green Deal initiative. Details of the scheme are not yet available. We will develop this area further once the necessary legislation has been passed

## **What needs to be done?**

Aerial heat survey of borough

Retain EPC ratings on housing database

## Supporting low-income families

### What needs to be done?

- **Working together.** We will identify low-income and fuel poor families in a coordinated way through the Harrow Strategic Partnership. We will adopt a similar approach to the check-list used under the Hot-Spots programme to identify households requiring help and will then refer them to national and regional programmes such as Warm Front and Warm Zones
- **Housing and council tax benefit applicants** will be made aware of the schemes for improving the insulation and heating in their homes (i.e. Warm Zones and Warm Front). Recipients of benefits usually qualify for free work under these schemes. (Note: This is not applicable to people living in the council and social housing sector)
- Where possible we will also refer unsuccessful applicants for housing benefit to the subsidised, Able-to-pay schemes for improving insulation and heating. We will look to provide assistance from the council's Affordable Warmth budget to increase the subsidy further by offering discounts on loft and cavity wall insulation. Subsidies of £100 would reduce the pay-back period to approx. one year. I.e. the applicant would be able to recover the cost of installing improved insulation by an amount equivalent to the savings in their energy bills.
- **Maximising income.** We will refer low income households to the IncomeMax scheme administered by Warm Zones, which checks benefit entitlement to ensure that household income is maximised
- **Tariff switching.** We will help people to switch to lower cost tariffs under the Save and Smile tariff switching scheme administered by Energy Helpline (a joint LB Harrow and LB Hillingdon scheme).



**Appendix A**  
**Summary of actions to be considered**

Ref	Description	Measure of success	Who	Date
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<b>DATA – Establishing the baseline</b>				
1.1	Aerial heat survey	Complete aerial survey using infrared to identify homes with high heat loss	tba	tba
1.2	Map EPC data	tba	tba	tba
1.3	Inspection of HMOs	Complete HHSRS inspection of HMOs	tba	tba
1.4	Complete survey of council housing stock	Identify all homes with SAP rating of <35	tba	tba
		Identify all homes with SAP rating of <65	tba	tba

<b>PARTNERSHIP</b>				
2.1	Minimum EPC/SAP ratings for private sector rented housing (referral from council housing list)	tba	tba	tba
2.2	Retrofit council housing with SAP rating of <35	Retrofit all houses by end of 2012	tba	tba
2.3	Retrofit council housing with SAP rating of <65	Retrofit all houses by end of 2015	tba	tba
2.4	Retrofit all Fuel Poor SOAs	Complete by end of 2012 (end of CESP)	tba	tba

<b>INFORMATION</b>				
3.1	Publicity campaign for landlords, tenants and letting/managing agents	tba	tba	tba



## Appendix 1: The health effects of fuel poverty

### Cardio-vascular disease

- Circulatory diseases are responsible for around 33% of excess winter deaths (therefore approximately 930 individuals in the South West in 2006–07).
- The cold increases blood pressure – one study showed a 1 °C lowering of living room temperature is associated with a rise of 1.3 mmHg blood pressure.
- A rise in blood pressure during the cold increases the risk of heart attacks and strokes.

### Respiratory illness

- Cause of around one third of excess winter deaths (approximately 986 individuals in the South West during 2006–07).
- The cold lowers resistance to respiratory infections.
- Coldness impairs lung function and can trigger broncho-constriction in asthma and COPD.
- Dampness is associated with cold houses; damp increases mould growths, which can cause asthma and respiratory infections.
- Home energy improvements have decreased school sickness absences by 80% in children with asthma or recurrent respiratory infections.

### Cold houses affect mobility and increase falls and non-intentional injuries

- Symptoms of arthritis become worse in cold damp houses.
- Strength and dexterity decrease as temperatures drop, increasing the risk of non-intentional injuries.
- A cold house increases the risk of falls in the elderly.

