

# HECA Progress Report for South Kesteven, Lincolnshire 2017-2019

## Introduction

This is a consortium report for the all the Lincolnshire second tier local authorities and therefore there will be some commonality with the other Lincolnshire authorities: each reporting authority has added their own sections detailing local specific plans or progress where applicable.

The HECA further report for South Kesteven was issued in March 2013, with a progress report issued in March 2015. The reports were submitted as cohesive reports covering the themes and information common to Lincolnshire and specific to South Kesteven as all the local authorities in the county work together as the Home Energy Lincs Partnership (HELP) regarding this subject

This report covers the same geographical area and provides a further update on the progress made since the initial report was issued. To give a complete picture ideally this update should be read alongside the original report.



The Home Energy Lincs Partnership includes the seven district councils listed below and Lincolnshire County Council. Its membership consists of officers who are involved with the domestic energy efficiency and/or the wider climate change agenda. Working together, the partnership allows us to offer a more consistent approach to delivering affordable warmth and domestic energy efficiency to Lincolnshire residents.

- Boston Borough Council
- City of Lincoln Council
- East Lindsey District Council
- North Kesteven District Council
- South Holland District Council
- South Kesteven District Council
- West Lindsey District Council

HELP focuses its attentions on schemes and projects that promote and improve domestic energy efficiency and co-ordinates its actions with the wider climate change agenda.

# 1. Local Energy Efficiency Ambitions and Priorities

## The current situation in Lincolnshire

### Fuel Poverty

In Lincolnshire in 2014 there were an estimated 33,204 households in fuel poverty, this equates to 10.6% of the total population, an increase of 1% since 2013. This is comparable to the East Midlands level of 10.1%. These fuel poverty rates are calculated on the Low Income High Costs (LIHC) methodology.

These figures do not include Park or Mobile homes even though many vulnerable fuel poor residents live in this type of accommodation; currently there are no datasets that capture this information.

Source: <https://www.gov.uk/government/collections/fuel-poverty-sub-regional-statistics>

### Energy Company Obligation (ECO)

A total of 17,471 ECO measures have been installed in 13,963 households (0.9% of total households) as at end of September 2016. This equates to 44.4 households per 1000 households in the county which is lower than the 57.5 for England.

Fuel poverty levels have risen during this period of lower than average installation figures for ECO measures. During previous government-introduced schemes, HELP has experienced challenges in attracting providers into the rural parts of the county.

Source: <https://www.gov.uk/government/collections/household-energy-efficiency-national-statistics>

### CO<sub>2</sub> Emissions

CO<sub>2</sub> emissions reduced from 8.0t per capita in 2005 (2.7t per capita attributed to housing) to 6.0t per capita in 2014 (1.8t per capita attributed to housing)

The reduction in CO<sub>2</sub> in housing could be attributed in part to previous government-introduced schemes (such as Energy Efficiency Commitment (EEC), Carbon Emissions Reduction Target (CERT), Energy Company Obligation (ECO) and Warmfront) and concerted efforts by HELP to improve take up of these schemes across Lincolnshire including the HELP insulation scheme which utilised CERT funding.

Source: <https://www.gov.uk/government/collections/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics>

## **Mains Gas and Electricity Usage and Supply**

No statistics are available from BEIS for gas and electric consumption in Lincolnshire. The domestic mean electricity consumption per household in the East Midlands in 2015 was 3852 kWh which is on par with the average for England at 3914 kWh.

Source: <https://www.gov.uk/government/collections/sub-national-electricity-consumption-data>

The domestic mean gas consumption per household in the East Midlands in 2015 was 13401 kWh which is on par with the average for England at 13210 kWh.

Source: <https://www.gov.uk/government/collections/sub-national-gas-consumption-data>

According to sub national estimates of households not on the gas grid provided by the Department for Business, Energy and Industrial Strategy (BEIS) , the number of off gas properties in Lincolnshire has reduced from 69,000 in 2012 to 63,000 in 2015, a fall of approximately 9%. However, the number of off-gas properties remains high across the county, with the exception of City of Lincoln where virtually all homes are connected to mains gas. After Lincoln, South Kesteven, has a total of 17% of the total households off-gas and East Lindsey has the highest proportion at 36%.

However, the Lincolnshire Research Observatory shows that between 2012 and 2015 the numbers fell from to 68,400 to 48,210, a fall of approximately 30%.

