

Report of:	Meeting	Date
Marianne Hesketh, Corporate Director Communities	Overview and Scrutiny	4 September 2023

<p>Domestic gas and electricity consumption in Wyre and the roles of Cosy Homes in Lancashire and the Domestic Minimum Energy Efficiency Standard (MEES) Regulations in improving the energy efficiency of the Borough's housing stock</p>
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1. Purpose of report

- 1.1 To answer a specific question from Overview and Scrutiny regarding domestic gas and electricity consumption in the Borough.
- 1.2 To highlight two key areas where the work of the Council is helping to reduce carbon emissions from homes.

2. Corporate priorities

- 2.1 Work towards reducing the council's and wider borough's emissions by at least 78% by 2035.
- 2.2 Collaborate with partners to reduce community energy consumption through retrofitting houses and the delivery of Cosy Homes in Lancashire (CHIL).

3. Recommendation/s

- 3.1 That the content of the report be presented for discussion.

4. Background

- 4.1 It is estimated that around 16% of the UK's emissions of greenhouse gases are from the residential sector. Reducing these emissions by implementing carbon saving measures such as retrofitting insulation and replacing inefficient heating systems will benefit both the householder and the environment.

5. Key issues and proposals

- 5.1 **Housing Domestic Gas and Electricity Consumption**

The Department for Business, Energy and Industrial Strategy (BEIS) publishes small area estimates of domestic gas and electricity consumption in megawatt hours (Mwh). Gas consumption data are weather corrected annual estimates of consumption for all domestic meters. A similar methodology is used for collecting domestic electricity consumption data; however, these values are not weather corrected. The methodologies are sufficiently similar that summing the electricity consumption and gas consumption gives an estimate of total annual energy consumption.

Electricity consumption (Mwh)	Gas consumption (Mwh)
97,463	634,655
(3.77 Mwh per meter) England average = 3.78 Mwh per meter	(13.93 Mwh per meter) England average = 13.66 Mwh per meter

Source: Department for Business, Energy and Industrial Strategy, 2020 (consumption)

Electricity consumption in the Borough's homes is estimated at 97,463 Mwh and gas consumption is estimated at 634,655 Mwh.

It should be noted that these estimates were originally published by BEIS at postcode level and have been designated as experimental statistics. Experimental statistics are statistics that are new and subject to possible changes to meet user needs or that do not meet the rigorous quality standards of National Statistics.

5.2 Cosy Homes in Lancashire (CHiL)

Cosy Homes in Lancashire (CHiL) is an initiative and brand established by the twelve district and two unitary councils in Lancashire together with the County Council to co-ordinate and deliver domestic energy efficiency schemes across the County. CHiL has been in place since 2014 and has evolved from a strong track record of the participating councils working collaboratively through the Lancashire Energy Officers Group.

In October 2018 Blackpool Council, on behalf of the other Lancashire local authorities appointed a Service Provider (Rhea Projects Ltd) through a competitive tendering process to deliver all domestic energy efficiency initiatives under the CHiL brand. This approach was taken to ensure the delivery of a common and co-ordinated approach to households accessing energy efficiency measures across Lancashire.

Wyre Council and other participating local authorities in the CHiL initiative have an individual contract with CHiL's Service Provider (Rhea Projects Ltd) so residents and households have access to opportunities and funding to improve the energy efficiency of their homes. The Service Provider (Rhea Projects Ltd) provides a range of services including sourcing funding through agreements with energy companies and an end to end process from receipt of the referral to installation.

The Council has a very successful track record of leveraging in funding to improve the energy efficiency of homes in the Borough. This includes via Government schemes such as the Social Housing Decarbonisation Fund, via utility company funds such as ECO and via Lancashire County Council affordable warmth funds. Improving energy efficiency is successful at tackling fuel poverty, helps address high energy bills, it reduces carbon emissions and also often results in better health outcomes for residents.

Since the mid 2000's, funding from both the Government and utility companies has been available to undertake such retrofit works and Wyre has always been very proactive in either bidding for or leveraging in such funds.

Throughout this period, Energy Officers from across Lancashire (via the Lancashire Energy Officers Group) worked together on an informal basis to achieve local carbon savings targets, build partnerships with local contractors, to promote the funding offers available and investigate any new initiatives.

It became apparent, however, that as funding arrangements became more complex and local authority capacity and resources diminished because of austerity measures, that the informal collaborative approach needed to be formalised to introduce greater governance, accountability, and a recognised delivery mechanism.

As a result, the CHiL collaborative was created in 2013. CHiL has grown steadily since to become the exemplar model of retrofit delivery that it is today. Current membership includes the twelve districts in Lancashire, plus the unitary authorities of Blackpool, Blackburn with Darwen, as well as Lancashire County Council.

Since its inception, many fuel poor and vulnerable households in Wyre have benefitted from a range of improvements.

The ethos of CHiL is the same today as it was in 2013, which is not to compete with commercial installers of energy efficiency measures and to do as many installations as possible. CHiL works with the local supply chain, the local authorities and third sector organisations to help those most in need, those with life challenges and those who need support to get heating and insulation interventions.

CHiL is increasingly being recognised nationally and as a result of its track record of delivery Government has highlighted CHiL as an exemplar to other regions on how to apply for, deliver and manage increasingly complex funding programmes in a robust and transparent manner. Senior officials from the Department for Energy Security and Net Zero will soon be visiting Lancashire, and in particular an installation of an air source heat pump in Wyre (Out Rawcliffe), highlighting this good work.