### Mental and social health

- Damp, cold housing is associated with an increase in mental health problems.
- Some people become socially isolated as they are reluctant to invite friends round to a cold house.
- In cold homes where only one room is heated, it is difficult for children to do homework, affecting educational and long-term work and health opportunities.

Note: Calculated from Office for National Statistics data for 2006–07

### **Diseases and conditions associated with cold homes:**

- Asthma
- Chronic Bronchitis and emphysema
- Coronary Heart Disease
- Strokes and TIAs
- Falls and accidents
- Worsening of long-term conditions in the winter
- Slow recovery from illness

### **Cardio-vascular disease**

- Cause \*\*\* excess winter deaths each year
- The cold increases blood pressure.
- A 1 degree lowering of living room temperature is associated with a rise of 1.3 mmHg blood pressure.
- A rise in blood pressure during the cold increases the risk of heart attacks and strokes.

### **Respiratory Illness:**

- Cause \*\*\* excess winter deaths each year
- The cold lowers resistance to respiratory infections.
- Coldness impairs lung function and can trigger broncho-constriction in asthma and COPD.
- Dampness is associated with cold houses; damp increases mould growths which can cause asthma and respiratory infections.
- Home energy improvements have decreased school sickness by 80% in children with asthma or recurrent respiratory infections.

### **Cold houses affect mobility and increase falls and non-intentional injuries:**

- Symptoms of arthritis become worse in cold damp houses.
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### **Mental and social health**

- Damp, cold housing is associated with an increase in mental health problems.
- Some people become socially isolated as they are reluctant to invite friends round to a cold house.
- In cold homes where only one room is heated, it is difficult for children to do homework, affecting educational and long-term work and health opportunities

## Appendix 2: Workshop – 28 June 2010

The workshop identified the following areas as requiring development: -

### DATA

- Share data between partners
- EPC/SAP data
- Housing sector mapping
- Mortality data
- Data from utility companies
- SOA (Super Output Areas)
- CESP areas
- Heat mapping
- Housing benefit/income benefit

### PARTNERSHIP

- Who is ill (because of cold homes)
- Hospital discharge assessments (is home warm?)
- Centralised referral mechanism
- Hospital readmissions (related to cold homes?)
- Simple warmth assessments (HOT SPOTS?)
- Training for home visitors

### COMMUNICATION

- How do people get information?
- Grants information
- Incentives to change
- Awareness raising
- Hand-holding (to change supplier/ easy measures)
- Home visitors to disseminate knowledge
- Incentivise owner-occupiers
- Energy champions (survey/advise)

### COUNCIL

- Bringing empty properties back into use
- Housing referrals to the private rented sector (minimum standards?)
- Private sector landlords (education and Landlord energy saving allowance (LESA))
- Building regs/planning for refurbishments/extensions
- Where is the private rented sector housing?
- Improved regulation?
- Copy other councils – Camden, Islington

What is our target?

- At risk people
- Low SAP buildings
- Private rented sector
- Owner occupied

Provision of advice

- Insulation
- Lighting
- Heating
- Switching off
- Alternative energy sources

### **ACTIONS**

The following areas of action were identified for further development, under three broad headings

#### **Data**

- Share data
- Establish baseline for data
- Map housing stock
- Map housing condition
- Financial circumstances of residents in low-rated housing
- Map fuel poverty

#### **Partnership**

- Joined up working
- Share understanding
- Systematic referral system
- What are the priorities? HSP/Council priority