Source: <https://www.gov.uk/government/statistics/sub-national-estimates-of-households-not-connected-to-the-gas-network>

<http://www.research-lincs.org.uk/Housing.aspx>

## **Feed in Tariff (FiT) Installations**

As of the end of January 2017, in Lincolnshire, there have been 15,661 domestic installations of electricity-generating technology from a renewable or low-carbon source registered for FiTs. Of these 15598 were domestic PV installations, 61 were wind turbines and 2 CHP. This is an increase of 4168 since April 2015. Total installed capacity is 61.643 MW, an increase of 17.203 MW.

Source: <https://www.renewablesandchp.ofgem.gov.uk/>

## **Renewable Heat Incentive (RHI) Accreditations**

From April 2014 to December 2016, 1409 domestic installations were accredited for the RHI in the county, an increase of 777 from January 2015.

Source: <https://www.gov.uk/government/collections/renewable-heat-incentive-statistics>

## **Housing Stock condition**

In 2014, the Lincolnshire Private Sector Housing group in collaboration with HELP, commissioned the BRE to undertake a series of modelling exercises to produce a Dwelling Level Housing Stock Database and reports for both Lincolnshire and for each of the district council areas (with the exception of South Holland; however high level results were included to enable countywide results and comparisons to be made). The reports provide updated information on the condition of the housing stock with a focus on the private sector. Key indicators for Lincolnshire are listed below:

Of the private sector stock (owner occupied and private rented) it is estimated that:

21% has a Category 1 hazard

15% has an excess cold hazard

21.5% fall below EPC Band E (based on SimpleSap<sup>^</sup>)

15% are in fuel poverty (Low income, High costs definition)

Current mean SAP ratings<sup>^</sup> are:

owner occupied: 51

private rented: 48

26.5% of private rented properties have an EPC rating<sup>^</sup> below Band E (East Lindsey has the highest percentage falling below Band E (34.1%) and City of Lincoln has the lowest (17.0%)).

<sup>^</sup>based on BRE's SimpleSAP model which is a simplified version of the SAP model that produces an output broadly comparable to SAP.

Source: <http://www.southkesteven.gov.uk/index.aspx?articleid=8899>

## **Relevant Strategies**

**Lincolnshire Affordable Warmth Strategy 2010-2016.** The Home Energy Lincs Partnership is currently updating the Lincolnshire Affordable Warmth strategy to reflect current need and resources available across the county: it builds on the previous 2010-2016 strategy, celebrating our achievements whilst considering limiting factors. The agreed themes have remained the same but the actions have been developed to reflect the current landscape. The strategy will be adopted by all seven Lincolnshire 2<sup>nd</sup> tier councils and Lincolnshire County Council this year.

**Joint Health and Wellbeing Strategy for Lincolnshire 2013-2018.** The Strategy underwent a mid-term review in 2016 to refresh priorities under each theme. Ensuring that people have access to good quality, energy efficient housing that is both affordable and meets their need remained a priority under the theme of tackling the social determinants of health. In order to help achieve this, the actions reaffirmed commitment to work with HELP to refresh and deliver the Lincolnshire Affordable Warmth Strategy to address fuel poverty and reduce the fuel poverty gap. Fuel poverty and the fuel poverty gap remain the leading measure to demonstrate the progress being made to meet the housing priorities for this theme.

The **Joint Strategic Needs Assessment (JSNA)** that provides the evidence base for the Strategy is being refreshed for publication in 2017 in time for a new strategy to be produced for 2018. The JSNA will contain a topic covering Excess Seasonal Deaths and Fuel Poverty. HELP is intending to work with Public Health analysts to ensure the evidence base for fuel poverty is as strong as it can be.

## The Current Situation in South Kesteven

### **Fuel poverty (Low income/High costs)**

In South Kesteven in 2014 there were an estimated 6045 households in fuel poverty, equating to 10.3% of the total (increased from 8.9% in 2013). This compares to 10.6% across the county and 10.1% across the East Midlands. South Kesteven has the third lowest level of fuel poverty in the county after South Holland (8.9%) and North Kesteven (9.1%)

Source: <https://www.gov.uk/government/collections/fuel-poverty-sub-regional-statistics>

### **Energy Company Obligation (ECO)**

A total of 2592 ECO measures had been installed in 2173 households between January 2013 and the end of September 2016 (0.1% of total households). This equates to 36.7 households receiving ECO measures per 1000 households, below the 57.5 for England.

Source: <https://www.gov.uk/government/collections/household-energy-efficiency-national-statistics>

### **CO2**

CO2 emissions reduced from 8.9t per capita in 2005 (2.6t per capita attributed to housing) to 6.6t per capita in 2014 (1.8t per capita attributed to housing)

Source: <https://www.gov.uk/government/collections/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics>

### **Mains gas and electricity usage and supply**

Average domestic electricity consumption per household in 2015 was 4220 kWh, higher than the average for both the East Midlands and England. However, consumption within the district is showing a general year on year downward trend.