The benefits of being a member of CHiL are significant to us and include the sharing of resources and expertise, the ability to aggregate bids and draw down more funding than if individual authorities participated, and the ability to procure and manage a larger supply chain of installers due to the larger footprint of delivery.

In addition, membership of CHiL and its delivery model allows the Council to utilise other significant funding streams to support residents.

5.3 The Domestic Minimum Energy Efficiency Standard (MEEES) Regulations

The domestic Minimum Energy Efficiency Standard (MEEES) Regulations set a minimum energy efficiency level for domestic private rented properties. It is unlawful to let domestic properties to new or existing tenants with an Energy Performance Certificate (EPC) rating below a band E.

The regulations were introduced to improve the quality of private rented buildings by increasing energy efficiency levels. This has the added benefit of reducing fuel poverty for private tenants.

Energy Performance Certificates

An Energy Performance Certificate (EPC) is needed whenever a property is built, sold or rented. Before a property is marketed to sell or rent, an EPC for potential buyers and tenants must be ordered. An EPC contains:

- information about a property's energy use and typical energy costs;
- recommendations about how to reduce energy use and save money.

An EPC gives a property an energy efficiency rating from A (most efficient) to a G (least efficient) and is valid for 10 years.

If a property is being sold or rented out the owner will need to employ an accredited assessor to produce an EPC. Landlords can be fined if they don't get an EPC when required and the person selling the house, the landlord or the letting agent must present it to the consumer if buying or renting.

Landlords and EPCs

Landlords must ensure that all rented properties have a valid EPC. Properties with older EPCs might have already undergone work to meet the standards required. However, the current EPC may no longer reflect the energy efficiency of the property. Landlords should check their EPCs and consider renewals if they have undertaken the appropriate works already. Improvements can include:

- boiler upgrades;

- installation of heating controls;
- installation or increased amount of insulation;
- installation of renewable technologies such as solar photovoltaics or air source heat pumps;
- installation of energy efficient light bulbs.

Proposed changes to legislation

Government has committed to look at a long term trajectory to improve the energy performance standards of privately rented homes in England and Wales, with the aim for as many of them as possible to be upgraded, where practical, as cost-effectively and affordably as possible. The proposed changes comprise of four elements:

- raising the energy performance standard to EPC energy efficiency rating Band C
- a phased trajectory for achieving the improvements for new tenancies from 2025 and all tenancies from 2028
- increasing the maximum investment amount, resulting in an average per-property spend of £4,700 under a £10,000 cap
- introducing a 'fabric first' approach to energy performance improvements i.e. installation of wall or loft insulation.

EPC exemption

Some properties are exempt from the regulations however, landlords must register this exemption and provide supporting evidence. Examples of exemptions include exemptions due to : high-cost, all improvements made, wall insulation exemptions and consent exemptions.

Enforcement

The Council has a responsibility for enforcing compliance with the Regulations and carrying out enforcement activities including using the information held on the national Private Rented Sector Exemptions Register and serving penalty notices where applicable.

In line with our Corporate Enforcement Policy the Council will, wherever possible and appropriate, adopt an informal approach to resolve matters where a landlord has let a property with an EPC of F or G. We will provide advice and guidance on how the energy efficiency standards can be met and request a landlord to register an exemption where appropriate.

Landlords are given reasonable time to implement the requirements but where cooperation is not forthcoming formal enforcement action is pursued. The Council reserves the right to commence formal action without giving an informal opportunity in cases where the breach is considered to be serious and/or the landlord has a history of not complying with housing regulations.

Formal action may also include enforcement action taken under other legislation such as a notice requiring remedial works to be carried out (e.g. under an Improvement Notice) to ensure properties meet the minimum domestic energy efficiency standards (a landlord cannot assume that satisfying the requirements under the Housing Act 2004 will automatically mean they have met the requirements of the MEES Regulations). A landlord will still need to commission a new EPC that confirms that the property meets the minimum E standard.

There may be charges attached to the service of remedial notices under the Housing Act 2004. A failure to comply could result in the Council carrying out remedial work in default which will be re-charged to a landlord. In addition, a Civil Penalty Notice may be served upon, or legal proceedings instigated against, a landlord for failure to comply.

Formal action under the Regulations may include service of a compliance notice on a landlord where further information is required and a financial penalty notice and/or a publication penalty where there has been a breach of the regulations.

The Council will also check the National Private Rented Sector Exemptions Register. Where there is evidence to suggest that the landlord has registered false or misleading information the Council will investigate and will consider this an aggravating factor.

Compliance Notice

Where a landlord appears to have breached the Regulations in the preceding 12 months, the Council may serve a compliance notice requesting information from the landlord/former landlord, for example, inspection of a tenancy agreement EPC.

The Council will consider serving a Financial Penalty Notice where a Compliance Notice is not complied with within the specified time limit.

Financial penalties

The Council may serve a financial penalty where it is satisfied that a landlord has breached the Regulations. The Council will consider serving a Financial Penalty Notice on a landlord up to 18 months after a suspected breach. This means that a person may be served with a penalty notice after they have ceased to be the landlord of a property.

Financial, Legal and Climate Change implications	
Finance	No financial implications to be reported.
Legal	No legal implications to be reported.
Climate Change	Activity to promote and implement home energy efficiency improvements will have a positive impact and reduce climate change.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
health and safety	x

risks/implications	✓ / x
asset management	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Mark Broadhurst, Head of Housing and Community Services	01253 887433	Mark.broadhurst@wyre.gov.uk	18 August 2023

List of background papers:		
name of document	date	where available for inspection

List of appendices