

**TITLE OF REPORT:** Home Energy Conservation Act Report 2023

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### **Purpose of the Report**

1. This report seeks Cabinet’s approval of the submission of the Council’s return to government in relation to the Home Energy Conservation Act (1995).

### **Background**

2. The Home Energy Conservation Act 1995 (HECA) requires all local authorities (LAs) in England to submit biennial reports to the Secretary of State of the Department for Energy Security and Net Zero (DESNZ) demonstrating what energy conservation measures they have adopted to improve the energy performance of residential accommodation within that LA’s area. This covers measures to improve properties in the owner-occupier, private rented sector, and social rented sector. The Department for Energy Security and Net Zero uses data submitted to inform policy thinking on energy efficiency, and to build an ongoing picture of local and national energy efficiency policy delivery.
3. The 2023/ 24 report format has changed to a survey. The strategy for future works is covered by other mechanisms such as the Zero Carbon Heat Strategy and the Asset Management Plan for social homes.
4. The 2023/ 24 HECA return captures information on the following key themes where response to questions is optional but highly encouraged:
  - I. Headline & Overview
  - II. Communication,
  - III. Social Housing Decarbonisation,
  - IV. Private Rental Sector Minimum Energy Efficiency Standards
  - V. Green Home Finance
  - VI. Fuel Poverty
  - VII. Government Funded Schemes,
  - VIII. Fuel Poverty, and
  - IX. Smart Metering.
5. Gateshead has successfully delivered energy efficiency measures for over a decade through the historical partnerships of Warm Up North, Warmzone, Warmfront and the Decent Homes through The Gateshead Housing Company (TGHC). Private sector investment has also seen significant works secured in the borough and in Housing Association stock. More recently, it has been prioritised to deliver area-based schemes to high rise dwellings managed by the Council while tackling other low rise, “hard to treat” non-traditional properties.

## **Proposal**

6. It is proposed to submit the HECA report, as summarised in Appendix 2

## **Recommendations**

7. It is recommended that
- (i) Approves the Home Energy Conservation Act Report.
  - (ii) Agrees to it being submitted to the Department for Energy Security & Net Zero following the Cabinet meeting
  - (iii) Agrees to the publication of Appendix 2 on the Council's website

for the following reason(s)

- (i) To meet the Council's statutory obligations under HECA (1995)
- (ii) To continue improving the energy efficiency of both housing and non-domestic buildings in Gateshead
- (iii) To reduce CO2 emissions from the domestic sector

## Policy Context

1. There are a few schemes and future proposals with the aim to deliver measures to improve the energy efficiency of the residential stock in the borough, reduce fuel poverty, lower carbon emissions, and improve housing conditions. Schemes are also proposed to improve non-domestic properties that the Council owns, and buildings owned by small to medium size enterprises (SMEs). Proposals contribute towards achieving many elements of Vision 2030, the Councils Corporate Plan and other council strategies and commitment as outlined below.

### The Corporate Plan – Making Gateshead a Place Where Everyone Thrives

2. Measures reported have helped to, and will continue to help to, make Gateshead a place where everyone thrives where people and families are at the heart of what the Council does. It will help to address the inequalities in housing standards by investment in sustainable energy solutions in the borough.

### Climate Emergency

3. The Council declared a Climate Emergency in May 2019, which has been followed up by the preparation of Climate Emergency Action Plans. As part of the commitment, the Council commits to making its operations and estate Zero Carbon by 2030. The HECA Strategy plays a key role in supporting emissions reduction in Council Housing, which forms part of the Council's estate.

### Economic Development Strategy

4. The Council adopted an Economic Development Strategy in November 2021. Works to delivery energy generation and conservation can potentially create growth in the green jobs sector which will link in with the aims of the Economic Development Strategy.

## Background

5. Improving home energy conservation, tackling fuel poverty, and reducing energy use remain core priorities for national government, there have been many developments in recent years, which have led to a step-change in how energy schemes, grants and reducing energy bills are realised. These changes also shape future delivery.
  - **Home Energy Conservation Act (HECA)** - Using powers under this act, all Local Authorities are required to prepare reports every two years setting out the energy conservation measures that the authority considers practicable, cost-effective, and likely to result in significant improvement in the energy efficiency of residential accommodation in its area.
  - **Energy Company Obligation (ECO) funding** - The Energy Company Obligation (ECO) is a government energy efficiency scheme in Great Britain to help reduce carbon emissions and tackle fuel poverty. The scheme began in April 2013 and the current round is ECO4 and the Great British Insulation Scheme, running until Mar 2026 – support is limited to one obligation named the

Home Heating Cost Reduction Obligation (HHCRO) which must promote measures which improve the ability of low income, fuel poor households to heat their homes and lead to financial savings on energy bills such as installing insulation or heating measures.