Source: <https://www.gov.uk/government/collections/sub-national-electricity-consumption-data>

Average gas consumption per household in 2015 was 12,851 kWh, which is below the average for both the East Midlands and England. As with electricity, consumption is showing a general year on year downward trend.

Source: <https://www.gov.uk/government/collections/sub-national-gas-consumption-data>

According to sub national estimates of households not on the gas grid provided by the Department for Business, Energy and Industrial Strategy (BEIS), since 2012, the percentage of off gas properties in South Kesteven has reduced by 1% each year, standing at approx.10,000 properties in 2015.

Source: <https://www.gov.uk/government/statistics/sub-national-estimates-of-households-not-connected-to-the-gas-network>

### **Feed in tariff scheme (FiT)**

As at the 3 March 2017, 2652 domestic properties in the district had installed renewable and low-carbon electricity generation technologies under the scheme. Of these 2646 were domestic PV installations and 6 were wind turbines. 80% of these have been installed since April 2015. Total installed capacity from domestic properties is 9.852 MW an increase of 7.711 MW since April 2015.

Source: <https://www.renewablesandchp.ofgem.gov.uk/>

### **Renewable Heat Incentive (RHI) accreditations**

From April 2014 to January 2017, 188 domestic installations were accredited for the RHI in the district, an increase of 50 since the 2015 progress report.

Source: <https://www.gov.uk/government/collections/renewable-heat-incentive-statistics>

## **Housing Stock condition**

A new Housing Strategy for the district is currently being developed to take account of the various changes to policy and legislation which have recently taken place. The current strategy <http://www.southkesteven.gov.uk/index.aspx?articleid=8899> has the following themes:

Priority 1: High quality new affordable homes available to buy or rent

Priority 2: Improved housing standards across the district and for all tenures

Priority 3: Access to housing and wellbeing services

Priority 4: Promotion of sustainable neighbourhoods and communities

### Private sector stock

In the last 10 years, the district has seen the private rented sector increase from 9.5% to 18%, the greatest increase of all tenures.

Of the private sector stock (owner occupied and private rented) it is estimated that:

18% has a Category 1 hazard

13% has an Excess Cold hazard

18% fall in EPC Bands F and G (based on Simple SAP<sup>^</sup>)

Current mean SAP ratings<sup>^</sup> are:

Owner occupied: 54

Private rented: 49

26% of private rented properties have an EPC rating<sup>^</sup> below Band E, equating to approximately 2,350 properties.

Source: <http://www.southkesteven.gov.uk/index.aspx?articleid=8899>

We continue to work with local landlords to raise standards in private rented properties by offering advice, information and where necessary by taking appropriate enforcement action through the use of the Housing Health and Safety Rating System and Housing Act 2004.

208 inspections of private rented homes were carried out between 1 April 2015 and February 2017. Of these, 39% had an excess cold hazard under the Housing Health and Safety Rating System and required formal/informal action to resolve. This is significantly higher than the 18% estimated in the BRE Dwelling Stock Modelling and Database for South Kesteven. This is likely to be attributed to inspections being undertaken in receipt of complaints or intelligence which targets poorer properties.

The Lincolnshire Landlords electronic newsletter is actively promoted to all landlords and housing professionals working in or having a connection to the district with over 200 being added to the subscription list since 2012. Landlord forums are held on an annual basis providing information on a range of topics helping landlords to keep up to date with latest legislation and developments, and to share experiences.

#### Council housing stock

The council maintains a stock of approx 6,130 homes. A rolling programme of replacement of central heating boilers is in progress with 280 heating boilers replaced with 'A rated' appliances in the last year. An additional three properties were fitted with air source heat pump systems as no mains gas was available. It is anticipated that further 180 boiler replacements will take place over the next 2 years.

Since 2012/13 over 770 solid wall council properties have benefited from external wall insulation.

98% of properties have an EPC Rating Band of E and above, with work being planned to lift the remaining 2% out of rating bands F and G.

## **2. The measures that take advantage of financial assistance and other benefits offered from central Government initiatives, to help result in significant energy efficiency improvements of residential accommodation**

### **Fuel poverty**

The Home Energy Lincs Partnership (HELP) consists of officers who are involved with the domestic energy efficiency and/or the wider climate change agenda. Working together, the partnership allows us to offer a co-ordinated approach to submitting bids for funding, and when successful, in delivering affordable warmth and domestic energy efficiency to Lincolnshire residents. There is no dedicated resource to deliver fuel poverty schemes to all households across the county.