#### **Communication and education**

- Publicity
- Grant availability

## Appendix 3: Government Schemes

### Home Energy Saving Programme

- **Warm Front programme.** - a scheme to provide free central heating and energy efficiency measures to vulnerable low income households.
- **Carbon Emissions Reduction Target (CERT)** – is an obligation on energy suppliers to achieve reductions on carbon emissions by installing energy efficiency measures such as loft and cavity wall insulation. Loft and cavity wall insulation is now available to all households at a discount of 50%. Eleven million households (on qualifying benefits and the over 70s) qualify for these measures at no cost. Government consulting to increase target by 20% and extend it to December 2012
- **Community Energy Saving Scheme** – A programme that takes a whole house approach to energy efficiency in areas of high deprivation. Energy suppliers and electricity generators to deliver a £350m programme with local partners. The scheme runs until the end of 2012. The retrofitting programme requires match funding from the local authority, housing association of homeowner. The level of support increases for measures with high carbon savings
- **Warm Homes, Greener Homes** – This is the government's long-term vision to achieve a 30% reduction in domestic emissions by 2020 and a greater than 80% reduction by 2050 (from 2006 levels)
- **Energy Performance Certificates** – properties now for sale or are rented (including council properties) require an Energy Performance Certificate. The certificate is based on the SAP rating of the property, and will provide an energy rating from A – G along with the CO2 emissions the property emits. The report details measures that can be taken to improve the property and what rating that would achieve if the measures were implemented.
- **Energy Saving Trust** – data collected on energy efficiency rating of one third of all homes in UK, based on response to questionnaire. This data should form the basis of a Council database on home energy efficiency and SAP ratings.
- **Feed-in Tariffs.** (DECC - Feb 10). The scheme started in April 2010. It provides guaranteed tariff income for homes and organisations producing renewable electricity. In Harrow the technology most likely to be suitable for widespread use is solar pv.
- **Renewable Heat Incentive.** (DECC - Feb 10). The scheme is expected to start in April 2011. It will provide guaranteed tariff income for homes and organisations producing or using renewable heat. Technologies likely to be supported are solar hot water, and ground source/air source heat pumps.

### Appendix 4: Regional schemes

- **London Warm Zones (West)** – installs central heating systems, replacement boilers and heating controls to vulnerable residents. Loft and cavity wall insulation free to residents in receipt of benefits or over 70, a discounted rate is available to all households. Residents pay one fixed price dependent on the size of the property, cost includes labour and materials. The scheme also has a benefits entitlement check service, and some funding has gone to clear excess costs on Warm Front jobs.
- **Low Carbon Zones** – London Mayor's initiative aimed at helping communities and buildings to become more energy efficient in renewal areas. The scheme includes housing, and will continue to roll out across London.
- **HEEP – Home Energy Efficiency Programme. Phase 2** - An area-based scheme (in Wealdstone) to improve the energy efficiency of London's homes, thereby reducing carbon emissions and saving money for householders.
- **HEEP/RE:NEW. Phase 3** – Pan-London rollout to treat 200,000 to 500,000 homes by 2012.
- **Warm Front Top Up** – West London scheme, which funds excess costs for Warm Front grants. 25% of all Warm Front jobs now required the applicant to contribute towards the cost of work as it exceeds the £3,500 grant maxima. The most common is for boiler replacements.
- **Council owned stock** – Currently in process of obtain funding to install cavity wall insulation for free in council housing (SHESP).
- **DFG/ Renovation Grants/ Homes Safety grants** – Heating and energy measures can be carried out as part of a Disabled Facilities Grant. Renovation grants can be used to install heating systems, and a Home Safety Grant (maximum a £1,000) could be used if the current system was unsafe. However the waiting list for renovation grants in Harrow is currently closed due to demand. Renovation grant place a charge for the cost of work against the property and is repaid when the property is sold.

## Appendix 5: Local Schemes

- **Affordable Warmth capital budget**
- **No Excuses Grant** –Grant available (up to a maximum of £400) for vulnerable residents (in receipt of benefits or over 70) to install energy measures not covered by other schemes or to enable measures to be carried out e.g. have a loft hatch fitted.
- **Tariff Switching** – Harrow and Hillingdon Council initiative, a dedicated free phone number and website has been set up for residents to check to see if they are with the cheapest energy supplier for them.

### **Local Government Act 2000**

Under the above act, local authorities have a duty to promote the economic, social or environmental well-being of the area. It gives them a discretionary power to do anything likely to promote well-being.