- **Social Housing Decarbonisation Fund** – The Social Housing Decarbonisation Fund is a government-backed scheme which provides grants to social landlords and social housing managers with social housing properties that have an Energy Performance Certificate (EPC) rating of 'D' or below. The scheme covers various upgrades including new heating systems (including district heating), energy efficient doors and windows and upgrades to insulation. The scheme also has a focus on clean energy, supporting social housing to decarbonise, improve energy efficiency and reduce fuel poverty.
- **Local Authority Retrofit Scheme** - £500m has been announced for low-income and cold Local Authority homes.
- **Housing Act 2004** – The Council can exercise powers under the Act in specific relation to the mandatory housing standard the Housing Health and Safety Rating System. Excess Cold is one of the twenty-nine hazards a property must be free from. Homeowners or landlords can be compelled to improve the property to improve thermal comfort and energy efficiency.
- **Energy Price Caps** – Set by Ofgem twice a year Energy Price caps were introduced to ensure consumers pay a fairer price for gas and electricity. These caps apply to prepayment, default, and standard variable tariffs (SVT).

#### Historic Delivery 2021- 2023

6. Gateshead Council and its partners have delivered energy efficiency improvements to both private and social housing. Delivery has been limited for most of the period, due to the absence of grant funding for many residents and a step change in delivery mechanisms.

#### Future Delivery 2023 - 2025

7. A range of initiatives are in place outside of the HECA Reporting format. These include but are not limited to:
  - a. The Council continuing to progress its Zero Carbon Heat Strategy, which has a priority around heat network connections as the main source of zero carbon heat to 2030
  - b. Investment in energy efficiency measures to 120 homes across three Council high rise blocks
  - c. Connection of up to 271 new homes to the Gateshead District Energy Scheme, at the Freight Depot site
  - d. Development of further heat network connections, including an existing council housing estate of 550 homes
  - e. ECO4/Great British Insulation Scheme delivery with 2 energy suppliers targeting Gateshead residents
  - f. Local Energy Advice Demonstrator (part of regional award) to provide retrofit energy advice to North East and specifically Gateshead residents
  - g. Development of a Fuel Poverty Strategy and Action Plan in 2024

#### **Consultation**

8. The Cabinet Members for Environment, Housing and Economy have been consulted on 26<sup>th</sup> March 2024 and the Leader Deputy Leader have been consulted on this report.

### **Alternative Options**

9. There is no alternative option. given that preparation of the report is a requirement under the Act and that publishing it provides transparency to the public.

### **Implications of Recommended Options**

#### **10. Resources**

- a) **Financial Implications** – The Strategic Director, Corporate Resources & Digital confirms that there are no financial implications arising directly from this report.
- b) **Human Resources Implications** – None – all works to be managed within existing staffing resources within Gateshead Council.
- c) **Property Implications** – Capital works arising from the delivery of actions within the revised further report will improve the condition of Council homes or premises owned / managed by Gateshead Council. All other works will take place in private sector domestic properties outside Council control.

11. **Risk Management Implications** – Key risk remains the availability of external funding to support energy efficiency measures in homes and for residents.

12. **Equality and Diversity Implications** – The works to be delivered have been prioritised on physical condition of the properties and business case.

13. **Crime and Disorder Implications** – None.

14. **Health Implications** – The proposals will have positive health benefits, by installing modern, efficient heating systems and delivering fabric insulation improvements to homes thus reducing cold, mouldy, damp conditions which can cause respiratory illnesses and excess winter deaths.

15. **Sustainability Implications** – The proposals continue to deliver environmental benefits through reduced carbon emissions, reduced demand for grid electricity, social benefits through improved home comfort and health, as well as economic benefits by passing on fuel savings.

16. **Human Rights Implications** – The proposals have no impacts on human rights.

17. **Area and Ward Implications** – The proposals will potentially benefit all wards.