HELP is currently refreshing the Lincolnshire Affordable Warmth Strategy as further guidance is issued by government relating to ECO3, the minimum standards in private rented sector etc. The agreed themes of the Strategy remain unaltered whilst the Action Plans are being developed to reflect the current landscape.

Progress on ECO schemes has been limited. HELP was unsuccessful in their attempt to secure Green Deal Communities funding and so no co-ordinated local schemes existed. Due in the main to the rural nature of the district, measures under ECO seem to have mostly been the replacement of gas boilers thereby potentially excluding over 65,000 households in the county.

HELP is awaiting the issue of guidance on the proposed introduction of flexible eligibility within ECO before being able to consider the Statement of Intent.

Housing enforcement officers deal with issues in private rented properties following a complaint about poor housing conditions usually reported by the tenant. Using powers under the Housing Act 2004, officers investigate a range of hazards, with excess cold being one of the most common. Initial investigations could result in advice or assistance being given or where necessary a formal inspection of the property will be undertaken followed by enforcement action if required.

In 2014, following extensive input by officers from HELP, the Local Government Association set up a framework for Collective Energy Switching. As a result the Lincolnshire Energy Switch Scheme (LESS) was introduced. Auctions are held three times a year and since 2014 4219 households have switched saving over £930,957 £1m on their energy bills. HELP continues to look at ways to encourage vulnerable fuel poor households to benefit from this scheme. The scheme is likely to continue to run under current framework until 2018. It is expected that the framework will be extended for a further 2 years and therefore expected that switches will continue until 2020.

HELP works in partnership with Community Lincs, a local charity, in delivering Energy Best Deal across the county and also their bulk oil buying scheme for residents in off-gas areas.

The Wellbeing Service(s) in Lincolnshire, commissioned by Lincolnshire County Council, Adult Care and Community Wellbeing provide short term, in-home support for a resident facing a change in circumstances in their life (e.g. following a bereavement, stay in hospital or loss of employment) to put in place what is needed to maintain independent living. Staff in the Wellbeing Service have been funded by Public Health to complete the City and Guilds in Energy Awareness so that in-home support to reduce fuel poverty can be included in the service. <http://www.lincolnshire.gov.uk/residents/public-health/behind-the-scenes/the-wellbeing-service/>

The Lincolnshire Advice Network (LAN) and Lincs2Advice service, run by Age UK, Citizens Advice and the Lincolnshire Credit Union signpost people to advice providers on a wide range of issues. HELP continues to work with the LAN to ensure access to affordable warmth and energy advice is maximised. <https://www.lincolnshireadvicenetwork.org.uk/>

Information for our residents relating to sources of funding for insulation measures and energy efficiency advice is provided through the councils' websites and kept under regular review. <http://www.southkesteven.gov.uk/index.aspx?articleid=8146>

## **Central Heating Boilers**

Lincolnshire County Council was successful in its consortium bid with six of the district councils to the Central Heating Fund for first time installation of central heating to off gas properties. The scheme blended Central Heating Fund monies with ECO and is being delivered in partnership with E.ON Energy Services. However, establishing the scheme in compliance with public sector procurement rules and delivery has proven challenging. This is due to a range of issues including the complicated processes E.ON has in place to fulfil OFGEM audit requirements for ECO. Nonetheless, 160 enquiries were generated and passed to E.ON and it should be possible to install between 50 and 80 mains gas, oil or LPG central heating systems. Others have secured replacement boilers through the ECO affordable warmth obligation. Much learning has taken place to help inform how partnership arrangements might work through Flexible Eligibility under ECO Help to Heat.

## **Smart Meters**

Advice is given to residents when requested and during engagement in their homes. As there is no current resource in the county dedicated to fuel poverty / affordable warmth issues, there are no plans at this time to pro-actively promote smart meters to all residents.

## **Minimum energy efficiency standards in the private rented sector**

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 Part 3 will come into force in October 2017, to allow landlords to register exemptions in preparation for April 2018 after which landlords will be prohibited from granting a new tenancy on a sub-standard property. Sub-standard properties are described as those 'where the valid energy performance certificate expresses the energy performance indicator as being below the minimum level of energy efficiency' i.e. band E. Therefore any property with an energy performance indicator of F or G will be deemed to be sub-standard for these purposes.

Guidance is awaited on the implementation of the Regulations. The Regulations state that the enforcement authority for domestic private rented properties is the 'local authority'. Housing enforcement officers within District Councils currently use their powers under the Housing Health and Safety Rating System (HHSRS) and the Housing Act 2004 to tackle excess cold hazards in private rented properties. When guidance is issued, a full evaluation will be made by each Housing Enforcement team in the county as to how the new Regulations will be integrated into existing enforcement activity in their area.

As 26.5% of the private rented stock in the county is estimated to have an energy performance indicator of F or G, this could have a major impact on the supply of private rented properties after April 2018 and could become a major challenge in the future.

Source: <http://www.southkesteven.gov.uk/index.aspx?articleid=8899>

### **3. The measures which an authority has developed to implement energy efficiency improvements cost-effectively in residential accommodation by using area based/street by street roll out involving local communities and partnerships (e.g. social housing partners, voluntary organisations and town/parish councils, wider partnerships/innovation and procurement)**

In South Kesteven, a scheme to improve the thermal efficiency of solid walled council properties started under CESP in 2012/13 and extended was extended using ECO funding, enabling more homes to benefit. The scheme also encompassed ex-council properties in the same areas ensuring entire streets were improved. Since 2012/13 over 770 homes have had external wall insulation fitted. Work is programmed to continue in 2017/18 with a focus on non-traditional build (Easiform) properties.

The last area based scheme introduced across Lincolnshire was the HELP Insulation Scheme in August 2010 which installed insulation measures to private sector households across the county. The Scheme was a partnership between all seven district councils, Lincolnshire County Council and the Energy Saving Trust. Funding of £1.75m was secured for the Scheme with an additional £9 million being attracted through the Carbon Emissions Reduction Target (CERT) and Warmfront.

The Scheme was extremely successful with over 14,000 homes having insulation installed whilst attracting over £11m of spending on energy efficiency measures into the county. A customer survey of households who received insulation produced very positive feedback, with 83% of those surveyed stating that they were able to use their home more due to it being warmer and 81% now had their heating on for shorter periods of time and their bills had reduced.

Many residents are very wary of offers from energy companies and third party organisations to install energy efficiency measures in their homes. However, the HELP brand, supported by the local councils, became a trusted brand for providing practical measures, information and advice and proved there was an appetite from residents for locally co-ordinated county-wide schemes which had not been delivered before.

This support of locally co-ordinated schemes has been replicated with the Lincolnshire Energy Switch Scheme (LESS). Since it was introduced in 2014, 4219 households have switched energy tariffs saving over £1m on their energy bills. Auctions are held three times a year and this successful scheme is likely to continue until at least 2018, and probably 2020 under the existing framework agreement.

There are currently no area based schemes in operation in the county. However there are numerous opportunities for both countywide schemes and specific area based schemes. The primary opportunities are:

- Provision of information and advice to vulnerable residents via face to face / telephone channels as well as providing written material and online assistance. Information and advice for low income, working residents who traditionally miss out on assistance.
- Loft, cavity wall and solid wall insulation schemes for owner occupied and private rented properties
- Provision of first time and replacement heating systems in off-gas areas, exploring the option of renewable energy where it would be the most appropriate solution
- Improving the energy efficiency of the private rented sector including provision of information and advice, ensuring that landlords provide Energy Performance Certificates to tenants, signposting to central funding available for improvements, and where necessary enforcement through HHSRS and other relevant Regulations (including Minimum Standards Regulations when introduced). Working with landlords, landlord associations / accreditation schemes, Trading Standards, letting agents and other housing professionals.
- Overcoming barriers to delivery e.g. procurement and legal guidance and support provided from central government funders to ensure that schemes can be brought forward quickly, efficiently and viably.

#### **4. A timeframe for delivery and national and local partners**

South Kesteven District Council works in partnership with the other Lincolnshire authorities as the Home Energy Lincs Partnership (HELP).

HELP works in partnership with the commercial, energy, and voluntary sectors to deliver energy efficiency ambitions to residents in the county.

HELP feeds into the ALEO East Midlands and into the ALEO national network; officers from Lincolnshire play an active role in both, inputting into Government consultations.

Timeframes are dictated by the issue of guidance on the various Regulations being introduced and the re launch of ECO:

- Statement of Intent – timeframe unknown until the documentation and guidance for flexible eligibility is published.
- Engaging with ECO – timeframe unknown until documentation and guidance is published. Lincolnshire Energy Switch will continue to run under the current framework until 2018, it is expected that the framework will then be extended for a further 2 years.

Lincolnshire Central Heating Fund will be wound up by March 2017.